

**IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT  
OF FLORIDA IN AND FOR THE COUNTY OF MIAMI-DADE**

**FINAL REPORT  
OF THE  
MIAMI-DADE COUNTY GRAND JURY**

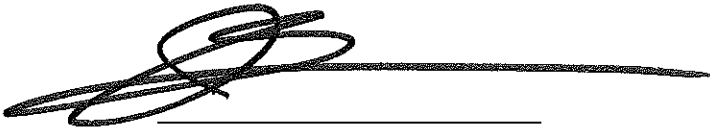
**SPRING TERM A.D. 2015**

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February 3, 2016**

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## **CRAs: THE GOOD, THE BAD AND THE QUESTIONABLE**

### **I. INTRODUCTION**

Midtown. South Beach. Lincoln Road Mall. Those who have lived in Miami-Dade County long enough will remember when Midtown had its share of blight and consisted of a number of vacant railroad yards. South Beach was populated by a majority elderly population who lived in an assortment of old hotels, apartment buildings interspersed with warehouses and a dilapidated dog track located at the southern tip of the beach. Lincoln Road was a walking mall that contained a hodge-podge of old restaurants, shops, drug stores and offices housed within decaying buildings. However, the blight and seedy nature of those areas are long gone, replaced by an infusion of new businesses, upscale residences and trendy restaurants. The transformation was accomplished, in large part, through various Community Redevelopment Agencies ("CRAs").

Community Redevelopment Agencies (CRAs) are a common government tool for redevelopment in Florida, and they operate on a budget generated by the increase in property taxes within the redevelopment areas. Once the CRA is established, a percentage of the increase in real property taxes goes to the CRA. This primary source of revenue for CRAs is known as tax increment financing (TIF). The TIF is used to fund and finance redevelopment projects outlined in each CRA's Community Redevelopment Plan.

CRAs are formed to address issues of slum, blight and the shortage of affordable housing within a designated area.<sup>1</sup> The laws governing the formation and operation of CRAs are found in Florida Statute Chapter 163, Part III. CRAs can be formed by a city for a designated area within its boundaries or can be formed by a county to address issues within a designated area.

We undertook our investigation after learning of several examples of mismanagement of large amounts of public dollars. Because of those instances of mismanagement, we anticipated widespread misuse and mismanagement of public monies by CRAs. While we discovered ongoing issues with several CRAs, we also found several CRAs which effectively and efficiently

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<sup>1</sup> During our investigation we noted that the acronym "CRA," which is primarily used to refer to the community redevelopment "agency," is sometimes used to refer to the community redevelopment "area," i.e., the geographical area within the agency's boundaries. All CRA references herein will refer to the agency.

used their funds to accomplish the intended goals of the Community Redevelopment Act and their community redevelopment plan.

Before we address our findings, we want to acknowledge that there are many qualified, hardworking, good-intentioned and dedicated people that make up the staffs and boards of CRAs. We found that CRAs, when run in a manner consistent with the intention of the law, are a very useful tool with which to address some very challenging community issues. We have included a number of recommendations herein which we hope will be adopted and result in better operations of CRAs, not just in Miami-Dade County, but throughout the State of Florida.

## **II. OVERVIEW OF CRAs**

The original statute governing CRAs is entitled the "Community Redevelopment Act of 1969." The definitions, guidelines and requirements therein have not been substantially changed since their inception. That is significant because we found what we believe to be a systemic practice of skirting the intent of the statute by overly broad interpretations of the definitions and requirements contained therein.

To start, it is important to understand the intent of the CRA statute and the issues or problems meant to be addressed by the statute. Decades ago, when the statute was originally written, the legislature found and declared that issues of slum, blight and affordable housing were problems affecting the health, safety and welfare of the residents of some Florida communities. The Community Redevelopment Act of 1969 allowed for the formation of CRAs which would address the slum, blight and shortage of affordable housing for low and moderate income residents. However, in order to form a CRA it was first **necessary** to demonstrate that slum, blight or a shortage of low and moderate income affordable housing actually existed in the proposed redevelopment area. This "necessity" requirement is set forth in Florida Statute 163.355.

### **Creating a Community Redevelopment Agency**

#### **A. The Finding of Necessity**

Once a city or county decides that it wants to designate a specific area as a community redevelopment area and create a CRA, the first important step is a finding of "necessity" as set

forth in Florida Statute 163.355.<sup>2</sup> A “finding of necessity” means that the designated area meets the definition of “slum” or “blighted” as set forth in the statute or there is a shortage of affordable housing for low or moderate income residents, including the elderly, within the designated area. The statute is specific to the extent it gives explicit definitions for slum and blight. The statutory definitions are set forth below.

### **1. Slum**

As defined in its entirety from the statute:

“Slum area” is an area having physical or economic conditions conducive to disease, infant mortality, juvenile delinquency, poverty, or crime because there is a predominance of buildings or improvements, whether residential or nonresidential, which are impaired by reason of dilapidation, deterioration, age, or obsolescence, and exhibiting one or more of the following factors:

- (a) Inadequate provision for ventilation, light, air, sanitation, or open spaces;
- (b) High density of population, compared to the population density of adjacent areas within the county or municipality; and overcrowding, as indicated by government-maintained statistics or other studies and the requirements of the Florida Building Code; or
- (c) The existence of conditions that endanger life or property by fire or other causes.<sup>3</sup>

### **2. Blight**

As defined in its entirety from the statute:

“Blighted area” means an area in which there are a substantial number of deteriorated or deteriorating structures; in which conditions, as indicated by government-maintained statistics or other studies, endanger life or property or are leading to economic distress; and in which two or more of the following factors are present:

- (a) Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities.

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<sup>2</sup> 163.355 Finding of necessity by county or municipality.—No county or municipality shall exercise the community redevelopment authority conferred by this part until after the governing body has adopted a resolution, supported by data and analysis, which makes a legislative finding that the conditions in the area meet the criteria described in s. 163.340(7) or (8). The resolution must state that:

- (1) One or more slum or blighted areas, or one or more areas in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, exist in such county or municipality; and
- (2) The rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas, including, if appropriate, the development of housing which residents of low or moderate income, including the elderly, can afford, is necessary in the interest of the public health, safety, morals, or welfare of the residents of such county or municipality.

<sup>3</sup> Florida Statute 163.340(7)

- (b) Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions.
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness.
- (d) Unsanitary or unsafe conditions.
- (e) Deterioration of site or other improvements.
- (f) Inadequate and outdated building density patterns.
- (g) Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality.
- (h) Tax or special assessment delinquency exceeding the fair value of the land.
- (i) Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality.
- (j) Incidence of crime in the area higher than in the remainder of the county or municipality.
- (k) Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality.
- (l) A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality.
- (m) Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area.
- (n) Governmentally owned property with adverse environmental conditions caused by a public or private entity.
- (o) A substantial number or percentage of properties damaged by sinkhole activity which have not been adequately repaired or stabilized.

However, the term "blighted area" also means any area in which at least one of the factors identified in paragraphs (a) through (o) is present and all taxing authorities subject to s. 163.387(2)(a) agree, either by interlocal agreement with the agency or by resolution, that the area is blighted.<sup>4</sup>

### **3. Redevelopment**

Section (9) of Florida Statute 163.340 defines "community redevelopment" or "redevelopment" as follows:

"Community redevelopment" or "redevelopment" means undertakings, activities, or projects of a county, municipality, or community redevelopment agency in a community redevelopment area for the elimination and prevention of the development or spread of slums and blight, or for the reduction or prevention of crime, or for the provision of affordable housing, whether for rent or for sale, to residents of low or moderate income, including the elderly, and may include slum clearance and redevelopment in a community redevelopment area or rehabilitation and revitalization of coastal resort and tourist areas that are deteriorating and economically distressed, or rehabilitation or conservation in a community redevelopment area, or any combination or part thereof, in

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<sup>4</sup> Florida Statute 163.340(8)

accordance with a community redevelopment plan and may include the preparation of such a plan.<sup>5</sup>

#### **4. Affordable Housing for Low or Moderate Income Residents**

Although affordable housing is mentioned in the community redevelopment statute, it is not defined therein. The CRA statute speaks specifically to affordable housing for low or moderate income residents. As the U.S Department of Housing and Urban Development (HUD) administers programs that address affordable housing we looked to HUD for guidance and assistance.<sup>6</sup>

As part of its programs, HUD develops standards, guidelines and definitions for certain income levels. HUD also has certain designations that it assigns to various income levels. The designations of income levels include extra low, very low, low and moderate. To determine the income limits assigned to each designation HUD must first determine the Area Median Income (AMI). Based on census data and other statistical information collected, HUD determines the median income for a certain metropolitan area. Each area of the county, state and country has an Area Median Income. For instance, the HUD income limits applied in Miami-Dade County in 2015 are based on an AMI of \$49,900. The AMI is adjusted on an annual basis.

Once the AMI is known, HUD has predetermined percentages of the AMI, the calculation of which will determine a family's income designation of very low, low, moderate, etc. For example, regardless of what metropolitan area is being considered, a family whose income is 50% of the AMI will always be designated Very Low Income. Similarly, regardless of what metropolitan area is being considered, a family whose income is 80% of the AMI will always be designated Low Income. The income levels are adjusted for family size.

As an example, for fiscal year 2015, the income guidelines for Miami-Dade County are as follows:<sup>7</sup>

HMFA FY 2015 AMI: 49900

Family Size	1	2	3	4
VERY LOW INCOME	23700	27100	30500	33850
LOW INCOME	37950	43350	48750	54150

<sup>5</sup> Florida Statute 163.340 (9)

<sup>6</sup> The CRA statute does not require or suggest using the HUD income guidelines but we feel that HUD's guidelines are a reliable source.

<sup>7</sup> <https://www.huduser.gov/portal/datasets/il/il2015/2015summary.odn>

Accordingly, residents within these income limits, and the elderly, would be the primary recipients of any affordable housing which would be created utilizing CRA funds.

## **B. CRAs and their Boards**

Once a finding of necessity is made, the county or municipality can then move forward with forming a community redevelopment agency. The agency is responsible for carrying out community redevelopment for the designated area in which necessity was found.

