Departmental Business Plan and Outlook
Department Name:
Fiscal Years: 2006/2007 – 2007/2008

Miami-Dade Housing Agency Business Plan

FY 2006-2007
&
FY 2007-2008

Plan Date:

Approved by:

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TABLE OF CONTENTS

Departmental Business Plan and Outlook
Department Name:
Fiscal Years: 2006/2007 – 2007/2008

EXECUTIVE SUMMARY

The Miami-Dade Housing Agency (MDHA) provides housing through federal subsidies for over 10,000 units of County-owned public and other assisted housing, which it manages and maintains, and for 16,000 Section 8 vouchers and other subsidies for private rental housing, some aligned with supportive services, for low- and moderate-income residents of Miami-Dade County. MDHA provides supportive services in conjunction with the Department of Human Services (DHS) and programs to improve the quality of life and general environment of its housing residents. MDHA coordinates most of the County's affordable housing programs and is the gateway to affordable housing initiatives, through a partnership with the Office of Community and Economic Development (OCED) and the Housing Finance Authority (HFA).

The housing team works to: 1) build new affordable housing, 2) close on homeownership mortgage loans, 3) assist families with rehabilitation of owner-occupied homes, and 4) counsels families to become first time homebuyers. MDHA works closely with the County's General Services Administration (GSA) on the Infill Housing Initiative compliance monitoring, along with capital planning to monitor the new workforce housing initiative. In addition, through the Board of County Commissioner's directive a taskforce, the Community Affordable Housing Strategies Alliance (CAHSA), was convened the past year to help further housing policy whose outcomes will be folded into a 15-20 year comprehensive affordable housing master plan for the County.

Key Objectives and Milestones to be Completed in Current Year and Next Fiscal Year

- Achieve a 97% occupancy rate in public housing this year
- Maintain a lease-up rate of 95% or higher in the Section 8 Housing Choice Voucher program this year, contingent upon available federal funding
- Achieve standard or high performance scores for the federal Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) each year
- Provide additional homeownership and affordable rental opportunities.
- Completion of 57 homes in Phase 1 of HOPE VI Scott Carver redevelopment
- Coordination of effort in the development of affordable housing with the Office of Community and Economic Development (OCED)

Significant Factors Affecting Performance

Overall

- Negative media press and poor public perception of the Agency's ability to deliver services
- Antiquated technology infrastructure must be modernized to improve productivity, reliability, management oversight and customer satisfaction

Rental (Public and Section 8) Housing

- Substantial federal cuts in both public housing and Section 8 housing assistance payments (HAP) funding and cost increases outside the control of MDHA
- Major reorganization of all MDHA programs to meet new Asset Management regulations of US HUD
- New federal U.S. Department of Housing and Urban Development (HUD) regulations have changed rules how subsidy is administered
- HUD's impending threat of receivership.

Affordable (Homeownership) Housing

- Escalating costs of housing construction drive up home sales prices which requires more subsidy for both developers and homebuyers, creating more demand for limited financial resources
- Expanding into new markets to develop housing projects that make more effective use of MDHA and County resources and generate on-going income for MDHA

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DEPARTMENT PURPOSE

To manage, maintain and improve over 10,000 units of County-owned, federally subsidized and mixed use housing; to provide supportive services and programs to improve the quality of life and general environment of public housing residents; to coordinate the contracting of over 16,000 units of privately-owned low- and moderate-income housing to provide housing assistance that is attached to services from our partners, through Shelter Plus Care and Single Room Occupancy (SRO) Moderate Rehabilitation; to ensure safe and decent housing; and to provide mortgage loans to low- to moderate-income working families for homeownership. .

MISSION

Since the Agency is funded primarily with federal dollars from HUD, MDHA is required to be aligned with HUD's goals and objectives, as well as Miami-Dade County's. Therefore, HUD's mission and goal statements are included in this Business Plan. Since MDHA is monitored for performance on an annual basis its two major performance assessment systems (PHAS and SEMAP) MDHA is driven by system requirements as they relate directly to federal funding allocations, as well as, federal satisfaction with the management of MDHA's resources (see Appendix 1 for a summary of PHAS and SEMAP indicators). The County's strategic plan, goals and objectives are incorporated into the broader HUD goals. This plan integrates both sets of goals, objectives and performance measures in one document.

