



MIAMI BEACH

OFFICE OF THE CITY MANAGER
NO. LTC # 159-2014

LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: May 8, 2014

SUBJECT: HUD Grants Extension to Expenditure Deadline for Key Funds

RECEIVED
2014 MAY -9 PM 2:02
CITY CLERK'S OFFICE

The purpose of this Letter To Commission is to notify you that the United States Department of Housing and Urban Development (HUD) has granted the City an extension to its Neighborhood Stabilization Program (NSP3) expenditure deadline.

In 2011, the City received \$1,475,088 in NSP3 funds for the rehabilitation of the London House Apartments located at 1965-1975 Washington Avenue. The project was originally managed by Miami Beach Community Development Corporation (MBCDC) and was subsequently acquired by the City in March of this year. NSP3 funds required full expenditure by March 8, 2014. However, as a result of performance and compliance issues, MBCDC was unable to draw the full grant funds leaving a balance of \$756,710.87.

When it was determined that the expenditure deadline would not be met, the Administration proactively requested an extension from HUD and met with Miami and Washington, DC staff arguing that NSP3 funds are a critical component in the project's financing strategy.

In support of an extension, the City promptly conducted property and progress assessments upon receipt of title for the property, developed a Design/Build Request For Proposals (RFP), and sought to secure project funds awarded by Miami-Dade County. HUD was provided with a detailed and substantive review of actions to date as well as timeline for project completion under the City's management on April 4th.

The City will open the RFP bids on May 19th with the goal of returning to the Commission at its June 11th meeting for selection of a Design/Build vendor. Current timelines project substantial completion of the 1965 building by December 2014 and overall project completion by December 2015.

If you have any questions, please feel free to see me.


JLM/KGB/MLR