Memorandum

MIAMI-DADE COUNTY

Date: February 19, 2008

Agenda Item No. 14(B)1

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Status of Items in US HUD/County Workplan

At the request of the US Department of Housing and Urban Development (US HUD) Oversight Administrator, the attached report is being presented.

Effective October 26, 2007, US HUD assumed the day-to-day management of MDHA. Pursuant to the Settlement Agreement, quarterly meetings between US HUD and appropriate County representatives are to take place to discuss progress made on the Work Plan and any remaining issues. The first quarterly meeting with US HUD and County representatives was held on January 30, 2008.

Attached is the report from the US HUD Oversight Administrator which includes input from County staff at the January 30, 2008 meeting and follow-up communications.

Attachments

Cynthia W. Curry
Senior Advisor to the County Manager

Memorandum

MIAMI-DADE COUNTY

Date: February 6, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: Donald "D.J." La Voy
MDHA-HUD Oversight Administrator

Subject: 1st Quarterly Progress Report on Miami-Dade County-HUD Settlement Agreement & Work Plan

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The attached report is presented to the Board of County Commissioners pursuant to the terms of the Settlement Agreement resolving federal litigation between the United States Department of Housing and Urban Development and Miami-Dade County. The Settlement Agreement was presented to the Board of County Commissioners for approval on October 2, 2007 (Agenda Item No. 14(A) (5)) and went into effect October 26, 2007.

The format of the report tracks the components identified in the Work Plan portion of the Settlement Agreement. In the report, each item in the Work Plan is identified as an action item with a projected completion date, the responsible party(s), the progress made during the first quarter, and any issues worthy of note.

The Work Plan is currently progressing on a schedule in accordance with the terms of the Settlement Agreement.

The HUD Oversight Administrator and Miami-Dade County continue to work together to resolve the items in the Work Plan and any others that may arise during the period of the Settlement Agreement.

Attachment

Donald J. LaVoy
HUD Oversight Administrator

PHA Name: Miami Dade Housing Agency

Progress Report

for

Reporting period ending

(01/26/08)

01/30/08

HUD – OA

SETTLEMENT AGREEMENT
&
WORK PLAN

PROGRESS REPORT

(With Input from Miami-Dade County)

MDHA Agreement - Work Plan Part A: **1. TASKS FOR MIAMI-DADE COUNTY**

Targets and Strategies	Projected Completion Date	Resource	Progress Comments for First Quarter	Issue
1. Commissioner Workshop	***8/15/2008**	**MDC / HUD**	**Planning stages**	**Workshop not yet scheduled by HUD**
Establish an Oversight Protocol for MDHA Business	**3/03/2008**	**MDC / HUD**	**Planning stages**	**None at this time**
2. PHA Plan	**7/1/2008**	**MDC / MDHA**	**Planning schedule on track**	**None at this time**
2.a Revise the PHA Plan adopted July 2007	**6/02/2008**	**MDC / MDHA**	**Plan reviewed, revisions/amendments incorporated in July 2008 version.**	**None, schedule for completion established and on track**
2.b PHA Compliance with State and Local Law	**6/02/2008**	**MDC / MDHA**	**Legal sufficiency review by MDHA legal resources**	**None anticipated**
2.c Obtain HUD Approval for PHA Plan Changes	**7/01/2008**	**MDHA/HUD**	**Will be submitted to local HUD office on time**	**None anticipated**
3. Budget Adoption and Approval	**10/01/2007**	**MDC/MDHA**	**Completed**	**Review still ongoing.**
4. Execute a Conflict of Interest Statement	**3/10/2008**	**MDC/HUD**	**HUD attorney will prepare in consultation with MDC legal department.**	**Will require consultation with MD BCC**
5. Disclosure of Findings or Pending Litigation and Outstanding Judgments against MDHA	**11/15/2007**	**MDC/MDHA**	**Initial disclosure provided.**	**Subject to verification**
6. MDHA Development Corp	**5/05/2008**	**MDC/MDHA**	**Financial and audit documents provided per AMS office.**	**Availability of all financial documents in question**
Sources and Uses of Federal Funds	**5/05/2008**	**MDC/MDHA**	**Provided all responsive documents per evidentiaries.**	**Availability of all financial documents in question**
Grant Agreements	**5/05/2008**	**MDC/MDHA**	**Provided all responsive documents.**	**Grant agreements and related settlement agreements**
7. Cooperative Agreements between MDHA and County	**6/16/2008**	**MDC/MDHA**	**Review of those which exist ongoing**	**Full scope of county services and billing structure not fully determined**
7.a Baseline Services (Police services, water, sewer, trash collection, fire protection, ambulance/emergency services, etc.)	**6/16/2008**	**MDC/MDHA**	**Review of current structure ongoing**	**Fee structure and services not fully determined**
7.b Payment in Lieu of Taxes (PILOT)	**6/16/2008**	**MDHA**	**Pilot(s) with adjoining municipalities under review**	**Fee structure under Federal review**
7.c Additional Administrative Services	**7/14/2008**	**MDC/MDHA**	**It should be noted here that MDC has been cooperative in continuing to provide services.**	**Final business model of MDHA to determine necessity**
8. Funding FY 2006 Financial Statement Re-audit	**4/04/2008**	**MDC**	**2006 re-audit ongoing, payment dates TBD**	**None anticipated**