As part of the formation of the agency, the statute also requires that a board of commissioners be appointed to exercise the powers of the redevelopment agencies.<sup>8</sup> The board of commissioners is designated as the governing body of the county or municipality under which the CRA falls. Instead of appointing a board, the governing body of the county or municipality can also declare itself to be the agency and act as the board.<sup>9</sup> This is what most municipalities have done. For instance, the CRA board for the City of North Miami is comprised of the City of North Miami City Council. Once formed, the board has all powers necessary or convenient to carry out and effectuate the purposes and provisions of the statute, with a few exceptions that are reserved for the county or municipality.<sup>10</sup>

During the course of our investigation, we discovered that the composition of CRA Boards varied greatly. For instance, many of the CRA boards have members who wear two (2) hats. They serve in their capacity as an elected official, i.e., on the city council, city commission, etc. They also serve as a member of the CRA board. The boards, in a number of the CRAs we examined, are comprised solely of the elected officials who also serve on the council or commission. In those instances, often the CRA board meetings are held on the same day and either immediately before or immediately after the city commission/city council meeting.

Another model, like the Delray Beach Community Redevelopment Agency, has a CRA that is governed by a 7-member volunteer board. Those members are appointed by and report to the Delray Beach City Commission. The Delray Beach CRA employs an executive director, who oversees the agency and runs the day-to-day operations of the CRA. The volunteer board

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<sup>8</sup> Florida Statute 163.356(3)(b)

<sup>9</sup> Florida Statute 163.357

<sup>10</sup> Florida Statute 163.358



members serve 4 year terms.<sup>11</sup> They prioritize where the funds will be utilized within the 8 sub-areas of their CRA. With a few exceptions, the volunteer board is delegated all the power and authority to carry out the redevelopment activities. The board has authority to appropriate funds, make expenditures and approve the budget.

Similar to the Delray Beach model, a majority of CRAs administered in unincorporated Miami-Dade County are made up of citizen appointees with no elected officials. For example, the Naranja Lakes CRA Board is a nine-member board appointed by the County Commissioners. Because the Naranja Lakes CRA is administered by the county, county staff acts as its executive director.

### **1. Appointment of Citizens to CRA Boards**

We are deeply concerned that most CRA boards are composed of only the elected officials of the city in which the CRA sits. We discovered several examples of CRA boards spending large amounts of taxpayer dollars on what appeared to be pet projects of the elected officials. Additionally, there is, at a minimum, a perception and appearance that certain CRA boards are controlled by the commissioner or councilman within whose district boundaries the CRA operates. Under these circumstances, we believe there is significant danger of CRA funds being used as slush funds for the elected officials.

Even when misfeasance or malfeasance occurs, we are led to believe that there would be little that anyone could do. There does not appear to be any enforcement mechanisms for violations of the CRA statute or mispending of taxpayers' money by CRA board members. For that reason, the grand jury strongly believes that there should be additional oversight of CRA board actions as well as additional persons involved in the governing process. Specifically, as indicated below, *the Grand Jury recommends that non-elected lay persons be appointed to serve as full-fledged voting members on CRA boards.*

Florida Statute 163.357 "presently" provides that a governing body (i.e., a city commission or city council) may, by adoption of a resolution, declare itself to be a community redevelopment agency. In that situation, "all the right, powers, duties, privileges, and immunities vested... in any agency will be vested in the governing body of the county or

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<sup>11</sup> <http://delraycra.org/wp-content/uploads/2014/10/2014-CRA-Plan-Amendment-FINAL-10-15-14.pdf>

municipality....”<sup>12</sup> More important for this discussion are subsections (c) and (d) of that same statute. Subsection (c) provides as follows:

(c) A governing body which consists of five members **may appoint two additional persons to act as members of the community redevelopment agency.** The terms of office of the additional members shall be for 4 years, except that the first person appointed shall initially serve a term of 2 years. Persons appointed under this section are subject to all provisions of this part relating to appointed members of a community redevelopment agency.<sup>13</sup> (emphasis added)

This grand jury recommends that the statute be amended so that the word “may” be changed to “shall.” Clearly, these are taxpayers’ monies that are being spent by CRA boards. “But for” the existence of the CRA, those ad valorem general fund tax dollars would be deposited in the coffers of the county’s general revenue fund and used for the benefit of the entire county. If the county had use of that money, what additional services and benefits could be provided to the citizens who live in geographical areas of the county that do not have a CRA? Also, how important is it for residents who live within the redevelopment areas to be involved in the decision-making process of where the Tax Increment Financing funds will be spent and determining the priority of how those funds will be used? As the amount of TIF funds flowing into some CRAs has grown to millions of dollars, we believe it is critically important that citizen participation becomes a mandatory component of every CRA operating within the State of Florida. Accordingly, *the Grand Jury recommends that the Florida Legislature amend Florida Statute 163.357 (c) to read as follows: (c) A governing body which consists of five members shall appoint two additional persons to act as members of the community redevelopment agency.*

Mandating citizen participation on boards and authorities is not a novel idea in this state. Such requirements can be seen in Florida Statutes Section 159.605 (Housing Finance Authority), Section 343.53 (South Florida Regional Transportation Authority) and Section 348.0003 (Expressway Authority). For each of the aforementioned Authorities, appointments are made by, *inter alia*, members of the board of county commission.<sup>14</sup> Moreover, for some appointments, the statute specifically provides certain eligibility requirements for civilian

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<sup>12</sup> 163.357(1)(a)

<sup>13</sup> 163.357(1)(c)

<sup>14</sup> Housing Finance Authority, Florida Statute 159.605(1); South Florida Regional Transportation Authority, Florida Statute 343.53(2)(b); and Expressway Authority, Florida Statute 348.0003(b), (c) and (d).

appointees. For instance, not less than a majority of the members of each Housing Finance Authority “shall be knowledgeable in one of the following fields: labor, finance or commerce.”<sup>15</sup> The grand jury believes imposing such a requirement for appointees to CRA Boards will not only strengthen the boards, but also result in a broader knowledge base of the overall membership of that board. Accordingly,

- *We recommend that the Board of County Commission make all civilian appointments pursuant to amended Florida Statute 163.357 (1)(c)*
- *We recommend that civilian appointees to CRAs shall be knowledgeable in one of the following fields: architecture, finance, construction, land use or other education or professional experience in the area of community redevelopment.*

One of the issues we have not yet discussed in this report is the provision of the CRA Act that allows a CRA to use its TIF funds to fund bonds. This is another reason justifying citizen participation on CRA boards. Under the Florida Constitution, city and county elected officials cannot use ad valorem general fund tax dollars to fund bonds without first obtaining voter approval. Such is not the case if those same elected officials are sitting as a CRA board, using taxpayers’ monies that have been designated as TIF funds. A CRA board is **not** required to obtain prior voter approval before issuing bonds. It can issue bonds to fund lofty, expensive and/or grandiose projects without any input, discussion or approval from the very people who will be paying taxes to pay-off the debt from the issuance of those bonds. In fact, the CRA board has the authority to act in this manner, even if their actions are against the express wishes of the voting public. Amending subsection (c) of Florida Statute 167.357 (1) would at least ensure that citizens would be involved in the planning, discussions and decision-making process involved in determining whether taking such a step would be appropriate or prudent for the residents who live within the redevelopment area.

## **2. Appointment of County Commissioners to CRA Boards**

Similar to subsection (c) of Florida Statute 163.357, which permits the appointment of civilians to CRA boards, subsection (d) of the same statute, permits the participation of County Commissioners on CRA boards. We believe utilizing this statutory provision will allow for

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<sup>15</sup> Florida Statute 159.605(1)

more oversight, more diversity and more input on the CRA boards of the municipalities within Miami-Dade County. Florida Statute 163.357 (1) (d) provides as follows:

(d) As provided in an interlocal agreement between the governing body that created the agency and one or more taxing authorities, **one or more members of the board of commissioners of the agency may be representatives of a taxing authority**, including members of that taxing authority's governing body, whose membership on the board of commissioners of the agency would be considered an additional duty of office as a member of the taxing authority governing body. (emphasis added)

Simply put, this statutory provision allows members of the Board of County Commissioners to sit and serve as representatives on the municipality's CRA Boards. Based on the information we received during our investigation, we believe there is only one CRA in Miami-Dade County presently operating under this arrangement. The 7-member Miami Beach City Commission serves as the Redevelopment Agency Board (RDA) for the Miami Beach CRA. The Miami Beach City Manager serves as its executive director. The most recent addition to Miami Beach's RDA is Bruno A. Barreiro, County Commissioner for District 5.

This Grand Jury believes that having a county commissioner serving as a member of a CRA or RDA is a great idea. We recognize that each CRA is located within the commission district of one or more county commissioners. As such, within the redevelopment area of each CRA are constituents of both local and county elected officials. For many CRAs, the bulk of their TIF funding comes from ad valorem taxes, money that would ordinarily be controlled and spent by the Board of County Commission for the benefit of all of the constituents in every commission district. Where a CRA exists, however, neither the residents nor the respective commissioners have any say so in how those diverted ad valorem taxes get spent. We strongly believe that having the involvement of a county commissioner on a CRA will inure to the benefit of the voters and residents living within the collective boundaries of the CRA and commission district. Alternatively, we believe giving individual commissioners the power to appoint a designee to serve on the CRA board would achieve the same purpose.

We recognize that pursuant to the statute, having a county commissioner serve on the governing board of a CRA must be accomplished through an interlocal agreement entered into between the governing body that created the agency (the Board of County Commission) and the

community redevelopment agency. We were advised that the opportunities for entering into interlocal agreements are rare and would probably only occur in connection with the CRA making a request to the county commission. Such an opportunity could come in the form of a request for an extension of boundaries or a request for an extension from a CRA whose existence was about to cease or sunset. From our perspective, either request puts the BOCC in a tremendous bargaining position.

In that regard, we were pleased to learn that one of our county commissioners drafted several resolutions which we hope in time, will accomplish what we are recommending here. Specifically, in 2009 and 2011 respectively, with the Board's adoption of Resolutions Nos. R-1382-09 and R-871-11, the county established a policy directing the Mayor or the Mayors' designee:

"to negotiate amendments to the interlocal agreement with each taxing authority and/or CRA to provide for the appointment of one County Commissioner to the board of commissioners for each CRA."<sup>16</sup>

That portion of Resolution No. R-1382-09 dealt with existing CRAs. Section 2 of the resolution speaks more to the desires of this Grand Jury. It establishes:

"... as a policy of this Board that as a condition for the creation of a new CRA that one County Commissioner **shall be appointed** to each CRA's board of commissioners within Miami-Dade County."<sup>17</sup> (emphasis added)

An amendment to those resolutions was passed in 2015. The amendment, in the form of Resolution No. R-599-15, allows a county commissioner who is unable to serve as a commissioner of a community redevelopment agency the option to appoint a designee to serve as a commissioner of such community redevelopment agency.