HUD's Mission Statement

To promote adequate and affordable housing, economic development and a suitable living environment free from discrimination.

HUD's Goals

HUD1: Increase the availability of decent, safe and affordable housing
HUD2: Improve the quality of assisted housing
HUD3: Improve community quality of life and economic vitality
HUD4: Provide an improved living environment
HUD5: Promote self-sufficiency and assist development of assisted households
HUD6: Ensure equal opportunity and affirmatively further fair housing

Miami-Dade Housing Agency Mission

MDHA's mission statement is:

We, the employees of Miami-Dade Housing Agency, through our collective efforts to positively enhance and better serve this community with integrity, care, high ethical standards and competence, are committed to provide low- and moderate-income residents of Miami-Dade County:

- Quality, affordable housing opportunities
- Neighborhood revitalization and stabilization activities
- Economic independence opportunities
- Partnerships with private and public entities to optimize resources through innovative programs
- Efficient and effective management of resources generated

STRATEGIC ALIGNMENT

- ✓ To increase the availability of decent, safe and affordable housing to the residents of Miami-Dade County
- ✓ To improve the condition and quality of Public Housing in Miami-Dade County
- ✓ To improve the quality of life in Public Housing in Miami-Dade County
- ✓ To increase the self-sufficiency of Public Housing and Section 8 residents in Miami-Dade County, including opportunities for homeownership
- ✓ To ensure equal opportunity and affirmatively further fair housing through compliance with federal requirements, the Adker Consent Decree and the Voluntary Compliance Agreement.

Department-related Strategic Plan Goals

HUD1: Increase the availability of decent, safe and affordable housing
HUD2: Improve the quality of assisted housing
HUD3: Improve community quality of life and economic vitality
HUD4: Provide an improved living environment
HUD5: Promote self-sufficiency and asset development of assisted households
HUD6: Ensure equal opportunity and affirmatively further fair housing
County
Goal HH5: Provide adequate, quality and affordable housing equitably throughout Miami-Dade County
County Goal HH7: Ensure high quality of care and customer service countywide
County Goal ED1: Allocate County government resources in support of activities that increase and diversity jobs and incomes while eliminating socio-economic barriers

Department-related Strategic Plan Priority Outcomes

HH5-1: Increased availability of affordable and special needs housing (Key outcome indicator = number of new housing units developed/financed annually)
HH5-2: Greater portion of elderly residents able to stay in their homes and maintenance of existing housing units in Miami-Dade County (key outcome indicator = number of rehabilitation loans provided to elderly families annually)
HH7-1: Improved customer service and care in health and human services (key outcome indicator = scores on customer surveys)
ED1-3: Increased number of low to moderate income homeowners (key outcome indicator = number of new loans issued annually)

Delivery of Services to the Customer

MDHA has over 9,000 leases affecting nearly 40,000 people—those housed in MDHA-owned units. As the liaison between private landlords and tenants, the Agency administers over 17,000 vouchers. The Agency supports the Overall Tenants' Advisory Council (OTAC), an independent 501(c)(3) organization that represents public housing tenants and also has a Section 8 Resident Advisory Board, which serves as a liaison between voucher holders and MDHA. Moreover, a satisfaction survey of public housing residents is conducted each year as part of MDHA's performance evaluation under PHAS.

As a mortgage banker, MDHA, along with the HFA, has contractual relationships with thousands of homeowners and more than a dozen bank partners who participate in loan programs, primarily as first mortgage holders. The Agency has formalized methods for learning about customer concerns. In its loan programs, the HFA provides loan counseling to many prospective clients and to all clients moving through the contracting

process. The HFA meets with bank partners to review joint efforts and to identify ways to improve internal business processes.

In the Section 8 voucher program, the Agency conducted a survey of landlords and plans to conduct a random mail survey each year. In addition, exit interviews were conducted of Section 8 customers. The Agency has created a landlord advisory council to provide on-going through hosted landlord meetings to MDHA regarding planned improvements and implemented changes. The Agency is initiating workshops that will have specific subject matters and be offered throughout the year.

In general, since the Agency is in regular contact with most customers, feedback is constant, swift and targeted. This feedback is used to help guide staff in program evaluation, business process improvement and restructuring service delivery.

KEY PROGRAMS AND INITIATIVES

The department's key programs and initiatives are highlighted below and organized by balanced scorecard perspective.

