

# Memorandum



**Date:** May 3, 2011

**To:** Honorable Joe A. Martinez, Chairman  
and Members, Board of County Commissioners

**From:** Alina T. Hudak  
County Manager

A handwritten signature in black ink, appearing to read "Alina T. Hudak".

**Subject:** Supplemental: Homestead Community Redevelopment Agency FY 2010-11 Budget

Supplement to  
8(L)1a

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This report provides supplemental information on the proposed FY 2010-11 Homestead Community Redevelopment Agency (CRA) Budget, specifically in regard to the CRA's proposed repayment of a loan to the City of Homestead.

The Homestead City Council approved a \$2 million loan to the CRA on July 16, 2007, which was approved by the CRA on July 10, 2007. According to the City's resolution approving the loan, the loan was to be used by the CRA to buy and demolish the "Shotgun Houses" property on Lucy Street and was to be repaid using the proceeds from the sale of a bowling alley when the sale occurred.

The CRA's proposed budget for FY 2010-11 includes a \$94,000 interest payment on the loan, which is more than offset by interest-earning revenues of \$118,000, as shown on hand-written page 62 of the item. A second debt-service payment of \$435,000 is not related to this loan; it is tied to a Series 1995 bond that was refinanced in 2003 and may properly be paid with TIF funds.

The County is not obligated to authorize interest or principal payments of the \$2 million Shotgun Houses loan because the Board of County Commissioners never approved the loan.

Pursuant to the Interlocal Agreement between the County, City and CRA, the Board has the following options regarding acting on the budget:

1. The Board may disapprove the Homestead CRA budget; or
2. The Board may conditionally approve the Homestead CRA budget, contingent upon the interest payment be made from non-TIF revenues or interest thereon and approval by the CRA and City of the modified budget; or
3. The Board may approve the budget, waiving its right to require the loan payments to be made from non-TIF revenues or interest thereon; or
4. The Board may approve the budget but expressly make the following reservation: approval of the line item payment of the subject loan is voluntary and not based upon any obligation and the Board reserves the right to disapprove any and all future payments on the subject loan.

A handwritten signature in black ink, appearing to read "Jennifer Glazer-Moore".

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Jennifer Glazer-Moore  
Special Assistant/Director, Office of Strategic Business Management

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