



**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:** January 31, 2014

**SUBJECT: Review of Fiscal Year 2013-14 Budget for the Homestead  
Community Redevelopment Agency**

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Attached is OCA's review for the February 4, 2014 BCC agenda of Fiscal Year 2013-14 budget for the following:

- Agenda Item 8G2 – Homestead Community Redevelopment Agency

We reviewed applicable Florida State Statutes, Miami-Dade Ordinances 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.

Attachments

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY (CRA)  
FY 2013-14  
BUDGET**

| Expenditure Description(*)   | Budget (\$) | Reference to the CRA Plan(s), Interlocal Cooperation Agreements (**), and/or Florida Statute  | Source   |
|--|-------------|---|--|
| <b>Administrative Expenses</b>   |             |   |  |
| <p><b>Employee Salary and Fringe Benefit:</b></p> <p>Personnel costs are split 60% for administration and 40% for operations.</p>                        | 231,100     | <p>The CRA Plan states: "It may employ a wide range of consultants, staff, appraisers, architects, engineers, advisors and citizen groups and may utilize and pay for equipment, vehicles and any other machinery or products necessary to carry out its public purposes."</p> <p>Expense allowable under Florida Statute Section 163.387(6): "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 for the following purposes, 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."</p> | <p>1994 CRA Plan p.20</p> <p>Florida Statute Section 163.387(6)(a)</p> |
| <p><b>Contractual Services:</b></p> <p>This allocation will cover CRA professional services such as: environmental studies, surveying, mapping, etc.</p> | 5,000       | <p>The CRA Plan states: "It may employ a wide range of consultants, staff, appraisers, architects, engineers, advisors and citizen groups and may utilize and pay for equipment, vehicles and any other machinery or products necessary to carry out its public purposes."</p>  | <p>1994 CRA Plan p.20</p>  |
| <p><b>Liability Insurance:</b></p> <p>This allocation will cover the CRA liability costs.</p>  | 17,900      | <p>The CRA Plan states: "In the course of its activities, the Homestead Economic and Rebuilding Organization (HERO) may find it necessary to perform functions not listed here, but consistent with its stated goals and responsibilities. In such a case, HERO will inform the City Council of its intentions and report the results of such actions."</p> <p>The CRA Plan states: "It may employ a wide range of consultants, staff, appraisers, architects, engineers, advisors and citizen groups and may utilize and pay for equipment, vehicles and any other machinery or products necessary to carry out its public purposes."</p>  | <p>1994 CRA Plan p.20</p> <p>1994 CRA Plan p.20</p>                    |
| <p><b>Printing and Publishing:</b></p>   | 500         | <p>The CRA Plan states: "HERO has the obligation to keep the public informed of its activities through the use of media such as publications, audio-video</p>   | <p>1994 CRA Plan p.20</p>  |

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY (CRA)  
FY 2013-14  
BUDGET**

| <b>Expenditure Description(*)</b>   | <b>Budget (\$)</b> | <b>Reference to the CRA Plan(s), Interlocal Cooperation Agreements (**), and/or Florida Statute</b>   | <b>Source</b>   |
|---|--------------------|---|---|
| This allocation will cover the printing on CRA documents such as, business cards, letterhead, envelopes, annual report, etc.  |                    | material and marketing programs including advertising, promotion and public relations."   |   |
| <b>Advertising and Notices:</b><br><br>This allocation will cover newspaper advertisements for Board meetings, Bid Notices, Public Hearings, Budget and Annual Report Notices, etc. | 9,000              | The CRA Plan states: "HERO has the obligation to keep the public informed of its activities through the use of media such as publications, audio-video material and marketing programs including advertising, promotion and public relations."  | 1994 CRA Plan p.20  |
| <b>Travel and Training:</b><br><br>This allocation covers the CRA staff expenses to attend training/meetings and to complete certifications for professional improvement.           | 8,300              | The CRA Plan states: "In the course of its activities, HERO may find it necessary to perform functions not listed here, but consistent with its stated goals and responsibilities. In such a case, HERO will inform the City Council of its intentions and report the results of such actions."   | 1994 CRA Plan p.20  |
| <b>Rent/Lease Cost (Equipment):</b><br><br>This will cover the cost of leasing the copier/fax/scanner machine.  | 4,000              | The CRA Plan states: "It may employ a wide range of consultants, staff, appraisers, architects, engineers, advisors and citizen groups and may utilize and pay for equipment, vehicles and any other machinery or products necessary to carry out its public purpose."<br><br>Expense allowable under Florida Statute Section 163.387(6): "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 for the following purposes, 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." | 1994 CRA Plan p.20<br><br>Florida Statute Section 163.387(6)(a) |
| <b>Office Equipment :</b><br><br>This allocation cover the replacement of three (3) work stations for the CRA staff.  | 6,000              | The CRA Plan states: "It may employ a wide range of consultants, staff, appraisers, architects, engineers, advisors and citizen groups and may utilize and pay for equipment, vehicles and any other machinery or products necessary to carry out its public purpose."<br><br>Expense allowable under Florida Statute Section 163.387(6): "Moneys in  | 1994 CRA Plan p.20<br><br>Florida Statute                       |