As Resolution No. R-599-15 has passed, the County Mayor or the County Mayor's representative is presently able to negotiate inclusion of a provision in the interlocal agreement that will permit service as a community redevelopment agency board member by at least one county commissioner **or an appointed designee** of a county commissioner. The amended resolution applies to any new interlocal cooperation agreement as well as any amendment to an existing interlocal cooperation agreement with a community redevelopment agency. As we

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<sup>16</sup> Resolution No. R-1382-09, Section 1

<sup>17</sup> Resolution No. R-1382-09, Section 2; See Whereas clause of Resolution No. R-599-15.

believe this will achieve additional oversight and provide more transparency to the operation of our CRAs,

- *We strongly recommend that the County Mayor or County Mayor's designee diligently and affirmatively seek out opportunities to achieve the intent of Resolution No. R-599-15, namely, to amend every existing interlocal cooperation agreement to provide for service on that CRA Board by at least one county commissioner or alternative appointment of a designee by a county commissioner.*
- *We also strongly recommend that the County Mayor or County Mayor's designee should not finalize negotiations of any CRA's new interlocal cooperation agreement or amendment to an existing interlocal cooperation agreement if that agreement or amendment does not include a provision for service on that CRA Board by at least one county commissioner or alternative appointment of a designee by a county commissioner.*

### **C. Community Development Plan and Trust Fund**

Once an agency is formed and a board is established, a community redevelopment plan must be created to describe how the agency is going to address the issues of slum, blight and affordable housing in the redevelopment area. Redevelopment plans have included proposals for streetscapes and road improvements, building renovation and construction, flood control initiatives, parking lots and garages, neighborhood parks, sidewalks and street plants, land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation. Additionally, redevelopment plans may include recommended changes in zoning and planning, land uses, maximum densities and building requirements.<sup>18</sup> Redevelopment plans submitted must also provide for the development of affordable housing or state the reasons the plan does not allow for the development of affordable housing in the area. Plans can also include redevelopment incentives such as grants and loans for such things as façade improvements, sprinkler system upgrades, signs and structural improvements. The redevelopment plan is a living document that can be updated to meet the changing needs within the CRA; however, the boundaries of the area cannot be changed without starting the process over from the beginning.<sup>19</sup>

The development or redevelopment plan must be submitted to the governing body of the county or municipality for approval. In Miami-Dade County redevelopment plans are submitted

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<sup>18</sup> Florida Statute 163.360

<sup>19</sup> <http://www.miamidade.gov/redevelopment/plans.asp>

to the Board of County Commission. If the CRA falls under the governing body of a municipality, the CRA and the municipality must each get approval from, and enter into an interlocal agreement with, the county. Once the plan is approved and all agreements signed, the redevelopment plan can be carried out.

Once a plan is in effect, the CRA creates a trust fund to deposit revenues that fund operations and investments.<sup>20</sup> The primary source of revenue for CRAs is tax dollars known as tax increment financing (TIF). Tax increment financing is a unique tool available to cities and counties for redevelopment activities. It is used to leverage public funds to promote private sector activity in the targeted area. The dollar value of all real property in the Community Redevelopment Area is determined as of a fixed date, also known as the "frozen value." Taxing authorities, which contribute to the tax increment, continue to receive property tax revenues up to the amount of the frozen value. These frozen value revenues are available for general government purposes. However, any increases in tax revenues above the "frozen value," referred to as "increment," which are due to increases in real property value, are deposited into the Community Redevelopment Agency Trust Fund and dedicated to the redevelopment area. It is important to note that property tax revenue collected by the School Board and any special district are not affected under the tax increment financing process.<sup>21</sup>

The Community Redevelopment Act calls for private sector involvement to the maximum extent possible, to coordinate public and private sector initiatives and successfully revitalize communities which would otherwise further decline. Tax increment revenues can be a) used immediately, b) saved for a particular project, or c) bonded to maximize the funds available

The initial term of a CRA is limited to 30 years. Without an extension, a CRA's existence sunsets at the end of the 30-year period. After the sunset of a CRA, or in the event that all TIF revenues cannot be reserved for, or open on any eligible projects, any remaining CRA Trust Funds are returned to each taxing authority on a pro-rata basis.<sup>22</sup>

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<sup>20</sup> Florida Statute 163.387

<sup>21</sup> <http://redevelopment.net/cra-resources/q-a-for-cras/>

<sup>22</sup> <http://www.miamidade.gov/redevelopment/about-community-redevelopment-areas.asp>

### III. MIAMI-DADE COUNTY CRAs

There are currently 178 Community Redevelopment Areas in the State of Florida.<sup>23</sup> The Miami-Dade Board of County Commissioners has approved the creation of 14 community redevelopment areas that are administered by the Community Redevelopment and Municipal Services Division ("CRMS") and overseen by the County. The BOCC has also delegated Authority to eight municipalities to operate ten CRAs.<sup>24</sup> Four additional CRAs operate in unincorporated areas of Miami-Dade County.<sup>25</sup>

The agencies that we reviewed all had executive directors to run the day-to-day operations.<sup>26</sup> Many of the agencies were staffed by employees of the city or county where the CRA was located. The CRAs pay a portion of the employees' compensation based on the amount of work performed for the CRA. Some of the agencies had executive directors and a few full-time staff. And some agencies had numerous full time staff members, the largest of which was over 10 full-time staff. While the executive director and staff run the day-to-day operations, it was clear from the testimony that the CRA boards decide where monies will be spent and approve all expenditures.

### IV. OPERATIONS & EXPENDITURES

There are two aspects of where and how CRAs expend money that we must distinguish for the purpose of this report. First, there are the specific projects, events, services, acquisitions, etc., in which CRAs choose to spend taxpayer dollars. Second, there are the policies and procedures (or lack thereof) that CRAs use to distribute monies which may include grant programs, paying bond debt, formal or informal bidding processes and formal or informal requests for quotes. Most significantly, we found that CRAs can unilaterally choose to give taxpayer dollars to a person or company without the exercise of any process of due diligence, without justification and without recourse. According to the statute, CRAs have wide latitude in spending TIF money to "finance or refinance any community redevelopment it undertakes

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<sup>23</sup> <http://redevelopment.net/cra-resources/q-a-for-cras/>

<sup>24</sup> A listing of all CRAs operating within Miami-Dade County is set forth in Exhibit B to this Report.

<sup>25</sup> Attached hereto as Exhibit A is map showing the geographical boundaries of each community redevelopment area presently operating within Miami-Dade County

<sup>26</sup> The Miami-Dade County CRAs are run by Jorge Fernandez, Office of Management and Budget, whose responsibilities are consistent with an executive director.



pursuant to the approved community redevelopment plan.” The statute does not set forth any guidelines for the policies and procedures that CRAs must follow to distribute monies.

As proof of this last point, in analyzing questionable spending by CRAs in general, we received information that one CRA Board was spending close to 80% of its annual TIF funds on salaries, benefits and other administrative costs. Because of several failed projects the TIF revenue was down to \$400,000. The CRA board was spending \$300,000 in salary and benefits to 3 employees who were managing the remaining \$100,000 in TIF funds. We find this practice to be abusive and a clear violation of the spirit, purpose and intent of the CRA. The Grand Jury is aware that Chapter 163 of the Florida Statutes permits the use of TIF funds for administrative and overhead expenses necessary or incidental to the implementation of a community redevelopment plan. However, we believe imposing a cap on CRA expenditures for administrative costs will be an effective measure to prevent abuses such as indicated above. For that reason,

- *We recommend the imposition of a cap on annual CRA expenditures used for administrative costs.*
- *We further recommend that the Florida Redevelopment Association be tasked with analyzing this issue and include within its “best practices and standards for operating CRAs”, a recommendation for a percentage cap that should be imposed on annual CRA expenditures used for administrative costs.<sup>27</sup>*

Florida Statute 163.387 (6) further articulates that 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.

(b) Expenses of redevelopment planning, surveys, and financial analysis, including the reimbursement of the governing body or the community redevelopment agency for such expenses incurred before the redevelopment plan was approved and adopted.

(c) The acquisition of real property in the redevelopment area.

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<sup>27</sup> For additional information regarding the Florida Redevelopment Association, what it does and our recommendations to the FRA, please see pgs. 26-31.

(d) The clearance and preparation of any redevelopment area for redevelopment and relocation of site occupants within or outside the community redevelopment area as provided in s. 163.370.

(e) The repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes, and any other form of indebtedness.

(f) All expenses incidental to or connected with the issuance, sale, redemption, retirement, or purchase of bonds, bond anticipation notes, or other form of indebtedness, including funding of any reserve, redemption, or other fund or account provided for in the ordinance or resolution authorizing such bonds, notes, or other form of indebtedness.

(g) The development of affordable housing within the community redevelopment area.

(h) The development of community policing innovations.

Setting aside policies or procedures for disbursement, we learned that CRAs commonly spend monies on such things as streetscapes and road improvements in business and residential areas, infrastructure improvements such as water and sewer, façade improvements to commercial, industrial and retail businesses, purchase of land for development of affordable housing, subsidies for development of affordable housing, educational and employment services, policing, neighborhood parks development and upgrades and payments on bond debt for such things as garages and cultural centers. For each of these types of expenditures, we learned of successful projects that addressed the intent of the statute and benefitted the community.

However, our investigation uncovered large scale spending on projects that did not address slum, blight or affordable housing. Nevertheless, the people responsible for the decisions to spend money on such projects can justify it because the statute governing CRAs is written so broadly. As such, CRAs often times spend money and find a way to say it fits within “the approved community redevelopment plan.” We learned of a wide range of projects, events, services and acquisitions in which spending was justified only when the interpretation of the community redevelopment plans was stretched beyond the pale. For example, it is apparent that “social services” are something that TIF monies are being used for at an increasing rate. This has resulted in TIF money being used for fairs, carnivals, and community entertainment. We found it alarming that various CRAs justified spending hundreds of thousands of dollars, if not millions of dollars, on projects that clearly did not directly address any slum, blight or affordable housing.

The State of Florida has specific laws in place that govern the procurement process for various goods and services.<sup>28</sup> The intent of the laws is to provide fair competition, reduce opportunity for favoritism and create an ethical process. But CRAs are not bound by many of the laws that govern the procedures by which the state, counties and municipalities can award and distribute money on similar projects. A glaring example is that the CRA statute does not require agencies to engage in a formal bidding process when expending monies. That means those who operate CRAs, or the board members who approve expenditures, are free to solicit a particular person or company to do a specific project without a competitive bidding process. We believe that such lax laws and regulations are fraught with dangers of cronyism, collusion, inflated or exorbitant costs as well as other issues that lead to corrupt practices. We heard from several witnesses that the reason the statute does not include rules and standards for the awarding and distribution of monies is because the statute is meant to facilitate a more expedient way to address slum and blight. We are not swayed by the reasoning, nor do we think that stricter controls will hinder CRAs ability to address slum and blight and affordable housing.

