CITY OF MIAMI
OFFICE OF INDEPENDENT AUDITOR GENERAL

THE CITY OF MIAMI
DADE CO., FLORIDA

AUDIT OF THE ASSESSMENT AND COLLECTION OF IMPACT FEES

AUDIT REPORT NO. 010-001

Prepared By
Office of Independent Auditor General

Victor I. Igwe, CPA, CIA
Independent Auditor General

LAIWAN MCGINNIS, STAFF AUDITOR
City of Miami

September 24, 2010

Honorable Members of the
City Commission
City of Miami
3500 Pan American Drive
Coconut Grove, FL 33133-5504

Re: Audit of the Assessment and Collection of Impact Fees
Audit No. 10-001

Pursuant to Section 48 of the City of Miami’s (City) Charter and the Fiscal Year 2010 Audit Plan, the Office of the Independent Auditor General performed an audit of the Assessment and Collection of Impact Fees. The audit was performed to determine compliance with the City’s Development Impact Fee Ordinance as codified in Chapter 13 of the City Code.

Additionally, we examined the internal control policies and procedures of the City’s Office of Zoning (Zoning) to determine whether they were adequate and effective in administering and monitoring the assessment and collection of impact fees as codified in Chapter 13 of the City Code.

The audit covered the period October 1, 2004, through September 30, 2009 and selected controls/transactions prior and subsequent to this period.

Sincerely,

Victor I. Igwe, CPA, CIA
Independent Auditor General
Office of the Independent Auditor General
AUDIT OF THE ASSESSMENT AND COLLECTION OF IMPACT FEES
AUDIT PERIOD - OCTOBER 1, 2004 THROUGH SEPTEMBER 30, 2009

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INTRODUCTION

The City Commission is authorized to establish and adopt an impact fee pursuant to the Municipal Home Rule Powers Act, Florida Statute §166.011; the City of Miami Charter; and the Local Government Comprehensive Planning and Land Development Regulation Act, Florida Statute §163.3161. In addition, the Land Development Regulations, Florida Statute §163.3202, encourages the use of innovative land development regulations, which include impact fees.

The City’s Development Impact Fee Ordinance, as codified in Chapter 13 of the City Code, provides guidance relative to the assessment and collection of impact fees. Pursuant to State legislation, on April 28, 1988, Chapter 13, Article I of the City Code (also known as the “City of Miami Development Impact Fee Ordinance”) was originally adopted through Ordinance No. 10426 for the purpose of financing new development for specified public services/facilities. Due to the City’s increased growth and development, on December 15, 2005, the City Commission enacted Ordinance No. 12750, which amended the City’s Development Impact Fee Ordinance in its entirety. The amended ordinance addressed the increased costs of providing public facilities, the increased demand for additional public facility capacity, and the cost of providing capital facility capacity and capital equipment needed to accommodate the demands of new development. The amendment to the Impact Fee Ordinance updated impact fee rate schedules for building permits submitted after a specified date as well as clarified new and existing language in the Code, and added certain provisions, including but not limited to the following: establishing new impact fee benefit districts and sub-districts; establishing an administrative petition process for determinations of impact fees due, affordable housing deferrals, refunds and credits; requiring an annual review and triennial update of impact fees; and, clarified language relating to administrative fees.

Pursuant to the City Code §13-6 titled Applicability of Impact Fee, the current Impact Fee Ordinance states that: “impact fees shall be uniformly applicable to all new development, and the appropriate impact fees shall be collected prior to issuance of a building permit except where a building permit is issued for:
1. Additions, remodels, rehabilitation or other improvements to an existing structure and reconstruction of a demolished structure which result in:

   a) Net increase of less than 1,000 square feet for a nonresidential structure which is deemed to have a deminimis impact on the need for public facility capacity, or

   b) No net increase in the number of residential dwelling units for residential structures.

2. Any development which is a government-owned and operated facility; and

3. Any development of regional impact (DRI) (excluding the downtown DRI and the Southeast Overtown/Park West area-wide DRI), for which a development order has been issued by the city before the effective date of this chapter, providing that the building permit for such DRI is obtained within 15 months of the initial effective date of this chapter.”

Under the prior Impact Fee Ordinance, all single-family residential developments were exempt from the imposition and payment of impact fees. In addition to impact fees, the City requires that applicants pay a 3% administrative fee based on impact fees assessed at the time of application for the building permit and are for the sole purpose of defraying expenses related to the assessment of the impact fees.

City Code §13-7 (a) titled, “Imposition of impact fees and establishment of impact fee benefit districts”, states:

“No building permit shall be issued for a new development as herein defined unless the applicant has paid the impact fees imposed by and calculated pursuant to this article. Building permit applications submitted to and accepted as complete by the city prior to 5:00 p.m. on January 15, 2006, shall pay the impact fees calculated by the zoning department pursuant to sections 13-24 through 13-27. Building permit applications submitted to and accepted as complete by the city after 5:00 p.m. on January 15, 2006 shall pay the impact fees calculated by the
zoning department pursuant to sections 13-7 through 13-12. Should a valid building permit issued by the city for an application submitted prior to 5:00 p.m. on January 15, 2006, expire after that time, the impact fees set forth in sections 13-7 through 13-12 shall apply to the subsequent issuance of any building permit for that development.”

Furthermore, City Code §13-7 (b) provides that impact fees shall be calculated by the Office of Zoning based on the development included in the building permit application using:

   a) The land use category or categories applicable to the development,

   b) The number of dwelling units for residential, the gross square footage for nonresidential, or the specific units of development for certain types of nonresidential development, and

   c) The applicable impact fee in sections 13-9 through 13-12.”

In addition, the City Commission established the following benefit districts and sub-districts for the identified impact fees: Police, Fire-Rescue (North and South Sub-District), Parks and Recreation, and General Services impact fee benefit districts. The impact fee rate schedule used under the current Impact Fee Ordinance to calculate impact fees due to the City is codified in Sections 13-9 through 13-12 of the City Code.

Under the prior Impact Fee Ordinance, impact fees collected were distributed to the following benefit districts: Police, Fire and Rescue, Parks and Recreation, Streets, Storm Sewers, Solid Waste, and General Services Administration; impact fees were calculated based on the development’s planning district and the gross square footage of residential and/or nonresidential floor area of the building (excluding any exempt portions of the development) multiplied by the appropriate subarea impact fee coefficients as codified in Section 13-24 through 13-27 of the City Code.

The financial accounting records maintained by the City’s Finance Department disclosed that approximately $27.6 million of impact fees were assessed and collected by the City during
the audit period October 1, 2004 through September 30, 2009. An Impact Fee Related Building Permit Report generated by the City’s Information Technology Department indicated that 787 building permits were assessed impact fees during the audit period. The 193 (or 24%) of the 787 building permits tested as part of our sample, were assessed impact fees and related administrative fees totaling approximately $19 million (or 69%) of the $27.6 million to the City during the audit period.

This audit report describes whether the City and selected applicants complied with the provisions of the Impact Fee Ordinance relative to the assessment and collection of impact fees.
SCOPE AND OBJECTIVES

This audit was performed pursuant to the authority set forth in Section 48 of the City’s Charter entitled, “Office of Independent Auditor General” (OIAG), and was conducted in accordance with the OIAG’s Fiscal Year 2010 Audit Plan. This audit focused primarily on whether impact fees assessed by the Office of Zoning were in accordance with the provisions of Chapter 13 of the City Code.

The audit covered the period October 1, 2004 through September 30, 2009, and selected transactions prior and subsequent to this period. In general, our audit of impact fees focused on the following broad audit objectives:

- To determine whether impact fees were assessed, calculated, and collected in accordance with the provisions of Chapter 13 of the City Code;
- To determine whether the correct amount of administrative fees (3% of impact fees) were properly assessed and collected;
- To ascertain whether impact fees were properly recorded in the City's accounting system and deposited in the City's treasury;
- To determine whether impact fees were properly allocated to the five (5) separate accounts maintained for each type of impact fee by benefit district or sub-district as follows: fire-rescue impact fee north sub-district, fire-rescue impact fee south sub-district, police impact fee district, general services impact fee district, and parks and recreation impact fee district;
- To examine the internal control policies and procedures of the City's Office of Zoning and determine whether they are adequate and effective in administering and overseeing the assessment and collection of impact fees; and
- To determine whether deficiencies noted in the prior audit (No. 05-010) have been corrected.
METHODOLOGY

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit, to obtain sufficient, appropriate evidence in order to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit methodology included the following:

- Reviewed applicable Florida Statutes, City resolutions, ordinances, City code provisions, other legislative documents, City policies and procedures.
- Interviewed and made inquiries of appropriate City/Zoning personnel in order to gain an understanding of the internal controls, assess control risk, and plan audit procedures;
- Analyzed building permits and plans related to impact fees assessed; reviewed impact fees and related administrative fees deposits; and tested compliance with the Impact Fee Ordinance;
- Performed substantive testing consistent with the audit objectives, including but not limited to the examination, on a test basis, of applicable transactions and records;
- Drew conclusions based on the results of the testing, made corresponding recommendations, and obtained auditee responses and corrective action plans; and
- Performed other audit procedures as deemed necessary.
OVERALL AUDIT CONCLUSION

Based on the various tests performed and the audit findings noted, we conclude that adequate internal controls were not in place to ensure that:

- Impact fees (and related administrative fees) are properly assessed in accordance with the Impact Fee Ordinance;

- Refunds of impact fees (authorized by the Zoning Administrator) are properly computed and are not in excessive amounts;

- Written comprehensive policies and procedures have been implemented in connection with the assessment, collection, and disbursement of all impact fee revenues by projects as specified in the impact fee-related capital improvements program for all benefit districts/sub-districts;

- An annual/triennial review of the impact fee ordinance is conducted and presented to the City Commission for approval as required;

- Participants comply with the terms of the restrictive covenants pertaining to dwelling units that qualify as affordable housing;

- Affordable housing impact fee deferral program files are properly maintained and retained for audit.

- Administrative fees are assessed and collected relative to impact fee deferral for dwelling units that qualify as affordable housing;

- The sources and disbursements for all revenues are accounted for by projects as specified in the impact fee-related capital improvements program for all benefit districts/sub-districts;

- Impact fee accounts are not commingled with other funds or revenues of the City as codified in Section 13-13(b) of the City Code;
• All interest earned on impact fee funds/accounts are credited to that account and used solely for the purposes specified for funds of such account.

Based upon various tests performed and the audit findings noted, we conclude that adequate internal controls were in place to ensure that:

• Impact fees collected were properly recorded in the City’s accounting system and deposited into the City’s Treasury.

Overall, we conclude that the internal control policies and procedures in place at the Office of the Zoning and the Finance Department should be enhanced to address the significant deficiencies noted above.
SUMMARY OF AUDIT FINDINGS

OFFICE OF ZONING

**IMPACT FEES WERE NOT PROPERLY CALCULATED**

Our test of a sample of 193 impact fee charges assessed during the audit period disclosed 33 instances where applicants were undercharged impact and administrative fees totaling $2,294,922.26; and an additional 17 instances where applicants were overcharged impact and administrative fees totaling $65,813.50 as described below.

