



MEMORANDUM

TO: Honorable Chairperson Barbara Carey-Shuler, Ed.D.
and Members, Board of County Commissioners

DATE: March 16, 2004

FROM: George M. Burgess
County Manager

SUBJECT: Ratio Report

Miami-Dade County is one of the largest jurisdictions in the United States that receives Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (USHUD).

During the last five (5) years, County's the CDBG entitlement allocation including program income has been funded at the following levels:

1999	\$22.389 million
2000	\$22.243 million
2001	\$23.024 million
2002	\$22.679 million
2003	\$24.113 million

Every year USHUD monitors the timeliness of expenditures in the Miami-Dade CDBG program on October 31st when it measures the achievement of the 1.5 ratio. Under the provisions of the CDBG regulations, a grantee is considered to be timely, if 60 days prior to the end of the grantee's program year, the balance in its line of credit does not exceed 1.5 times the annual entitlement grant amount. During the last five (5) years the ratio has been measured as follows:

October 31, 1999	2.40
October 31, 2000	2.10
October 31, 2001	1.97
October 31, 2002	1.29
October 31, 2003	1.14

OCED was in compliance on October 31, 2002 and 2003 because of a solid management strategy and the implementation of an aggressive and effective plan that included:

- Bi-monthly monitoring of each Agency and County Departments' expenditures.
- Periodic reconciliation of FAMIS (Miami-Dade County) and IDIS (USHUD).
- Recapture and reprogramming of slow spending projects.

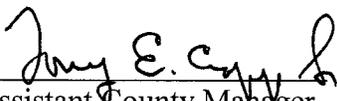
Honorable Chairperson Barbara Carey-Shuler, Ed.D.
and Members, Board of County Commissioners
Page 2

- Drawdown regularly on our USHUD line of credit.

Please be advised that as of January 20, 2004, our ratio was 0.93. The aggressive CDBG program expenditure plan that brought OCED into compliance has now reduced the amount of funding available for projects now and in the future to essentially the amount of our yearly entitlement.

In an effort to avoid sanctions by USHUD, due to non-compliance linked to our expenditure ratio, OCED has moved aggressively to fund realistic and attainable projects. While this is very good news, the downside is that our liquidity position (unspent or uncommitted dollars) has been virtually eliminated. Therefore, the likelihood of OCED being able to address unanticipated funding emergencies is limited, if at all. In the future, we must look for alternate sources of funding outside our CDBG and HOME programs to continue our mission statement to support the development of viable urban neighborhoods in Miami-Dade County, characterized by decent housing, expansion of economic opportunities and the preservation of historic properties.

OCED was able to achieve this major accomplishment with the support of our subrecipient agencies, county departments, our staff and the staff of the USHUD's Miami Field office.


Assistant County Manager