In addition to there being no strict laws governing bidding processes (or even requiring a bidding process), there are no laws or guidelines for distributing monies in the form of grants, which is a common method that CRAs use to distribute hundreds of thousands and even millions of dollars. We learned that some CRAs adhere to internal guidelines they have set for operation of their CRA. For instance, when distributing grants some CRAs distribute monies only on a reimbursement basis. Others award grants only up to a certain limit or certain percentage of the project. Still other CRAs only distribute monies only after a project is complete or distribute monies only for projects that address certain types of work such as “brick and mortar” projects.<sup>29</sup>

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<sup>28</sup> Florida Statute 287.001 - Legislative intent.—The Legislature recognizes that fair and open competition is a basic tenet of public procurement; that such competition reduces the appearance and opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically; and that documentation of the acts taken and effective monitoring mechanisms are important means of curbing any improprieties and establishing public confidence in the process by which commodities and contractual services are procured. It is essential to the effective and ethical procurement of commodities and contractual services that there be a system of uniform procedures to be utilized by state agencies in managing and procuring commodities and contractual services; that detailed justification of agency decisions in the procurement of commodities and contractual services be maintained; and that adherence by the agency and the vendor to specific ethical considerations be required.

<sup>29</sup> CRAs often distinguish between “brick and mortar” costs for a project and other costs that are particular to a specific business. For example, a CRA may give a private business money to install water and sewer lines for a restaurant but may decline to pay for such things as tables, kitchenware, rent, etc. This is because, if the restaurant goes out of business and closes, the investment made by the CRA in the water and sewer lines is still available for use by another business to start within the CRA area.

On the other hand, we learned of examples where large grants were awarded and the monies were distributed without any identifiable standards or guidelines in place for the awarding or distribution of those monies. Regardless of the justifications that we heard, it is clear to us that monies are often times awarded without regard for any standards or guidelines.

Using guidelines for awarding and distributing grants consistent with those mentioned above has several benefits. It insures that grantees use the monies for the intended purpose, requires the grantees to invest some of their own money in the project, increases the likelihood that projects will get completed and provides a long-term benefit to the area. We agree that, if monies are going to be awarded via grants to assist private business, establishing and instituting these guidelines and similar practices are good policies to adopt and follow.

While several of the CRAs that we studied have policies and practices that mirror the formal requirements associated with counties and municipalities, using such formal policies and practices is completely discretionary with the CRA. It is clear that the lack of formal bidding requirements and the lack of guidelines for awarding grants can lead to (and has led to) mismanagement, waste, collusion and corruption. There is evidence to suggest that some of these problems exist in the operations of CRAs in Miami-Dade County. Mandating formal processes reduces the likelihood of problems and allows for greater transparency and more citizen confidence in the work of these CRAs.

While there are some CRAs that utilize policies and procedures that insure the best use and handling of the public monies, we have several concerns with the lax laws that govern CRAs' expending money and how CRAs interpret these laws when spending public monies. In very broad terms, Florida Statute 163.387 sets forth how monies can be spent by CRAs and it is being interpreted to permit the expenditure of funds for anything even tangentially related to the community redevelopment plan. For this reason, we believe there should be more oversight of CRAs.

- *We recommend that the state statutes governing CRAs be amended to include requirements that all CRAs mirror the formal procurement guidelines associated with the county or municipality in which they sit.*

- *We also recommend that CRAs follow the best practices guidelines for grant programs (to include solicitation, review and award) that we hope will be developed by the Florida Redevelopment Association.*<sup>30</sup>

#### **A. What Happened to the Affordable Housing?**

Some CRAs have used TIF money to purchase property to build affordable housing. This appears to be the exception and not the rule for CRAs. Although CRAs acquire property with affordable housing in mind, generally CRAs do not desire to do the actual developing or contracting. The land purchased is used by CRAs to attract private developers who can obtain other incentives that help make affordable housing profitable for the developer. We think it is admirable that CRAs are working with private industry to achieve the goals of its redevelopment plan. However, while we acknowledge the challenges associated with developing affordable housing, we found it perplexing that there are CRAs with low and moderate income affordable housing needs within their boundaries that have not taken any steps to address the need.

Evidence presented to us indicates that affordable housing is not a priority for many of the existing CRAs. The common excuse used for not developing affordable housing was that it was cost prohibitive.<sup>31</sup> However, we find this reasoning to be disingenuous given the large amounts of monies being spent on other projects. It is disturbingly transparent to us that CRAs are spending millions of tax payer dollars on other projects and programs, yet at the same time saying that they cannot afford to build affordable housing. More so, a review of the community redevelopment plan for those same CRAs shows that the redevelopment plan includes representations that the CRA will address affordable housing. Additionally, we note that there are examples of CRA boards that went back to the county and requested that their boundaries be expanded to include areas of low income housing, yet their CRA is not addressing the issue of affordable housing. Based on the testimony regarding the cost prohibitive nature of low and moderate income affordable housing, we question why affordable housing is included in some redevelopment plans at all. Maybe it is simply necessary to get the redevelopment plan approved. Maybe it is just politically expedient.

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<sup>30</sup>For additional information regarding the Florida Redevelopment Association, what it does and our recommendations to the FRA, please see pgs. 26-31.

<sup>31</sup> To demonstrate the amount of money flowing into CRAs operating within Miami-Dade County, Exhibit B attached hereto, lists each Community Redevelopment Agency with the amount of tax improvement funding each received for this past fiscal year.

As suggested by CRA board members, in addition to affordable housing for low and moderate income being unattractive because it is expensive, it also is not a good "investment" because it does not produce sufficient revenue. Economic development and increased TIF revenue for the CRAs is clearly self-serving. Some CRAs fall prey to their own success, and instead of investing in affordable housing, they continue to invest solely in opportunities that increase economic development within certain sections of the redevelopment area. It was apparent from our investigation of numerous CRAs that investing in economic development is an early building block necessary for the long term success of a CRA's redevelopment goals. Economic development<sup>32</sup> entails making investments that will result in an increase in property values. The increase in property values will increase the TIF monies going to the CRA. As was described to us, these were the benefits of investing in commercial, retail or industrial areas. Simply stated, investing in other needs such as providing low income or affordable housing does not directly result in an increase in property values. Accordingly, making such an investment will not increase the TIF.

As further examples of economic development, witnesses testified that CRAs invest in such things as infrastructure improvements for businesses, improvements to commercial or industrial building facades, as well as other "brick and mortar" projects that will benefit private business. The objective of such investments is not only to benefit the business owner but also to increase the value of the business which results in more tax revenue and more TIF money for the CRA. As a result of the increase in TIF monies from the economic development investments, we believe CRAs are better positioned and more able to address other objectives contained within their respective economic development plans, such as affordable housing. However, for many CRAs this is not the practice.

While we understand the logic of early or initial investments focused on economic development to increase the TIF, we are concerned that in this process CRAs lose sight of the need for affordable housing. It becomes more popular to continue to spend or invest in opportunities that will grow TIF income rather than put money back into needs that do not yield the same return on the investment. However, CRAs are not formed to see how profitable they

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<sup>32</sup> Economic development is not defined in the statute. The meaning as set forth herein is based on information provided by witnesses.

can become. They are formed to address the needs of the community. In many of those communities, one of the major needs is that of safe and sanitary affordable housing.

### **Remove the Blight; Leave the Slum**

Many CRAs use TIF funds for infrastructure improvements. Such improvements have involved improved roadways, landscaping and streetscaping. As several witnesses described to us, these infrastructure improvements may include improvements or installation of any combination of the following:

- Paver brick walkways, sidewalks and cross-walks
- Decorative lighting
- Roundabouts
- Sidewalks
- Curbing
- Guttering
- Street replacement

As many of our witnesses described, removing blight includes infrastructure improvements. A lot of these improvements have taken place in business, commercial and downtown areas. The rationale for this is by improving the look of the area, it entices new businesses and shops to move into that area. Eventually, this results in more jobs, more opportunities and, as property values increase due to the improvements, more money for the CRA. For the most part, such improvements are not taking place in purely residential areas. Again, the thought is making such improvements in business districts and business corridors bring more bang for the buck. Although this may be true, it causes some serious concerns for the Grand Jury.

We have seen the “before” and “after” pictures and have heard the testimony of how many of these areas, which were eyesores, have been completely transformed and are now thriving. We also appreciate the fact that property values have increased, resulting in a concomitant increase in revenues from the TIF. Finally, we are also aware that the use of these funds for the purpose of removing blight is specifically authorized by state statutes.<sup>33</sup> From our view, it appears that many of the CRAs have taken great strides, and in many cases, been

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<sup>33</sup> Florida Statute 163.340 (8)

successful in removing blight. However, our concern is that Section 9 of the same statute also allows such funds to be used “for the elimination and prevention of the development or spread of slums.”<sup>34</sup> The “white elephant” in the room from this practice is that although “blight” may have been removed, “slums” still exist within the boundaries of those CRAs.

For our purposes, “slums” are those areas of our communities that are dominated by multifamily housing structures that are unsafe, unsanitary and overcrowded. The living conditions in some of these units may include rat infested and roach infested apartments. As we observed from news coverage of unsafe and unsanitary living conditions in areas of our community, there are residents within Miami-Dade County who are living in apartment buildings with unrepaired roof leaks that result in ceiling collapses, non-working plumbing equipment that results in toilets overflowing, and faulty electrical wiring that is so dangerous that officials are forced to shut down electrical power for an entire building until repairs are made. It is unfathomable to us that in this day and age, citizens in our community live in housing units where sewage backs up within their apartments or overflowing sewage being released on the grounds of their apartment buildings are a regular occurrence. This, while millions of dollars are being spent annually to fund ball stadiums, performing arts centers and dog parks is an outrage.

One alternative for alleviating slums located within CRA redevelopment areas is for the CRA board to focus on rehabbing existing units rather than restricting its options to new construction projects. The price tag associated with a rehab construction project should be much cheaper than what would be required for construction of new affordable housing units in the area. Investing TIF funds in such a project would at least ensure that the low income residents living within the redevelopment area would have access to safer and more sanitary housing within which they can raise their families. If a CRA can expend close to half a million dollars for a dog park so “dogs” can have open spaces in the places where they “play,” that CRA board should feel compelled to spend more than that amount to ensure that “people” have better “ventilation, light, air, sanitation or open spaces” in the places where they “live.”