Please see page 13 for a detailed description of the audit finding.

**ADMINISTRATIVE FEES WERE NOT ASSESSED AND COLLECTED**

Our audit test of a sample of 193 impact fee charges assessed during the audit period disclosed 10 instances where administrative fees totaling $2,357.10 were never assessed and collected as required in Section 13-14 of the City Code.

Please see page 19 for a detailed description of the audit finding.
**EXCESS REFUND OF IMPACT FEES WERE AUTHORIZED AND DISBURSED BY THE ZONING ADMINISTRATOR**

Our audit determined that 2 (totaling $160,254.88 of refunds) of the 17 refund petitions authorized and disbursed pursuant to Section 13-169(d) of the City Code should not have been approved for refund.

Please see page 20 for a detailed description of the audit finding.

**LACK OF WRITTEN POLICIES AND PROCEDURES**

Our audit determined that written policies and procedures have not been implemented. We noted that departmental directives on technical specifications and details relative to the assessment of impact fees were developed on an ad hoc basis and staff relies only on the verbal feedback provided by supervisors when assessing impact fees.

Please see page 23 for a detailed description of the audit finding.

**ANNUAL/TRIENNIAL REVIEW OF THE IMPACT FEE ORDINANCE WAS NOT CONDUCTED AND THE ANNUAL/TRIENNIAL REPORT WAS NOT ISSUED TO CITY COMMISSION AS REQUIRED**

Our audit determined that the annual and/or triennial review of the impact fee ordinance was not performed and presented to the City Commission, as required in Section 13-13(f) of the City Code.

Please see page 24 for a detailed description of the audit finding.

**INADEQUATE MANAGEMENT AND MONITORING OF IMPACT FEE DEFERRALS FOR AFFORDABLE HOUSING PROGRAM**

The Office of the Zoning did not implement adequate internal control procedures to ensure that: (1) participants complied with the terms of the restrictive covenants; (2) affordable
housing impact fee deferral program files were properly kept and maintained; and (3)
administrative fees were assessed and collected as required.

Please see page 26 for a detailed description of the audit finding.
FINANCE DEPARTMENT

THE ACCOUNTING FOR IMPACT FEES CAN BE ENHANCED

Our audit determined that subsequent to the conversion from the GEMS financial accounting system to the Oracle financial accounting system (Oracle) in October 2006, impact fee collections totaling approximately $9 million was not segregated and accounted for by type of impact fee and by benefit district or applicable sub-district, as required in Section 13-13(c) of the City Code.

Please see page 31 for a detailed description of the audit finding.

ACCRUED INTEREST WAS NOT ALLOCATED TO IMPACT FEE FUND AND USED TO FUND SPECIFIED PUBLIC SERVICE/FACILITIES, AS REQUIRED

Our audit determined that although interest was earned during FY 2007 through FY 2009, it was never allocated to the impact fee fund, as required in Section 13-139(b) of the City Code.

Please see page 33 for a detailed description of the audit finding.

INSURANCE PROCEEDS WERE INAPPROPRIATELY DEPOSITED INTO THE IMPACT FEE FUND

Our audit determined that during FY 2008, insurance proceeds from a fire casualty loss (sustained at a City NET Office) totaling $81,934 was inappropriately commingled with the impact fee fund, contrary to the provisions of Section 13-13(b) of the City Code.

Please see page 35 for a detailed description of the audit finding.
OFFICE OF ZONING

IMPACT FEES WERE NOT PROPERLY CALCULATED

Section 13-7 (a) of the City Code titled, “Imposition of impact fees and establishment of impact fee benefit districts” requires that building permit applications submitted to and accepted as complete by the City after 5 p.m. on January 15, 2006, shall pay the new impact fees calculated by the Office of Zoning (Zoning) pursuant to Sections 13-7 through 13-12 of the City Code. Should a valid building permit issued by the City for an application submitted prior to 5:00 p.m. on January 15, 2006, expire after that time, the impact fees set forth in Section 13-7 through 13-12 of the City Code shall apply to the subsequent issuance of any building permit for that development. Section 13-7 (b) of the City Code provides that impact fees calculations shall be based on the development included in the building permit application using the following criteria:

1) The land use category or categories applicable to the development;

2) The number of dwelling units for residents, the gross square footage for non-residential, or the specific units of development for certain types of non-residential development; and

3) The applicable impact fee in Sections 13-9 through 13-12 of the City Code.

The building permit applications submitted prior to 5:00 p.m. on January 15, 2006, shall pay the old impact fees pursuant to Section 13-24 through 13-27 of the City Code. Our test of a sample of 193 impact fee charges assessed during the audit period disclosed 33 instances where applicants were undercharged impact and administrative fees totaling $2,294,922.26; and an additional 17 instances where applicants were overcharged impact and administrative fees totaling $65,813.50 as described below:

- Our audit test disclosed that 9 of the 33 impact fees undercharges, as noted above, were for building applications that were officially submitted after 5 p.m. on January
15, 2006 that should have been assessed the new impact fee rates but were assessed the old impact fee rates. The impact fee undercharges for the 9 applications totaling $67,802.34 is due and payable to the City, as shown in Exhibit I on page 74.

- Our audit test disclosed that 2 of the 33 building applications were not charged the appropriate impact fees as discussed below and shown in Exhibit II on page 75.

  ➢ BUILDING PERMIT APPLICATION #05-0024367

The City’s Building and Zoning (BZ) Plans and Permitting Computer System (BZ System) indicated that a building permit application (process #05-0024367) was initiated/filed on December 21, 2005 (25 days before the new rate went into effect) in connection with the construction of Mint Condominiums located in Downtown Miami at 92 Southwest 3 Street.

We noted that on January 21, 2006 (six days after the new rate went into effect) the status of the said building permit application (process #05-0024367) was changed to “No Activity Completed” (NAC), implying that no reviews had been initiated and/or completed (30 days after the related application was filed) by any of the departments that must review and approve the building plan. In fact, contrary to what the BZ System indicated as described above, there was no evidence to substantiate that the related building plan for permit application (process #05-0024367) was submitted on December 21, 2005 (when the building permit application was initiated/filed) or prior to 5 p.m. January 15, 2006 when the old impact fee rates were still in effect.

However, our audit determined that a new building permit application (process #06-0001896) was submitted to the City on January 27, 2006 (12 days after the old impact fee rate was no longer in effect) in order to replace the original permit application (process #05-0024367) in connection with the same construction project (Mint Condominiums). We observed that “process #05-0024367” was scratched out and changed to “#06-0001896.” Additionally, we noted that the Zoning Manager wrote the following comments in the BZ System online plans/permit checklist: “Old Impact Fee
applied APP. #050024367/12-21-05 MUSP. #R050069.” This comment implies that the old Impact Fee Ordinance, in effect when the original building application (process #05-0024367) was filed was used to assess the impact fee due in connection with the subsequent building application (process #06-0001896) filed on January 27, 2006. However, there was no evidence to substantiate that the related building plan for the permit application (process #05-0024367) was ever submitted prior to January 15, 2006 and/or evidence of any type of review.

As such, the new impact fees (including administrative fees) totaling $2,581,418.53, which became effective after 5 p.m. on January 15, 2006, should have been used to assess the impact fees due and payable to the City. However, our audit test determined that the old impact fees and related administrative fees totaling only $466,060 was assessed and paid to the City.

Therefore, additional impact fees (including administrative fees) totaling $2,115,358 are due and payable to the City from Riverfront West Development, the developer of “Mint Condominium”, as calculated below:

<table>
<thead>
<tr>
<th>Land Use Description</th>
<th>A Actual FAR/Units</th>
<th>B Impact Fee Rate to Calculate fees due</th>
<th>C Actual Impact Fees Due</th>
<th>D Actual 3% Admin Fee Due</th>
<th>E Total Fees Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>530 units</td>
<td>4702.000</td>
<td>$2,492,060.00</td>
<td>$74,761.80</td>
<td>$2,566,821.80</td>
</tr>
<tr>
<td>Commercial</td>
<td>12,020 FAR</td>
<td>1.179</td>
<td>$14,171.58</td>
<td>$425.15</td>
<td>$14,596.73</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>2,506,231.58</strong></td>
<td><strong>$75,186.95</strong></td>
<td><strong>$2,581,418.53</strong></td>
<td></td>
</tr>
</tbody>
</table>

In response to our audit inquiry, the Director of the Building Department indicated that the standard operating procedures in the Building Department require that all building plans submitted to the Building Department must be perforated and date-stamped immediately upon receipt. After the perforation and date-stamping, the plan will then be scheduled for all the necessary reviews that must be approved by various City Departments. The Director stated that a copy of the building plan #05-0024367 on file was...
neither perforated nor date-stamped. Therefore, he could not say with absolute certainty that said plan was submitted prior to January 15, 2006, when the lower impact fee rate was in effect. Also, he could not explain why the status of the building application was changed to “No Activity Completed” (NAC), which implied that no reviews had been initiated and/or completed (30 days after the said application was filed) by any of the departments that must review and approve the building plan.

The Director stated that the hold placed on City documents (which include building plans and other building related documentation) by the company responsible for storing City building plans was recently released. He plans to research/review additional records and contact the developer to determine when the building plan was actually submitted and the correct impact fee rate that should have been charged. If there is no evidence to justify the lower impact fee rate that was charged and collected, then additional impact fees totaling $2,115,358 would be due and payable to the City.

➢ **BUILDING PERMIT APPLICATION #04-0011292**

The City’s Building and Zoning (BZ) Plans and Permitting Computer System (BZ System) indicated that a building permit application (process #04-0011292) was initiated/filed on June 29, 2004 in connection with the construction of a single family residence located in Coconut Grove.

We noted that on June 25, 2005, the status of the said building permit application (process #04-0011292) was changed to no activity completed (NAC), implying that no reviews had been initiated and/or completed by any of the departments that must review and approve the building plans related to the construction of a single family residence. In addition, we noted that a subsequent (new) completed building application (process #06-0002367) was officially submitted to the City on February 2, 2006 in connection with the construction of a duplex located in Coconut Grove.
Based on the fact that the new application was submitted for the construction of a duplex and not for the construction of a single family residence, the new impact fees (including administrative fees) totaling $14,675.44, which became effective after 5 p.m. on January 15, 2006, was due and payable to the City. However, our audit test determined that the developer was assessed the old impact fees and related administrative fees totaling only $5,570.89. Therefore, additional impact fees (including administrative fees) totaling $9,104.55 are due and payable to the City, as shown in Exhibit II on page 75. The auditee concurred with this audit finding.

- Our audit test determined that incorrect units and/or floor area ratios (FAR) were used to assess impact fees for 22 of the 33 building applications as noted above. The actual units or FAR used in calculating impact fees were less than those indicated on the building plans. As a result, a total of $102,657.37 of impact fees, including administrative fees, are due and payable to the City, as shown in Exhibit III on page 76.