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9. Transfer Programs back to Other County Departments	**ONGOING**	**MDC**	**Some of the programs were transferred prior to 10/26/07 HUD oversight period. MDC is completing steps to finalize transfers.**	
Documentary Stamp Surtax	**10/01/2007**	**MDC**	**Program funds and personnel transferred to another County agency.**	
State Housing Initiative Partnership (SHIP)	**10/01/2007**	**MDC**	**Program funds and personnel transferred to another County agency.**	
Other Program Transfers (Section 8 New Construction and New Market Properties – County Owned units)	**2/01/2008**	**MDC**	**Transfer in progress.**	
Infill Housing Program	**6/06/2006**	**MDC**	**Program funds and personnel transferred to another County agency.**	
10. Remove any MDHA Liability Owned by MDHA to the County for the Documentary Stamp Surtax	**8/04/2008**	**MDC**	**Audit reviews ongoing.**	**Liability issues to be determined**
11. Fund any Responses to Investigations	**TBD**	**MDC**	**Outcomes of ongoing and pending reviews/investigations required to determine amount of funding required**	**TBD**
12. Legal Opinions: Is the County required to carryout any MDHA Functions	**TBD**	**MDC**	**Legal framework under review**	**Consultation with MDC legal department not yet initiated**

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MDHA Agreement - Work Plan Part B: **1. TASKS FOR HUD**

Targets and Strategies	Projected Completion Date	Resource	Progress Comments for First Quarter	Issue
1. Review Work Plan Submissions	**TBD**	**HUD / MDHA / MDC**	**Scheduled for delivery**	**None anticipated**
Submissions from the County	**On target**	**HUD / MDHA / MDC**	**In progress.**	**Further discussion required**
Submissions from the HUD-OA	**2/19/2008**	**HUD – OA**	**1st quarter review complete**	**Continued dialogue with county required on open issues.**
2. Review and Verify Completion of Work Plan Items	**TBD**	**HUD / MDHA / MDC**	**Work plan items presented in this document, verification subject to independent HUD final approval**	**Additional action items discovered during assessment phase. Method of address to be determined.**

MDHA Agreement – Work Plan Part C: **1. HUD-OA's OVERSIGHT OF MDHA**

Targets and Strategies	Projected Completion Date	Resource	Progress Comments for First Quarter	Issue
1.a PHA Plan Implementation	**7/15/2008**	**MDHA / MDC**	**FYB 10.1.2008 planning has commenced.**	
Identify any revisions necessary in PHA Plan	**7/15/2008**	**MDHA/MDC**	**FYB 10.1.2008 planning has commenced.**	
1.b Sub Grantee Oversight and Funding	**TBD**	**MDHA/ MDC**	**Review ongoing.**	
1.c Budget				
1.c.1 Prepare Balanced Operating Budgets	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
Prepare and submit Operating Fund Budget	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
Prepare and submit COCC Budget	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
Prepare and submit Individual AMP Budgets	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
Prepare and submit Section 8 Budget	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
Prepare and submit Capital Fund Budget	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
Prepare and submit HOPE VI Budgets	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
1.c.2 Submit Balanced Budgets for Adoption	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
Operating Fund	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
COCC	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
Individual AMPs	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
Section 8	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
Capital Fund	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
HOPE VI	**4/15/2008**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**

