



**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

M E M O R A N D U M

TO: Honorable Rebeca Sosa, Chairwoman
and Members, Board of County Commissioners

FROM: Charles Anderson
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the printed name.

DATE: March 4, 2013

**SUBJECT: Review of FY2012-13 Budget for the South Miami Community
Redevelopment Agency**

As requested by Vice-Chair Lynda Bell, attached is our cursory Review of the FY 2012-13 Budget for the South Miami Community Redevelopment Agency which contains our observations and comments. We reviewed applicable Florida State Statutes, and Miami Dade County Ordinance and Resolutions.

Special thanks to the County Attorney's Office and the Office of Management and Budget for their cooperation and input throughout the review. As always, if you have any questions or concerns, feel free to contact me at (305) 375-2524.

Attachment

c: Honorable Carlos Gimenez, Mayor
Ed Marquez, Deputy Mayor, Office of the Mayor
R.A. Cuevas, County Attorney
Jennifer Moon, Director, Office of Management & Budget
Christopher Agrippa, Division Chief, Clerk of the Board

**SOUTH MIAMI COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2012-13 BUDGET**

Expenditure Description	Budget	Reference to CRA Plan, Interlocal Cooperation Agreement (*), and/or Florida Statute	Source
Administrative Expenses			
Employee Salary and Fringe Benefit:			
(The salaries are split 77% for administration and 23% for operations)	211,223	The Interlocal Cooperation Agreement (Interlocal) between Miami-Dade County and the City of South Miami and the South Miami Community Redevelopment Agency (SMCRA), Article I.A.(14), states: "Within its area of operation, the power to organize, coordinate, and direct the administration of the provisions of the Act as they may apply to the City, in order that the objective of remedying slum and blighted areas and preventing the causes thereof within the City may be most effectively promoted and achieved and to establish such new office or offices of the City or to reorganize existing offices in order to carry out such purpose most effectively."	Interlocal p.7 Article I.A.(14)
Sub-Total Administrative Expenses	211,223	The Interlocal states: "No more than twenty percent (20%) of the funds contemplated to be expended under the Plan shall be used for total administrative expenses allowable under Section 163.387 (6)(a), Florida Statutes (including indirect and overhead expenses which may not exceed six percent (6%) of such funds contemplated to be spent under the Plan)."	Interlocal p.8 Article II.B. (as amended R-327-04)
Miami-Dade Administrative Fee Charge:			
(1.5% fee based on the County's Tax Increment Financing (TIF) payment to the agency) Administrative expenditures represent 20 percent of the total TIF, excluding the 1.5 percent County Administrative Charge, satisfying the 20 percent cap	7,789	Required for all CRAs. Per County Attorney, this item is "allowable as part of operating expenses".	
Sub-Total Administrative Expenses & County Charge	219,012		
Operating Expenses			
Employee Salary and Fringe:			
(The salaries are split 77% for administration and 23% for	63,390	Same as above description in Interlocal Article I.A.(14)	Interlocal p.7 Article I.A.(14)

**SOUTH MIAMI COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2012-13 BUDGET**

Expenditure Description	Budget	Reference to CRA Plan, Interlocal Cooperation Agreement (*), and/or Florida Statute	Source
operations)			
Professional and Contractual Services:			
\$83,605 2nd Chance Economic Development & Job Training Program and economic development related training services	118,605	The CRA Phase II Plan provides for Job Identification, Matching, and Training. The CRA Phase II Plan Table 6.3: Five-Year Budget Plan (FY2006-2010) provides for Job Training funding.	CRA Phase II Plan p. 32 Article V Section B Number 7 and p.41 Article VI Section D Table 6.3
\$20,000 L.E.E.D. certified, affordable home construction		The Interlocal states: "The power to construct foundations and platforms necessary for the provision of air rights sites of housing... designed specifically for and limited to, families and individuals of low or moderate income."	Interlocal p.4 Article I.A.(3)(i)
\$15,000 Required land acquisition related to studies, surveys and appraisals		The Interlocal states: Article I.A.(5) "Within the Redevelopment Area: The power to acquire by purchase, lease, option, gift, grant ... or otherwise any real property (or personal property for its administrative purposes), together with any improvements thereon." Article I.A.(8) states: "Within its area of operation, the power to make or have made all surveys and plans necessary to the carrying out of the purposes of the Act."	Interlocal p.4 Article I.A.(5)(b), and p. 6 Article I.A.(8)
Legal Services and Court Costs:			
	50,000	The Interlocal states: "The power to make and execute contracts and other instruments necessary or convenient to the exercise of its powers pursuant to the Act."	Interlocal p.2 Article I.A.(1)
Land and Building Acquisition:			
	35,000	The Interlocal states: "The power to undertake and carry out community redevelopment and related activities within the Redevelopment Area, which redevelopment may include: (a) Acquisition of a slum area or a blighted area or portion thereof."	Interlocal p.3 Article I.A.(3)(a)
Infrastructure Improvement:			
\$60,000 Sunset Drive Median Construction \$40,000 Parking Lot Construction	265,000	The Interlocal states: "The power to undertake and carry out community redevelopment and related activities within the Redevelopment Area, which redevelopment may include: (c) Installation, construction, or	Interlocal p.3 Article I.A.(3)(c)

