



Miami-Dade County Board of County Commissioners
Office of the Commission Auditor

Legislative Analysis

Housing & Community Development
Committee

February 11, 2009
9:30 AM
Commission Chamber

Charles Anderson, CPA
Commission Auditor

111 NW First Street, Suite 1030
Miami, Florida 33128
305-375-4354

**Housing & Community Development Committee
Agenda Notes
February 11, 2009**

Item No.	Subject Matter	Background	Analysis / Comments / Questions
2(A)	Resolution Directing the Mayor or Designee to Expedite Payments to Vendors and Community Based Organizations in Light of Current Economic Conditions Chairman Dennis C. Moss	<p>The resolution directs the County Mayor to develop and implement a plan to expedite payments to vendors and contractors so that they can expedite payments to their subcontractors and employees, and to expedite payments to Community Based Organizations.</p> <p>Legislative Intent The intent of the resolution is to assist Community Based Organizations carryout their functions during the current economic conditions by accelerating payments.</p> <p>Background On July 1, 2008, the Board of County Commissioners adopted Resolution 774-08, directing the Mayor or his designee to study the nature of and cause for any problems affecting the County’s timely and efficient compensation of community based organizations for goods and services provided to the County.</p> <p>On December 8, 2008, the County Manager’s Office, released a memorandum that detailed problems related to the County’s payment for services provided by Community Based Organizations, Economic Development Organizations and non-profit organizations under contract with the County.</p> <p>The memorandum details that the failure of providers to submit timely, accurate and proper payment requests and related documentation causes delays in the contracting and payment process. The memo also stated that it is possible for a final closeout payment to take over two months before it is received by the CBO.</p> <p>Question How long does the process take to provide a payment to a CBO?</p> <p><i>Staff from the Office of Grant Coordination (OGC) stated that the average number of days it takes the OGC and the Finance Department to process and pay a complete CBO payment request generally ranges from 19 to 30 days. Requests for contract advance payments are generally processed by OGC and the Finance department within 7 days. However, it should be noted that the circumstances listed above can delay the process for a specific agency.</i></p>	
2(G)	Resolution Relating to Negotiating with the City of Hialeah for the Development	The resolution requests the County Mayor or his designee or his designee to submit to the Board of County Commissioners (BCC) a completed negotiated agreement with the City of Hialeah for the development of an elderly residential project at the Okeechobee Metrorail site in sixty days or in a report detailing reasons for any delay in completing the negotiations within thirty days.	