1.c.3 Ensure MDHA complies with approved budget expenses	**TBD**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
1.c.4 Amend budgets in event of emergency expenses	**TBD**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
1.c.5 Monitor Budgets Monthly	**TBD**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
1.c.5.i Compare Budget vs. Actual for each month	**TBD**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
1.c.5.ii Compare Cumulative Budget vs. Actual for FY 2008	**TBD**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
1.c.5.iii Document any approved changes to budgets	**TBD**	**MDHA/ MDC**	**Budgets for 2007 – 2008 complete; 2008 – 2009 are on-going**	**Further budget adjustments may be required to re-balance 07-08 budget.**
1.d Findings and Judgments	**11/15/2007**	**MDHA / MDC**	**Received list of Audits, Studies and Financial Reports from County.**	**None anticipated**
1.d.1 Plan for Finding/Judgment Resolution – Pre-agreement	**4/10/2008**	**MDHA / MDC**	**Need to follow up from County on those that are open, and ask for update on any new audits.**	**None anticipated**
1.d.2 Plan for Finding/Judgment Resolution – Post-agreement	**9/1/2008**	**MDHA / MDC**	**Several remain open**	**None anticipated**
1.d.3 Track General Liability Claims	**3/1/2008**	**MDHA / MDC**	**Received two lists from County, need to have them reconcile the two and provide one master list.**	**None anticipated**
1.e Interagency Cooperative Agreements	**5/15/2008**	**MDHA / MDC**	**Review on-going / Updating required**	**None anticipated**
1.f Resident Survey	**9/1/2008**	**MDHA**	**Preliminary discussions on a format to survey residents - planning the how, who, what and when to survey.**	**Decisions on the final survey plan.**

2. ORGANIZATION AND STAFFING

Targets and Strategies	Projected Completion Date	Resource	Progress Comments for First Quarter	Issue
2.a Asset Management				
2.a.1 Staffing Plans	4/21/2008	MDHA	MDHA has staffing plans for each AMP and the COCC	Analyze plans for reasonableness
Public Housing Program	4/21/2008	MDHA	See above	Budget rebalance required, numerous issues
Section 8 HCVP	2/25/2008	MDHA	Reorganization ongoing	Business model under revision
2.a.2 Transitioning Individual Cost Centers Consistent with Asset Management	6/09/2008	MDHA	MDHA has transitioned some costs from the central cost center.	Analyze plan for reasonableness. Continue cost transition
2.a.3 Train Staff for Asset Based Budgeting	8/18/2008	MDHA	Some training has occurred	Identify resources required for additional training
2.b MDHA Staffing	TBD	MDHA / MDC	Part of county personnel system. Staffing realignment ongoing.	
2.b.1 Retain, Recruit and Hire Qualified Staff	TBD	MDHA / MDC	Part of County Personnel System. Recruiting for key positions ongoing. One key hire complete	County Manager approval of all hires
2.c Training and TA	9/22/2008	MDHA / MDC	Resources and requirements TBD	Affordability of required training
2.c.1. Complete Training Needs Assessment	3/28/2008	MDHA / MDC	Comprehensive plan not developed by MDHA	Review of skill levels required under AM time consuming
2.c.2 Training and Technical Assistance to All Staff	9/22/2008	MDHA / MDC	Some have been provided, much more required	Level of effort required cost prohibitive
2.c.3 Develop a Training Plan	4/25/2008	MDHA / MDC	Upon completion of needs assessment	Cost and time to complete
2.c.4 Develop and Maintain a Reference Library	TBD	MDHA / MDC	Site and material to be determined, none currently exist	Affordability an issue
2.d Management and Supervision	9/30/2008	MDHA	Basic structure complete, minor implementation to date	Major restructure of business model
2.d.1 Develop and Implement Plan to Convert to Asset Management	7/28/2008	MDHA	MDHA has converted staff to asset management model	Budget revisions required
2.d.2 Consolidate Program Offices to One Site (if feasible)	TBD	MDHA	MDHA is working with GSA to find a feasible location	Have examined two sites