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY (CRA)  
FY 2013-14  
BUDGET**

| Expenditure Description(*)   | Budget (\$)    | Reference to the CRA Plan(s), Interlocal Cooperation Agreements (**), and/or Florida Statute   | Source  |
|--|----------------|--|---|
|  |                | 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 for the following purposes, 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.”   | Section 163.387(6)(a)   |
| <b>Other Administrative Expenses:</b> <ul style="list-style-type: none"> <li>• \$4,000 Office Supplies</li> <li>• \$4,000 General and Special Supplies</li> <li>• \$2,500 Dues &amp; Subscriptions</li> <li>• \$9,100 Maintenance Contracts and Licenses</li> <li>• \$107,500 Overhead/Indirect Expenses (includes, but not limited to: Human Resources, Finance, City Manager’s Office, City Clerk, and Procurement)</li> </ul> | 127,100        | Expense allowable under Florida Statute Section 163.387(6): “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 for the following purposes, 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.”<br><br>The Interlocal Agreement states: “No more than 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 6% of such funds contemplated to be spent under the Plan).” | Florida Statute Section 163.387(6)(a)<br><br>1994 Interlocal p.3 Article I.B.   |
| <b>Sub-Total Administrative Expenses</b>   | <b>408,900</b> | The Interlocal Agreement states: “No more than 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.”<br><br>“Administrative expenditures total \$408,900, excluding the 1.5 percent County Administrative Charge (\$12,000) and represent 15 percent of total expenditures, which satisfies the 20 percent cap in administrative expenditures required by the Interlocal Agreement.”  | 1994 Interlocal p.3 Article I.B.<br><br>Mayor’s Memorandum February 4, 2014 p.2 |
| <b>County Administrative Charge:</b><br><br>1.5% fee based on the County’s Tax Increment contribution.   | 12,000         | “It was recommended in the FY 2003-04 Proposed Budget that the Board approve the establishment and implementation of an administrative reimbursement charge of 1.5 percent of the County’s tax increment payments to be charged to all CRAs.”  | County Manager’s Memorandum September 3, 2003 p.10                              |
| <b>Total Administrative Expenses &amp; County Administrative Charge</b>  | <b>420,900</b> |  |   |

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|--|-------------|---|---|
| <b>Operating Expenses</b>  |             |   |   |
| <b>Employee Salary and Fringe Benefit:</b><br><br>Personnel costs are split 60% for administration and 40% for operations.   | 154,200     | The CRA Plan states: "It may employ a wide range of consultants, staff, appraisers, architects, engineers, advisors and citizen groups and may utilize and pay for equipment, vehicles and any other machinery or products necessary to carry out its public purposes."<br><br>Expense allowable under Florida Statute Section 163.387(6) "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 for the following purposes, 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." | 1994 CRA Plan p.20<br><br>Florida Statute Section 163.387(6)(a) |
| <b>Contractual Services:</b> <ul style="list-style-type: none"> <li>• \$70,000 Professional and Consultant Services (related to budgeted capital projects)</li> <li>• \$82,000 State of Florida Contract Agreement (for duties such as mowing, trash removal, etc.)</li> </ul> | 152,000     | The CRA Plan states: "It may employ a wide range of consultants, staff, appraisers, architects, engineers, advisors and citizen groups and may utilize and pay for equipment, vehicles and any other machinery or products necessary to carry out its public purposes."   | 1994 CRA Plan p.20  |
| <b>Liability Insurance:</b><br><br>This allocation will cover property building insurance for CRA properties.  | 26,800      | The CRA Plan states: "In the course of its activities, the Homestead Economic and Rebuilding Organization (HERO) may find it necessary to perform functions not listed here, but consistent with its stated goals and responsibilities. In such a case, HERO will inform the City Council of its intentions and report the results of such actions."<br><br>The CRA Plan states: "It may employ a wide range of consultants, staff, appraisers, architects, engineers, advisors and citizen groups and may utilize and pay for equipment, vehicles and any other machinery or products necessary to carry out its public purposes."   | 1994 CRA Plan p.20<br><br>1994 CRA Plan p.20                    |

