

**City of Coral Gables City Commission Meeting
Agenda Item J-3
December 11, 2018
City Commission Chambers
405 Biltmore Way, Coral Gables, FL**

City Commission

**Mayor Raul Valdes-Fauli
Vice Mayor Vince Lago
Commissioner Pat Keon
Commissioner Michael Mena
Commissioner Frank Quesada**

City Staff

**City Manager, Peter Iglesias
Assistant City Manager, Ed Santamaria
City Attorney, Miriam Ramos
Deputy City Attorney, Cristina Suárez
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Historic Preservation Officer, Dona Spain**

Public Speaker(s)

Agenda Item J-3 [0:00:00 p.m.]

A Resolution authorizing funds in the amount of \$75,000 to be used to complete the rehabilitation of two homes (129 Frow Avenue, 110 Oak Avenue) within the MacFarlane Homestead Subdivision Historic District as affordable housing for low- and moderate-income households, to supplement grant funding from the Building Better Communities General Obligation Bond Program (BBC GOB).

Mayor Valdes-Fauli: J-3, Frow Avenue and Oak Avenue.

City Attorney Ramos: J-3 is a resolution authorizing funds in the amount of \$75,000 to be used to complete the rehabilitation of two homes (129 Frow Avenue, 110 Oak Avenue) within the MacFarlane Homestead Subdivision Historic District as affordable housing for low- and moderate-income households, to supplement grant funding from the Building Better Communities General Obligation Bond Program.

Historic Preservation Officer Spain: I have with me Elizabeth Ewing. She's the Historic Preservation Coordinator for the City, and she's also the project manager on this project at 129 Frow. It's almost complete. And 110 Oak Avenue, I think, will be just a few weeks after that. We need \$75,000 additional funding to complete the project. Happy to answer any questions.

Vice Mayor Lago: Well...

Mayor Valdes-Fauli: Questions?

Vice Mayor Lago: These monies came from the County, obviously...

Historic Preservation Officer Spain: Yes.

Vice Mayor Lago: Via Commissioner Xavier Suarez, who...

Historic Preservation Officer Spain: Absolutely.

Vice Mayor Lago: We worked through him to get the monies to rebuild these homes. I'm a little troubled by the fact that it was like a 13, 14 percent increase in the actual budget of both of the homes. I mean, I think the grant was for about \$600,000, correct?

Historic Preservation Officer Spain: 592,000.

Vice Mayor Lago: What were the cost overruns? Was it just the cost of the interior...

Historic Preservation Officer Spain: You know, it's interesting because I felt...

Vice Mayor Lago: Labor?

Historic Preservation Officer Spain: The same way. There were unexpected circumstances. There was a -- had been a fire in the roof of one of the residences, so we had to redo the trusses of the roof system. But we went back and looked at the amount of money that was spent in, I want to say, 2003, and they rehabbed three homes and spent over \$900,000. So, I felt a little bit better because it's approximately the same amount. We're using Hardie board instead of wood, and so that increased the cost...

Vice Mayor Lago: Yeah.

Historic Preservation Officer Spain: You know, and they added a property where the owner of the property had young children, and in 2012, was asked to -- by the County, to leave the home so they could rehab it and they never did. So, we added that home onto it, so it increased the cost.

City Attorney Ramos: And it's important to point out that as part of our agreement with the County, we are responsible for the supplemental amount.

Commissioner Keon: Right. Wasn't there an amount or some funding that came through Gables -- the rental buildings there when they were built, and they're across the street from that homeowner district. I thought there was a hundred and some odd thousand dollars.

Historic Preservation Officer Spain: I believe it's a hundred thousand.

Commissioner Keon: It's \$100,000? And I thought that it was supposed to go toward...

Historic Preservation Officer Spain: That is in...

Commissioner Keon: The community use.

Historic Preservation Officer Spain: An escrow account, and it's -- permission is through the -- it's not the homeowner's association. It's the foundation, the Lola B. Walker...

Commissioner Keon: Right.