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<sup>34</sup> Florida Statute 163.340 (9) “Community redevelopment” or “redevelopment” means undertakings, activities, or projects of a county, municipality, or community redevelopment agency in a community redevelopment area for the elimination and prevention of the development or spread of slums and blight, or for the reduction or prevention of crime, or for the provision of affordable housing, whether for rent or for sale, to residents of low or moderate income, including the elderly, and may include slum clearance and redevelopment in a community redevelopment area or rehabilitation and revitalization of coastal resort and tourist areas that are deteriorating and economically distressed, or rehabilitation or conservation in a community redevelopment area, or any combination or part thereof, in accordance with a community redevelopment plan and may include the preparation of such a plan.



Every CRA that has expended or disbursed funds from its TIF has, by those actions, set the priority for what it wishes to focus on within its redevelopment area. Each such CRA has also determined how much money will be used for those priorities. As a result of setting those other priorities, the alleviation of slum and the creation of safe and sanitary affordable housing for low and moderate income residents who live within CRA boundaries is almost non-existent. To correct this shortcoming we have recommendations that we hope will be adopted by the Florida Legislature, Board of County Commission and each CRA.

As previously stated, the life of most community redevelopment agencies span several decades. If each CRA was required to set aside a certain percentage of TIF funds every year (which could only be used for the creation of affordable housing) over an extended period of time, there could be a sizeable pot of money that would be available to help alleviate slums and provide affordable housing. This would especially be true for CRAs which, due to their alleviation of blight, have substantially increased the amount of TIF funds available for use by their respective CRA.

Accordingly, for each CRA whose redevelopment plan was based in part on a finding that slum existed within the boundaries of the redevelopment area or that was based on a finding that there was a need for affordable housing, *we recommend that the county commission draft and approve an ordinance that requires each CRA in its annual budget to specifically state how much money it spent in the previous year and how much money it expects to spend in the coming fiscal year on affordable housing.*

For CRAs that are not providing affordable housing but that have low and moderate income affordable housing needs within their redevelopment area, we recommend that the legislature amend the state statute to require CRAs to set aside TIF revenues annually to be used to provide affordable housing. Furthermore, because affordable housing is costly and it often takes a number of years to generate sufficient TIF revenues to invest in affordable housing, it is essential that the statute contain a provision to allow for CRAs to save income. *Accordingly,*

- *We recommend that every CRA whose annual TIF revenue exceeds \$1,000,000 after its fifth year in existence, be required to set aside a minimum of 10% of its annual TIF income to go towards and benefit low and moderate income affordable housing. If the CRA does not designate for use the monies set aside for affordable housing within*

*five years, the money shall revert back to the respective taxing districts(on pro-rata basis) for use towards affordable housing.*

- *We also recommend that the state statute require all CRAs whose TIF income exceeds \$5,000,000 annually be required to set aside a minimum of 20% of the total annual TIF income to be used for affordable housing for low or moderate income residents. If the CRA does not designate for use the monies set aside for affordable housing within five years, the money shall revert back to the respective taxing districts(on pro-rata basis) for use towards affordable housing.*
- *Because statute 163.387(7) significantly limits a CRA's ability to carry over monies, we further recommend that the statute be amended to include a provision that permits CRAs to carry over TIF monies that have been set aside for use for affordable housing for low or moderate income residents.*

## **V. AUDITING AND OVERSIGHT**

Florida Statute 163.387 provides that "Each community redevelopment agency shall provide for an audit of the trust fund each fiscal year and a report of such audit to be prepared by an independent certified public accountant or firm. Such report shall describe the amount and source of deposits into, and the amount and purpose of withdrawals from, the trust fund during such fiscal year and the amount of principal and interest paid during such year on any indebtedness to which increment revenues are pledged and the remaining amount of such indebtedness. The agency shall provide by registered mail a copy of the report to each taxing authority."<sup>35</sup> The statute also provides that each agency shall report the following to the Florida Department of Community Affairs:

- (1) A listing of business firms and individuals assisted by the community-based development organization during the reporting period.
- (2) A listing of the type, source, purpose, and amount of each individual grant, loan, or donation received by the community-based development organization during the reporting period.
- (3) The number of paid and voluntary positions within the community-based development organization.
- (4) A listing of the salaries and administrative and operating expenses of the community-based development organization.
- (5) An identification and explanation of changes in the boundaries of the target area.
- (6) The amount of earned income from projects, programs, and development activities.

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<sup>35</sup> Florida Statute 163.387(8)

- (7) The number and description of projects in predevelopment phase, projects under construction, ongoing service programs, construction projects completed, and projects at sell-out or lease-up and property management phase, and a written explanation of the reasons that caused any projects not to be completed for the projected development phase.
- (8) The impact of the projects, as a result of receiving funding under this act, on residents in the target area, and the relationship of this impact to expected outcomes listed in the organization's annual revitalization plan.
- (9) The number of housing units rehabilitated or constructed at various stages of development, predevelopment phase, construction phase, completion and sell-out or lease-up phase, and condominium or property management phase by the community-based development organization within the service area during the reporting period.
- (10) The number of housing units, number of projects, and number of persons served by prior projects developed by the organization, the amounts of project financing leverage with state funds for each prior and current project, and the incremental amounts of local and state real estate tax and sales tax revenue generated directly by the projects and programs annually.
- (11) The number of jobs, both permanent and temporary, received by individuals who were directly assisted by the community-based development organization through assistance to the business such as a loan or other credit assistance.
- (12) An identification and explanation of changes in the boundaries of the service area.
- (13) The impact of completed projects on residents in the target area and the relationship of this impact to expected outcomes listed in the organization's annual revitalization plan.
- (14) Such other information as the Department of Community Affairs requires.<sup>36</sup>

While the law speaks to the different auditing and reporting requirements, there is nothing in the statute that addresses what review is to be undertaken by those who receive the audit or what remedies exist if the information contained in the audit or report is found (if reviewed) to be questionable or deficient. To put it simply, the law does not set forth any standards for review of the information. The reporting requirements appear to be more form over substance.

Further, in addition to the auditing requirements of the Florida Statute, CRA boards operating within Miami-Dade County are also required to submit their budgets to the County on an annual basis. The budgets are to be approved by the Board of County Commission. Theoretically, these budgets should be approved prior to any disbursements or expenditures from the CRA budget for the ensuing fiscal year. Unfortunately, that is not the case.

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<sup>36</sup> Florida Statute 163.461

We were informed that often the annual budgets submitted by the CRA boards are not being submitted in a timely manner. As a result, the CRA boards, in accordance with their new budgets, are spending money in the new fiscal year **before** the Board of County Commission has approved their budget. We understand in some instances Commission approval of the budget is granted months after the effective date of the new budget. The Grand Jury believes this practice must stop. We are aware that for any new interlocal cooperation agreement or an amendment to an existing interlocal agreement, the Mayor or Mayor's designee shall negotiate a provision that requires the CRA to submit timely budgets for approval by the Board of County Commission prior to the CRA borrowing money, advancing funds or incurring indebtedness proposed to be repaid from or secured by the CRA's tax increment financing funds.<sup>37</sup>

- *Accordingly, the Grand Jury recommends that all CRAs must submit their annual budget requests with sufficient lead time so that the Board of County Commission will be able to review / approve the CRAs budget prior to the start of the fiscal year for which the budget relates.*
- *The Grand Jury further recommends that the county amend its interlocal agreements to provide that if the CRA board fails to timely submit its annual budget, then it will be precluded from spending money in the CRA's new fiscal year until after the BOCC has approved the CRA board's annual budget.*

We find that there is no significant oversight for specifying on which projects, programs or services CRAs choose to spend monies. The boards can decide where to distribute monies and in what method to distribute monies without any consideration for the best practices in the industry. We believe that better oversight is needed to insure the best use of public dollars and reduce the risk that CRA monies can be used as a slush fund for politicians. To that end, *we recommend that the state statute and Miami-Dade County require a yearly audit be performed by the inspector general for the county in which the CRA lies.* The audit shall be conducted to determine whether the expenditure of monies and the procedures for the expenditures comply with the laws governing CRAs and conform to the best practices guidelines as established by the Florida Redevelopment Association.<sup>38</sup> The CRAs shall be responsible for reimbursing the inspector general for the costs associated with the audit. If there is not a county inspector general in the county where the CRA is located, the inspector general for the State shall perform the

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<sup>37</sup> Resolution No. R-871-11.

<sup>38</sup> See Grand Jury recommendation to Florida Redevelopment Association on p. 29, listed as Recommendation 24 on p. 36.

audit. Again, this audit is intended to determine whether CRAs are complying with the best practices for CRAs as established by the Florida Redevelopment Association.

If, after completing the audit, the inspector general concludes that a CRA failed to engage the best practices in spending monies, the inspector general can recommend to the Board of County Commission that the CRA be placed on heightened monitoring for a period of no less than 12 months and no longer than 24 months. During the course of heightened monitoring, the CRA shall be required to create and implement a corrective action plan for approval by the inspector general. While under heightened monitoring, a CRA shall submit to a best practices audit by the inspector general every six months. The CRA shall be responsible for reimbursing the inspector general for the costs associated with the monitoring and auditing.

If, after the period of heightened monitoring, the CRA continues not to engage in the best practices, the Board of County Commissioners can remove the board of the CRA. The county shall act as the board or appoint a new board in accordance with the laws set forth in Florida Statutes Chapter 163.

## **VI. FLORIDA REDEVELOPMENT ASSOCIATION**

Founded in 1974, the Florida Redevelopment Association (FRA) is a not-for-profit organization dedicated to assisting Florida professionals and volunteers in community revitalization efforts. With its mission of “transforming spaces, revitalizing places,” FRA is committed to providing a forum for its more than 300 members to share knowledge and common experiences regarding revitalization opportunities and issues throughout Florida. FRA encourages adoption of legal and financial tools and programs favorable to community growth and serves as a statewide clearinghouse for redevelopment information. The Florida Redevelopment Association is available for technical assistance, legislative advocacy and redevelopment educational resources.

The FRA is focused on the revitalization and preservation of Florida’s communities. Operated under a contract with the Florida League of Cities in Tallahassee, Florida, its purpose is to promote the improvement of downtowns and other urban areas through redevelopment and development activities under the Florida Statutes; encourage Florida’s communities to create a healthy mix of affordable workforce and market rate housing; provide a forum for networking, training and technical assistance; be an advocate for its membership; and monitor legal and

legislative issues.<sup>39</sup> This Grand Jury believes the FRA could be a valuable asset to CRAs and should take a greater role in improving the management and operations of CRAs in this state. We have some recommendations herein that we believe will accomplish that goal.