Customer Perspective

- Direct customer services through the provision of housing.
- Improving the quality of life of MDHA's residents.

Financial Perspective

- To have sufficient operating dollars to ensure management and operation of core housing programs.
- To have sufficient capital funds to ensure County-owned housing stock is maintained and upgraded.
- To efficiently manage and leverage the General Obligation Bond dollars earmarked for the preservation and development of affordable housing.

Internal Perspective

- Improving the process and procedures for administering the core housing programs.
- Maintaining MDHA's Web portal, Housing Central, to provide information and access to residents, landlords, contractors, other interested parties and the community at large.
- Modernize internal information system infrastructure to improve efficiency and align with new operational methodology required by USHUD.

Learning and Growth Perspective

- Providing training and development opportunities to staff in order for them to comply with federal regulatory requirements in the administration of housing programs.
- Providing continued learning opportunities in order to meet new housing needs, key program changes and other housing initiatives.

PERFORMANCE MEASURES AND TARGETS

For ease of reference, specific information regarding departmental objectives and performance measures including targets for FY 2006-07 and FY 2007-08 can be found in Attachment 2 – Business Plan Report.

CRITICAL SUCCESS FACTORS

Key items for successful achievement of Agency goals and objectives are summarized as:

- Changing the organizational structure to comply with federal Asset Management rules to more effectively and efficiently deliver services and the County should limit its overhead charges and other costs to compete with the private sector.
- Reorganizing the Section 8 program and bring it into compliance with federal standards
- Maintaining fiscal health— To achieve this, HUD should return funding to levels adequate for properly managing public housing and Section 8 programs.
- Training and improving the knowledge base of existing MDHA staff, and the hiring of experienced qualified staff
- Managing the requirements under the Adker Consent Decree to minimize public housing vacancies
- Updating all policies and procedures throughout the Agency
- Upgrading existing computer systems to improve productivity, effectiveness, efficiencies, management oversight and customer satisfaction
- Expanding new market efforts to include projects that make more effective use of MDHA and County resources and that can also generate income
- Streamlining business processes of programs to deliver improved and more responsive services and reductions in duplicative functions and work environments
- Reacting to HUD's attempt to take the agency into receivership.

Escalating personnel costs along with other service fees mandated by the County negatively impacts the Agency's ability to control expenses. The trend for declining revenues and increased costs is continuing and will likely accelerate. Greater challenges are expected for the management and line employees of the Agency to maintain current service levels and productivity in the wake of increasing personnel costs and shrinking revenue streams.

3 to 5 YEAR OUTLOOK

The fundamental concern facing the Agency is fiscal health; HUD has continually under-funded the Public Housing and Section 8 programs in recent years and cut social program funding without eliminating or reducing the respective regulations and reporting requirements.

It appears that draconian fiscal conditions could mean fewer families will be receiving benefits, landlord rent through HAP would be reduced, or tenants would have to pay more than 30 percent of their income to stay in the program, or any combination of these options. From an administrative perspective, the future of private rental housing performance rests with improving productivity both through streamlining work processes and improving software support. These efforts are underway with major improvements expected in Fiscal Year 2007-2008.

A key project in the Agency's drive for efficiency is the future consolidation of all support and some direct services into one location. Currently, the services and functions proposed for consolidation are located in 16 different buildings in six different geographic locations. This consolidation has been delayed due to site cost and availability problems.

Finally, HUD has announced that beginning in 2007, all public housing funding will be based on a new asset allocation methodology, whereby HUD will fund housing agencies based on estimated site costs with other services, including support and overhead, charged back in the form of a management fee. Unfortunately, even this new funding model has failed to provide funding at full eligibility (100%), rather, HUD has continued to provide funding on a prorated rate.