Historic Preservation Officer Spain: Foundation. And we went and made a presentation to them and they were not comfortable using it for these homes. That can only be used, I believe, for affordable housing. They still have -- the money is still there.

Commissioner Keon: That money can be used for affordable housing?

Historic Preservation Officer Spain: I think it only can be used for affordable housing.

Commissioner Keon: Right, and that's how this...

Historic Preservation Officer Spain: I believe there's \$100,000 in that account.

Commissioner Keon: Right, and that's how this was used, so what are they going to do with it? You don't know? I would suggest you go back and have another conversation with them about using it for...

Historic Preservation Officer Spain: Oh, we've had several conversations. I've had three conversations.

Commissioner Keon: On affordable housing. I mean, they were involved in this. They were a partner in this, and they had talked about those funds being used to supplement what we had from the County. So, what are they intending to do with them for affordable housing?

Vice Mayor Lago: Maybe they could use...

Commissioner Keon: They're going to build a house for \$100,000? What are they going to do?

Historic Preservation Officer Spain: I believe they are thinking it can be used for the project that -- for a project...

Vice Mayor Lago: As like a supplement?

Commissioner Keon: For what?

Vice Mayor Lago: As a supplement?

Historic Preservation Officer Spain: But not...

Commissioner Keon: For what?

Deputy City Attorney Suárez: I don't know that they've decided what they're going to do with it and if they have different ideas, but I don't think that they've decided. One thing they, you know, mentioned was potentially doing like a revolving account where they -- maybe loaning funds to different owners to rehab their properties, but it was nothing -- it was more like they didn't want to contribute to this. I don't know what their plans were for the \$100,000.

Historic Preservation Officer Spain: I'm telling you, I spoke to them three times and they are not interested in putting it towards this.

Vice Mayor Lago: So, why don't they...

Historic Preservation Officer Spain: Not that they're not interested in the homes. They just -- for these homes that they're not comfortable with it. And it was set up so that they need to approve it.

Vice Mayor Lago: So, for example, the four shotgun homes that are basically in disrepair, I've walked them with Peter and I know that the rest of the Commission has seen them. We've had several meetings with the owners of those four shotgun homes.

Historic Preservation Officer Spain: Yes.

Vice Mayor Lago: They're left unlocked. Sometimes, you find vagrants living in there. I've seen them.

Historic Preservation Officer Spain: So...

Vice Mayor Lago: What is our plan for that?

Historic Preservation Officer Spain: My other hat is that I'm the Vice President of Dade Heritage Trust and they are -- that organization is getting involved and speaking with the reverend of the church that owns them. They have been cited by Code Enforcement and the survey was done, I believe, paid for by Dade Heritage Trust. There are going to be pro bono...

Vice Mayor Lago: But let -- can I ask you a question?

Historic Preservation Officer Spain: Architects and plans drawn up to help them, but the use of those homes hasn't been decided yet.

Vice Mayor Lago: Okay. So, let me ask you a question. And I hate to go down this route, but they leave me no other options. We've tried everything we possibly can to extend an olive branch. We've even offered to buy it from them, market rate...

Historic Preservation Officer Spain: But they're not interested.

Vice Mayor Lago: To do art residences or maybe...

Historic Preservation Officer Spain: They are interested in that.

Vice Mayor Lago: Of course, they are. It's a great idea. My statement is very simple. Commissioner Keon pushed several years ago for a list to be made of homes that were dilapidated or homes that were in distress. It was the -- what was it called again?

Commissioner Keon: It was the abandoned properties.

Vice Mayor Lago: The Abandoned Properties Ordinance, excuse me. And I hate to do this, okay, by why aren't we holding that community to the same standards that we hold every other -- and I know it's an organization and I understand that, but they're not...

Deputy City Attorney Suárez: It's on the list.

Historic Preservation Officer Spain: They're on the list.