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	<p>of an Elderly Residential Project at the Okeechobee Metrorail Site</p> <p>Commissioner Natacha Seijas</p>	<p>Background After 18 months of negotiation, the BCC adopted Resolution 903-07 authorizing the termination of the negotiation with Jubilee Community Development Corporation. The resolution included correspondence from the City of Hialeah dated July 15, 2007 where the City proposed to build an elderly residential project consisting of three residential towers of approximately 345 units. The letter stated that the project would be financed by GOB funds and affordable housing funds provided by Miami-Dade County and third party financing.</p> <p>The cover memorandum to the resolution stated that the Miami-Dade Transit Department would enter into discussions with the City of Hialeah to assist in the development of a project and negotiation of a lease agreement would be brought back to the BCC for consideration.</p>																	
3(A)	<p>Resolution Authorizing the County Mayor to Convey Sixty-Five Single Family Home Building Sites to Habitat for Humanity</p>	<p>The resolution authorizes the County Mayor to do the following:</p> <ul style="list-style-type: none"> • Convey sixty-five (65) single family home building sites to Habitat for Humanity of Greater Miami, Inc. (Habitat) for infill housing development, • Waive Administrative Order 3-44 as it relates to the conveyance process established in the Section entitled “Availability of County Property”, and • Execute County Deeds. <p>Background On January 29, 2007, the Board of County Commissioners (BCC) adopted Resolution 117-07 which approved Administrative Order 3-44. The AO included a new process on how infill property is conveyed to developers for affordable housing. The AO states that infill housing properties will be offered to a pre-qualified pool through a competitive work order proposal process.</p> <p>On December 20, 2007, the BCC approved Resolution 1402-07 that contained a list of pre-qualified pool of developers.</p> <table border="1" data-bbox="739 1084 1864 1464"> <thead> <tr> <th colspan="2">Infill Developer Housing Pool</th> </tr> </thead> <tbody> <tr> <td>Habitat for Humanity of Greater Miami</td> <td>Equitable Housing Corp.</td> </tr> <tr> <td>Kelko Investments, Inc.</td> <td>Affordable Housing Programs Inc. & Lancaster Homes Joint Venture</td> </tr> <tr> <td>Community Reinvestment Agency, Inc.</td> <td>NHS Housing Development, LLC</td> </tr> <tr> <td>Centro Campesino Farm worker Center, Inc.</td> <td>St. John Community Development Corporation</td> </tr> <tr> <td>Custom Builder of Miami, LLC</td> <td>Personal Paradise Developers Inc.</td> </tr> <tr> <td>H.A. Contracting Corp.</td> <td>GO1 Marketing, LLC/H. Capo Construction Corp. Joint Venture</td> </tr> <tr> <td>D.A. Community Builders Inc.</td> <td>PHS Development, LLC</td> </tr> </tbody> </table>	Infill Developer Housing Pool		Habitat for Humanity of Greater Miami	Equitable Housing Corp.	Kelko Investments, Inc.	Affordable Housing Programs Inc. & Lancaster Homes Joint Venture	Community Reinvestment Agency, Inc.	NHS Housing Development, LLC	Centro Campesino Farm worker Center, Inc.	St. John Community Development Corporation	Custom Builder of Miami, LLC	Personal Paradise Developers Inc.	H.A. Contracting Corp.	GO1 Marketing, LLC/H. Capo Construction Corp. Joint Venture	D.A. Community Builders Inc.	PHS Development, LLC	
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		<div data-bbox="743 233 1163 266" style="border: 1px solid black; padding: 2px;">JAG Homes & Development, LLC</div> <div data-bbox="1293 233 1713 266" style="border: 1px solid black; padding: 2px;">Haven Economic Development, Inc</div> <p data-bbox="520 305 989 337">Highlights of Attached County Deeds</p> <ul data-bbox="573 342 1969 607" style="list-style-type: none"> • The deed requires that the property be developed with affordable housing within one (1) year of the recording of the deed. • The affordable housing developed on the property has to be sold to a qualified household and the sales price should not exceed \$129,000. • The conveyed property is subject to an “Affordable Housing Restrictive Covenant”, which states that the property should remain affordable during the “Control Period”. The “Control Period” commences on the initial sale date of the home and resets automatically every 20 years for a maximum of 60 years. If a person owns the home for twenty consecutive years, they will be automatically released from the Affordable Housing Restrictive Covenant. <p data-bbox="520 646 663 678">Comments</p> <p data-bbox="520 683 1944 743">The cover memorandum that is accompanied with the resolution states that all of the sixty-five lots are located within the boundaries of the Hope VI Redevelopment Area.</p> <p data-bbox="520 781 1969 873">According to Miami-Dade Housing Agency, Habitat has constructed 57 homes on Sector One of the site. Of those, 41 were sold to former Scott/Carver residents. The original HOPE VI plan was to replace the 850 units of public housing that were located on the sites with 411 units, containing a mixture of rental and homeownership for mixed incomes.</p> <p data-bbox="520 911 1877 976">Originally, only 80 public housing units were to be a part of that mix but that number was subsequently revised and approved by the US Department of Housing and Urban Development (HUD) to include 160 public housing units.</p> <p data-bbox="520 1013 1934 1078">The 65 infill lots (that are being conveyed through this resolution) are in addition to the 411 units that are to be set-aside for rental and homeownership opportunities for mixed incomes.</p>	
3(B)	Resolution Approving the Criteria and the Use of a Mid Year Request for Application (RFA) Process for the Documentary Surtax Program	<p data-bbox="520 1094 1969 1224">The resolution approves an advertisement of the Mid-Year Request for Applications (RFA) process for the allocation of up to \$24.5 million in Documentary Stamp Surtax funds for the construction of rental housing. The resolution, if approved will also suspend the Board of County Commissioners’(BCC) policy of evenly splitting the combination of available Surtax and State Housing Initiatives Partnership program funds between homeownership and rental development.</p> <p data-bbox="520 1256 1226 1289">The Mid-Year process will allocate funds in two categories:</p> <ul data-bbox="573 1294 1944 1430" style="list-style-type: none"> • Category 1-threshold applicants who will apply for 2009 Florida Housing Finance Corporation (FHFC) Housing Credits and require a minimum local contribution of \$300,000 to qualify; and • Category 2-applicants with state subsidy tax credits that received County and/or other public funding, but still require gap funding to ensure completion of the development. 	