## **A. Educational/Training Certification Requirement**

### **1. The FRA Redevelopment Academy**

One of the training and educational programs that the FRA offers is a Redevelopment Academy. The Redevelopment Academy is akin to an accreditation program designed to promote a high level of knowledge and professionalism in the field of redevelopment. It also encourages development and maintenance of professional competence for practicing redevelopment administrators. The goals of the redevelopment academy are:

- To educate on the benefits of and need for economic redevelopment;
- To provide an industry standard for professional redevelopers in the State of Florida;
- To provide a service and benefit to the FRA membership while promoting the services offered by the association;
- To provide practical, practitioner-based education of consistently high quality.

We were so impressed with the information we received regarding the FRA that *we recommend to the CRAs that FRA membership should be mandatory for all CRA staff and board members.*

## **B. Best Practices**

The FRA hosts an annual conference in various locations around the state. Members from all over the state come to participate in this yearly event. Reportedly after the conference, many of the attendees were amazed at the quality of the information shared and the many tools and options that were available to community redevelopment agencies and their commissioners. As a place for networking and sharing information, commissioners and directors became aware of innovative and effective practices that were being used by other CRA boards. The classes offered by the FRA include such things as Redevelopment 101, Operations and Capacity Building, Budget, Funding, and Reporting, Creating and Using Redevelopment Incentives, Capital Project Management and Redevelopment Housing. Through successful completion of

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<sup>39</sup> <http://redevelopment.net/about/>

courses and testing, members of the FRA can even earn special designations such as Redevelopment Administrator or Redevelopment Professional.

The outcome of training, education, networking and the sharing of ideas through participation in the FRA is a higher standard of competence and conduct by those who make up the staffs and boards of CRAs. When CRAs across the state continuously share experiences, ideas and practices, a standard of best practices evolves within the industry. *We recommend that the FRA establish industry best practices and standards for operating CRAs, relating to such things as expenditures and programs for spending money such as grants, bonds, bidding processes, and other standards for measuring accountability as it relates to best industry practices.*

### C. Ethics

In addition to providing access to experience and knowledge, training and technical assistance and educational resources, the FRA has its own code of ethics. The code of ethics promotes training and development, high standards of professional conduct, integrity and discourages dishonesty conduct.<sup>40 41</sup>

We have considered the Ethics Training offered by the FRA in conjunction with what is required of CRA Commissioners operating within our jurisdiction. On June 4, 2013, the Miami-Dade Board of County Commissioners amended Section 2-11.1 of the County Code to require that all County and Municipal elected officials “shall, within ninety (90) days after being sworn into office, submit to the Clerk of the Board a certificate of completion of an ethics course offered by the Miami-Dade County Commission on Ethics and Public Trust.” The course is to include, at a minimum, a review of the Conflict of Interest and Code of Ethics Ordinance; the

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<sup>40</sup> **FRA Code of Ethics:** The Florida Redevelopment Association is a professional organization dedicated to quality redevelopment in the state of Florida, and to providing training and individual development for professionals engaged in redevelopment administration. To further these goals, we the members of the Florida Redevelopment Association are enjoined to adhere to legal, moral, and professional standards of conduct in the fulfillment of our professional responsibilities, as set forth in this Code of Ethics. We shall conduct ourselves with integrity in all working relationships with public officials, staff, and the citizens whom we serve. We shall not condone or knowingly present any false or misleading information, or omit any information that is essential to making an informed decision. We shall abide by all applicable laws and regulations of the State of Florida and those of our individual local jurisdictions. We shall not be involved with, or by our actions condone, any illegal activity. We shall conduct ourselves objectively and not seek or accept personal gain that could influence the conduct of our official duties. We shall not use public resources for personal gain. We shall not reveal or improperly use confidential information. We shall accurately represent our professional qualifications, education, and affiliations.

<sup>41</sup> <http://redevelopment.net/cra-resources/q-a-for-cras/>

Sunshine Law; the Public Records Law and the Citizens' Bill of Rights.<sup>42</sup> Moreover, last year, the Florida Legislature also imposed a requirement that all "elected municipal officers" must complete 4 hours of ethics training annually.<sup>43</sup> Elected municipal officers who serve as commissioners on CRA boards are not required to complete ethics training due to their service on the CRA board. Yet, by the actions of the BOCC and the State Legislature, it is clear that ethics is an important component of serving in public office. We strongly believe that ethics training should be mandatory for commissioners serving on CRA boards. As we believe the ethics training provided by the FRA is tailor made for CRA board commissioners, *we recommend that the Florida Legislature mandate FRA specific ethics training bi-annually for all CRA board commissioners.*

As previously stated, many of the CRA boards in Miami-Dade County are comprised solely of the governing body of the municipality. Fortunately, Section 2-11.1 of the Code of Miami-Dade County ensures that the elected officials serving on those CRA boards will be required to receive training on ethics and conflicts of interest. Similarly, Florida Statute 112.3142(b) also has a requirement that all elected municipal officers complete 4 hours of ethics training each calendar year.

There are other CRA boards operating within the State of Florida, but outside of Miami-Dade County, that appoint civilian members to their boards in accordance with Florida Statute 163.357 (c). As such, there are CRA commissioners serving in this state who have no obligation to receive ethics training. We believe this is a major short-coming and therefore, *we recommend that the Florida Legislature amend Florida Statute Section 112.3142 to require four (4) hours of ethics training each calendar year for all CRA board commissioners.*

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<sup>42</sup> <http://ethics.miamidade.gov/training.asp>

<sup>43</sup> Florida Statute Section 112.3142 (b) and (c) Ethics training for specified constitutional officers and elected municipal officers.

(b) Beginning January 1, 2015, all elected municipal officers must complete 4 hours of ethics training each calendar year which addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.

(c) The commission shall adopt rules establishing minimum course content for the portion of an ethics training class which addresses s. 8, Art. II of the State Constitution and the Code of Ethics for Public Officers and Employees.



Many of the CRA boards are operated by executive directors who are neither elected officials nor government employees. Other CRA boards are managed and operated by persons who are governmental employees and who wear dual hats. They may serve as city manager and as managing director or executive director of that municipality's CRA board. However, under the specific language of the County's Elected Officials Ethical Training Ordinance, neither the governmental nor non-governmental executive director is required to receive such training. The Grand Jury believes this is a serious oversight.

Additionally, at least one CRA operating in Miami-Dade County utilizes an Advisory Board. Obviously, neither the county's ordinance nor Florida Statute 112.3142(b) applies to the members of the Advisory Board. *We recommend that the Miami-Dade Board of County Commission enact a new ordinance or amend an existing ordinance that requires annual ethics training for all members of CRA Advisory boards and the board's Executive Director.*

Similarly, as reported above, we have included recommendations herein that we hope will result in the appointment of citizen residents to CRA boards within Miami-Dade County. These lay residents serving on these boards would have the same voting power and authority as the elected officials serving on the board. We recognize that if this effort is successful, neither the county ordinance nor the Florida Statute will apply to these "unelected" officials serving on the CRA board.

*Accordingly, we recommend that the Miami-Dade Board of County Commission enact a new ordinance or amend an existing ordinance that requires annual ethics training for all "unelected" officials serving on CRA boards.*

We learned that the Florida Redevelopment Association is an organization that educates people who govern and manage CRAs. The training and tools of the FRA promote best practices. We feel that the training offered by the FRA is an essential tool for the operation, management and oversight of CRA staff and board members. As a result, we recommend the legislature amend the statute to include the following:

- *We recommend that the FRA establish and maintain a best practices training program that is provided to, and mandatory for, all CRA staff and board members;*
- *We recommend that the FRA establish an auditing and review program relating to best practices in which all CRAs (members) must comply. This audit and review program is to insure compliance with best practices standards as established by FRA.*

## VII. What Happens When the “Necessity” No Longer Exists?

Each of the CRAs we reviewed were specifically created to address issues of slum, blight or affordable housing. However, as a result of their successes, some CRAs have eradicated slum or blight within their areas. Nevertheless, those same CRAs continue to receive large amounts of revenue from TIF dollars. It is important to note that in the CRAs where slum or blight was substantially or completely eradicated, we found there is no apparent danger of the area regressing to a slum or blighted area. Significant private investment now exists in those areas. This is important because the CRAs that continue to operate in the areas where slum or blight has been eradicated rely on the part of the statute that provides CRAs can be used for the “prevention” of slum and blight or rely on examples of slum or blight that do not represent the overall condition of the area within the CRA’s boundary. As a result, the amount of money going to those CRAs far exceeds the remaining necessity. We think that this result is inconsistent with the statute and the statute is being interpreted in an overbroad manner that enables such areas to continue to receive public tax dollars that could be better spent elsewhere. We recommend the following changes to address this issue:

- *Remove or better define what is permissible under the “prevention of slum or blight” provision of the Florida Statute 163.340.*
- *Amend Florida Statute 163.340(8) to eliminate the last paragraph which states, “However, the term “blighted area” also means any area in which at least one of the factors identified in paragraphs (a) through (o) is present and all taxing authorities subject to s. 163.387(2)(a) agree, either by interlocal agreement with the agency or by resolution, that the area is blighted.” The finding of blight should require a finding that two or more of the factors, as set forth in (a) through (o), exists.*
- *Whenever there is a request for renewal or extension by a CRA, require an updated finding of necessity.*

## VIII. CONCLUSION

As we referenced at the beginning of this report, through the effective use of TIF revenue by CRAs, there are a number of drastic improvements that have taken place in various communities throughout our county. Neighborhoods have been transformed and new businesses have opened in revitalized shopping and commercial districts. The results of the effective work conducted by the CRAs include job creation, removal of eye-sores, increases in property values and the attraction of more tourists to South Florida. From our prospective, this is all good.

However, one of the truths we have uncovered during our investigation is that while CRAs have excelled in the above areas, for the most part, many of them have failed miserably in fulfilling their mission as to other aspects of their redevelopment plans. Specifically, most of the CRAs have not even attempted to tackle the overwhelming shortage of quality affordable housing that exists within the redevelopment areas of their CRAs. The persons who suffer from this CRA failure are low income residents living in slums and the elderly. From our perspective, this is all bad.

Finally, in connection with our investigation, we discovered that due to a failure of many CRAs to adopt or implement specific rules or guidelines for spending tax payer monies, millions of dollars in grants have been given to certain businesses, companies or individuals. Some of the grants and awards of monies appeared to be clear conflicts of interest for some of the members serving on the CRA board. Another CRA board rejected a recommendation from its advisory board and made the decision to give millions to a specific company in what proved to be a failed construction project. In addition to giving taxpayer monies to questionable people, CRA boards have implemented questionable practices when deciding to use taxpayer monies for questionable purposes.