Vice Mayor Lago: I know. But I mean -- but we need to tell them that we're going to take action because those owners don't live in Coral Gables, you know. They've been allowed for many,

many years to allow those historic homes to basically crumble, which, you know, demolition by neglect, which I think it's embarrassing to have that in the City of Coral Gables, especially when -- how important those shotgun homes are to what Coral Gables is and what it stands for. Again, either they get their act together or the City's going to get their act together and is going to do something that is going to save those four properties. And I hate to push this conversation in that direction, Madam City Attorney, but I think it's time that we take action. And I know it's a church, but they have over 40 or 38 properties.

Historic Preservation Officer Spain: They do.

Vice Mayor Lago: And it's time to, you know, pony up and either make those properties -- you know, to...

Commissioner Keon: Bring them into compliance.

Vice Mayor Lago: Bring them into compliance, which, again, is going to take a lot of work. It's going to take hundreds of thousands of dollars. Or sell it in the open market.

Deputy City Attorney Suárez: So, that property is on the list and we are following our typical procedure, which means a cease and desist letter has gone out and a demand letter from our outside counsel, Alex Palenzuela, who handles the properties on the abandoned property list.

Vice Mayor Lago: And by the way, I met with the residents last week. I was in MacFarlane. I walked the neighborhood. And the residents themselves told me that is unacceptable in our neighborhood, unacceptable.

Commissioner Keon: Absolutely. And there is a requirement as a result of the historic nature of that neighborhood, even if they are demolished, they have to be rebuilt in that same style.

Historic Preservation Officer Spain: That's right. And there is one property that's going through that now.

Commissioner Keon: Right. So, they're going to have to be rebuilt. And you know what, I don't -- the church is a...

Vice Mayor Lago: It's expensive.

Commissioner Keon: Has become a landlord, you know.

Vice Mayor Lago: It's expensive.

Commissioner Keon: They're a landlord, and they need...

Historic Preservation Officer Spain: Actually, those shotgun homes...

Commissioner Keon: To keep up their properties.

Historic Preservation Officer Spain: If we can start rehabbing them now, we -- I mean, if they can be rehabbed now...

Vice Mayor Lago: Dona, how many...

Historic Preservation Officer Spain: They're in much better shape than these two homes that were worked on.

Vice Mayor Lago: Dona...

Historic Preservation Officer Spain: I've been in them.

Vice Mayor Lago: How many meetings have we have already with the owners?

Historic Preservation Officer Spain: Multiple.

Vice Mayor Lago: How many times have you and I sat down with the Manager, along with everybody else on this Commission to discuss this issue? It's got to come to an end. I know that we're following a certain procedure, but again, I'm willing to meet again with the owner and explain that. Like Commissioner Keon mentioned, this is going to take hundreds of thousands of dollars. If they don't get started today, to rebuild them from scratch is going to -- we're going to hold them to that standard.

Historic Preservation Officer Spain: I agree.

Commissioner Keon: They're not homesteaded.

Vice Mayor Lago: Nope.

Historic Preservation Officer Spain: No.

Commissioner Keon: And you need to move on them.

Vice Mayor Lago: Yeah. And by the way, the fence in the back, we're talking about three years that fence in the back -- that fence in the back, three years, it's still installed in the wrong location. The height is incorrect. We offered the neighbor that we would pay -- the City would pay to correct that. It's unacceptable. It's unacceptable. The neighbors keep telling me, why is it that they get away with this fence.

(COMMENTS MADE OFF THE RECORD)

No, we, we.

City Attorney Ramos: In our agreement, we agreed to replace the fence.

Vice Mayor Lago: I know. I'm saying that we agreed to replace it because it was an error. It was an error that occurred in the City's approval process.

City Attorney Ramos: Correct.

Vice Mayor Lago: Okay, so this has been years already. So, if we hold a certain -- if we hold the other side of the tracks to a certain standard, then we better hold this side of the tracks to the same standard. And we've cleaned that -- we've cleaned up that neighborhood over the last three or four years not because the City wanted to, because the residents called for it. Drive by that neighborhood and you'll see how nice it looks. And those residents have a lot of respect and a lot of pride in that neighborhood. And it's an embarrassment to see those four homes like that. It's just not right. I'm embarrassed, as an elected official in this city, to see those four homes like that. It just doesn't work.

