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Testimony on “Liberty City Rising: Achieving Upward Mobility through Small Business and Community Partnerships”

Senator Rubio, Chairman of today’s hearing of the Senate Committee on Small Business and Entrepreneurship, and favorite son of South Florida, it is an honor to have you here. And Mr. Chairman, a special thank you for your visits to Liberty Square and for providing the leadership to hold this field hearing.

As Director of Miami-Dade County’s Dept. of Public Housing and Community Development, I have followed the direction of County Mayor Carlos Gimenez and the Board of County Commissioners with Chairwoman and County District 3 Commissioner Audrey Edmonson in the vanguard, in managing the “Liberty City Rising” initiative, and in particular the component of the effort that encompasses the redevelopment of Liberty Square public housing.

However, Liberty City Rising, announced in early 2015, is not just about public housing. Liberty City Rising comes with a financial commitment by the County of over \$74 million: \$46 million in base financing for Liberty Square (which has resulted in a redevelopment project that is attracting over \$320 million in private sector and other public investment, a leverage factor of 7); but also \$28 million for economic development and other non-public housing purposes in Liberty City.

Indeed, Liberty City has great potential to become a vital part of the County’s growth and strength in the future. With a population of approximately 50,000 persons, and 15,500 households, Liberty City if it were a formal city would be the 7th largest in the County. Economists have pegged its “market area” to reach over 500,000 persons with an aggregate household income for the market area of over \$5 billion which represents significant purchasing power.

It should be of particular interest to this Committee, that of the total number of businesses in Liberty City--1,599, 92% of them employ less than 20 people and 94% are single location businesses.

Hence, it makes economic sense to allocate resources that will support area small business and provide education and job training options to assist Liberty City residents and businesses to link up and maximize job opportunities for Liberty City residents.

This is a direction that the County is embracing as it proceeds with the Liberty Square redevelopment component of Liberty City Rising. Our private sector partner in the project, Related Urban Development Group, is obligated to provide 20% or 1,158 of projected construction jobs to HUD Section 3 (i.e., public housing or low income) residents of Miami-Dade County, and 75% or approximately 267 of post construction jobs to Section 3 residents of the County. Priority is given to residents from the area zip codes of 33142 and 33147. In addition, 50% of all sub-contracts, with an estimated value of \$90 million, **must** be awarded to Section 3, Small Business, Minority-Owned Business, and Women-Owned Business Enterprises.

To date, 13 subcontracts that have been awarded for the 214-unit Phase 1 of the project have been to Section 3 and small businesses, 42 jobs have gone to Section 3 qualified workers, and 93 jobs are being held by workers who reside in the 33142 and 33147 zip codes. Key to the success in hiring has been the County's coordinated job training effort called Employ Miami-Dade which initially targeted residents of 33142 and 33147 and began in 2015. This brings together CareerSource South Florida (the business and operational entity for the South Florida Workforce Investment Board created pursuant to the federal Workforce Innovation and Opportunity Act), Miami-Dade College, the County, and private sector interests. By the time the backhoes and shovels were in the ground, there were Employ Miami-Dade trained workers with skills that could be considered for hiring. The construction firms doing the work at Liberty Square Phase 1, could not and cannot plead that there are no qualified "Section 3" workers to be hired.

In addition, by contract with the county, the project will have 15,000 square feet of retail/commercial space along NW 15th Avenue specifically set aside for "mom and pop" enterprises.

Phase 1 of Liberty Square is well underway, and the first two buildings are on target to be completed by the end of this first quarter of this calendar year. (Mr. Chairman, we will

make sure that all Committee members get invitations to tour the finished product.) All documents on our end are ready for a planned closing on financing on Phase 2, and we await to hear from HUD on whether it will be able to make things happen on its end.

Finally, we are hopeful that the new Opportunity Zone program contained in the Tax Cuts and Jobs Act passed by the Congress and signed into law by the President will be an added incentive for private sector investment in Liberty City, which was included in the Governor's designation of Florida Opportunity Zones. We have been reaching out to a number of funds that are in the process of being formed or which have been formed, educating them on Opportunity Zones in Miami-Dade County.

Liberty City really is "happening." The attention to this community by the United States Senate and this Committee could not have come at a better time. Any resource that the federal government can set-aside for Liberty City to help in its economic revitalization will not be wasted, and I pledge that my Department will do all it can to assist in leveraging that resource to the maximum extent possible. We know how to make use of those resources and how to engage the private sector in doing so.

Thank you for inviting me to participate on this panel, and I am open to answer any questions you may have.