For the good, the bad and the questionable, we have made a number of recommendations which we hope will be adopted and acted upon by our legislature, Board of County Commission, CRA boards and the Florida Redevelopment Association. We believe implementation of these recommendations will prevent some of the prior CRA abuses, provide for citizen participation, more transparency, more oversight, better management and operations of CRAs and an improvement to the lives of the elderly and low income residents living in our county and state.

## IX. RECOMMENDATIONS

This Grand Jury recommends that:

1. *Non-elected lay persons be appointed to serve as full-fledged voting members on CRA boards. (p. 7)*
2. *The Florida Legislature amend Florida Statute 163.357 (1) (c) to read as follows: "A governing body which consists of five members ~~may~~ shall appoint two additional persons to act as members of the community redevelopment agency. (p. 8)*
3. *The Board of County Commission make all civilian appointments pursuant to amended Florida Statute 163.357 (1)(c) (p. 9)*
4. *Civilian appointees to CRAs shall be knowledgeable in one of the following fields: architecture, finance, construction, land use or other education or professional experience in the area of community redevelopment. (p. 12)*
5. *The County Mayor or County Mayor's designee diligently and affirmatively seek out opportunities to achieve the intent of Resolution No. R-599-15, namely, to amend every existing interlocal cooperation agreement to provide for service on that CRA Board by at least one county commissioner or alternative appointment of a designee by a county commissioner. (p. 12)*
6. *The County mayor or County Mayor's designee should not finalize negotiations of any CRA's new interlocal cooperation agreement or amendment to an existing interlocal cooperation agreement if that agreement or amendment does not include a provision for service on that CRA Board by at least one county commissioner or alternative appointment of a designee by a county commissioner. (p. 12)*
7. *The imposition of a cap on annual CRA expenditures used for administrative costs. (p. 15)*
8. *The Florida Redevelopment Association accept the task of analyzing the issue of excessive administrative costs and include within its "best practices and standards for operating CRAs", a recommendation for a percentage cap that should be imposed on annual CRA expenditures used for administrative costs. (p. 15)*
9. *The state statutes governing CRAs be amended to include requirements that all CRAs mirror the formal procurement guidelines associated with the county or municipality in which they sit. (p. 19)*
10. *CRAs follow the best practices guidelines for grant programs (to include solicitation, review and award) that we hope will be developed by the Florida Redevelopment Association.<sup>44</sup> (p. 19)*

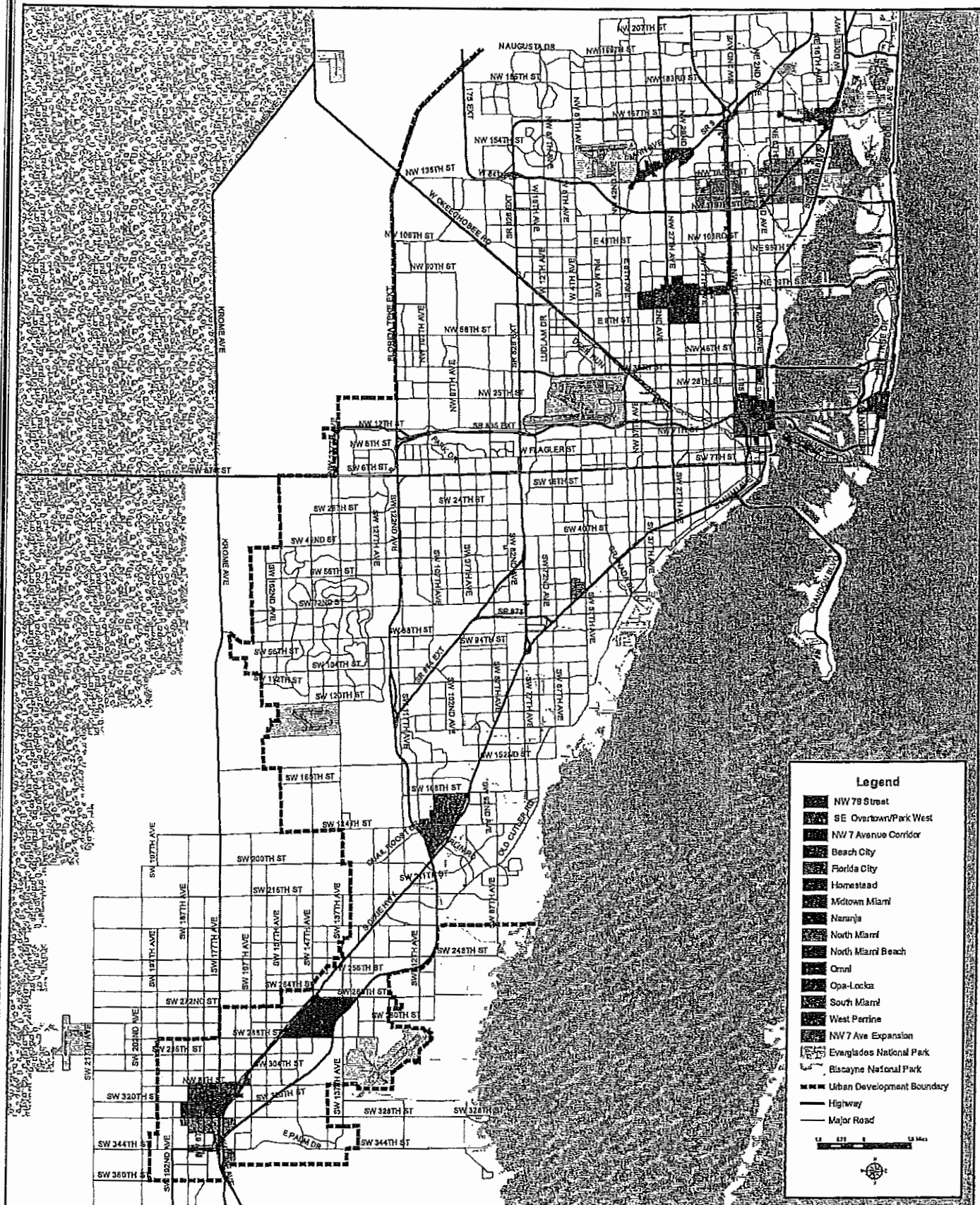
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<sup>44</sup> Establishing best practices guidelines, as referenced in this recommendation, is a recommendation set forth in this report under VI. Florida Redevelopment Association.

11. *The county commission draft and approve an ordinance that requires each CRA in its annual budget to specifically state how much money it spent in the previous year and how much money it expects to spend in the coming fiscal year on affordable housing. (p. 23)*
12. *Every CRA whose annual TIF revenue exceeds \$1,000,000 set aside a minimum of 10% of its annual TIF income to go towards and benefit low and moderate income affordable housing. (p. 24)*
13. *The state statute require all CRAs whose TIF income exceeds \$5,000,000 be required to set aside 10% of the income to be used for affordable housing for low or moderate income residents. If the CRA does not use the 10% for affordable housing within five years, the money shall revert back to the county for use towards affordable housing. (p. 24)*
14. *Because statute 163.387(7) significantly limits a CRA's ability to carry over monies, we recommend that the statute be amended to include a provision that permits CRAs to carry over TIF monies that have been designated for use for affordable housing for low or moderate income residents. (p. 24)*
15. *All CRAs submit their annual budget requests with sufficient lead time so that the Board of County Commission will be able to review / approve the CRAs budget prior to the start of the fiscal year for which the budget relates. (p. 26)*
16. *The county amend its interlocal agreements to provide that if the CRA Board fails to timely submit its annual budget, then it will be precluded from spending money in the CRA's new fiscal year until after the BOCC has reviewed and/or approved the CRA Board's annual budget. (p. 26)*
17. *The state statute and Miami-Dade County require a yearly audit be performed by the inspector general for the county in which the CRA is located. (pp. 26-27)*
18. *CRAs mandate FRA membership for all CRA staff and board members. (p. 28)*
19. *The FRA establish industry best practices and standards for operating CRAs, relating to such things as expenditures and programs for spending money such as grants, bonds, bidding processes, and other standards for measuring accountability as it relates to best industry practices. (p. 29)*
20. *The Florida Legislature mandate FRA specific ethics training bi-annually for all CRA board commissioners..(p. 30)*
21. *The Florida Legislature amend Florida Statute Section 112.3142 to require four (4) hours of ethics training each calendar year for all CRA Board commissioners. (p. 31)*
22. *The Miami-Dade Board of County Commission enact a new ordinance or amend an existing ordinance that requires annual ethics training for all members of all CRA Advisory Boards.(p. 31)*
23. *The Miami-Dade Board of County Commission enact a new ordinance or amend an existing ordinance that requires annual ethics training for all "unelected" officials serving on CRA Boards and the board's Executive Director. (p. 32)*

24. *The FRA establish industry best practices and standards for operating CRAs, relating to such things as expenditures and programs for spending money such as grants, bonds, bidding processes, and other standards for measuring accountability as it relates to best industry practices. (p. 29)*
25. *The FRA establish and maintain a best practices training program that is provided to, and mandatory for, all CRA staff and board members. (p. 32)*
26. *The FRA establish an auditing and review program relating to best practices in which all CRAs (members) must comply. This audit and review program is to insure compliance with best practices standards as established by FRA. (p. 32)*
27. *Remove or better define what is permissible under the "prevention of slum or blight" provision of the Florida Statute 163.340. (p. 32)*
28. *The legislature Amend Florida Statute 163.340(8) to eliminate the last paragraph which states, "However, the term "blighted area" also means any area in which at least one of the factors identified in paragraphs (a) through (o) is present and all taxing authorities subject to s. 163.387(2)(a) agree, either by interlocal agreement with the agency or by resolution, that the area is blighted." The finding of blight should require a finding that two or more of the factors, as set forth in (a) through (o), exists. (p. 33)*
29. *Whenever there is a request for renewal or extension by a CRA, require an updated finding of necessity. (p. 33)*

# MIAMI DADE COUNTY COMMUNITY REDEVELOPMENT AREAS (CRA)



This map was prepared by the Miami Dade County Information Technology Department Geographic Information Systems (GIS) Division. For the Office of Management and Budget January 2015.

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The Board of County Commissioners has delegated to eight (8)<sup>1</sup> municipalities in Miami-Dade County the authority to operate community redevelopment areas. In the municipal redevelopment areas, representatives of the governing body of the municipality (i.e., the city commission or city council) sit as the board of commissioners of the redevelopment agency. The overwhelming number of the municipalities described their redevelopment plan as Below we have listed each of the CRAs and our understanding of the amount of TIF we believe they received for this past fiscal year.