Commissioner Keon: Do we have Historic Preservation funds in the City? Do you have...

Historic Preservation Officer Spain: No.

Commissioner Keon: So, you have none? You know, it's very -- I think that these homes, this \$75,000 needs to be added to it, you know. To take it out of our general fund to do it, I don't think is okay.

Vice Mayor Lago: I agree.

Commissioner Keon: I don't think it's right.

Vice Mayor Lago: I agree. We've got \$600,000...

Commissioner Keon: You know what...

Vice Mayor Lago: We got \$600,000 from the County.

Commissioner Keon: We got \$600,000 from the County...

Vice Mayor Lago: Xavier Suarez pushed for that.

Commissioner Keon: That's right. You know what, when we talked about it, they were talking about that they had dollars available from that. You know, if you want to go back to them and tell them, fine, you're going to leave two homes unfinished. Or do you want to be responsible...

Historic Preservation Officer Spain: (INAUDIBLE) have a problem with that.

City Attorney Ramos: The problem is the language in the agreement that says that we will cover any amount over that amount. So, we are bound contractually to do that.

Vice Mayor Lago: Well, then tell them -- listen, why don't we go back and request from this fund that has \$100,000 and say, listen, this is a great opportunity for you to help complete two properties.

Historic Preservation Officer Spain: We have.

Vice Mayor Lago: And what'd they -- no.

Historic Preservation Officer Spain: Many times. They said no. I've -- actually, three times.

City Attorney Ramos: And that was done prior to this being prepared because the hope was to get it...

Historic Preservation Officer Spain: Yes.

City Attorney Ramos: From them.

Vice Mayor Lago: And what is the reasoning behind it because this falls perfectly in line in reference to what their mission is, correct? Correct me if I'm wrong.

Historic Preservation Officer Spain: Sir, I can't answer that because I said that to them.

Vice Mayor Lago: No, no. I'm trying to understand it.

Historic Preservation Officer Spain: It's a perfect...

Vice Mayor Lago: Delivery for what your intention is, correct?

Historic Preservation Officer Spain: For what the intent of that escrow account is.

Vice Mayor Lago: Isn't that in the Mario...

Historic Preservation Officer Spain: But they said absolutely not.

Vice Mayor Lago: Mario Garcia-Serra has control of that account, right?

Commissioner Keon: No.

Deputy City Attorney Suárez: He's holding it in trust.

Vice Mayor Lago: Yeah.

Commissioner Keon: It's being held in a trust.

Historic Preservation Officer Spain: But he doesn't control it.

Commissioner Keon: He doesn't have control of it and there's nothing to...

Vice Mayor Lago: No, but I mean...

Commissioner Keon: It's just -- it's in escrow. So, it was held in a trust and it's the foundation, Lola B. Walker Foundation...

Historic Preservation Officer Spain: Yes.

Commissioner Keon: That is the one that makes the determination based on that. You know, we also are working with them on having all of the approvals for the development of a business entity within the Bahamian Village that the intent of that was to provide resources back into the community.

Historic Preservation Officer Spain: I think maybe...

Commissioner Keon: That's the intent of that...

Historic Preservation Officer Spain: I think maybe that is what, in their minds, they can use the fund for.

Commissioner Keon: Is to what?

Mayor Valdes-Fauli: Okay. Vice Mayor...

Historic Preservation Officer Spain: Put it back into the community through that community...

Mayor Valdes-Fauli: What's your pleasure?

Commissioner Keon: Well, you know what, once that project begin -- is developed or that business is developed, there should be additional funds for them for that purpose. Right now, the issue at hand is completing some homes in the next month.

Vice Mayor Lago: When is it scheduled to complete these homes?

Historic Preservation Officer Spain: 129 Frow is almost complete.

Vice Mayor Lago: What are we looking at, CO date?

Historic Preservation Officer Spain: Well, they need to hook up with Florida Power & Light and sod it and do a walkway, and that's it. I think that the kitchen cabinets went in this week or they're going in this week and that's it. So, she's ready to go.

