



COMMITTEE MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: February 14, 2007

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF DECEMBER 21, 2006.**

NEW BUSINESS:

1. DISCUSSION REGARDING A BETTER WAY TO UTILIZE THE DOLLARS FROM THE HOME PROGRAM TO GET MORE AVAILABLE UNITS ONLINE, ALSO THAT INFORMATION IS PROVIDED REGARDING THE CURRENT MARKET COSTS AND SQUARE FOOTAGE COSTS PER PROJECT.

ACTION

Chairman Gross referred the item to the Neighborhoods Community Affairs Committee to determine the formula to be used to the RDA agreement.

Kevin Crowder, Economic Development Division Director, presented the item. He stated the item involved how to better utilize affordable housing dollars to get more units online in light of increasing construction costs; and to provide the Committee with information relating to current market costs and square footage costs. Commissioner Jerry Libbin noted that the Committee was looking for a recommendation on the item. He went on to request that the Committee come to a consensus as to the possibility of approaching the County with a request to modify its current agreement for the use of RDA funds for housing purposes. He stated this would be a potential solution for the housing issue. He went on to advise that if there was such an amendment allowing for use of RDA funds for housing, the City would have more control over these funds.

City Attorney, Jose Smith stated that section 2.0 of the RDA Redevelopment Plan provides for economic and rehabilitation use of the fund. He went on to advise that, section 4.0 calls for the creation of 200 affordable housing units but an additional 500 units could be added if needed. Chairman Saul Gross advised that the RDA Plan was clear for affordable housing but would have to be modified to cover workforce housing.

Commissioner Matti Bower advised that affordable housing is currently provided for to the elderly, the disabled, and those living with AIDS. Workforce housing involves families and is limited due to the response from the community.

Commissioner Libbin noted that at the request of the Committee he met with Miami-Dade County Commissioner Bruno Barreiro regarding his support for modifying the RDA

plan. He advised that Commissioner Barreiro felt it was an excellent idea and would place the RDA item on the County's January 2007 Commission agenda. Commissioner Libbin noted that the RDA item would also be placed on the City's Commission agenda as well. He went on to request that Legal include language that would allow for the modification of the RDA Redevelopment Plan to include workforce housing.

Commissioner Bower advised she would not support the modification until she knew what percentages of the population would be eligible for workforce housing. She went on to advise she would lobby against the item. She expressed her support for affordable housing. Commissioner Steinberg advised if there is a political push for workforce housing it would bring along affordable housing.

Commissioner Libbin requested that Commissioner Bower provide a draft of her proposal so that it could be reviewed prior to the next Committee meeting.

Chairman Gross advised he would refer the item to the Neighborhoods/Community Affairs Committee to work out the formula involving the amount and percentage pertaining to the RDA modification.

Chairman Gross asked if there was a better way to use housing funds. He wanted to know if there were any alternatives to the City purchasing and gutting buildings. He stated that the process was very expensive and it would be in the City's best interest to complete more units with less money. He suggested the possibility of purchasing buildings that were presently in good condition. He stated this could be obtained through non-conventional financing. He requested someone look into this alternative to determine if this would be feasible.

Mr. Roberto Datorre, with Miami Beach Community Development Corporation (MBCDC), advised that the issue is with the financing and not so much with construction. He stated that when purchasing buildings there are many restrictions. He stated he doesn't have an issue with purchasing buildings that are in better condition, but the cost per square foot is greater. He expressed his concern with having to invest the same amount of money either at the beginning or at the end of the project. He added that the buildings have to provide some income in order for them to be maintained. He also stated that relocation costs are very high. Kevin Crowder advised he would quantify relocation costs.

Commissioner Libbin suggested taking dollars from the RDA and creating more housing by using a sliding-inverse scale. The City Manager Jorge Gonzalez expressed his concerns for putting brick and mortar dollars into housing investments.

2. DISCUSSION OF THE RECOMMENDATIONS OF THE PROPERTY TAX REFORM COMMITTEE AND INCLUSION OF THIS ISSUE ON THE CITY'S 2007 STATE LEGISLATIVE AGENDA.

ACTION

Item was deferred by Chairman Gross.

3. DISCUSSION OF THE RECOMMENDATIONS OF THE PROPERTY AND CASUALTY INSURANCE REFORM COMMITTEE AND INCLUSION OF THIS ISSUE ON THE CITY'S 2007 STATE LEGISLATIVE AGENDA.

ACTION

Item was deferred by Chairman Gross.

4. DISCUSSION OF AN ORDINANCE AMENDING MIAMI BEACH CITY CODE CHAPTER 18, ARTICLE VIII "PARKING LOT; SECTION 18-344 THEREOF, ENTITLED "ENFORCEMENT; FINE SCHEDULE; RIGHT OF APPEAL", BY AMENDING THE APPEAL PROCESS FOR VALET PARKING CITATIONS ISSUED ON PUBLIC PROPERTY; PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION AND AN EFFECTIVE DATE.

ACTION

Commissioner Bower moved to have the bond and appeal fee requirements in the City Code be the same for valet parking violations on private and public property. The motion was seconded by Chairman Gross. Commissioner Bower also requested a Letter to the Commission identifying how much bond money has been collected for parking violations on public property.

City Clerk, Robert Parcher, presented the item pertaining to valet parking on Miami Beach. He advised that the City Code breaks down appeals of a valet parking violation into two types: 1. Violations on private property; and 2. Violations on public property. He advised that the City Code handles the two types of violations differently. Violations on private property are required to pay a bond in the amount of the civil fine plus a \$75.00 appeal fee. To appeal a violation occurring on public property, the alleged violator is not required to pay either the bond amount or the appeal fee. This is an omission in the City Code from a previous ordinance. He stated that the Administration is requesting that to appeal a valet parking violation on public property to the special master that the appeal fee of \$75 should be added to the Code.

5. DISCUSSION OF A RESOLUTION APPROVING, ON FIRST READING, A FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND AR&J SOBE, LLC, DATE MAY 18, 2005 FOR THE DEVELOPMENT OF THE PROJECT PRESENTLY REFERRED TO AS "FIFTH AND ALTON"; SAID AMENDMENT AMENDING THE DEFINITION OF THE TERM "OUTSIDE DATE", AS SAID TERM IS DEFINED BY THE DEVELOPMENT AGREEMENT, AND EXTENDING SAID DATE TO FEBRUARY 17, 2007, 2:30 PM.

ACTION

Item was deferred by Chairman Gross.

OLD BUSINESS:

6. Discussion of the potential purchase of land/building by the Miami Beach Redevelopment Agency.

ACTION

Chairman Gross suggested pursuing due diligence review and bringing the item back to the Finance Committee Meeting prior to full Commission consideration.

Jorge Gonzalez, City Manager stated that the City has looked at three properties in the RDA that have been on and off the market. He stated that it was requested by the Administration, that Mr. Datorre of the MBCDC, act as a proxy on the behalf of the City and negotiate a deal that consisted of the purchase of a 161 unit building at a cost of \$13.7 million (\$219.00 per square foot). The City currently has the purchase under contract. The end cost for the project is estimated at \$26 million. He went on to advise that the purchase would not affect the New World Symphony and City Center Projects currently in the Capital Budget.

City and MBCDC are currently in a "due diligence" period and would bring back to Committee prior to full Commission action. May require some funds to ensure deposits and other contract requirement deadline are met. All funds would be expected to be returned should we not proceed to close on the property.

7. Discussion regarding the City Center Re-Development Agency

ACTION

Information Only.

JMG/PDW/rs/nsl