

September 27, 2010

Mr. Patrick G. Salerno
City Manager
City of Coral Gables
405 Biltmore Way, 1st Floor
Coral Gables, Florida 33134

**Re: Gables Gateway / 4585 Ponce de Leon Boulevard / Request for Personal
Appearance Before the City Commission Regarding Modification of
Condition D(3) of Resolution No. 2008-58**

Dear Mr. Salerno:

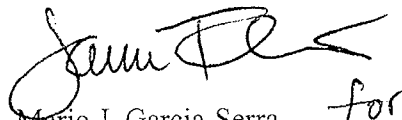
The Coral Gables City Commission granted the necessary zoning approvals for the "Gables Gateway" mixed use residential / retail development located at 4585 Ponce de Leon Boulevard on April 29, 2008, pursuant to Resolution No. 2008-58. Condition D(3) of Resolution No. 2008-58, (the "Affordable Housing Condition"), required that 15% of the project's residential units be set aside exclusively for households whose income does not exceed 100% of the City's median income, at rental rates based on 30% of 100% of the City's median income, for a period of 15 years.

Due to the decline of the local real estate market and the financing demands created by the depressed credit markets, the Affordable Housing Condition has detrimentally affected the projected profitability of this project and complicated its potential financing. Since April of 2008, the dynamics of the affordability issue have also evolved as a result of the economic recession. In an attempt to determine how the Affordable Housing Condition could be modified in a manner that would make the project eligible for financing while still assisting the City in addressing its affordable / attainable housing needs as they exist today, we learned of the work of the LBW Homeowners Foundation of Coral Gables, Inc., (the "LBW Foundation"), which is the charitable foundation arm of the Lola B. Walker Homeowners Association. For several years, the LBW Foundation has been renovating homes within the MacFarlane Homestead neighborhood which have become severely deteriorated. These homes are mostly utilized or will be utilized by Coral Gables households whose incomes are below the median income for Coral Gables. We have tentatively agreed with the LBW Foundation to proffer it a \$75,000 contribution to be used towards its home renovation projects, subject to City Commission approval. The contribution would be required to be paid in full prior to the issuance of a building permit for the Gables Gateway project. It is our understanding that this money can be utilized by the LBW Foundation to qualify it for matching funds from various government entities.

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As a result of this contribution, the LBW Foundation would be able to deliver affordable housing units in less time and to an income level which is in more need of affordable housing units than what could be accomplished by maintaining or reducing the requirement for affordable units within the yet to be built Gables Gateway project. Accordingly, I respectfully request that I be permitted to make a personal appearance before the City Commission at its October 12th meeting to discuss this proposal and request that they direct City staff to prepare the necessary legislation to modify Condition D(3), as well as the same provision in the accompanying Declaration of Restrictions, in a manner consistent with this proposal. If you have any questions or would like to discuss this matter further, please contact me at 305-579-0837.

Best regards,


Mario J. Garcia-Serra for

cc: Ms. Elizabeth M. Hernandez, City Attorney
Mr. Eric Riel, Planning Director
Mr. Fabio Rodriguez
Mr. Robert Behar