Vice Mayor Lago: So, basically, what we're holding back is their retainage?

Historic Preservation Officer Spain: No.

Commissioner Keon: No.

Historic Preservation Officer Spain: No. We've spent...

Commissioner Keon: There's additional...

Historic Preservation Officer Spain: All of the grant money.

Vice Mayor Lago: No, but we're holding -- we're not paying the contractor his 10 percent retainer, so that will go into paying off probably -- \$75,000 would go into paying off that.

Historic Preservation Officer Spain: No.

Vice Mayor Lago: No?

Historic Preservation Officer Spain: No.

Vice Mayor Lago: I just don't feel comfortable with voting on this today. I'd like to explore with...

Mayor Valdes-Fauli: Okay.

Vice Mayor Lago: I'd like to meet -- I would like to meet with our friends at Lola B. Walker and...

Mayor Valdes-Fauli: Make...

Vice Mayor Lago: Really understand...

Mayor Valdes-Fauli: A motion that we defer this to the next one. I -- If you feel uncomfortable with it, you're absolutely right.

Commissioner Keon: Dona, what is...

Vice Mayor Lago: You need the money right now.

Historic Preservation Officer Spain: We need the money. We need the money to finish the homes. We've spent the amount of money on -- that the GOB grant is for. We spent that amount of money. And the contractor, they have submitted a bill for us. We're not paying them until we came here. And the City signed that they were responsible...

Vice Mayor Lago: Okay.

Historic Preservation Officer Spain: For any overage on this, so I'm very uncomfortable...

Commissioner Keon: Alright.

Vice Mayor Lago: Let me say...

Commissioner Keon: I'll move the item.

Vice Mayor Lago: I will -- I'll second the item. But let me explain to you one thing that I want to make sure. Walking through MacFarlane this past week, I noticed two or three homes that had been renovated using some County programs and they're completely and utterly unmaintained. I want to make sure that the individuals that move back into these brand-new renovated, beautiful homes in Coral Gables, and in five years, you know, that due to a lack of maintenance...

Historic Preservation Officer Spain: They sign an agreement that they will do that.

Vice Mayor Lago: Okay, but if you drive...

Historic Preservation Officer Spain: They signed them.

Vice Mayor Lago: If you drive, for example, behind the new Lola B. Walker Center, the Bahamian Village, if you walk by, you'll see two homes there that the siding is melting off the house.

Historic Preservation Officer Spain: Those are one of the three homes that were done in 2004.

Vice Mayor Lago: Yeah, but 2004. That shouldn't happen.

Historic Preservation Officer Spain: I know, I know.

Vice Mayor Lago: It's unacceptable.

Historic Preservation Officer Spain: That's a bad thing.

Vice Mayor Lago: Like I said, there was a lack of maintenance. So, I understand that a lot of the individuals there are elderly. We need to help them. We need to figure out a way so that -- it's unacceptable. Either they used faulty materials. Someone is to blame for that.

City Attorney Ramos: Dona, they're maintenance agreements with the County, correct, because that's part of the grand funding?

Historic Preservation Officer Spain: Yes. Right, yes.

Vice Mayor Lago: So...

Mayor Valdes-Fauli: Okay, so what's your pleasure?

Vice Mayor Lago: But not only an agreement -- we made a motion, first and second. We need -- and I want to make sure people are accountable. Because if we're not reminding them that they need to maintain their houses and...

Historic Preservation Officer Spain: That's a separate conversation that we've had with these neighbors.

Vice Mayor Lago: That's fine, but I'm having that conversation with you so that we can later...

Historic Preservation Officer Spain: I understand.

Mayor Valdes-Fauli: Will you call the roll, please?

City Manager Iglesias: It's wood construction, Vice Mayor.

Mayor Valdes-Fauli: It's been moved and seconded.

City Manager Iglesias: So, you know, it requires a lot of work.

Vice Mayor Lago: Faulty.

City Clerk Foeman: Commissioner Quesada?

