

Memorandum



Date: August 25, 2021

To: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor

Subject: Property Conveyance Review

A handwritten signature in blue ink that reads "Daniella Levine Cava". The signature is written in a cursive, flowing style.

As a responsible steward of the public's assets, including property, I know you agree that we need to ensure that conveyances of public property should achieve a public purpose. The best way to achieve this is to provide for a thorough administrative review and disposition prior to consideration of any conveyance to private interests. This memo is also partially in response to your Resolution No. R-613-19 directing the Mayor to provide a report on "properties which have been conveyed or leased for development purposes, document the status of compliance with any associated restrictions and requirements, identify those properties wherein the reverter provisions or lease termination have been triggered."

For many years, Miami-Dade County (County) has conveyed or sold properties to various entities with the objective of promoting and enhancing community interest and welfare, expanding affordable housing opportunities, and initiating a variety of development projects in the community's best interest. Concerns regarding use of properties for their intended purposes have recently been brought to my attention. Some Commissioners have also expressed concerns regarding the past practice of waiving the rules established in Implementing Order 8-4 bypassing the process for designating surplus property.

In response to these concerns, I have directed County staff from multiple Departments, led by ISD, to audit the conveyance of properties from 2010 until 2020. This amounts to a review of 934 properties that had been previously transferred by the County to other entities for various public purposes ranging from infill, affordable, and workforce housing, to cultural uses, to parks and recreation. Out of the 934 properties, 169 of the properties were sold without reverters.

The Internal Services (ISD) and the Public Housing and Community Development (PHCD) Departments have further refined the first phase of the review to those properties provided for infill, affordable, and workforce housing purposes that had incorporated "reversionary interest" clauses in the deeds which brought the total number of properties under review to more than 600.

Initial findings from a preliminary sample of those cases revealed that more than 10% of the properties have exceeded the time granted for development or were otherwise out of compliance with the conditions of conveyance. I am concerned that many more otherwise well-intentioned conveyances may be revealed as we continue to assess the entire list of properties dispensed by the County over the years.

I have instructed staff to finalize this review so we can provide feedback to the Board by early September for any policy remedies that the Board may wish to consider based on the data. I will be evaluating the County's reversionary interests for the properties that we find significantly out of compliance with the deed restrictions and purpose for which the property was conveyed.

Below I am providing early recommendations that the Board may wish to consider as additional conditions for future conveyances, although I believe the entire process needs to be redesigned if we are to achieve our stated objectives for development of infill, affordable, and workforce homeownership. The recommendations include the following:

- Adherence to the process established in Implementing Order 8-4.

- Include more specific criteria for determining whether the recipient is in good standing with the County, including the status of any taxes, liens, code enforcement violations, and/or fines.
- Review the existing financial ability (capacity) of the recipient to timely commence and complete the proposed development on the property.
- Determine the recipient's experience in developing a property as planned/envisioned (size and scope) for the subject property.
- Include in the Declaration of Restrictions covenants that properly describe what is to be developed on the property and the timeline for the development.
- Demonstrate a history of ensuring that laborers and materialmen (suppliers) are timely paid.
- Include a requirement for the recipient to have a General Liability Insurance Policy on the property, to provide protection from liability claims.

Additional steps need to be taken to bolster the capacity of the County to monitor compliance with the deed restrictions for infill, affordable, and workforce housing or other public purposes. Going forward, I will also require affirmative actions by property recipients to report and document their progress quarterly.

My Administration continues this important, labor intensive, and detailed review of these properties which requires considerable research including site visits. I look forward to working with the Board to ensure that our processes are designed to effectively achieve our intended public purpose – in particular that we are meeting the need for affordable housing and creating new opportunities to lift communities out of poverty through homeownership and ensuring that our community directly and quickly benefits from the programs we design.

c: Honorable Harvey Ruvin, Clerk, Circuit and County Courts
 Geri Bonzon-Keenan, County Attorney
 Gerald K. Sanchez, First Assistant County Attorney
 Jess M. McCarty, Executive Assistant County Attorney
 Felix Jimenez, Inspector General
 Office of the Mayor Senior Staff
 Melissa Adames, Director, Clerk of the Board
 Jennifer Moon, Chief, Policy and Budgetary Affairs
 Yinka Majekodunmi, Commission Auditor