- Our audit test determined that incorrect units and/or floor area ratios (FAR) were used to assess impact fees for 17 (or 9%) of the 193 impact fee related building permits issued during the audit period. The actual units and FAR used in calculating impact fees were more than those indicated on the building plans. As a result, a total of $65,813.50 of impact fees including administrative fees refunds are due to the applicants, as shown in Exhibit IV on page 77.

**Recommendation**

We recommend that the Office of the Zoning enhance its internal control procedures to ensure that the appropriate impact fee rates are assessed and collected. Also, we recommend that the Finance Department bill and collect the additional impact fees and (related administrative fees) due from applicants totaling $2,294,922.26.
Auditee Response and Action Plan

Please see auditee written response on pages 36 through 47.
ADMINISTRATIVE FEES WERE NOT ASSESSED AND COLLECTED

Section 13-14 of the City Code titled, “Administrative Fees” states that: “expenses to be incurred by the City in connection with the administration of the development impact fee ordinance have been estimated and budgeted and have been determined to be of benefit to the properties therein and shall be reimbursed to impact fee administration fund of the city out of the revenues accruing through the imposition of a service charge in the amount of three percent of the impact fee due. The nonrefundable service charges are in addition to and shall be paid separately from the impact fees but shall be payable at the time of application for the building permit and shall be for the sole purpose of defraying expenses as provided herein.”

Our audit determined that the impact fees totaling $78,570, which were assessed for 10 of the 193 impact assessments tested, were properly calculated and collected. However, the related 3% administrative fees were never assessed and collected. As a result, a total of $2,357.10 ($78,570 multiplied by 3%) is due and payable to the City, as shown in Exhibit V on page 78.

Upon audit inquiry, we were informed that administrative fees were inadvertently not charged for the 10 transactions because the said fees applicable at the time were manually key punched into the BZ System. Please note that administrative fees are now automatically calculated by the system upon inputting of the data necessary for assessing impact fees due to the City.

Recommendation

We recommend that Zoning enhance its internal control policies and procedures to ensure that the correct administrative fees are assessed and collected.

Auditee Response and Action Plan

The auditee concurred with the audit finding and recommendation. Please see pages 48 through 50.
EXCESS REFUND OF IMPACT FEES WERE AUTHORIZED AND DISBURSED BY THE ZONING ADMINISTRATOR

Section 13-7(a) of the City Code, titled “Imposition of impact fees and establishment of impact fee benefit districts,” provides that a building permit application submitted to and accepted as complete by the City prior to 5:00 p.m. on January 15, 2006, shall pay the impact fees calculated by Zoning pursuant to Sections 13-24 through 13-27 (old Impact Fee Ordinance). The old Impact Fee Ordinance also included assessment of street impact fees for transit-related transportation improvement systems. However, pursuant to Section 13-7(a) of the City Code, which implemented the new impact fee Ordinance effective January 15, 2006, the City Commission suspended the imposition of the street impact fee in order to provide for coordination with Miami-Dade County pertaining to transit-related transportation improvement systems.

The impact fee records reviewed as part of our audit indicated that the Zoning Administrator reviewed and approved 17 petitions requesting refunds of impact fees totaling approximately $3.2 million. Our audit tests to determine whether the refunds were properly processed and disbursed disclosed that 2 (totaling $160,254.87) of the 17 refund petitions should not have been approved for refund. Our audit tests determined that the floor area ratio (FAR) used to calculate the initial impact fees assessed in connection with the Terrazas River Park Village, located in the Allapattah Planning District, and the Gallery Art Condominium, located in the Downtown Planning District, included street impact fees pertaining to transit-related transportation improvement systems. The building permit applications submitted in connection with the two projects were accepted as complete by the City on January 21, 2005 and July 26, 2005 respectively. However, our audit disclosed the following discrepancies:

- On May 30, 2006, a petition for impact fee refund was submitted by the applicant for the Terrazas River Park Village requesting a refund for impact fees totaling $117,521.73. The said request for refund was approved by the Zoning Administrator and disbursed on September 21, 2006. Our audit test determined that only $11,761.81 (demolition credit) of the $117,521.73 of the refund request was due to the applicant. The City’s Zoning Ordinance grants credit (demolition credit), which
reduces impact fee assessments for all rehabilitation or other improvements to an existing structure and reconstruction of a demolished structure. The related demolition credit was not applied when the applicant submitted and paid for the building permit application in connection with the Terrazas River Park Village.

However, we noted that the applicant’s request for refund also included the fee assessment for street impact fees totaling $102,679.55 (308,347 SF multiplied by $0.333), which was in effect at the time the applicant submitted and paid for the building permit application in connection with the Terrazas River Park Village. This refund included the 3% administrative fee totaling $3,080.38 ($102,679.55 multiplied by 3%). The refund incorrectly approved and disbursed totaled $105,759.93 ($102,679.55 + $3,080.38).

- On July 3, 2006, a petition for impact fee refund was submitted by the applicant for the Gallery Art Condominium, located in the Downtown Planning District requesting a refund of impact fees totaling $60,033.81. A total of $54,494.94 of the $60,033.81 requested was approved by the Zoning Administrator and disbursed on November 30, 2006. Our audit test determined that the $54,494.94 refund that was approved and disbursed to the applicant pertained to the assessment of street impact fee, which was in effect at the time the applicant submitted and paid for the building permit application in connection with the Gallery Art Condominium. This refund included the 3% administrative fee totaling $1,587.23. The refund incorrectly approved and disbursed totaled $54,494.94 ($52,907.71 + 1,587.23).

Our audit determined that all of the applicants in the sample of the 193 tested (except for the applicants for the Terrazas River Park Village and the Gallery Art Condominium) that submitted a building permit application prior to January 15, 2006, paid the required fee assessment for street impact fees, which was in effect at the time the applicant submitted and paid for the building permit.
Recommendation

We recommend that when a petition for impact fee refund is filed, the Zoning Administrator should carefully review all pertinent information being presented prior to granting a refund of impact and administrative fees.

Auditee Response and Action Plan

The auditee concurred with the audit findings and recommendation. Please see pages 51 through 56 for written responses.
LACK OF WRITTEN POLICIES AND PROCEDURES

Best practices recognize that written comprehensive policies and procedures are an integral part of any comprehensive framework of internal controls, which can promote consistency and also be used as an effective training tool for new staff. Chapter 13 of the City Code provides the Office of Zoning (Zoning) with guidance relative to the assessment of impact fees. However, through observation and discussion with the Zoning staff, we noted that departmental directives on technical specifications and details relative to the assessment of impact fees were developed on an ad hoc basis and the Zoning staff relies only on the verbal feedback provided by supervisors when assessing the impact fees. For example, there are no written standard operating procedures to follow when granting demolition credits when the use of a facility changes from commercial to residential.

The implementation of written comprehensive policies and procedures relative to the assessment, collection, and disbursement of all impact fee revenues by projects, as specified in the impact fee-related capital improvements program for all benefit districts/sub-districts, would ensure that the disbursement of funds were solely and exclusively for the projects specified in the impact fee-related capital improvements program sub-districts.

Recommendation

We recommend that the Zoning administration implement a written comprehensive manual encompassing policies and procedures relative to the assessment of impact fees, in order to ensure adherence to the Impact Fee Ordinance. Said written policies and procedures, among others, should describe responsibilities of all departments, describe plan review requirements, and describe methods for the assessment/calculation of impact fees in unique and/or special circumstances.

Auditee Response and Action Plan

The auditee concurred with the audit finding and recommendation. Please see pages 57 and 58 for written response.
ANNUAL/TRIENNIAL REVIEW OF THE IMPACT FEE ORDINANCE WAS NOT CONDUCTED AND THE ANNUAL/TRIENNIAL REPORT WAS NOT ISSUED TO CITY COMMISSION AS REQUIRED

Section 13-13 (f) of the City Code, entitled “Annual Review and Modification” requires the City Manager, acting through appropriate staff or agents, to review the impact fee ordinance and submit an annual report no later than 120 days after the annual capital budget and capital improvements program adoption process. When conducting said review, the City may consider such items as: development occurring in the prior year, construction of proposed public facilities, changes in facility needs, changes in the availability of the funding sources applicable to impact fee-related capital improvements, as well as inflation and other economic factors. Based on the items reviewed relative to the impact fee ordinance, any recommendations should be reflected in an annual report and presented to the City Commission. Additionally, the annual report should, at a minimum, include information on impact fee account balances, annual collections and expenditures, system improvement projects funded in whole or in part by impact fees, and the overall effectiveness of the affordable housing deferral program. The first annual report should have been issued after September 2006 and should have been based on either the City’s fiscal year or calendar year.

Furthermore, Section 13-13 (g) of the City Code, entitled “Triennial Review and Modification” states that the City shall conduct a complete review of the impact fees every three years to determine if changes in costs, facility needs, development patterns, demographics and any other relevant factors indicate a need to update the impact fee calculations, data methodology or other components of the impact fee system. Similar to the annual review and report, the City Manager acting through appropriate staff or agents is responsible for performing the triennial review and presenting a triennial report to the City Commission. Any changes or modifications to the impact fee ordinance should be adopted within one year of completion of the triennial report.

Our current audit field work determined that the last review of the impact fee ordinance was conducted by Tischler & Associates, Inc (a consulting services firm). The resulting impact fee study report titled, “Growth-Related Capital Improvements & Impact Fees,” which revised the impact fee ordinance was issued on September 16, 2005. On December 15,
2005, Ordinance No. 12570 was passed and adopted by the City Commission, amending Chapter 13 of the City Code. It is our understanding that an annual and/or triennial review of the impact fee ordinance has not been performed and presented to the City Commission subsequent to the review performed by Tischler & Associates, Inc, as noted above.

Recommendation

We recommend that the annual and the triennial reviews be performed as required.

Auditee Response and Action Plan

The auditee concurred with the audit finding and recommendation. Please see pages 59 through 61 for written responses.
INADEQUATE MANAGEMENT AND MONITORING OF IMPACT FEE DEFERRALS FOR AFFORDABLE HOUSING PROGRAM

The Office of Zoning did not implement adequate internal control procedures to ensure proper monitoring of deferrals of impact fees for affordable housing program as discussed below:

THE LACK OF MONITORING/REVIEW PROCESS TO ENSURE THAT PARTICIPANTS COMPLY WITH THE TERMS OF THE RESTRICTIVE COVENANTS

- Section 13-8.1 (b) of the City Code, states that an impact fee deferral shall apply only to the dwelling units that qualify as affordable housing. A covenant running with the land or a deed restriction, shall be recorded on each dwelling unit by the applicant, or by the current property owner if the applicant is not the owner, which conforms to the requirements of the resolution establishing the affordable housing impact fee deferral program. The city may use all available legal mechanisms for collection of the impact fees due. The covenant or deed restriction language and form shall be acceptable to the Office of the City Attorney, which may provide standardized forms for use in the affordable housing deferral program.