Commissioner Quesada: Vice Mayor, you really worked with this more than anyone else.

Vice Mayor Lago: Yeah.

Commissioner Quesada: How are you voting on this?

Vice Mayor Lago: I feel like my hands are tied. I have no other choice, but I have to vote for this.

Commissioner Mena: No, we have a contract.

Vice Mayor Lago: We have a contract.

Mayor Valdes-Fauli: Yeah, we pay the overage.

Vice Mayor Lago: We have a contract. But the problem is that we have the hundred...

Commissioner Quesada: I just don't feel comfortable how much work you've put into this to get to this point and then...

Vice Mayor Lago: The houses are done. They're going to be beautiful. They're historic. They're preserved and it's going to be beautiful for the City. The problem is that they had a cost overrun. They basically have us, like Commissioner Mena mentioned, by a contract.

Mayor Valdes-Fauli: Yeah.

Vice Mayor Lago: We have \$100,000 at our disposal...

Commissioner Quesada: Right, (INAUDIBLE).

Vice Mayor Lago: And Lola B. Walker doesn't want to cooperate on this.

Historic Preservation Officer Spain: I'm very disappointed in that organization. Because of it, I was very upset after I met with them. But these ladies are -- the one woman has been out of her house since 2012. They're single mothers with young children. I'd like to get them back -- and this is a really good project, regardless of where the money comes from.

Commissioner Keon: It is a good project.

Commissioner Mena: But you should go to the...

Vice Mayor Lago: Listen, you know how we got involved in this? It's very simple -- and this is why I'm voting yes. We got involved in this because when we renovated -- and you were there, so was Commissioner Keon -- when we renovated the church with private money, by the way, private money across the street, we noticed that the home...

Commissioner Quesada: I remember.

Vice Mayor Lago: Was falling in on itself and we knocked on the door. A lady came out with two young children and it was 99 degrees and she didn't have air conditioning. So, we called Commissioner Suarez. We walked it. Dona, everybody was involved. And we said, listen, let's get County grant money to come in and fix these homes.

Commissioner Keon: Well, when we -- right after we were elected...

Vice Mayor Lago: Remember that?

Commissioner Keon: I went to Commissioner Suarez...

Vice Mayor Lago: Yep.

Commissioner Keon: And we asked him about that because there should have been funds available to it through their CDBG funding and they weren't in a position to do that. But because there were bond dollars -- general -- GOB dollars that each one of the Commissioners had and was allocated to them, Commissioner Suarez gave this project \$560,000?

Historic Preservation Officer Spain: 92.

Vice Mayor Lago: 90.

Historic Preservation Officer Spain: 592,000.

Commissioner Keon: \$592,000 to do this. And you know, we have gone through a lot of conversation with the County, with the County Attorney's Office, to finally get these projects moving and moved along. And I have to tell you for the record, I am very disappointed in the Lola B. Walker Homeowner Foundation because, as we talked about this, we knew that there was likely to be additional dollars that were going to be necessary and we knew that that money was there from Gables Pointe that was in escrow and that we looked at for that project, and we discussed that with them. So, the fact that they have changed their mind or have chosen not to remember, I am extremely disappointed in them because we have worked very hard, very hard on their behalf with the County to get this done to maintain that historic neighborhood that is so important to them. We're in a position where we don't really have a choice because of the contractual agreements we have. But I'm going to tell you going forward, I will never do it again. Tell them.

Mayor Valdes-Fauli: Alright.

Commissioner Keon: I will never do it again.

Mayor Valdes-Fauli: Okay. Will you call the roll, please, Mr. City Clerk.

Commissioner Quesada: Yes.

Commissioner Keon: Yes.

Vice Mayor Lago: Yes.

Commissioner Mena: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

Mayor Valdes-Fauli: Thank you.

Vice Mayor Lago: Great work.

Historic Preservation Officer Spain: Thank you.

Commissioner Keon: Thank you.

Historic Preservation Officer Spain: And we will have an event when (INAUDIBLE) get done.