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2.e Technology	**TBD**	**MDHA / MDC**	**Current IT systems not web based except Sec 8**	**System well supported by county, additional resources required for full implementation.**
2.e.1 Conduct a comprehensive Technology Needs Assessment	**5/09/2008**	**MDHA / MDC**	**Draft comprehensive 5-year plan.**	
2.e.2 Prepare 5 Year MIS Plan	**8/15/2008**	**MDHA / MDC**	**ETSD, the County's IT department, drafted initial 5-year plan for MDHA.**	
2.e.3 Update Systems per Plan	**10/20/2009***	**MDHA / MDC**	**Phase one implementation attempted, poorly executed, scheduling of remaining phases under review**	**Additional resources are required for full implementation.**

*While this date falls outside the scope of the settlement agreement, the date is reflective of a projected date for completion of the software conversion for MDHA. It does not reflect a change in the timeframe for US HUD's oversight period.

MDHA Agreement - Work Plan Part C: 3. PROCUREMENT

Targets and Strategies	Projected Completion Date	Resource	Progress Comments for First Quarter	Issue
3.a Policy and Practice Assessment	3/28/2008	MDHA / MDC	Assurances received County procedures in compliance with Florida State Law. Compliance with Federal laws and regulations to be determined	HUD contract experts to review MDHA for A-87 compliance
3.b Procurement Actions – HUD-OA Approval	TBD	MDHA / MDC	Procurement actions to date delayed, specifically HOPE VI Scott Carver RFQ	There are on-going discussions with the County Attorney's office on the HOPE VI RFQ as presented by the HUD-OA. The HUD-OA and the County Attorney's office are working jointly to ensure for legal sufficiency.
3.c Procurement Oversight	TBD	MDHA / MDC	Oversight at MDHA appears to work with a few notable exceptions.	Further review ongoing

MDHA Agreement - Work Plan Part C: 4. FINANCIAL RECORDS AND CONTROLS

Targets and Strategies	Projected Completion Date	Resource	Progress Comments for First Quarter	Issue
4.a Financial Statements	**4/4/2008**	**MDHA / MDC**	**Initial statements submitted**	**Validations as per 2006 and 2007 audits**
4.a.1 GAAP and Federal Compliance	**4/4/2008**	**MDHA / MDC**	**Re-audit for 2006 is on-going; 2007 audit is pending**	**Section 8 issues**
4.a.1.i Fixed Asset Valuation – FY 2006 & 2007	**4/4/2008**	**MDHA / MDC**	**Efforts nearing completion**	**Values being restated**
4.a.1.ii Tenant Receivable Outstanding Maintenance	**4/4/2008**	**MDHA / MDC**	**Efforts on-going**	**None foreseen**
4.a.1.iii HOPE VI and CFP General Ledger Reconciliation	**4/4/2008**	**MDHA / MDC**	**Efforts on-going**	**None foreseen**
4.a.1.iv Section 8 Accounting Reconciliation	**TBD**	**MDHA / MDC**	**Efforts on-going**	**Serious compliance and accounting issues**
4.a.2 Berman Hopkins Re-audit of FY 2006	**4/4/2008**	**MDHA / MDC**	**80% complete**	**Major issues with Section 8 Program**
4.a.2.i Submission of Restated Financial Statements	**4/4/2008**	**MDHA / MDC**	**Pending completion of 2006 re-audit**	**Several balance sheet restatements expected**
4.a.2.ii Re-audit Submission – 9 Months from MDC Approval	**6/6/2008**	**MDHA / MDC**	**Expected to be completed on schedule**	**None forecast**
4.b Internal/Financial Controls	**TBD**	**MDHA**	**Rewrite on-going**	**Compliance review indicates most MDHA internal controls not effective**
4.b.1 Financial Internal GAAP Compliance	**3/4/2008**	**MDHA**	**On-going HUD effort to develop**	**Good progress**
4.b.2 Sub grantee Payment Internal Control	**2/8/2008**	**MDHA**	**On-going HUD effort to develop**	**Good progress**
4.b.3 Cost Allocation Compliance	**3/4/2008**	**MDHA**	**On-going HUD effort to develop**	**Good progress**
Transition fee-for service	**6/1/2008**	**MDHA**	**Under review**	**Determine if fee structure excessive**
4.b.4 Section 8 Landlord Payment	**10/15/2008**	**MDHA**	**Numerous major issues identified**	**Scope and period of time still under review**