The procedures for filing a petition provides that prior to officially recording a covenant, a draft copy of the covenant is required to be submitted to the Office of the City Attorney for review and approval. Our audit determined that each of the covenants that were submitted and recorded as part of the petition process contained specific language that described consequences that would be applicable to a property that no longer qualifies as an affordable housing development. For example, item number five (5) of the “Declaration of Restrictive Covenants for Affordable Housing Rental Development.” states that:

“Any official inspector of the City may have the right at any time during normal business hours to enter upon the property for the purpose of investigating the use of the property and for determining whether the conditions of the covenant are being complied with.”
Additionally, item number six (6) of the declaration states that:

“Impact fees that would be payable as of the date hereof shall be come due and payable by the then-current owner of the project if and when it loses its status as an Affordable Housing community. Such payment shall be made in full within thirty (30) days following the date on which the project no longer qualifies as Affordable Housing. Late payments shall accrue interest at 18% per annum until fully paid.”

However, our audit tests of 78 petition files determined that Zoning has not implemented a monitoring/review process to ensure that properties participating in the affordable housing deferral program are fully complying with the terms of the restrictive covenants recorded with Miami-Dade County and filed with the City, as required. For example, the supporting records and files reviewed did not include any process for determining that a property no longer qualifies as an affordable housing project, so that the deferral can be rescinded and the appropriate impact fees can be assessed and collected. Our audit determined that there were no inspection reports to evidence that any of the properties were inspected in order to verify compliance with the terms and conditions of the restrictive covenant pertaining to their affordable housing status. Approximately $11.9 million of impact fees were approved for deferral through the affordable housing deferral program. Therefore, absent field inspections to verify that properties qualify as affordable housing, there is an increased risk that impact fees may be improperly deferred and/or never assessed and collected, as required.

**AFFORDABLE HOUSING IMPACT FEE DEFERRAL PROGRAM FILES WERE NOT PROPERLY MAINTAINED**

- Section 13-8.1 of the City Code, titled “Deferral of impact fees for affordable housing”, established a program that defers the payment of impact fees due on affordable housing dwelling units developed within the City. Such deferral would encourage the provision and retention of affordable housing for owner-occupancy and for rental. Section 13-16 of the City, titled “Administrative procedures for petitions for impact fee determinations and affordable housing deferrals, refunds
“and credits” provides a detailed description of the petition process and other guidelines for determining eligibility for an affordable housing impact fee deferral. Such petition shall be on a form provided by the City and shall at a minimum include the following:

(1) A list of all affordable housing units and the anticipated sales price or rental amount for each affordable housing unit;

(2) A list of all anticipated affordable housing unit owner’s current contact information, if available;

(3) A recorded covenant running with the land on a form acceptable to the Office of the City Attorney;

(4) Any other information deemed relevant by city staff for determining eligibility under the affordable housing deferral program.

Our review of 78 petition files for the affordable housing deferral program maintained in the Office of Zoning (Zoning) indicated that impact fees totaling approximately $11.9 million has been deferred from the inception of the deferral program on January 16, 2006 through April 8, 2010. Our audit determined that 14 of the 78 (or 18%) petition files supporting the impact fees approved for deferral totaling $1,068,410 did not contain evidence of recorded covenants, as required. A covenant running with the land, or a deed restriction, confirms that each dwelling unit is an affordable housing project. Upon audit inquiry, Zoning staff stated that although the impact fees were deferred, the applicant may not have submitted a copy of the recorded covenant prior to the issuance of the building permit.

**ADMINISTRATIVE FEES WERE NOT ASSESSED RELATIVE TO IMPACT FEE DEFERRALS**

- Section 13-14 of the City Code titled, “Administrative Fees” states that expenses to be incurred by the City in connection with the administration of the development impact fee ordinance have been estimated and budgeted and have been determined to be of benefit to the properties therein and shall be reimbursed to impact fee administration fund of the city out of the revenues accruing through the imposition
of a service charge in the amount of three percent (3%) of the impact fee due. The nonrefundable service charges are in addition to and shall be paid separately from the impact fees but shall be payable at the time of application for the building permit and shall be for the sole purpose of defraying expenses as provided herein.

Our test of 78 petition files maintained by Zoning relative to the affordable housing deferral program submitted since the inception of the program on January 16, 2006 through April 8, 2010 determined that impact fee deferrals totaling approximately $11.9 million were properly calculated relating to all of the petition files. However, audit tests determined that 52 (or 67%) of the 78 affordable housing impact fee deferrals totaling $7,021,113.50 were never assessed the three percent (3%) administrative fee totaling $210,633.41 (3% of $7,021,113.50), as required. Our audit determined that the automated Building and Zoning (BZ) Plans and Permitting computer System (BZ System) automatically calculated the 3% administrative fee based on actual impact fees due. Upon audit inquiry, the BZ staff responsible for assessing impact fees stated that the BZ System currently used to calculate impact and administrative fees would not allow administrative fees to be assessed without impact fees first being entered into the system.

Upon further audit inquiry, the Zoning Administrator stated that Zoning developed and implemented a mechanism in June 2007 that allows for administrative fees to be assessed on a line item in the BZ computer system known as “RE-REVIEW PLANS FEE/ZONING” without impact fee charges being entered into the system. However, it is not clear why this process was not used to assess and collect administrative fee charges totaling $210,633.41 ($7,021,113.50 multiplied by 3%) related to the 52 affordable housing impact fee deferrals noted above.

Recommendation

We recommend that Zoning implement a comprehensive schedule or log of all impact fees deferred relative to the affordable housing deferral program, as well as work closely with the appropriate parties to ensure compliance in the affordable housing deferral program. The said schedule or log, among others, should include the date when the convent was actually recorded, the date when the property no longer qualifies as an affordable housing development, and the dates inspections were performed to verify that the development is
still eligible for deferral. In addition, Zoning can require that the affordable housing development provide an annual report, and any other requirements deemed necessary or appropriate, for continuous participation in the affordable housing deferral program.

**Auditee Response and Action Plan**

The auditee concurred with the audit findings and recommendations. Please see page 68 for the written response.
FINANCE DEPARTMENT

THE ACCOUNTING FOR IMPACT FEES CAN BE ENHANCED

Section 13-13(c) of the City Code, entitled *Establishment and maintenance of accounts*, provides that: “The city finance department shall establish separate accounts and maintain records for each such account, whereby impact fees collected are segregated by type of impact fee and by benefit district or applicable sub-district. A separate account shall be maintained for each type of impact fee by benefit district or sub-district as follows: fire-rescue impact fee north sub-district, fire-rescue impact fee south sub-district, and police impact fee district, general services impact fee district and parks and recreation impact fee district.”

Our audit fieldwork determined that impact fees are properly deposited into the City’s Treasury; however, our audit determined that subsequent to the conversion from the GEMS financial accounting system to the Oracle financial accounting system (Oracle) in October 2006, impact fee collections totaling approximately $9 million was not segregated and accounted for by type of impact fee and by benefit district or applicable sub-district, as required. Upon audit inquiry, Finance department personnel stated that the interface between the Building & Zoning (BZ) Plans and Permitting System and Oracle were not properly configured to segregate and account for impact fee collections by type of impact fee and by benefit district or applicable sub-district, as required. However, our audit noted that the allocation of impact fee collections to the designated benefit districts is currently being allocated manually by the Capital Improvements Program Department through the use of a SQL (Standard Query Language) Report.

The accounting of the source and disbursement of all revenues by projects as specified in the impact fee-related capital improvements program for all benefit districts/sub-districts would ensure that the disbursement of funds were solely and exclusively used for the projects specified in the impact fee-related capital improvements program sub-districts.
Recommendation

We recommend that the appropriate interface between the Building & Zoning (BZ) Plans and Permitting System and the Oracle financial accounting system be implemented in order to segregate and account for impact fee collections by type of impact fee and by benefit district or applicable sub-district, as required.

Auditee Response and Action Plan

The auditee concurred with the audit finding and recommendation. Please see pages 69 through 72 for written response.
Section 13-13(b), entitled Transfer of funds to the finance department, states that: “Upon receipt of impact fees, the building department shall transfer such funds to the city finance department which shall be responsible for placement of such funds into the appropriate separate accounts by type of impact fee and applicable benefit district, or applicable sub-district for fire-rescue impact fees. All such funds shall be deposited in interest-bearing accounts in a bank authorized to receive deposits of city funds. Interest earned by each account shall be credited to that account and shall be used solely for the purposes specified for funds of such account. The funds of these accounts shall not be commingled with other funds or revenues of the city.”

Our review of pertinent accounting records indicated that during the audit period approximately $27.6 million of impact fee revenues were collected and deposited into an interest bearing account and simultaneously disbursed for impact fee eligible expenditures related to capital improvements projects within the City. Accordingly, the ending cash balance (revenues less related expenditures) for each month is the basis used for interest allocation. The Finance Department’s procedure for allocating interest is based on an average of the six month Treasury Index and the one year Treasury Index.

Our audit determined that during fiscal years (FY) 2005 and 2006, interest revenue totaling $1,118,794.62 ($424,257.85 + $694,536.77, respectively) was earned and allocated to the impact fee fund. Additionally, we noted that although interest was earned during FY 2007 through FY 2009, it was never allocated to the impact fee fund, as required. Our review of pertinent accounting records and audit inquiry disclosed that subsequent to the conversion from the GEMS to the Oracle Financial System, the following funds designated specifically for impact fee related transactions were created: (a) Fund 31100 Impact Fees, (b) Fund 31000 General Government, (c) Fund 32000 Public Safety, and (d) Fund 36000 Streets and Sidewalks.

The allocation of interest earned on the impact fee cash balance would provide additional funding for impact-fee-related capital improvements program sub-districts. However, the
Finance Department personnel stated that going forward, the appropriate interest will be allocated monthly based on impact fee collections.

**Recommendation**

We recommend accrued interest be allocated to the impact fee fund as required.

**Auditee Response and Action Plan**

The auditee concurred with the audit finding and recommendation. Please see pages 69 through 72 for written response.
**INSURANCE PROCEEDS WERE INAPPROPRIATELY DEPOSITED INTO THE IMPACT FEE FUND**

Pursuant to Section 13-13(b) of the City Code, impact fee accounts shall not be commingled with other funds or revenues of the City. However, our audit determined that during FY 2008, insurance proceeds from a fire casualty loss (sustained at a City NET Office) totaling $81,934 was recorded in the impact fee fund. The segregation of accounting for the receipts of unrestricted funds (insurance proceeds) and impact fees (restricted funds) would enhance accountability and ensure that funds are properly used as codified and/or authorized.

Upon audit inquiry, the Finance Director stated that the funds were deposited into the impact fee account at the request of the Capital Improvements Program Department because it was the account that had been designated to be used to appropriate the necessary funds for the repairs of the damaged NET office.