Attachment 1
DEPARTMENTAL PROFILE

Department Description

MDHA is the sixth largest public housing agency in the nation, offering a variety of comprehensive and unique housing services, including:

- Management and maintenance of over 10,000 units of public and other housing
- Administration of Section 8 subsidized payments to private landlords for over 16,000 client families
- Oversight of the nation's first public housing assisted living facility (ALF)--the 100-bed Helen Sawyer ALF, and under contract for the 100-bed Ward Towers ALF that opened in the summer of 2005
- Administration of loan programs through the Documentary Surtax Program and State Housing Initiative Program (SHIP)
- Two HOPE VI projects: Scott-Carver and Ward Towers ALF
- A comprehensive Web Portal, Housing Central

MDHA manages the majority of the County's assisted housing programs, requiring improved coordination among other County departments. Prior to the merger of the Special Housing Programs Department which administered the Section 8 program; and the Metro-Dade Housing and Urban Development Department which administered the Public Housing program in 1996, the County's General Fund provided up to $6 million a year for Public Housing. Over the past several years, MDHA has received direct support from the County to cover the reductions in federal subsidy.

Major Housing Programs

Applicant and Leasing Center

The Applicant and Leasing Center (ALC) is the initial gateway and clearinghouse for all programs administered by the Agency for which a waiting list is maintained. ALC monitors and administers waiting lists, performs initial applicant eligibility and certification for Public Housing, Section 8 Housing Choice Vouchers, and Moderate Rehabilitation and Section 8 New Construction programs. The selection, certification and housing offer processes must comply with the Adker Consent Decree.

Public Housing

Public housing manages about 9,500 public housing units. The scope of services include maintenance, rent collections, minor capital improvements, tenant council management and other tasks. Housing management is divided into three regions, Region 1--north, Region 2--central and Region 3—south, with 30 housing site management offices for 135 individual developments. In addition, MDHA has mixed-use housing sites managed by private companies, totaling 566 units; rents in these are market-rate but accommodate low-income families. There are also 536 units under the Section 8 New Construction program, in developments the Agency owns, manages and maintains and 200 units in two assisted living facilities.

Private Rental Housing (Section 8)

The Section 8 program is an umbrella housing subsidy program providing rental assistance to eligible families and elderly residents, allowing them to rent units in the private rental market. There are a number of different programs within the Section 8 program. The various programs provide rent subsidies so that both the landlord and the eligible families benefit, with the landlord receiving a steady monthly income and families able to rent dwellings where the housing cost would otherwise be prohibitive. Typically, tenants pay up to 30 percent of their income for rent, and MDHA, through HUD, subsidizes the difference in housing assistance payments (HAP) to the landlord. In addition, annual enforcement of housing quality standards (HQS) inspection ensures that housing remains decent, safe and sanitary. A relatively new program in this division is the Section 8

Homeownership program, which allows for the use of the Housing Choice Voucher subsidy to be applied towards mortgage payments instead of rental payments, thereby enabling participants to purchase a home for close to their monthly rental payment. Through March 2007, 85 families have purchased homes using their Section 8 vouchers.

Housing, Planning and Development

This division manages the Capital Fund Program (CFP) to maintain and improve the physical condition of Public Housing. HUD provides CFP funds annually; the amount being dependent on the federal budget. The planning and development staff works with architectural and engineering consultants and contractors for the design and construction of most capital projects.

Development and Loan Administration (Surtax)

Several types of loans are available through this program, which OCED is facilitating.

Construction Loans for Housing Development. These loans average 10 percent of the total project cost and are available to non-profit community development corporations (CDC) and for-profit private developers for rental and homeownership developments. MDHA's Development and Loan Administration working with a consortium of banks, corporate equity investors and others provide low-cost financing for projects that would otherwise be difficult to finance using standard market rates.

Homeownership Second Mortgages. The HFA is administering this program, as well as the Single Family Rehabilitation Loan program. This program provides second mortgages to qualified homebuyers. Working with a consortium of banks and others, qualified residents can receive up to $80,000 (subject to change depending on market conditions) for a second mortgage at extremely low interest rates. In certain circumstances, payments are deferred, allowing the new homeowner the chance to build equity at an affordable mortgage payment. The balance of the loan becomes due and payable at the time the property is rented, sold or transferred in accordance with the mortgage.

Single Family Rehabilitation Loan Program. This loan program provides low-interest loans for owner-occupied home renovations in order for long term homeowners to remain in their homes. The program is open to homeowners with qualifying household incomes. Forgivable loans are provided for eligible homeowners who do not have the financial resources available to repair their property and are not able to borrow the funds from conventional sources, such as banks or mortgage companies. In most instances, loan repayment is not required as long as the borrower owns and lives in the property being repaired. The balance of the loan becomes due and payable at the time the property is rented, sold or transferred. There are also special initiatives that benefit the elderly and the physically disabled. Maximum amount for regular loans is $30,000.