4.b.4.i VMS Reporting	**2/1/2008**	**MDHA**	**Report submitted**	
4.b.4.ii VMS Accuracy	**2/1/2008**	**MDHA**	**Report submitted**	
4.b.5 Federal Award Withdrawal Internal Controls	**3/4/2008**	**MDHA**	**On-going HUD effort to develop**	**Good progress**
4.c Depository Agreements	**11/15/2008**	**MDHA / MDC**	**Initial review complete**	**May be necessary to redesignate**

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Targets and Strategies	Projected Completion Date	Resource	Progress Comments for First Quarter	Issue
5.a Review and Modify Policy and Procedures	6/15/2008	MDHA	Review of policy is on-going	Changes shall require BCC approval
Evictions	6/15/2008	MDHA	ACOP under review	Changes shall require BCC approval
Occupancy	4/12/2008	MDHA	ACOP under review	Changes shall require BCC approval
Unit Turnaround	3/5/2008	MDHA	Focused effort to reduce current time	MDC contracting
Expense Management/Utilities	3/5/2008	MDHA	Focused effort to reduce cost	Changes shall require BCC approval
Quality Control	3/5/2008	MDHA	On-going efforts	None foreseen
Other Related Activities	6/15/2008	MDHA	Efforts on-going to improve business model	Resource availability
5.b Review ACOP and Admin Plan, revise if necessary	6/15/2008	MDHA / MDC	Numerous issues identified	Most changes require BCC action
5.c Review Waiting Lists	7/10/2008	MDHA / MDC	Efforts to re-initiate list on-going	Numerous requirements identified
Ensure in compliance with Adker Consent Decree	8/15/2008	MDHA / MDC	Compliance review complete	
5.d Tenant File Compliance Review	8/15/2008	MDHA / MDC	File review on-going	Numerous problems - Section 8 Program
Income and Assets are verified	8/15/2008	MDHA / MDC	File review on-going	Numerous problems - Section 8 Program
Files properly documented	8/15/2008	MDHA / MDC	File review on-going	Numerous problems – Section 8 Program
5.e Review and Revise Utility Consumption Data	7/10/2008	MDHA / MDC	Efforts to commence on-going	Availability of data in question
5.f Review and Adjust Comprehensive Maintenance Plan	6/8/2008	MDHA / MDC	It appears a maintenance plan is in place for each property.	Further refinement required
5.g Property Inspections	2/15/2008	MDHA	All properties have been inspected.	Results lower than last inspection cycle
5.h Capital Needs Assessment	8/15/2008	MDHA / MDC	Comprehensive review initiated	Resource limits
5.i Energy Audit	10/26/2008	On – Going	Completed last year – implementation is on-going.	To be validated
5.k Scott Carver HOPE VI Revitalization Plan	10/15/2008	MDHA / MDC	County is reviewing RFQ prepared by HUD-OA. The RFQ is required to select a developer.	Developer must be selected/Revised Plan will follow selection
5.k.1 Revised Revitalization Plan	10/15/2008	MDHA / MDC	Done after developer completes proposed plan	Length of county contracting process
5.k.2 Development Solicitation	2/5/2008	MDHA / MDC	RFQ awaiting county process	Length of county contracting process
5.l Deeds of Trust	8/10/1008	MDHA / MDC	Contract has been procured for title search	Numerous issues.

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