**SOUTH MIAMI COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2012-13 BUDGET**

Expenditure Description	Budget	Reference to CRA Plan, Interlocal Cooperation Agreement (*), and/or Florida Statute	Source
Design & Feasibility \$10,000 Infrastructure Maintenance and Repairs \$15,000 Streetscape Improvements \$100,000 Final Construction Drawings for the Murray Park Community Pool \$25,000 Post-construction pool maintenance contribution \$15,000 Facility upgrades at Marshall Williamson Park		reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the Redevelopment Area, the community redevelopment objectives of the Act in accordance with the Plan."	
Building Construction Improvements:			
\$38,266 for required repairs to SMCRA owned properties	38,266	Same as above description in Interlocal Article I.A.(3)(c) The Interlocal states: "The City, either directly or through the Agency, shall be responsible for implementing and conforming to the Plan, including ... coordination and implementation of design and construction of public improvements necessary to support the redevelopment of the Redevelopment Area, and any such other projects and activities as are contemplated by the Plan."	Interlocal p.3 Article I.A.(3)(c) Interlocal p.9 Article III.B.
Redevelopment Grants:			
\$150,000 affordable housing mortgage assistance \$40,000 senior center elderly care services	329,262	The 1999 CRA Plan Section 7 II.C. Mortgage Subsidy Guarantee and "Silent Seconds". The Agency shall provide a pool of mortgage money which will be available to purchasers of SMCRA-built residential homes and will serve as the "gap financing" between what banking institutions will lend and what a qualified potential homeowner can secure. The Agency shall have the authority to structure these second mortgages to be "silent" during the new homeowner's period of ownership. The Agency's position becomes active upon the sale of the property. The cap of these mortgages shall be set by Board policy on an annual basis each year the program is active. The Interlocal states: <ul style="list-style-type: none"> • I.A.(5)(f) "Within the Redevelopment Area: The power to enter into any contracts necessary to effectuate the purposes of the 	1999 CRA Plan p.34 Section 7 II.C Interlocal p. 5 Article I.A.(5) and p.7 Article I.A.(12)

**SOUTH MIAMI COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2012-13 BUDGET**

Expenditure Description	Budget	Reference to CRA Plan, Interlocal Cooperation Agreement (*), and/or Florida Statute	Source
\$26,000 economic development and business enhancements		<p>Act."</p> <ul style="list-style-type: none"> • I.A.(12) "The power to appropriate such funds and make such expenditures as are necessary to carry out the purposes of the Act..." <p>Per County Attorney "the senior center elderly services may be provided under, SMCRA Plan, Section VI, item 20"</p> <p>The CRA Phase II Plan provides for Business Attraction and Start-up Assistance.</p>	CRA Phase II Plan p. 32 Article V Section B Number 8
\$45,000 rehabilitation of the existing housing stock		<p>The Interlocal states: "The power to undertake and carry out community redevelopment and related activities within the Redevelopment Area, which redevelopment may include: (e) The power to carry out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the Plan."</p>	Interlocal p. 3 Article I.A.(3) (e)
\$68,262 Agency plan directed scholarship programs		<p>The CRA Phase II Plan provides for Scholarship Work/Study. The CRA Plan Table 6.3: Five-Year Budget Estimate Plan (FY2006-2010) provides for Work/Study funding.</p> <p>The 1999 CRA Plan Section 7 I.F. CRA Scholarship Work/Study Program: As part of the Agency's effort to maintain redevelopment amenities and the cleanliness of the redevelopment area in general and to provide general administrative support, two part-time Agency positions shall be created as part of a scholarship program. Eligible applicants must be residents of South Miami and attending college. The scholarship fund will be named by the Board of Commissioners for a past community leader and awarded by the Board on an annual basis.</p>	<p>CRA Phase II Plan p. 32 Article V Section B Number 6 and p. 41 Article VI Section D Table 6.3</p> <p>1999 CRA Plan p. 31 Section 7 I.F.</p>