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FY 2013-14  
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|--|-------------|--|---|
| <p><b>Marketing:</b><br/>This allocation will cover the promotion of CRA programs such as the Commercial and Residential Façade Grant</p>  | 5,000       | The CRA Plan states: "HERO has the obligation to keep the public informed of its activities through the use of media such as publications, audio-video material and marketing programs including advertising, promotion and public relations."   | 1994 CRA Plan p.20  |
| <p><b>Legal Services/Court Cost:</b><br/>This line item will cover legal fees to the CRA Attorneys in relation to CRA projects</p>   | 75,000      | The Interlocal Agreement states: "The City shall select financial and legal consultants as necessary to assist in the preparation of the tax increment financing plans."   | 1994 Interlocal p.6 Article III.C.(4)   |
| <p><b>Building Construction &amp; Improvements:</b></p> <ul style="list-style-type: none"> <li>• \$250,000 Commercial Enhancement Grant</li> <li>• \$50,000 Residential Façade Grant</li> <li>• \$50,000 Residential Emergency/Home Repair Grant</li> <li>• \$25,000 Residential Landscape Grant</li> <li>• \$25,000 Multi-Family Grant</li> <li>• \$30,000 Down Payment Assistance Grant</li> </ul> | 430,000     | <p>The CRA Plan states: "It is the function of HERO to be pro-active in community redevelopment and rebuilding toward enhancing the quality of life in the Homestead community. Its programs will include the improvement of social institutions, the expansion of economic activities, the physical functioning of the City and a concern for the aesthetic aspects of all its actions.</p> <p>The CRA Plan states: "HERO may make loans, grants or other forms of technical or financial assistance to persons, businesses or institutions affect by the rebuilding programs."</p> | <p>1994 CRA Plan p.19</p> <p>1994 CRA Plan p.20</p>   |
| <p><b>Debt Service Payments:</b><br/>The Series 1995 Bonds were refinanced in 2003 at a fixed rate of 5.4%. The Bonds will be paid off in 2020.</p>  | 376,000     | <p>The Interlocal states: "The City may sell bonds and execute notes and other forms of indebtedness."</p> <p>The CRA Plan states: "It may borrow, lend, use public and private funds, utilize Tax Increment Financing, obtain grants, bear losses and conduct itself as a community developer in the public interest."</p> <p>Expense allowable under Florida Statute Section 163.387(6) "Moneys in the redevelopment trust fund may be expended from time to time for</p>  | <p>1994 Interlocal p.7 Article III.C.(5)</p> <p>1994 CRA Plan p.20</p> <p>Florida Statute Section</p> |