**Recommendation**

We recommend that impact fee monies not be commingled with other funds. Insurance proceeds should be deposited in other appropriate funds and then disbursed as necessary.

**Auditee Response and Action Plan**

The auditee concurred with the audit finding and recommendation. Please see pages 69 through 73 for written response.
AUDITEE RESPONSES

OFFICE OF ZONING

City of Miami

Date: September 17, 2010

To: Orlando Toledo, Director,
    Building Department
    Lourdes Slazyk, Zoning Administrator
    Office of Zoning

From: Lai-Wan E. McGinnis, Staff Auditor
      Office of the Independent Auditor General

Subject: Audit of the City of Miami’s Assessment and Collection of Impact Fees
         Audit Report #10-001

In connection with our ongoing audit of the assessment and collection of impact fee revenues
relative to the provisions set forth in Chapter 13 of the City Code titled, “City of Miami’s
Development Impact Fee Ordinance” for the period October 1, 2004 through September 30,
2009, and selected transactions prior and subsequent to this period, please confirm or clarify
our understanding of the following and provide any additional records and/or documentation.

IMPACT FEES AND RELATED ADMINISTRATIVE FEES WERE NOT PROPERLY CALCULATED

Section 13-7 (a) and (b) of the City Code titled, “Imposition of impact fees and establishment
of impact fee benefit districts” requires that building permit applications submitted to and
accepted as complete by the City after 5 p.m. on January 15, 2006, shall pay the new impact
fees calculated by the Office of Zoning (Zoning) based on the development included in the
building permit application using the following criteria:
1. The land use category or categories applicable to the development,
2. The number of dwelling units for residents, the gross square footage for non-residential, or the specific units of development for certain types of non-residential development, and
3. The applicable impact fee in Sections 13-9 through 13-12 of the City Code.

The building permit applications submitted prior to 5:00 p.m. on January 15, 2006, shall pay the old impact fees pursuant to Section 13-24 through 13-27 of the City Code.

Our test of a sample of 193 impact fee charges assessed during the audit period disclosed 32 instances where developers were undercharged impact and administrative fees totaling $2,292,055.49; and an additional 17 instances where developers were overcharged impact and administrative fees totaling $65,813.50 as described below:

- Our audit test disclosed that 2 of the 32 impact fee undercharges as noted above were for building applications that were initiated prior to 5 p.m. of January 15, 2006 but said applications were not complete as defined by the City's Zoning Code Ordinance No. 11100, Section 2502 as described below:

➢ BUILDING PERMIT APPLICATION #05-0024367

Our review of the records maintained in the City's Building and Zoning (BZ) Plans and Permitting Computer System and related records that were scanned into the Laserfiche System, indicated that building permit application (process #05-0024367) was initiated/filed on December 21, 2005 (25 days before the new rate went into effect) in connection with the construction of Mint Condominiums located in Downtown Miami at 92 Southwest 3 Street.

We noted that on January 21, 2006 (six days after the new rate went into effect) the status of said building permit application (process #05-0024367) was changed to "No Activity Completed" (NAC), implying that no reviews
had been initiated and/or completed (30 days after the related application was filed) by any of the departments that must review and approve the building plan. In fact, there was no evidence to substantiate that the related building plan for permit application (process #05-0024367) was submitted on December 21, 2005, when the building permit application was initiated/filed.

However, our audit determined that a new building permit application (process #06-0001896) was submitted to the City on January 27, 2006 (12 days after the old impact fee rate was no longer in effect) to replace the original permit application (process #05-0024367) in connection with the same construction project (Mint Condominiums). We observed that “process #05-0024367” was scratched out and changed to “#06-0001896.” Additionally, we noted that the Zoning Manager wrote the following comments in the BZ System online plans/permit checklist: “Old Impact Fee applied APP. #050024367/12-21-05 MUSP. R050069.” This comment implies that the old impact Ordinance was used to calculate impact fees due, based on the building application (process #05-0024367) filed on December 21, 2005. However, there was no evidence to substantiate that the related building plan for permit application (process #05-0024367) was ever submitted prior to January 15, 2006 and/or evidence of any type of review, hence the change in changed to “No Activity Completed” (NAC).

As such, the new impact fees (including administrative fees) totaling $2,581,418.53, which became effective after 5 p.m. on January 15, 2006, should have been used to assess the impact fees due and payable to the City. However, our audit test determined that the old impact fees and related administrative fees totaling only $466,060 was assessed and paid relative to

Therefore, additional impact fees (including administrative fees) totaling $2,115,358 are due and payable to the City from the Riverfront West Development located in Downtown Miami at 92 Southwest 3 Street, as calculated below:
Auditee Response and Action Plan:

☐ I Agree  ☒ I Disagree  Please Initial

Explanation: SEE ATTACHED

➢ BUILDING PERMIT APPLICATION #04-0011292

Our review of the records maintained in the City’s Building and Zoning (BZ) Plans and Permitting System and the review of records scanned into the Laserfiche System indicated that building permit application (process #04-0011292) was initiated/filed on June 29, 2004 in connection with the construction of a single family residence located in Coconut Grove.

We noted that on June 25, 2005 the status of said building permit application (process #04-0011292) was changed to no activity completed (NAC), implying that no reviews had been initiated and/or completed by any of the departments that must review and approve the building plans related to the construction of a single family residence. In addition, we noted that a subsequent (new) completed building application (process #06-0002367) was officially submitted
to the City on February 2, 2006 in connection with the construction of a duplex located in Coconut Grove.

Based on the fact that the new application was submitted for the construction of a duplex and not for the construction of a single family residence, the new impact fees (including administrative fees) totaling $14,675.44, which became effective after 5 p.m. on January 15, 2006, was due and payable to the City. However, our audit test determined that the developer was assessed the old impact fees and related administrative fees totaling only $5,570.89. Therefore, additional impact fees (including administrative fees) totaling $9,104.55 are due and payable to the City, as shown in the attached spreadsheet titled Table I.

Auditee Response and Action Plan:

X I Agree  □ I Disagree  Please Initial__

Explanation  I AGREE BUT ADDITIONALLY STUDY IN REGARD TO ANY DEMOLITIONS.

Please confirm our understanding by signing on the space provided below and returning this memorandum to us. In the event that you disagree with any of the items listed above, please provide a written explanation and attach all supporting documentation.

If you have any questions, please feel free to contact me at 305-416-2043 or by email at lmeginnis@miamigov.com.

Thank you for your attention to this matter.

Orlando Toledo

[Signature]

Date 9/20/2010
• Our audit test disclosed that 9 of the 32 impact fees underecharged, as noted above, were for building applications that were officially submitted after 5 p.m. on January 15, 2006 that should have been assessed the new impact fee rates but were assessed the old impact fee rates. The impact fee undercharges for the 9 applications totaling $67,802.34 is due and payable to the City, as shown in the attached spreadsheet titled "Table II."

Auditee Response and Action Plan:

X I Agree I Disagree Please Initial

Explanation: Human error - both sets of fees in system - wrong one chosen

• Our audit test disclosed that incorrect units and/or floor area ratios (FAR) were used to assess impact fees for 21 of the 32 building applications as noted above. The actual units or FAR used in calculating impact fees were less than those indicated on the building plans. As a result, a total of $89,790.60 of impact fees including administrative fees are due and payable to the City, as shown in the attached spreadsheet titled "Table III."

Auditee Response and Action Plan:

X I Agree I Disagree Please Initial
Explanation: Human error — inconclusive on
General projects listed.

- Our audit test disclosed that incorrect units and/or floor area ratios (FAR) were used to assess impact fees for 17 (or 9%) of the 193 impact fee related building permits issued during the audit period. The actual units and FAR used in calculating impact fees were more than those indicated on the building plans. As a result, a total of $65,813.50 of impact fees including administrative fees refunds are due to the applicants, as shown in the attached spreadsheet titled Table IV.

Auditee Response and Action Plan:

\[ \checkmark \text{I Agree} \quad \checkmark \text{I Disagree} \quad \text{Please Initial} \]

Explanation: Human error — inconclusive on
Same projects listed.

Please confirm our understanding by signing on the space provided below and returning this memorandum to us. In the event that you disagree with any of the items listed above, please provide a written explanation and attach all supporting documentation.

If you have any questions, please feel free to contact me at 305-416-2043 or by email at lmejias@miami.gov.com.

Thank you for your attention to this matter.

Date: 9/17/10

cc: Victor I. Igwe, Independent Auditor General
Orlando Toledo, Director, Building Department
Pursuant to your memorandum dated May 17, 2010 concerning the above Impact Fee Audit Report #10-001, please be advised of the following;

The following are our findings;

**90 SW 3 Street, #A**

- Building Department submittal date was on December 21, 2005.
- This project applied for and received a Major Use Special Permit (MUSP); all MUSP permits are approved pursuant the plans that are presented as part of the package for the MUSP approval there is no reason to believe that the plans presented that received the different process number are different as there is no modification to the MUSP that was approved.
- Department of Environmental Resource Management (D.E.R.M.) submittal date was on June 12, 2006.
- The subject property and MUSP permit included a "Riverwalk" the inclusion of this "Riverwalk" would have required special permits for work to be performed on the Seawall. DEP, DERM, and WASA as well as other agencies would have been involved in approving permits for the seawall and riverwalk that would have delayed the main permit.
- Miami-Dade County Impact Fees were paid on August 10 2006.
- It is my understanding that the project is now in receivership which means that we cannot turn to the Condominium Association for the full set of documents turned over by the developer or contractor. We have placed a call to the contractor to see if we can receive more information.
- With the full set of plans that has already been requested from storage (Iron Mountain) on July 7, 2009 we can make assumptions based on the dates and notes made by all of the reviewers as to the progress of the plans.
- The lag in time between the 1st and 2nd process number is more than likely due to the delays with the seawall/riverwalk or other approvals from separate agencies.
- A new process number may have been issued in error as the old one should have been reactivated. The only reason for a new process number would have been a substantial change to the MUSP. No change to the MUSP was made.
- Reactivation of permits was only allowed by the system through the approval of the Director and the Assistant Director at the time.
Igwe I. Igwe, CPA, CIA
September 21, 2010
Page 2 of 2

- A process number is rendered inactive after 30 days and the boom time
  construction sometimes created situations where plans languished for longer
  than 180 days

92 SW 3 Street

- Building Department Permit Application submittal date was on June 13, 2006.
  "Exhibit A".
- Department of Environmental Resource Management (D.E.R.M.) submittal date
  was on June 12, 2006. "Exhibit B"
- Miami-Dade County submittal for Impact Fees was on August 11 2006.
  "Exhibit C".
- On October 27, 2009 an email correspondence from Mariano Fernandez to
  Guillermo Alaman mentions the permits were issued under the wrong address,
  requesting all permits to be transferred to the correct address.