**SOUTH MIAMI COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2012-13 BUDGET**

Expenditure Description	Budget	Reference to CRA Plan, Interlocal Cooperation Agreement (*), and/or Florida Statute	Source
Debt Service Payments:			
	297,764	<p>The Interlocal states: "The power to borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the Federal Government or the state, county, or other public or from any sources, public or private, for the purposes of the Act, ..."</p> <p>Expense allowable under Florida Statute Section 163.387(6)(e) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan ... , including, but not limited to: (e) The repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes, and any other form of indebtedness."</p>	<p>Interlocal p.6 Article I.A.(7)</p> <p>Florida Statute Section 163.387(6)(e)</p>
Marketing and Special Events:			
<p>(\$83,516 is aimed at increasing local business volume)</p> <p>\$63,516 to assist in coordinating annual special events held in the SMCRA area \$20,000 for direct event expenditures such as: traffic control personnel, band participation, etc.</p>	83,516	<p>The CRA Phase II Plan Goal 20 states: "Undertake annual continuous improvement programs and other activities designed to prevent the recurrence and spread of negative conditions... provides for Marketing and Special Events."</p> <p>The 1999 Plan Section 7 I.G. Marketing Research: Working with local Chambers' of Commerce merchant's associations and economic development boards, the Agency shall provide funding and guidance to create a useful and quality marketing/retail mix plan. The goal of this plan is to provide information for business owners indicating what profitable business opportunities exist given the dynamics of the South Miami market.</p> <p>The 1999 Plan Section 7 I.H. Advertising and Promotions: The SMCRA shall assist in the funding for the creation of marketing collateral and television commercials aimed at increasing business volume in the area. The Agency shall also consider assisting in the funding of special events.</p>	<p>CRA Phase II Plan p.23 Article II Section E</p> <p>1999 CRA Plan p.31 Section 7 I.G.</p> <p>1999 CRA Plan p-31 Section 7 I.H.</p>

**SOUTH MIAMI COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2012-13 BUDGET**

Expenditure Description	Budget	Reference to CRA Plan, Interlocal Cooperation Agreement (*), and/or Florida Statute	Source
Transfer Out to Others:			
\$ 85,427 community code compliance	375,640	The Interlocal states: "Within its area of operations the power... to adopt or approve , modify, and amend such plans, which plans may include, but not limited to : (b) Plans for the enforcement of state and local laws, codes, regulations relating to the use of land and the use and occupancy of buildings, or removal of buildings and improvements".	Interlocal p.6 Article I.A.(8)(b)
\$217,913 community policing and sub-section operations		Expense allowable under Florida Statute Section 163.387(6)(h). "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan ... , including, but not limited to: (h) The development of community policing innovations."	Florida Statute Section 163.387(6)(h)
\$ 39,127 to provide supplemental redevelopment oriented services including grant writing		The Interlocal states: "The power to appropriate such funds and make such expenditures as are necessary to carry out the purposes of the Act...". Per County Attorney "supplemental redevelopment oriented services are allowable so long as they do not conflict with the SMCRA Plan or state law."	Interlocal p.7 Article I.A.(12)
\$ 33,173 supplemental administrative services needed to facilitate land-use and zoning processing for Agency initiated projects, agenda and records keeping, and human resource related services required for the direct screening and processing of 2nd Chance Program participants.		Same as above description in Interlocal Article I.A (14)	Interlocal p.7 Article I.A.(14)
Advertising and Legal Notices			
	1,500	The Interlocal states: "The power to disseminate slum clearance and community redevelopment information." The 1999 Plan Section 7 I.H. Advertising and Promotions: The SMCRA shall assist in the funding for the creation of marketing collateral and television commercials aimed at increasing business volume in the area. The Agency	Interlocal p.3 Article I.A.(2) 1999 CRA Plan p.31 Section 7 I.H.