- (1) **Florida City** - \$1,565,348 (FY 2014-2015)<sup>2</sup>
- (2) **Homestead** - \$1,818,523 (FY 2014-2015)<sup>3</sup>
- (3) **Miami Beach** - \$39,091,000 (FY 2014-2015)<sup>4</sup>
- (4) **Midtown (Miami)**- \$4,394,251 (FY 2014-2015)<sup>5</sup>
- (5) **North Miami** - \$855,193 (FY 2014-2015 proposed)<sup>6</sup>
- (6) **North Miami Beach** - \$618,908 (FY 2014-2015)<sup>7</sup>
- (7) **Omni District (Miami)**- \$12,187,344 (FY 2014-2015)<sup>8</sup>
- (8) **Opa-locka** - \$0<sup>9</sup>
- (9) **Southeast Overtown / Park West –(Miami)** \$11,990,510 (FY 2014)
- (10) **South Miami** - \$1,025, 084 (FY 2013-2014)<sup>10</sup>

#### A. Unincorporated Redevelopment Areas in Miami-Dade County

Four community redevelopment agencies operate in the unincorporated areas of Miami-Dade County. The Board of County Commissioners designated citizens boards as governing bodies of three of the four agencies, and the Commission retains the role as the governing body of the fourth.

- (1) **Naranja Lakes** - \$888,144 (FY 2014-2015)<sup>11</sup>
- (2) **NW 7<sup>th</sup> Avenue Corridor** - \$318,241 (FY 2014-2015)<sup>12</sup>
- (3) **West Perrine** - \$0 – (FY 2014-2015)<sup>13</sup>
- (4) **NW 79<sup>th</sup> Street Corridor** - \$0 – (FY 2014-2015)<sup>14</sup>

<sup>1</sup> There are, in reality, ten CRAs within eight municipalities.

<sup>2</sup> <http://www.floridacityfl.gov/CRA/CRA%20Budget%202015-16%20Proposed%20pg%201>

<sup>3</sup> <http://www.miamidade.gov/govaction/legistarfiles/Matters/Y2015/150695.pdf>

<sup>4</sup> Miami Beach Commission Resolution 604-2014

<sup>5</sup> <http://redevelopment.net/wp-content/uploads/2010/09/Midtown-Annual-Report-2014.pdf>

<sup>6</sup> [http://www.northmiamicra.org/plan/files/budget/FY14\\_15.pdf](http://www.northmiamicra.org/plan/files/budget/FY14_15.pdf)

<sup>7</sup> [http://www.citynmb.com/vertical/Sites/%7B7D026603-3FD1-47D7-B72B-A998702CDBDA%7D/uploads/CRA\\_BudgetNarrative14-15\\_final\\_for\\_meeting\\_8\\_28.pdf](http://www.citynmb.com/vertical/Sites/%7B7D026603-3FD1-47D7-B72B-A998702CDBDA%7D/uploads/CRA_BudgetNarrative14-15_final_for_meeting_8_28.pdf)

<sup>8</sup> <http://redevelopment.net/wp-content/uploads/2010/09/Midtown-Annual-Report-2014.pdf>

<sup>9</sup> <http://www.opalockafl.gov/DocumentCenter/View/1296>

<sup>10</sup> <http://www.southmiamifl.gov/DocumentCenter/View/558>

<sup>11</sup> <http://www.miamidade.gov/govaction/legistarfiles/MinMatters/Y2014/142061min.pdf>

<sup>12</sup> <http://www.miamidade.gov/redevelopment/library/budgets/fy2014-15-proposed-nw-7th-ave.pdf>

<sup>13</sup> <http://www.miamidade.gov/redevelopment/library/budgets/west-perrine-2014-2015-approved.pdf>

<sup>14</sup> <http://www.miamidade.gov/redevelopment/library/budgets/fy2014-15-adopted-nw-79th.pdf>



<u>NAME OF DEFENDANT</u>	<u>CHARGE</u>	<u>INDICTMENT RETURNED</u>
ALRICK CHRISTIAN	First Degree Murder Robbery Using Deadly Weapon or Firearm Burglary with Assault or Battery Therein while Armed Kidnapping with a Weapon, Firearm Or Aggravated Battery Kidnapping with a Weapon, Firearm or Aggravated Battery	True Bill
REGINALD LOUIS JACKSON and RODERICK L. MARTIN	First Degree Murder First Degree Murder Robbery Using Deadly Weapon or Firearm Robbery Using Deadly Weapon or Firearm Kidnapping / with a Weapon, Firearm or Aggravated Battery Kidnapping / with a Weapon, Firearm Or Aggravated Battery Burglary with Assault or Battery There / while Armed Robbery / Armed / Conspiracy	True Bill
[A] ALRICK CHRISTIAN and [B] MISAMONI GREEN-JOHNSON	First Degree Murder Robbery Using Deadly Weapon or Firearm Burglary with Assault or Battery Therein while Armed Kidnapping with a Weapon, Firearm Or Aggravated Battery Kidnapping with a Weapon, Firearm or Aggravated Battery	True Bill
OMAR G. RODRIGUEZ	First Degree Murder Aggravated Assault with a Firearm	True Bill
CHRISTOPHER LUIS RIVERO	First Degree Murder Solicitation of First Degree Murder	True Bill
JEREMIAH J. WILLIAMS	Murder Second Degree	True Bill
"A" DEDRICK BROWN and "B" WILLIE BARNEY	First Degree Murder Murder/Premeditated/Attempt Deadly Weapon or Aggravated Battery Robbery Using Deadly Weapon or Firearm	True Bill
ANDREW ANTHONY TAYLOR	Sexual Battery on a Minor Sexual Battery on a Minor Sexual Battery on a Minor	True Bill

<u>NAME OF DEFENDANT</u>	<u>CHARGE</u>	<u>INDICTMENT RETURNED</u>
(A) ALEXANDER PENA, also known as TEDDY and (B) RENELL DEMETRIUS JONES	First Degree Murder Burglary with Assault or Battery Armed Robbery – Weapon Conspiracy to Commit Robbery / Strong Arm	True Bill
ARALIO BOUDET	First Degree Murder	True Bill
ERNEST ROWELL, also known as WOO, also known as NINO, (A) and KAHLEB NEWKIRK, also known as K-HOUND, (B)	First Degree Murder (A & B) Carrying a Concealed Firearm (B) Trespass Property/After Warning (A) Firearm/Unlawful Possession by a Minor (B)	True Bill
(A) CHRISTIAN RAUL COLON, (B) JONATHAN ISAIAH LUCAS, (C) KEHEEM JUSTIN ARBELO, (D) DESIRAY ALISHA STRICKLAND and (E) JOSEPH MICHAEL CABRERA	First Degree Murder (A, B, C, D & E) Murder 1 <sup>st</sup> Deg/Conspiracy (A, B, C, D & E) Tamper/Wit/Vic/Life/Capital Felony (B) Tamper/Wit/Vic/Life/Capital Felony (C) Tamper/Wit/Vic/Life/Capital Felony (C) Tamper/Wit/Vic/Life/Capital Felony (C) Tamper/Wit/Vic/Life/Capital Felony (C) Human Body/Dead/Abuse (E)	True Bill
JOAQUAN ANTONIO HALL, also known as QUAN (A) and TERRANCE ARIEL SMITH (B)	First Degree Murder (A&B) Attempted Armed Robbery (A&B) Attempted Armed Robbery (A&B)	True Bill
ATHANAEL J. LOUIS, AKA JUNIOR OR "B"	First Degree Murder Murder/Premeditated/Attempt/ Deadly Weapon or Aggravated Battery Murder/Premeditated/Attempt/ Deadly Weapon or Aggravated Battery	True Bill
ROBERT HOLTON	First Degree Murder Arson First Degree	True Bill
ROBERT HOLTON	First Degree Murder Arson First Degree Burglary With Assault or Battery Therein/ While Armed	True Bill

<u>NAME OF DEFENDANT</u>	<u>CHARGE</u>	<u>INDICTMENT RETURNED</u>
TURANE ROUSE, JR.	First Degree Murder Robbery Using Deadly Weapon or Firearm	True Bill
DENNIS LEE SHELBY, also known as "FAT CAT"	First Degree Murder Murder/Premeditated/Attempted Murder/Premeditated/Attempted Murder/Premeditated/Attempted	True Bill

## ACKNOWLEDGMENTS

As the conclusion of our nine month term as Miami-Dade County Grand Jurors draws to a close, I would like to express my sincere appreciation to my peers for their dedication throughout this process. When we entered the Honorable Judge Gisela Cardonne Ely's courtroom in May of 2015, none of us could have imagined the journey through the judicial system that we were about to embark upon. This group of individuals, diverse in many ways, worked together and drew from each person's knowledge, skill and unique professional and personal experiences to create a unified team of jurors.

On behalf of my fellow jurors, it has been an honor to serve on the Miami-Dade County Grand Jury. Our service has been an enlightening experience for each of us. We are grateful for having the opportunity to be part of the judicial process and are proud of the work being presented in this final report. We would like to take this opportunity to express thanks and appreciation to the following individuals:

- Honorable Judge Gisela Cardonne Ely, who explained the importance of serving as members of the grand jury and for her kind words at the conclusion of each workday;
- The Miami-Dade County State Attorney's Office, including State Attorney Katherine Fernandez Rundle, for her leadership, Chief Assistant State Attorney Don L. Horn, for his guidance, dedication and professionalism, Assistant State Attorney Tim VanderGiesen, who professionally facilitated our investigation and secured several experts and witnesses to testify before the grand jury;
- Court Reporter Fernando Subirats, for his professionalism and service throughout our term;
- Bailiff Nelido Gil, for his communications and ability to make sure the needs of the jurors were met. His professionalism helped keep us on task;
- Rose Anne Dare, for her communications and administrative support;
- Members of the Miami-Dade Office of the State Attorney not previously mentioned that assisted the grand jury through our term of service;
- The experts and witnesses who took time out of their schedules to educate us, address our concerns and answer all of our questions; and
- The detectives and other law enforcement professionals who work tirelessly to discover the evidence necessary to keep the wheels of justice in motion.

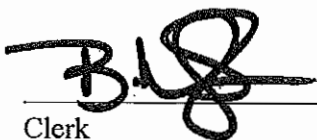
It is our hope, as members of the grand jury, that our investigation into Community Redevelopment Agencies is found insightful and the recommendations are carefully considered for implementation. Once again, it has been a privilege and an honor to serve our community.

Respectfully submitted,



Jefferson Geimer, Foreperson  
Miami-Dade County Grand Jury  
Spring Term, 2015

ATTEST:

  
Clerk

Date: February 3, 2016