U.S. Department of Housing and Urban Development
Community Planning and Development Division
Region IV, Miami Field Office
Brickell Plaza Federal Building
909 S.E. First Avenue, Room 500
Miami, FL 33131-3042

April 9, 2018

Maria Ruiz, Director
Housing & Community Development
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

Subject: Timeliness Test –
Drawdown ratio FY 2018
City of Miami Beach

Dear Ms. Ruiz:

The purpose of this letter is to advise you that as required by 24 CFR §570.902 of the Community Development Block Grant (CDBG) regulations, our office reviewed the City of Miami Beach for compliance with the requirements for carrying out its CDBG program in a timely manner. A grantee is considered to be in compliance, if 60 days prior to the end of its program year, there is no more than 1.50 times its annual grant remaining in the line-of-credit.

The City has an October 1st program year start date. As of **<u>April 6, 2018</u>**, the City has a balance in its line-of-credit of 2.08 times its annual grant. Accordingly, the City would be found to be in non-compliance with the timeliness standard if actions are not taken to spend an additional $477,951 prior to the test date of **August 2, 2018.**

The City's program may fall under the sanctions policy enunciated in HUD's letter of November 20, 2001. This letter, regarding HUD's policy on corrective actions for failure to meet the timeliness requirements of the CDBG program, was sent previously to the chief elected official of all entitlement grantees. This policy provides that grantees that become newly untimely, beginning with those grantees with program years starting February 1, 2002 and later, have 12 months, to their next 60 day test, to reach the 1.5 timeliness standard. Failure to meet the 1.5 standard when the 60 day test is next conducted on August 2, 2018 could result in a reduction of your FY 2018 grant by 100% of the amount in excess of 1.5 times the annual grant, except where HUD determines that the untimeliness resulted from factors beyond the reasonable control of the grantee. The grant reduction will be calculated as follows: new 60 day ratio minus 1.50 = x.xx times FY 2018 grant.

Prior to a grant reduction, each grantee is entitled to an informal consultation as provided for in 24 CFR§ 570.911 of the CDBG regulations. At that time, the grantee will have the opportunity to demonstrate how factors beyond its reasonable control caused significant delays in program implementation and affected timely performance. The burden will be on the grantee to make a compelling argument that it qualifies for the exception.

You should take all appropriate actions to improve your drawdown rate, including, but not limited to, following and updating the City's workout plan, timetables and schedules, and better oversight and management of subrecipients and operating agencies.

We remind you that the IDIS timeliness reports (IDIS PR56) are a helpful tool for keeping track of your drawdown progress. IDIS calculates a current drawdown ratio and the exact dollar amount you will need to draw down to reach the 1.5 standard.

This office is available to assist you in any way possible. If you have any questions regarding this correspondence, or any other program matter, please do not hesitate to contact Nora E. Casal, Senior Community Planning & Development Representative at (305) 520-5009, or via email message at Nora.E.Casal@hud.gov.

Sincerely,

L Bustamante

Ann D. Chavis
Director
Community Planning and Development Division

cc: Lisa Bustamante, Program Manager, US H.U.D

Attachment

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System

Current 60 Day Ratio Report

Field Office : SOUTH FLORIDA

ST	GRANTEE	LAST 60-DAY RATIO	NEXT 60 DAY TST DATE	CDBG GRANT AMOUNT	CURRENT DRAW RATIO --NOT ADJ FOR PI-- LOC BALANCE	RATIO	--ADJ FOR PI-- LOC BALANCE	RATIO	MINIMUM LOC DISBURSEMENT UNADJ MIN	ADJ MIN
FL	MIAMI BEACH	1.41	08-02-18	828,433.00	1,720,600.75	2.08	1,720,600.75	2.08	477,951	477,951