**SOUTH MIAMI COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2012-13 BUDGET**

Expenditure Description	Budget	Reference to CRA Plan, Interlocal Cooperation Agreement (*), and/or Florida Statute	Source
		shall also consider assisting in the funding of special events.	
Travel and Conference:			
	1,750	<p>The Interlocal states:</p> <ul style="list-style-type: none"> • I.A.(5)(f) "Within the Redevelopment Area: The power to enter into any contracts necessary to effectuate the purposes of the Act." • I.A.(12) "The power to appropriate such funds and make such expenditures as are necessary to carry out the purposes of the Act..." <p>Per County Attorney, this item is "allowable as part of operating expenses".</p>	Interlocal p. 5 Article I.A.(5) and p.7 Article I.A.(12)
Employee Training:			
	750	<p>The Interlocal states:</p> <ul style="list-style-type: none"> • I.A.(5)(f) "Within the Redevelopment Area: The power to enter into any contracts necessary to effectuate the purposes of the Act". • I.A.(12) "The power to appropriate such funds and make such expenditures as are necessary to carry out the purposes of the Act..." <p>Per County Attorney, this item is "allowable as part of operating expenses".</p>	Interlocal p. 5 Article I.A.(5) and p.7 Article I.A.(12)
Property Taxes, Insurance, Utilities:			
	44,000	<p>The Interlocal states: "The power to insure or provide for the insurance of any real or personal property or operations of the City against any risks or hazards, including the power to pay premiums on any such insurance."</p> <p>The Interlocal states: "The power to appropriate such funds and make such expenditures as are necessary to carry out the purposes of the Act..."</p>	Interlocal p.5 Article I.A.(5)(e) Interlocal p. 7 Article I.A.(12)
Audit and Studies:			
	6,000	The Interlocal states: "The City, either directly or through the Agency, shall cause an independent audit by a Certified Public Accounting firm to be performed on an annual basis, in compliance with 163.356 Florida Statutes, to be forwarded to the Board within thirty (30) days of	Interlocal p. 12 Article V.E.

**SOUTH MIAMI COMMUNITY REDEVELOPMENT AGENCY (CRA)
FY 2012-13 BUDGET**

Expenditure Description	Budget	Reference to CRA Plan, Interlocal Cooperation Agreement (*), and/or Florida Statute	Source
		completion."	
Printing and Reproduction:			
	3,750	Expense allowable under Florida Statute Section 163.387(6)(a) "Moneys in the redevelopment trust fund may be expended from time to time for undertakings of a community redevelopment agency as described in the community redevelopment plan ... , including, but not limited to: (a) Administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan adopted by the agency."	Florida Statute Section 163.387(6)(a)
Office Supplies and Equipment:			
	3,788	Same as above per Florida Statute Section 163.387(6)(a)	Florida Statute Section 163.387(6)(a)
Telephone and Communication Lines:			
	2,500	Same as above per Florida Statute Section 163.387(6)(a)	Florida Statute Section 163.387(6)(a)
Other Expenses – Board Member Discretionary Funds (\$1,000/member):			
	7,000	The Interlocal states: I.A.(12) "Within the Redevelopment Area: The power to appropriate such funds and make such expenditures as are necessary to carry out the purposes of the Act...". This expenditure may meet description.	Interlocal p.7 Article I.A.(12)
Sub-Total Operating Expenses	1,727,481		
Contingency Reserves	7,500	The CRA Phase II Plan Table 6.3: Five-Year Budget Estimate Plan (FY2006-2010) provides for Contingency funding.	CRA Phase II Plan p.41 Article VI Section D
TOTAL CRA EXPENSES	1,953,993		

(*) Interlocal Cooperation Agreement and SMCRA Plan Ordinance 99-100 and as amended by Resolutions 327-04 and 466-05.