

7. DISCUSS INCENTIVES FOR PROPERTY OWNERS TO RESTORE/REHABILITATE HISTORIC RESIDENTIAL APARTMENT BUILDINGS IN NORTH BEACH.

Applicable Area:

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Commissioner Tanya K. Bhatt

DATE: September 11, 2024

TITLE: REFERRAL TO THE LAND USE AND SUSTAINABILITY COMMITTEE - DISCUSS INCENTIVES FOR PROPERTY OWNERS TO RESTORE/REHABILITATE HISTORIC RESIDENTIAL APARTMENT BUILDINGS IN NORTH BEACH.

RECOMMENDATION

BACKGROUND/HISTORY

There is naturally occurring affordable housing in areas of North Beach which is critical to maintain. These multi-family properties find themselves in a tough spot, however: providing workforce housing, but also being in need of upgrades to be able to offer tenants appealing and safe properties at a reasonable rent. They may also be caught in a situation where there is work to be done that is beyond their ability to find the funds for, and therefore find it tempting to sell out to commercial developers who would seek to tear down and rebuild or modify properties without sufficient care for the context of the neighborhood character, nor to the band of income to which these properties cater.

I would like to refer this discussion to LUSC to develop incentives to property owners specifically in North Beach to improve their properties without compromising the character of the neighborhood, nor overdeveloping and therefore eliminating this important inventory of housing stock. I would like the Administration to prepare recommendations and be prepared to discuss them, including but not limited to the ideas below. The goal is to help property owners do what is needed to rehabilitate their properties, not to permit out-of-scale development.

For property owners willing to do significant renovations to improve electrical & plumbing, install a/c, replace windows with hurricane windows, replace roof (if needed); maintain the scale of the building; commit to remaining as rental property; and voluntarily prohibit STRs in the building, the City could offer

- a fast-tracked and streamlined process at the Building Department and with the Historic Preservation Board;
- a single point of contact for the permitting and inspection processes AND for the HPB approval process who has the authority to provide functional guidance and make binding decisions;
- reducing or waiving City fees;
- help in identifying, applying for, and using for said projects any affordable housing grants that could be relevant for the project(s);
- help in navigating the process to obtain life safety variances which would allow the contributing building to retain its defining characteristics without impeding life safety concerns; and
- provide grants from our City's workforce housing funds to help defray costs.

ANALYSIS

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

CONCLUSION

Applicable Area

North Beach

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

Yes

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Office of Commissioner Tanya K. Bhatt

Sponsor(s)

Commissioner Tanya K. Bhatt

Co-sponsor(s)

Commissioner Laura Dominguez

Condensed Title

Ref: LUSC - North Beach Restoration Incentives for Residential Buildings. (Bhatt/Dominguez)

**Potential 2024-2025 Funding for Property Owners/Developers of
Naturally Occurring Affordable Housing**

City of Miami Beach Funding			
Subject of RFA	2024-2025 Program Funding and <u>Estimated Funding</u> Available	RFA Issue Date	RFA Due Date
City of Miami Beach Community Development Block Grant (CDBG) <ul style="list-style-type: none"> • 51% of units must be occupied by low- to moderate-income renters. • Interested applicants must have a feasible project that can be potentially shovel- ready by the following December. • Environmental Review Process/ Physical Needs Assessment required • Affordability Period of 15 years 	\$607,866, available after October 1, 2025	February/ March 2025	April 2025
City of Miami Beach HOME Investment Partnership Program (HOME) <ul style="list-style-type: none"> • Initial Occupancy 60% AMI with 20% of units 50% AMI • Maximum Subsidy Unit Limits • Interested applicants must have a feasible project that can be potentially shovel ready by the following December. • Environmental Review Process/ Physical Needs Assessment/ Subsidy Layering Review required • Affordability Period of Fifteen (15) Years • Units must be Assigned to the HOME project for the duration of the affordability period 	\$503,970.00 available after October 1, 2025		
State Housing Initiatives Partnership (SHIP) Program <ul style="list-style-type: none"> • Maximum \$40,000 per unit and a maximum of \$400,000 per property (contingent upon funding availability) • Affordability Period of fifteen (15) years • At least 10% of the SHIP-Assisted Units (1 unit) in the Development shall be set aside for occupancy by persons or families having incomes at or below 50% AMI. • At least two (2) of the units must serve persons with special needs, as defined in s.420.0004. • No environmental review required 	\$103,000 Available after October 1, 2025	July/ August 2025	September 2025

Miami-Dade County Funding				
Funding Source	2024-2025 Program Funding and Estimated Funding Available	Unit Income Requirements	RFA Issue Date	RFA Due Date
Surtax/ SHIP - Multi-Family Rental Countywide	TBD	Allows for mixed-income residential housing, which includes units affordable to persons with incomes of 80% or less of AMI.	Applications are typically released March- April	TBD
Miami-Dade HOME FY 2025	TBD	Funding available for HOME Community Housing Development Organizations and Tenant-Based Rental Assistance only.		
Miami-Dade CDBG FY 2025	TBD	Funding available for public services, economic development, water and sewer connections, and homeowner rehabilitation only.		

Florida Housing Finance Corporation – Competitive Grant Funding			
Subject of RFA	2024-2025 Program Funding and Estimated Funding Available	RFA Issue Date	RFA Due Date
State Apartment Incentive Loan (SAIL) RFA 2025-103 Housing Credit and SAIL Financing to Develop Housing for Homeless Persons	<ul style="list-style-type: none"> • \$12,500,000 SAIL • \$3,200,000 Housing Credit (Medium county) • \$3,300,000 Housing Credit (Large county) • \$TBD - HOME-ARP 	10/17/2024	1/21/2025
State Apartment Incentive Loan (SAIL) RFA 2025-106 Financing to Develop Housing for Persons with Disabling Conditions/Developmental Disabilities	<ul style="list-style-type: none"> • \$3,466,500 9% HC • \$6,000,000 SAIL for Disabling Conditions • \$5,572,918 Grant funding for Developmental Disabilities • \$TBD - HOME-ARP 	10/17/2024	2/4/2025

Florida Housing Finance Corporation issues several Requests for Applications (RFA) a year, varying by the demographic or geographic targeted and the type of funding offered (e.g. 9% tax credits, loans, etc.) Most can be used for both new construction and acquisition/rehabilitation. The FHFC multifamily programs often require at least 30 units. For information on multifamily funding RFAs, the timeline of upcoming applications, please visit: [2024/2025 RFA Cycle Information \(floridahousing.org\)](https://www.floridahousing.org/2024/2025-RFA-Cycle-Information). Applications can change from year to year on the details. Listed below are the RFA's currently available to developers or property owners potentially interested in affordable housing construction projects.