Homebuyer Counseling. This service offers financial management, credit counseling and other technical related services to participating families for financing single-family homes.

Office of the Director

The Office of the Director provides direction to and policy oversight for the entire Miami-Dade Housing Agency. The Director or her designee represents the Agency at the Board of County Commissioners and Commission committees and is the key point of contact with the Mayor's Office, HUD, County Manager's Office, County Attorney's Office and other policy-makers and leaders in the provision of housing in Miami-Dade County. The Director works closely with the Chief Operating Officer, Chief Financial Officer, and other key Agency staff in the provision of affordable housing to the community.

Compliance and Administration

This office provides agency-wide compliance functions, including program audits and management reviews, investigations of fraud and complaints, review and interpretation of HUD regulations and notices, and Fair Housing and Equal Opportunity oversight, including Americans with Disabilities, Voluntary Compliance

Agreement and Adker Consent Decree requirements. The office reviews appeals to hearing decisions for the Director, and performs quality assurance monitoring of HUD requirements, and coordinates agenda items and directives resulting from Board of County Commission action. The office also is responsible for all human resource-related functions including personnel, payroll, benefits, recruitment, discipline, and affirmative action.

Finance

This area, through the Chief Financial Officer, provides financial support to the Agency. The divisions under the Finance area are: Budget, Accounting, Procurement, MIS, including contracts, fleet and emergency management. Finance staff process accounts payables, maintain vendor files, including those for Housing Assistance Payments to landlords, and issue over 8,000 checks a month. Landlord payments total about $120 million annually. In addition, the Finance area is responsible for managing the Agency's Information Technology functions, including the proprietary housing management. This area also completes the funding subsidy calculations for all subsidized programs and numerous federal reports.

Organization and Staffing Levels

The following provides an overview of the Housing Agency staffing and expenditures. Table 1 summarizes budgeted full-time positions by division for last fiscal year and the current year.

Staffing Levels

After full-time staff decreased from FY 04-05 to 05-06 by 84 positions due to funding constraints, eight positions were added back in FY 06-07.

Table 1: Budgeted Full-time Staffing Levels

Functions	FY 05-06	FY 06-07
Director's Office	15	15
Finance	62	66
Loan Development & Administration	62	61
Compliance and Administration	18	18
Housing Development	33	33
ALC	43	38
Private Rental	107	117
Public Housing	350	350
Total	690	698

MDHA has eliminated all temporary agency employees, except for short-term special projects or where an existing employee is out for an extended time for various reasons. In total, the number of staff providing direct and support services is at its lowest levels in over a decade.

Departmental Business Plan and Outlook
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Fiscal Years: 2006/2007 – 2007/2008

Table of Organization

OFFICE OF THE DIRECTOR

- Administers housing programs; provides direction and coordination of federal, state, and local housing programs to assist low- to moderate-income families; interacts with the County Manager's Office, Board of County Commissioners, and other public and private entities to ensure attainment of the Agency's goals and objectives

COMPLIANCE

- Audits operations for compliance with U.S. HUD and departmental regulations; monitors Public Housing Assessment Scores (PHAS) and Section Eight Management Assessment Program (SEMAP) measures, monitors Adker settlement and other initiatives; prepares five year plan and annual updates; and conducts fraud investigations, grievance hearings, and Section 3 compliance

FINANCE AND ADMINISTRATION

- Provides administrative support, including budgeting, accounting, Management Information System (MIS), procurement, employee relations, contract administration, and materials management; ensures that federal and County requirements are met

DEVELOPMENT AND LOAN ADMINISTRATION

- Administers Surtax, State Housing Initiative Partnership (SHIP), and Home Investment Partnership Program (HOME) affordable housing programs
- Manages Loan Services unit
- Processes construction loans and draws for affordable housing developments
- Monitors compliance of affordable housing funds/units

DEVELOPMENT

- Identifies and constructs new housing development projects, mixed use development acquisition, and disposition activities for County-owned properties
- Provides architectural/engineering and construction contract administration; and provides oversight of construction and rehabilitation field work

APPLICANT LEASING CENTER

- Accepts applications for public housing and Section 8; determines eligibility, assigns units, and maintains a list of qualified applicants