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		<p>Policy Changes The resolution will authorize that the BCC’s policy of splitting the combination of available Surtax and State Housing Initiatives Partnership program funds between homeownership and rental development to be suspended. The cover memorandum and the resolution are silent on the new process if the current policy is suspended.</p> <p>Florida State Statutes Section 125.0167 provides how the discretionary surtax on documents revenue should be applied:</p> <ul style="list-style-type: none"> • The county shall use the revenues only to help finance the construction, rehabilitation, or purchase of housing for low-income families and moderate income families; • To pay necessary costs of collection and enforcement of the surtax and to fund any local matching contributions required pursuant to federal law; • Provide funds for first and second mortgages and acquiring property for the purpose of forming housing cooperatives; and • No more than 50 percent of the revenue collected each year pursuant of this section may be used to help finance new construction and the proceeds of the surtax should not be used for rent subsidies or grants. <p>State Legislative Update State Representative Carlos Lopez-Cantera has filed House Bill 283 for the 2009 State Legislative Session. The bill will extend a future repeal date of provisions authorizing counties to levy a discretionary surtax on documents from 2011 to 2031.</p> <p>The Bill also provides the following language:</p> <ul style="list-style-type: none"> • No more than 10 percent of surtax revenues that are remitted to the county in any fiscal year may be used for administrative costs; • No less than 35% should be used to provide homeownership assistance for low-income and moderate-income families; • No less than 35% should be used for construction, rehabilitation, and purchase of rental housing units; and • The remaining amount may be allocated to provide homeownership assistance or rental housing units at the discretion of the county. <p>HB 283 has been referred to three committees and does not yet have a Senate sponsor.</p>	<p>Comments If the Surtax program sunset provision is not repealed staff has stated that no additional funding will be available for future commitments, including any successful Category 1 2009 local match recipients under the 2009 RFA process.</p> <p>Questions</p>