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|---|-------------|---|--|
|   |             | undertakings of a community redevelopment agency as described in the community redevelopment plan for the following purposes, 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."  | 163.387(6)(e)  |
| <b>Assistance to Non-Profits:</b>   | 100,000     | <p>“These funds will be awarded after conducting a competitive process in which the CRA will seek applicants and through a review committee will evaluate applications for funding to determine eligibility and award amounts.”</p> <p>The CRA Plan states: "HERO will keep a sensitive balance between the housing, business, industrial and public needs of the community. It will focus on job creation as well as the availability of housing for families and individuals of all incomes. It has a special responsibility to work to create and facilitate affordable housing for families of lower incomes through the bringing of subsidies and other assistance to fill financial gaps created by the market economy. It will be keenly aware of the critical importance of institutions in education, social services, recreation and job training in the fabric of the community.”</p> <p>The CRA Plan states: "HERO may make loans, grants or other forms of technical or financial assistance to persons, businesses or institutions affect by the rebuilding program.”</p> | <p>Mayor’s Memorandum February 4, 2014 p.2</p> <p>1994 CRA Plan p.19</p> <p>1994 CRA Plan p.20</p> |
| <p><b>Public Safety:</b></p> <ul style="list-style-type: none"> <li>• \$439,640 for two (2) Police Officers and two (2) Code Enforcement Officers</li> <li>• \$32,860 for operating expenses</li> </ul> | 472,500     | <p>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 for the following purposes, including, but not limited to: (h) The development of community policing innovations."</p> <p>The Interlocal states: “The power to implement additional special community policing, code enforcement, public safety policies, programs, and projects within the Community Redevelopment Area in accordance with the amended Community Redevelopment Plan.”</p>   | <p>Florida Statute Section 163.387(6)(h)</p> <p>2004 Amended Interlocal p.2 Article I. A.</p>      |

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FY 2013-14  
BUDGET**

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|---|------------------|--|---|
| <b>Other Operational Expense:</b> <ul style="list-style-type: none"> <li>• \$80,000 Special Events</li> <li>• \$2,700 Automobile Repair and Maintenance for the CRA Car</li> <li>• \$30,000 Building Repairs and Maintenance on CRA properties</li> <li>• \$250,000 Ground Maintenance and Landscape for 69 folios</li> <li>• \$45,400 Miscellaneous Expenses (i.e. cleaning, utilities on CRA properties, staff travel and training, telephone, etc.)</li> </ul> | 408,100          | <p>For Special Events - The CRA Plan states: "HERO has the obligation to keep the public informed of its activities through the use of media such as publications, audio-video material and marketing programs including advertising, promotion and public relations."</p> <p>For Staff Travel - The CRA Plan states: "In the course of its activities, HERO may find it necessary to perform functions not listed here, but consistent with its stated goals and responsibilities. In such a case, HERO will inform the City Council of its intentions and report the results of such actions."</p> <p>For the remaining Other Operational Expenses - The CRA Plan states: "It may employ a wide range of consultants, staff, appraisers, architects, engineers, advisors and citizen groups and may utilize and pay for equipment, vehicles and any other machinery or products necessary to carry out its public purposes."</p> | <p>1994 CRA Plan p.20</p> <p>1994 CRA Plan p.20</p> <p>1994 CRA Plan p.20</p> |
| <b>Sub-Total Operating Expenses</b>   | <b>2,199,600</b> |  |   |
| <b>Reserve</b>  | 31,500           | The CRA Plan states: "In the course of its activities, HERO may find it necessary to perform functions not listed here, but consistent with its stated goals and responsibilities. In such a case, HERO will inform the City Council of its intentions and report the results of such actions."  | 1994 CRA Plan p.20  |
| <b>TOTAL CRA EXPENSES</b>   | <b>2,652,000</b> |  |   |

(\*) Source: Agenda item documents consisting of Mayor's Memorandum and CRA Budget Report.

(\*\*) On June 7, 1994, the Board approved the establishment of the Agency when it adopted the Agency's Community Redevelopment Plan (Plan) pursuant to Resolution R-915-94 and the funding of the Plan when it enacted Ordinance No. 94-125 (Trust Fund). An Interlocal Agreement between Miami-Dade County the Agency was approved by the Board on June 7, 1994, and was later amended on July 27, 2004, to include a Community Policing Program.

This agency shall be called the Homestead Economic and Rebuilding Organization and shall be commonly referred to as HERO.



**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY (CRA)**  
**FY 2013-14**  
**BUDGET**

Sunset Note: The CRA Plan p.46 states: “All redevelopment activities of a contractual, financial, and programmatic nature shall have a maximum duration, or commitment of up to, but not exceeding, thirty (30) years from the date of adoption by the City Council of Homestead and the Board of County Commissioners.” (2024)

The Mayor’s Memorandum, February 4, 2014 p.2, states: “The County will continue to make annual payments to the Agency, based on each respective year’s growth of ad valorem revenues over the base year, through 2028, which is when the Agency will sunset.” However, OMB has stated that the correct sunset date is 2024, which is consistent with R-915-94 and the CRA Plan.