PUBLIC HOUSING

- Provides property management and maintenance services, including occupancy, relocation, leasing, rent, and evictions

PRIVATE RENTAL HOUSING

- Administers Section 8 housing programs
- Conducts housing quality standard (HQS) inspections for all programs administered

Financial Summary

(Dollars in Thousands)	Actual FY 04-05	Budget FY 05-06	Budget FY 06-07
Revenue Summary			
Documentary Stamp Surtax	46,112	42,224	40,000
Family Self Sufficiency-FSS	53	63	73
Fannie Mae Reimbursement	0	3,500	0
Federal Grants	4,718	5,091	4,571
HAP-Section 8 New Construction	3,050	3,100	3,100
Hope VI	1,709	1,978	1,249
Housing Assistance Payments	144,256	139,756	149,858
Interest Income	2,460	1,151	3,200
Lakeside & Park Lakes Revenues	712	831	2,587
Loans Servicing Fees	597	500	500
Miscellaneous Non-Operating Revenue	2,524	1,000	3,000
Miscellaneous Revenues	7,631	1,552	1,480
Other	134	68	1,631
Public Housing Subsidy	27,867	25,591	25,808

(Dollars in Thousands) Expenditure By Program	Total Funding Budget FY 05-06	Total Funding Budget FY 06-07	Total Positions Budget FY 05-06	Total Positions Budget FY 06-07
Strategic Area: Health and Human Services				
Administration/Director	1,254	1,360	15	15
Affordable Housing-Surtax	7,366	7,403	62	61
Applicant Leasing Center - Tenant Selection	2,218	2,384	43	38
Compliance	1,409	1,548	18	18
Development	3,171	2,310	33	33
Finance & Administration	4,287	4,498	62	66
Private Rental	10,194	11,050	107	117
Public Housing	48,567	49,392	350	350
Total Operating Expenditures	78,466	79,945	690	698

Rentals	14,779	16,798	16,790
Sale of Properties-Homeownership	380	3,500	3,187
Section 8 Admin Fee	14,388	13,612	14,715
SHIP Carryover	23,025	15,000	6,000
SHIP Operations	9,539	5,200	8,000
Surtax Committed Loan Carryover	0	13,927	63,000
Surtax Loan Payback	0	9,000	11,700
Total Revenues	303,934	303,442	360,449
Operating Expenditures Summary			
Salary	31,091	31,330	33,999
Fringe Benefits	14,293	10,468	12,301
Other Operating	35,276	35,435	32,853
Capital	1,277	1,233	792
Total Operating Expenditures	81,937	78,466	79,945
Non-Operating Expenditures Summary			
Other Non-Operating Adjustments	158,900	224,976	280,504
Total Non-Operating Expenditures	158,900	224,976	280,504

Capital Budget Summary

(Dollars in Thousands)	PRIOR	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FUTURE	TOTAL
Revenue									
Building Better Communities GOB Program	13,228	15,773	3,402	0	6,536	3,586	3,575	106,355	152,455
Capital Funds Financing Program (CFFP)	0	12,934	14,834	12,232	0	0	0	0	40,000
Bond Projects									
Capital Funds Program (CFP) - 714	4,489	3,232	0	0	0	0	0	0	7,721
Capital Funds Program (CFP) - 715	3,095	2,778	2,777	0	0	0	0	0	8,650
Capital Funds Program (CFP) - 716	0	4,967	2,467	2,466	0	0	0	0	9,900
Capital Funds Program (CFP) - Future	0	0	9,900	9,900	9,900	9,900	0	0	39,600
CDBG Reimbursement	0	5,202	0	0	0	0	0	0	5,202
Comm. Dev. Block Grant - 2000	4,508	0	0	0	0	0	0	0	4,508
Documentary Surtax	3,462	2,838	0	0	0	0	0	0	6,300
Financing Proceeds	0	23,741	0	0	0	0	0	0	23,741
Home Sale Proceeds	0	0	12,438	18,699	6,186	5,625	0	0	42,948
Hope VI Grant	14,889	6,059	6,011	6,000	1,041	1,000	0	0	35,000
Replacement Housing Factor (RHF)	3,997	1,667	2,000	2,146	555	0	0	0	10,365
State Housing Initiatives Partnership (SHIP) Program	0	0	1,000	3,500	3,600	0	0	0	8,100
Total:	47,668	79,191	54,829	54,943	27,818	20,111	3,575	106,355	394,490
Expenditures									
Strategic Area: Health And Human Services									
Departmental Information Technology Projects	50	250	0	0	0	0	0	0	300
Public Housing Improvements	47,262	62,600	55,005	64,391	31,559	23,443	3,575	106,355	394,190
Total:	47,312	62,850	55,005	64,391	31,559	23,443	3,575	106,355	394,490

Note: The numbers of positions and dollars are as of 10/1/06 and do not reflect current numbers projected for year-end 2006-2007.