In addition, Debbie Fagan the Permit Counter Supervisor states that it is a customary
procedure process numbers are issued frequently without signatures of the owner and
contractors and notarizations. This action occurs when the applicant has not decided
on which contractor they are going to use (the bid process). When issuing dry runs,
upfront fees it is not unlikely that receipt dates indicated below on the application
January 13, 2006 and the notarization date shows February 12, 2007, as noted in
"Exhibit A"

3096 Indiana Street

The application was submitted as a Single-Family Residence on June 29, 2004. It
was then resubmitted as a Duplex on May 22, 2010. At resubmittal we should of
changed the application as a duplex and charged the appropriate fees at the time of
review.

In addition to the Building application process, a complete application require a
process number in order for the agencies such as Miami-Dade County, Department of
Environmental Resource Management, (D.E.R.M.), Water and Sewer Authority
(W.A.S.A).

Should you have any questions or require additional information, please do not
hesitate in contacting me at (305) 416-1102.

OT: tg

Cc: Barnaby Min, Zoning Administrator
    Aldo Reyes, Zoning Manager
RE: IVY 930 SW 3rd Street- Enterprise Vault Archived Item

From: Ntekim, Ita E
Date: Wednesday, October 28, 2009 12:42:21 PM
To: Fernandez, Mariano; Aleman, Guillermo (ITD)
Cc: Gonzalez, Soraya; Fagan, Debra; Toledo, Orlando; Lopez, Lourdes; Reyes, Aldo; Tharp, William
Subject: RE: IVY 930 SW 3rd Street

Please verify tomorrow morning if all permits under folio 01000000320 are now in folio 41370630001 then email me for further action. Thanks.

Ita Ntekim, GISP,PMP
GIS Coordinator
City of Miami
(305) 416-1053

From: Fernandez, Mariano
Sent: Tuesday, October 27, 2009 11:48 AM
To: Aleman, Guillermo (ITD)
Cc: Gonzalez, Soraya; Fagan, Debra; Ntekim, Ita E; Toledo, Orlando; Lopez, Lourdes; Reyes, Aldo
Subject: IVY 930 SW 3rd Street

Guillermo;

Please change [transfer] all permits under folio number 01000000320 to folio number 41370630001. This is needed in order to use the C.O. since permits was obtained under the wrong address.

Mariano V. Fernandez, P.E.
Building Official
City of Miami Building Department
Tel: (305) 416-1167
Fax: (305) 416-1060
Mariano.Fernandez@miamigov.com

## DEPARTMENT OF PLANNING AND ZONING
### IMPACT FEE ASSESSMENT

**PROCESS:** 0200000000 - 0  |  **BATCH:** 0101010000000000
**FOLDER:** 0101010000000000  |  **SITE ADDRESS:** 925 NW 3 ST, (PHASE 1)
**REFER ASSOCIATE:** CASHER'S CK, NO PAY TO:  |  **MAHANOGY COUNTY FOUNDATION ONLY, MINT**
**FL 00000**

<table>
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<th>REF</th>
<th>DIST.</th>
<th>CODE</th>
<th>CATEGORY</th>
<th>DESCRIPTION</th>
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**TOTAL AMT. OUT:** $307,000.00
Mellon

DATE: August 10, 2006

OFFICIAL CHECK

Serial No.

Issued in US Dollars

Pay to the order of：********Miami Dade County********

THE SUM OF：NINE HUNDRED SIXTEEN THOUSAND ELEVEN DOLLARS AND ZERO CENTS

MEMO：Key Miami II, LLC

DRAWER: MELLON UNITED NATIONAL BANK

Issued by Integrated Payment Systems Inc., Englewood, Colorado
21st Century Bank, N.A., Denver, Colorado

Mellon

DATE: August 10, 2006

OFFICIAL CHECK

Serial No. 444814034

Issued in US Dollars

Pay to the order of：********Miami Dade County********

THE SUM OF：NINE HUNDRED SIXTEEN THOUSAND ELEVEN DOLLARS AND ZERO CENTS

MEMO：Key Miami II, LLC

DRAWER: MELLON UNITED NATIONAL BANK

NON NEGOTIABLE

CUSTOMER COPY
City of Miami

Date: August 26, 2010

To: Lourdes Slazyk, Zoning Administrator
   Office of Zoning

From: Lai-Wan E. McGinnis, Staff Auditor
       Office of the Independent Auditor General

Subject: Audit of the City of Miami's Assessment and Collection of Impact Fees
         Audit Report #10-001

In connection with our ongoing audit of the assessment and collection of impact fee revenues relative to the provisions set forth in Chapter 13 of the City Code titled, “City of Miami’s Development Impact Fee Ordinance” for the period October 1, 2004 through September 30, 2009, and selected transactions prior and subsequent to this period, please confirm or clarify our understanding of the following and provide any additional records and/or documentation by September 3, 2010.

\textit{1\% Administrative Fees were not assessed and collected}

Section 13-14 of the City Code titled, “Administrative Fees” states that expenses to be incurred by the City in connection with the administration of the development impact fee ordinance have been estimated and budgeted and have been determined to be of benefit to the properties therein and shall be reimbursed to impact fee administration fund of the city out of the revenues accruing through the imposition of a service charge in the amount of three percent of the impact fee due. The nonrefundable service charges are in addition to and shall be paid separately from the impact fees but shall be payable at the time of application for the building permit and shall be for the sole purpose of defraying expenses as provided herein.

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OFFICE OF THE INDEPENDENT AUDITOR GENERAL / 444 S.W. 2nd Avenue, 7th Floor / Miami, FL 33130
Our review of pertinent building plans and permits related to 11 (or 6%) of the 193 impact fee related building permits issued during the audit period determined that impact fees totaling $197,322.43 were properly assessed and collected. However, the related 3 percent administrative fees were never assessed and collected. As a result, a total of $5,223.04 ($197,322.43 multiplied by 3%) are due and payable to the City, as shown in the attached spreadsheet titled Table I.

Auditee Response and Action Plan:

☑ I Agree □ I Disagree

Explanation

See attached

Please confirm our understanding by signing on the space provided below and returning this memorandum to us. In the event that you disagree with any of the items listed above, please provide a written explanation and attach all supporting documentation by September 3, 2010.

If you have any questions, please feel free to contact me at 305-416-2043 or by email at lmccginnis@miamigov.com.

Thank you for your attention to this matter.

[Signature]
Lourdes Szatk

[Date]

cc: Victor I. Igwe, Independent Auditor General
Orlando Toledo, Director, Building Department
Explaination

When the impact fee ordinance was established, the IT department set it up in the mainframe so that when an impact fee was assigned, the 3% administrative fee would be assigned automatically. There is no way to manually add (or remove) the 3% fee (the field is locked and tied solely to the impact fee for an automatic calculation). This is a glitch with the IT system that appears to be random. When we went back to check these as a result of this audit we also found that the 3% was not added by the program that was in place to do this function. Nor is there anything we can do about it. This should be resolved when the new land management system is implemented. This is not human error; it is IT programming error.
City of Miami

Date: September 3, 2010

To: Lourdes Slazzyk, Zoning Administrator
Office of Zoning

From: Lai-Wan E. McGinnis, Staff Auditor
Office of the Independent Auditor General

Subject: Audit of the City of Miami’s Assessment and Collection of Impact Fees
Audit Report #10-001

In connection with our ongoing audit of the assessment and collection of impact fee revenues relative to the provisions set forth in Chapter 13 of the City Code entitled, “City of Miami’s Development Impact Fee Ordinance” for the period October 1, 2004 through September 30, 2009, and selected transactions prior and subsequent to this period, please confirm or clarify our understanding of the following and provide any additional records and/or documentation by September 10, 2010.

EXCESS REFUND OF IMPACT FEE WERE AUTHORIZED BY THE ZONING ADMINISTRATOR

The impact fee records reviewed as part of our audit indicated that the Zoning Administrator reviewed and approved 17 petitions requesting refunds of impact fees totaling approximately $3.2 million. Our audit tests to determine whether the refunds were properly processed and disbursed disclosed that 2 (totaling $160,254.87 of refunds) of the 17 refund petitions should not have been approved for refund as itemized below:

Section 13-7(a) of the City Code, titled “Imposition of impact fees and establishment of impact fee benefit districts,” provides that a building permit application submitted to and accepted as complete by the City prior to 5:00 p.m. on January 15, 2006, shall pay the impact fees calculated by Zoning pursuant to Sections 13-24 through 13-27 (Old Impact Fee Ordinance). The old impact fee Ordinance also included assessment of street impact fees for transit-related transportation...
improvement system. However, pursuant to Section 13-7(a) of the City Code, which implemented the new impact fee Ordinance effective January 15, 2006, the City Commission suspended the imposition of the street impact fee to provide for coordination with Miami-Dade County pertaining to transit-related transportation improvement system.

Our audit tests disclosed that the floor area ratio (FAR) used to calculate the initial impact fees assessed in connection with the Terrazas River Park Village located in the Allapattah Planning District and the Gallery Art Condominium located in the Downtown Planning District included street impact fee pertaining to transit-related transportation improvement system. The building permit applications submitted in connection with the two projects were accepted as complete by the City on January 21, 2005 and July 26, 2005, respectively. However, our audit disclosed the following discrepancies:

- On May 30, 2006 a petition for impact fee refund was submitted by the developer for the Terrazas River Park Village located in the Allapattah Planning District requesting a refund for impact fees totaling $117,521.73. Said request for refund was approved by the Zoning Administrator and disbursed on September 21, 2006. Our audit test determined that only $11,761.81 (demolition credit) of the $117,521.73 of the refund request was due back to the developer. The City’s Zoning Ordinance grants credit (demolition credit), which reduces impact fee assessments for all rehabilitation or other improvements to an existing structure and reconstruction of a demolished structure. The related demolition credit was not applied when the developer submitted and paid for the building permit application in connection with the Terrazas River Park Village located in the Allapattah Planning District.

However, we noted that the developer’s request for refund included the fee assessment for street impact fees totaling $102,679.55 (308,347 SF multiplied by $0.333) for transit-related transportation improvement system, which was in effect at the time the developer submitted and paid for the building permit application in connection with the Terrazas River Park Village located in the Allapattah Planning District. This refund included the 3% administrative fee totaling $3,080.38 ($102,679.55 multiplied by 3%). The refund incorrectly approved and disbursed totaled $105,759.93 ($102,679.55 + $3,080.38).
• On July 3, 2006 a petition for impact fee refund was submitted by the developer for the Gallery Art Condominium located in the Downtown Planning District requesting a refund of impact fees totaling $60,033.81. A total of $54,494.94 of the $60,033.81 requested was approved by the Zoning Administrator and disbursed on November 30, 2006. Our audit test determined that the $54,494.94 refund that was approved and disbursed to the developer pertained to the assessment of street impact fees for transit-related transportation improvement system, which was in effect at the time the developer submitted and paid for the building permit application in connection with the Gallery Art Condominium located in the Downtown Planning District. This refund included the 3% administrative fee totaling $1,587.23. The refund incorrectly approved and disbursed totaled $54,494.94 ($52,907.71 + 1,587.23).