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		<p><i>The cover memorandum states that it is recommended that the Board suspend the policy of evenly splitting Surtax and SHIP between homeownership and rental development. What is the explanation behind this recommendation? Is there a recommendation on how the funding should be dedicated/split?</i></p> <p><i>The Board approved a portion of the Surtax be used for homeownership activities such as spot loans, infill housing and homeownership activities. What are the remaining balances of the funding that was set-aside to each activity?</i></p>																	
3(C)	FY 2008-09 Budget Amendment for the Florida City Community Redevelopment Agency (CRA)	<p>District 9.</p> <p>The Florida City CRA is required to submit an annual budget for County approval.</p> <p>The FY 2008-09 budget includes revenues and expenditures of \$7,199,501.</p> <p>The \$7,199,501 includes revenue sources from the following:</p> <ul style="list-style-type: none"> • County Tax Increment Revenues \$1,164,404; • City Tax Increment Revenues \$1,867,097; • Carryover from prior year's \$4,000,000; and • Interest earnings \$168,000 <p>The Administrative Expenditures total \$247,998 which represents 8.76% of the total tax increment revenue (satisfying the 20% cap in administrative expenditures).</p>	<table border="1" data-bbox="695 984 1675 1157"> <thead> <tr> <th></th> <th>FY07-08 Budget Adopted</th> <th>FY08-09 Proposed</th> <th>Percentage Increase</th> </tr> </thead> <tbody> <tr> <td>Operating Expenditures</td> <td>\$5,509,492</td> <td>\$7,199,501</td> <td>30.67%</td> </tr> </tbody> </table> <table border="1" data-bbox="695 1224 1675 1432"> <thead> <tr> <th></th> <th>FY07-08 Budget Adopted</th> <th>FY08-09 Proposed</th> <th>Percentage increase</th> </tr> </thead> <tbody> <tr> <td>Administrative Expenditures Total (including Administrative Charge)</td> <td>\$268,600</td> <td>\$247,998</td> <td>0%</td> </tr> </tbody> </table>		FY07-08 Budget Adopted	FY08-09 Proposed	Percentage Increase	Operating Expenditures	\$5,509,492	\$7,199,501	30.67%		FY07-08 Budget Adopted	FY08-09 Proposed	Percentage increase	Administrative Expenditures Total (including Administrative Charge)	\$268,600	\$247,998	0%
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3(D)	FY 2008-09 Budget Amendment for the Homestead Community Redevelopment Agency (CRA)	<p>District 8 and 9.</p> <p>The Homestead CRA is required to submit an annual budget for County approval.</p> <p>The FY 2008-09 budget includes revenues and expenditures of \$4,955,000.</p> <p>The \$4,955,000 includes revenue sources from the following:</p> <ul style="list-style-type: none"> • County Tax Increment Revenues \$1,902,500; • City Tax Increment Revenues \$2,325,500; • Carryover from prior year's \$600,000; and • Interest earnings \$127,000 <p>The Administrative Expenditures total \$575,300 which represents 13.61% of the total tax increment revenue (satisfying the 20% cap in administrative expenditures).</p> <table border="1" data-bbox="699 852 1677 1023"> <thead> <tr> <th></th> <th>FY07-08 Budget Adopted</th> <th>FY08-09 Proposed</th> <th>Percentage Increase</th> </tr> </thead> <tbody> <tr> <td>Operating Expenditures</td> <td>\$5,109,800</td> <td>\$4,955,000</td> <td>0%</td> </tr> </tbody> </table> <table border="1" data-bbox="699 1091 1677 1299"> <thead> <tr> <th></th> <th>FY07-08 Budget Adopted</th> <th>FY08-09 Proposed</th> <th>Percentage increase</th> </tr> </thead> <tbody> <tr> <td>Administrative Expenditures Total (including Administrative Charge)</td> <td>\$707,400</td> <td>\$575,300</td> <td>0%</td> </tr> </tbody> </table> <p>The Tax Increment Financing Committee (comprised of County administrative staff to provide increment financing recommendations) reviewed this budget and recommended it for the Board of County Commissioners approval on January 16, 2009.</p>		FY07-08 Budget Adopted	FY08-09 Proposed	Percentage Increase	Operating Expenditures	\$5,109,800	\$4,955,000	0%		FY07-08 Budget Adopted	FY08-09 Proposed	Percentage increase	Administrative Expenditures Total (including Administrative Charge)	\$707,400	\$575,300	0%	
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3(E)	FY 2008-09 Budget Amendment for the North Miami Beach Community Redevelopment Agency (CRA)	<p>District 2 and 4.</p> <p>The North Miami Beach CRA is required to submit an annual budget for County approval.</p> <p>The FY 2008-09 budget includes revenues and expenditures of \$9,450,231.</p> <p>The \$9,450,231 includes revenue sources from the following:</p> <ul style="list-style-type: none"> • County Tax Increment Revenues \$897,748; • City Tax Increment Revenues \$1,217,228; • Carryover from prior year's \$7,324,255; and • Interest earnings \$11,000. <p>The Administrative Expenditures total \$163,184 which represents 7.72% of the total tax increment revenue (satisfying the 20% cap in administrative expenditures).</p> <table border="1" data-bbox="680 708 1661 878"> <thead> <tr> <th></th> <th>FY07-08 Budget Adopted</th> <th>FY08-09 Proposed</th> <th>Percentage Increase</th> </tr> </thead> <tbody> <tr> <td>Operating Expenditures</td> <td>\$9,405,454</td> <td>\$9,450,231</td> <td>0%</td> </tr> </tbody> </table> <table border="1" data-bbox="680 948 1661 1154"> <thead> <tr> <th></th> <th>FY07-08 Budget Adopted</th> <th>FY08-09 Proposed</th> <th>Percentage increase</th> </tr> </thead> <tbody> <tr> <td>Administrative Expenditures Total (including Administrative Charge)</td> <td>\$188,183</td> <td>\$163,184</td> <td>0%</td> </tr> </tbody> </table> <p>The Tax Increment Financing Committee (comprised of County administrative staff to provide increment financing recommendations) reviewed this budget and recommended it for the Board of County Commissioners approval on January 16, 2009.</p>		FY07-08 Budget Adopted	FY08-09 Proposed	Percentage Increase	Operating Expenditures	\$9,405,454	\$9,450,231	0%		FY07-08 Budget Adopted	FY08-09 Proposed	Percentage increase	Administrative Expenditures Total (including Administrative Charge)	\$188,183	\$163,184	0%			
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