Business Environment

In 2006, the Agency experienced tremendous change. Earlier in the year, the County Manager assembled a Management Assistance Team to address targeted areas of the Agency, and later to assume the day to day management following the termination of top management staff, including the Director and Deputy Director of the Agency. The Management Assistance Team was comprised of 25 high level County officials, including two Assistant County Managers, the County Finance Director and Deputy Director, the Director of the Empowerment Trust, Director of Housing Finance Authority, and senior staff from the County Manager's Office and Office of Strategic Business Management.

A national search for a new Director resulted in the hiring of not only a new Director, but also Chief Operating Officer and Chief Financial Officer joining the Agency. Efforts are underway to reorganize the Agency to better manage organizationally as well as fiscally.

A close working relationship has been established between the Agency and the Office of Community and Economic Development, and Housing Finance Authority to ensure a coordinated and comprehensive approach to housing and economic needs in Miami-Dade County. A master planning process will commence within the next 60 days or less, and the affordable housing master plan will be completed within the next 6 months.

Fiscal year 2006-2007 continues to pose challenges to the Agency. As described earlier, on the fiscal side, the federal government has proposed cuts in Section 8 and public housing subsidies. Over the past several years, MDHA has seen funding for several key programs eliminated at the federal level, due to the reduction of the Drug Elimination and ROSS grants which previously funded dedicated police and major social service programs. These will not be resurrected for the foreseeable future.

To address existing physical deficiencies at public housing sites, $4.8 million in General Fund dollars was approved as part of the 2006-2007 budget for safety and security improvements to deter criminal activity and foster a safer environment in public housing. A total of $8.2 million has been targeted to renovate 1,109 hard-to-ready public housing units - $5.2 million from Community Development Block Grant funds and $3 million of federal Capital Funds – through contracts to general contractors to complete the work.

The Agency, in collaboration with the Department of Human Services and Community Action Agency, is coordinating the Housing Assistance Grant program to provide $9 million in funding to renters and homeowners needing assistance with move-in and relocation expenses, including emergency one-time mortgage or rent payments to public housing and Section 8 participants, as well as residents living in non-subsidized rental units.

On-going increases in wages and benefits are an area of continued concern. Cumulative cost of living increases, other wage increases and increased retirement expenses have added almost $5 million in costs over the past five years and is expected to increase with an additional three percent increase in cost of living due in July 2007 and a four percent increase in cost of living in July 2008.

Although the additional dollars allocated to rehabilitate public housing units, thereby reducing the overall vacancy rate has been beneficial, filling these units expeditiously continues to be a challenge. MDHA must still balance the requirements of a federal court order, the Adker Consent Decree, with its mission to provide quality housing to low-income families. Currently, the requirements of the decree make it extremely challenging and costly to fill vacancies in public housing. The decree will end in 2009.

The lease-up rate in the Section 8 program has fallen to 90 percent. The goal is to bring this to 95 percent which is expected to utilize nearly 100 percent of Housing Assistance Payment funding.

For the HOPE VI projects, the Ward Towers assisted living facility (ALF) opened in the summer of 2005 and the therapeutic pool will be completed by June 2007. Demolition work at the HOPE VI Scott Carver redevelopment project is complete, infrastructure work is continuing on a 57-home portion of the site that is being developed by Habitat for Humanity. Habitat constructed 28 new homes in 2006; 18 are under construction and 11 are pending permitting. A complete overhaul of the HOPE VI project is expected to result in a greater number of rental and homeownership homes being constructed.

After years of effort, new mortgage services software was acquired for managing the Surtax loan program, and will be in full-time operation in July 2007. Lastly, housing market conditions are creating greater demand on the County's limited affordable housing resources, requiring higher subsidies for both developers and homebuyers.