Our audit determined that all the 193 applicants tested (except for the developers for the Terrazas River Park Village located in the Allapattah Planning District and the Gallery Art Condominium) which submitted a building permit application prior to January 15, 2006, paid for the fee assessment for street impact fees related to transportation improvement system, which was in effect at the time the applicants/developer submitted and paid for the building permit.

Please provide a written justification as to why a refund was granted for a fee that was clearly in effect when the building permit applications were filed with the City. Also, explain why only 2 of the 193 eligible applicants received refunds.

Please provide your explanations and attach all supporting documentation by September 10, 2010. If you have any questions, please feel free to contact me at 305-416-2043 or by email at lmcginnis@miamigov.com.

Thank you for your attention to this matter.

Lourdes Sluzyk

cc: Victor I. Igwe, Independent Auditor General
Orlando Toledo, Director, Building Department
Explanations

When the new impact fee ordinance was adopted in 2005, it included provisions in Sec 13-16 (see below) that allowed for the refund or credits against impact fees for development projects that provided certain capital improvement or infrastructure improvements that were deemed to be equivalent to the impact fees being assessed under certain categories of impact fees.

In other words, if the project was going to include a rebuilding of streets, then that portion of the impact fee could be credited or refunded to the developer. Certain impact fees are also deemed to be duplication of impact fees if the development paid the exact same kind of fees at the county for the exact same impacts. In these cases the applicant is allowed to seek the refund based on the fact that we cannot charge him impact fees twice for the same thing. This is most common in roadway and transportation related fees.

The two cases described in this memorandum were approved for refund before my time as zoning administrator. It is our recollection that these fell into the categories described above. At that time, those decisions were made by the Chief of Operations for the city (who reported directly to the City Manager). She is no longer with the City so there is no way to find her records on these particular cases, but the zoning administrator at the time recalls discussions with the Chief of Operations related to the infrastructure associated with these projects which lead back to the credits being approved per Sec. 13-16. There were no set administrative procedures because this was so new back then, so our recollections are all that can be offered by way of explanation.

Sec. 13-16. - Administrative procedures for petitions for impact fee determinations and affordable housing deferrals, refunds and credits.

(e) Petition process.

(1) Petitions for an impact fee determination and affordable housing impact fee deferral, refund or credit shall be submitted using the petition process, requirements and time limits provided herein. All petition requests except petitions for refunds under subsections (c) and (d), shall be accompanied by a fee of $250.00. Any officer, department head, commission or agency of the city (collectively referred to as a city "officer") submitting a petition shall not be required to pay said fee.

(2) All petitions shall be submitted to the city manager's chief of operations for processing and preparation of a staff report and recommendations on the petition, and the final determination on the petition shall be issued by the city manager. The chief of operations shall issue a request for a staff report and recommendations on the petition. If the petition is complete, the staff report and recommendations shall be forwarded to the city manager for consideration. The city manager shall, no later than 90 days after filing of the complete petition issue a written determination on the petition, which shall be based upon the petition data, the provisions of this article and applicable laws, and, if necessary, direct the appropriate city staff to take the actions necessary to implement the determination.

Upon written agreement by the chief of operations and the petitioner the time limits in this section may be waived for any reason, including, but not limited to, the submission of additional data and supporting statements by the petitioner. If the chief of operations determines that the petition is complete, a written statement detailing the insufficiency of the petition shall be provided to the petitioner within 30 days of initial filing of the petition. The date of the written determination of insufficiency shall be the time period established in the section until submission of a complete petition. Any insufficiency not corrected during such time will cause the petition to be not considered, and it will be returned without the necessity of further action.

(4) The filing of a petition shall stay action by the city on the application for building permit and any other city action related to the development. No building permit shall be issued for development for which a petition has been filed and is pending unless the total impact fees due have been paid in full or a sufficient bond or letter of credit satisfactory to the city attorney has been filed with the city.
Petitions for impact fee determinations. Any applicant, prior to or in conjunction with the submission of an application for a building permit, or within 30 days of the date of payment of impact fees, may petition the city manager for a determination that the amount of the impact fees imposed on the new development is inappropriate based on any or all of the following factors: the specific land use category applied to the residential or nonresidential development and the amount of development (dwelling units and/or gross floor area). The petition shall specify in detail the basis on which the applicant asserts that the amount of the impact fees is inappropriate. The petition shall be in a form prescribed by the city and shall, at a minimum, include identification of the applicant, a factual statement asserting the basis for the dispute, the data relied upon by the petitioner and a detailed statement by a qualified professional engineer, planner or other appropriate professional, and, if filed after payment of impact fees, a dated receipt for payment of the impact fees issued by the city's building department. Failure to timely file a petition for impact fee determination shall waive any right to review or recalculation to determine the impact fee payment.

Petitions for affordable housing deferral program determinations. Any applicant for deferral of impact fees pursuant to the affordable housing impact fee deferral program established in section 13-8 shall submit a petition prior to or with submission of a building permit application. Failure to timely file a petition for affordable housing deferral program determination shall waive any right to participation in the affordable housing deferral program. Such petition shall be in a form provided by the city and shall include the following:

1. A list of all affordable housing unit numbers by building with the total number of dwelling units for each building and the anticipated sales price or rental amount for each affordable housing unit.
2. A list of all anticipated affordable housing unit names and current addresses and other contact information. If such information is not available, if the information is not available the petition may be processed without it.
3. A covenant running with the land, previously recorded by the applicant, in the public records of the county for each affordable housing unit. The recorded covenant shall be on a form provided by the city and shall be in a form acceptable to the office of the city attorney. A deed restriction, in a form acceptable to the office of the city attorney may be submitted in lieu of a covenant as long as it accomplishes the same goal as the covenant.
4. Any other information deemed relevant by city staff to a determination of eligibility under the affordable housing deferral program criteria established in this article and the applicable city commission resolution.

Petitions for refund of impact fees.

1. The current owner of property on which an impact fee has been paid may apply for a refund of such fee if the city has failed to appropriate or spend the collected fees by the end of the calendar quarter immediately following six years of the date of payment of the impact fee, if the building permit for which the impact fee was paid has been issued for noncommencement of construction, if the project for which a building permit has been issued has been abandoned resulting in a decrease in the amount of the impact fee due, or if the project has been approved for the affordable housing deferral program.
2. Only the current owner of property may petition for a refund. A petition for refund must be filed within 90 days of any of the above-specified events giving rise to the right to claim a refund. Failure to timely file a petition for refund shall waive any right to an impact fee refund.
3. The petition for refund shall be submitted to the city's building department on a form provided by the city for such purpose. The petition shall contain a notation affidavit that petitioner is the current owner of the property, a certified copy of the latest tax records of Miami-Dade County showing the owner of the subject property, a copy of the dated receipt for payment of the impact fee issued by the city's building department and a statement of the basis upon which the refund is sought.
4. Any money refunded pursuant to this subsection shall be returned with interest at a rate of three percent per annum.

Petition for credits against impact fees.

1. Any applicant as defined in this article who elects to construct or dedicate all or a portion of a system improvement as defined in this article, or, who dedicates money with the city for the construction or a system improvement may, at its option in this article and the subsection(s) (e) are fulfilled, be granted a credit for such contribution against the impact fees otherwise due for the same type of system improvement. The applicant must, prior to the applicant's construction, dedication or escrow of the system improvement, submit a petition on a form prescribed by the city, obtain a determination of credit eligibility and the amount of any credit, and enter into a credit agreement with the city. The petition for credit shall contain, at a minimum, the following information:
   a. A certified copy of the most recently recorded deed for the subject property preliminary engineering plans and certified cost estimates by an architect, engineer or other appropriate professional for the proposed improvement; legal description of any land proposed to be contributed, proposed schedule for completion of any construction/ dedications identification of the proposed improvement in the current adopted CIP and the amount of impact fee funding for the improvement; and identification in detail of the development of which the credits are to apply or which will pay the impact fees to be used for the credit including the land site type, number of units/ gross floor area, proposed development schedule, and legal descriptions of the subject property.
   b. Any appeal of petition determinations on credits must be filed, heard, and determined prior to the applicant's construction, dedication or escrow for which the credit is requested. Failure to timely file a petition for impact fee credits shall waive any right to impact fee credits.
2. A credit shall be granted and the amount of the credit shall be determined by the city manager if it is determined that the system improvement is in the adopted, current capital improvements plan and is funded in whole or in part with impact fee revenue. The amount of the credit shall be based on actual costs certified by a professional engineer or architect submitted by the applicant and reviewed and approved by the appropriate city department. In no event shall the credit exceed 75% of the amount of the impact fees for the same type of system improvements that are due from the development requesting the credit whose amount is smaller. If the impact fees due exceed the amount of credit the applicant shall pay the impact fees due less the credit at the time of issuance of the building permit.
If a credit petition is approved the applicant and the city shall enter into a credit agreement which shall provide for, but is not limited to the following the process to be used to verify actual costs the value of any dedicated land or methodologies to determine the value of any dedicated land the obligations and responsibilities of the applicant, including but not limited to:

a. Public bidding or solicitation requirements;

b. Engineering, design and construction standards and requirements to be complied with;

c. Insurance bonding and indemnification requirements;

d. Project inspection standards and requirements;

e. Timing of the actions to be taken by the applicant;

f. Transfer of title to land and improvements;

g. Process for submittal of credit payment requests; and

h. Timing of payments by the city.

No impact fee credits shall be paid or provided until any land has been dedicated and conveyed to the city and/or the facilities have been constructed and accepted or alternatively until a bond has been posted to ensure the conveyance and/or construction. Any bond shall be issued by a state surety and in a form acceptable to the city attorney and risk manager. The city’s obligation to pay impact fee credits shall be limited to the impact fees collected from the development for a period not to exceed ten years from the date of approval of the agreement. The credit agreement shall provide for forfeiture of any impact fee credit remaining at the end of such ten—year period. The credit applicant shall agree to provide recorded notice to subsequent purchasers/owners of the property regarding the credit if any, that may be available to such purchasers and shall agree to indemnify the city for any and all costs and liabilities arising from any claims by others related to the impact fee credit.

(Ord. No. 12795, § 2, 12-16-01; Ord. No. 12826, § 2, 7-10-07)
Date: May 17, 2010

To: Lourdes Slazyk, Zoning Administrator
   Office of Zoning

From: Lai-Wan E. McGinnis, Staff Auditor
   Office of the Independent Auditor General

Subject: Audit of the City of Miami’s Assessment and Collection of Impact Fees
         Audit Report #10-001

In connection with our ongoing audit of the assessment and collection of impact fee revenues pursuant to the provisions set forth in Chapter 13 of the City Code entitled, “City of Miami’s Development Impact Fee Ordinance” for the period October 1, 2004 through September 30, 2009, and selected transactions prior and subsequent to this period, please confirm or clarify our understanding of the following and provide any additional records and/or documentation by May 28, 2010.

THE OFFICE OF ZONING DOES NOT HAVE A COMPREHENSIVE MANUAL OF WRITTEN POLICY AND PROCEDURES

Best practices recognize that a comprehensive manual of written policies and procedures are an integral part of any comprehensive framework of internal controls, which can promote consistency and also be used as an effective training tool for new staff. Chapter 13 of the City Code provides the Office of Zoning (Zoning) with guidance relative to the assessment of impact fees. However, through observation and discussion with the Zoning staff, our office noted that departmental directives on technical specifications and details relative to the assessment of impact fees have been developed on an ad hoc basis and the Zoning staff must rely on the verbal feedback provided by supervisors when assessing the impact fees. For example, there are no written departmental...
policies or procedures to follow when issuing demolition credits, applying impact fees to a change of facility’s usage, and proper technique when reviewing building plans.

We recommend that the Zoning administration implement a comprehensive written comprehensive manual encompassing policies and procedures relative to the assessment of impact fees, as well as ensure adherence to the Impact Fee Ordinance. Said written policies and procedures, among others, should include responsibilities of all departments, plan review requirements, and how to handle assessment/calculation of impact fees in unique and/or special circumstances.

Auditee Response and Action Plan:

☑ I Agree  ☐ I Disagree  

Please Initial _______________________

Explanation____________________________________________________

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________

Please confirm our understanding by signing on the space provided below and returning this memorandum to us. In the event that you disagree with any of the items listed above, please provide your explanation and attach all supporting documentation by May 28, 2010.

If you have any questions, please feel free to contact me at 305-416-2043 or by email at lmceginnis@miamigov.com.

Thank you for your attention to this matter.

[Signature]

Date 8/17/10

cc: Victor I. Igwe, Independent Auditor General
    Orlando Toledo, Director, Building/Zoning Department
Date: May 17, 2010

To: Orlando Toledo, Director
Building/Zoning Director

From: Lai-Wan E. McGinnis, Staff Auditor
Office of the Independent Auditor General

Subject: Audit of the City of Miami’s Assessment and Collection of Impact Fees
Audit Report #10-001

In connection with our ongoing audit of the assessment and collection of impact fee revenues pursuant to the provisions set forth in Chapter 13 of the City of Miami (City) Code entitled, “City of Miami’s Development Impact Fee Ordinance” for the period October 1, 2004 through September 30, 2009, and selected transactions prior and subsequent to this period, please confirm or clarify our understanding of the following and provide any additional records and/or documentation by May 28, 2010.

**ANNUAL/TRIENNIAL REVIEW OF THE IMPACT FEE ORDINANCE WAS NOT CONDUCTED AND THE ANNUAL/TRIENNIAL REPORT WAS NOT ISSUED TO CITY COMMISSION AS REQUIRED**

Section 13-13 (f) of the City Code, entitled “Annual Review and Modification” requires the City Manager, acting through appropriate staff or agents, to review the impact fee ordinance and submit an annual report no later than 120 days after the annual capital budget and capital improvements program adoption process. When conducting said review, the City may consider such items as: development occurring in the prior year, construction of proposed public facilities, changes in facility needs, changes in the availability of the funding sources applicable to impact fee related capital improvements, as well as inflation and other economic factors. Based on the
items reviewed relative to the impact fee ordinance, any recommendations should be reflected in an annual report and presented to the City Commission. Additionally, the annual report should, at a minimum, include information on impact fee account balances, annual collections and expenditures, system improvement projects funded in whole or in part by impact fees, and the overall effectiveness of the affordable housing deferral program. The City Code states that the first annual report should be issued after September 2006 and based on either the City’s fiscal year or calendar year.

Furthermore, Section 13-13 (g) of the City Code, entitled “Triennial Review and Modification” states that the City shall conduct a complete review of the impact fees every three years to determine if changes in costs, facility needs, development patterns, demographics and any other relevant factors indicate a need to update the impact fee calculations, data methodology or other components of the impact fee system. Similar to the annual review and report, the City Manager acting through appropriate staff or agents is responsible for performing the triennial review and presenting a triennial report to the City Commission. Any changes or modifications to the impact fee ordinance should be adopted within one year of completion of the triennial report and would require City Commission approval.

Our current audit field work determined that the last review of the impact fee ordinance was conducted by Tischler & Associates, Inc (a consulting services firm). The resulting impact fee study report titled, “Growth-Related Capital Improvements & Impact Fees,” which revised the impact fee ordinance was issued on September 16, 2005. On December 15, 2005 Ordinance No. 12570 was passed and adopted by the City Commission, amending Chapter 13 of the City Code. It is our understanding that an annual and/or triennial review of the impact fee ordinance has not been performed and presented to the City Commission subsequent to the review performed by Tischler & Associates, Inc, as noted above.

We recommend that the required annual/triennial review of the impact ordinance be performed as codified.

Auditee Response and Action Plan:

OFFICE OF THE INDEPENDENT AUDITOR GENERAL
444 S.W. 2nd Avenue, 7th Floor/Miami, FL 33130
× I Agree  □ I Disagree  

Explaination: I agree that a report has not been done but Finance & CIP regularly give reports to the City Commission on Impact fees. This report included collected Impact fees and monies that are used in capital projects.

Please confirm our understanding by signing on the space provided below and returning this memorandum to us. In the event that you disagree with any of the items listed above, please provide your explanation and attach all supporting documentation by May 28, 2010.

If you have any questions, please feel free to contact me at 305-416-2043 or by email at lmcginnis@miamigov.com.

Thank you for your attention to this matter.

Orlando Toledo  

Date: 9/20/10

cc: Victor I. Igwe, Independent Auditor General
City of Miami

Date: August 25, 2010

To: Lourdes Slażyk, Zoning Administrator
   Office of Zoning

From: Lai-Wan E. McGinnis, Staff Auditor
       Office of the Independent Auditor General

Subject: Audit of the City of Miami’s Assessment and Collection of Impact Fees
         Audit Report #10-001

In connection with our ongoing audit of the assessment and collection of impact fee revenues relative to the provisions set forth in Chapter 13 of the City Code entitled, “City of Miami’s Development Impact Fee Ordinance” for the period October 1, 2004 through September 30, 2009, and selected transactions prior and subsequent to this period, please confirm or clarify our understanding of the following and provide any additional records and/or documentation by September 3, 2010.

**MONITORING OF DEFERRALS OF IMPACT FEES FOR AFFORDABLE HOUSING CAN BE ENHANCED**

Section 13-8.1 of the City Code, titled “Deferral of impact fees for affordable housing”, established a program that defers the payment of impact fees due on affordable housing dwelling units developed within the City. Such deferral would encourage the provision and retention of affordable housing for owner-occupancy and for rental. Section 13-16 of the City, titled “Administrative procedures for petitions for impact fee determinations and affordable housing deferrals, refunds and credits” provides a detailed description of the petition process and other guidelines for determining eligibility for an affordable housing impact fee deferral. Such petition shall be on a form provided by the City and shall at a minimum include the following:

1. A list of all affordable housing units and the anticipated sales price or rental amount for each affordable housing unit;

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(2) A list of all anticipated affordable housing unit owner’s current contact information, if available;
(3) A recorded covenant running with the land on a form acceptable to the Office of the City Attorney;
(4) As well as any other information deemed relevant by city staff for determining eligibility under the affordable housing deferral program.

Our review of 78 petition files for the affordable housing deferral program maintained by the Office of Zoning (Zoning) indicated that impact fees totaling approximately $117.9 million has been deferred from the inception of the deferral program on January 16, 2006 through April 8, 2010. Our audit determined that 14 of the 78 (or 18%) petition files supporting the impact fees approved for deferral totaling $1,068,410 did not contain evidence of recorded covenants, as required. A covenant running with the land or a deed restriction confirms that each of dwelling unit is an affordable housing project. Upon audit inquiry, Zoning staff stated that although the impact fees were deferred, the applicant may not have submitted a copy of the recorded covenant prior to the issuance of the building permit.

We recommend that Zoning enhance its internal control policies and procedures to ensure that files relative to impact fees eligible for deferral under the affordable housing deferral program are complete and in accordance with the Impact Fee Ordinance. We also recommend that the 14 supporting covenants be obtained from the developers.

Auditor Response and Action Plan:

☑ I Agree  ☐ I Disagree  Please Initial [Signature]

Explanation:

[Signature]  See Explanation / Attached

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444 S.W. 2nd Avenue, 7th Floor / Miami, FL 33130

63
Section 13-8.1 (b) of the City Code, states that impact fee deferral shall apply only to the dwelling units that qualify as affordable housing. A covenant running with the land or a deed restriction, shall be recorded on each dwelling unit by the applicant, or by the current property owner if the applicant is not the owner, which conforms to the requirements of the resolution establishing the affordable housing impact fee deferral program. The city may use all available legal mechanisms for collection of the impact fees due. The covenant or deed restriction language and form shall be acceptable to the office of the city attorney, which may provide standardized forms for use in the affordable housing deferral program.

The procedures for filing a petition provides that prior to officially recording a covenant a draft copy of the covenant is required to be submitted to the Office of the City Attorney for approval of the legal form of the covenant. Our audit determined that each of the covenants that was submitted and recorded as part of the petition process contained specific language relating to when a property will no longer qualify as an affordable housing development. For example, item number five (5) of the “Declaration of Restrictive Covenants for Affordable Housing Rental Development.” states that:

“Any official inspector of the City may have the right at any time during normal business hours to enter upon the property for the purpose of investigating the use of the property and for determining whether the conditions of the covenant are being complied with.”

Additionally, item number six (6) of the declaration states that:

“Impact fees that would be payable as of the date hereof shall be come due and payable by the then-current owner of the project if and when it loses its status as an Affordable Housing community. Such payment shall be made in full within thirty (30) days following the date on which the project no longer qualifies as Affordable Housing. Late payments shall accrue interest at 18% per annum until fully paid.”

However, our audit tests of 78 petition files determined that Zoning has not implemented a monitoring/ review process to ensure that properties participating in the affordable housing deferral program are fully complying with the terms of the restrictive covenants recorded with Miami-Dade County and filed with the City, as required. For example, the supporting records and files
reviewed did not include any process for determining when a property no longer qualifies as an affordable housing, so that the deferral can be rescinded and the appropriate impact fees can be assessed and collected. Our audit determined that there were no inspection reports to evidence that any of the properties were inspected to determine whether the terms and conditions of the covenant are being complied with, as stated in the restrictive covenant. As stated above, approximately $11.9 million of impact fees were approved for deferral through the affordable housing deferral program. Therefore, absent field inspections to verify that properties qualify as affordable housing, there is increased risk that impact fees may be improperly deferred and/or never assessed and collected, as required.

We recommend that the Zoning implement a comprehensive schedule or log of all impact fees deferred relative to the affordable housing deferral program, as well as work closely with the appropriate parties to ensure compliance in the affordable housing deferral program. Said schedule or log, among others, should include the date when the covenant was actually recorded, the date when the property no longer qualifies as an affordable housing development, and if any follow-up was performed to determine if a development is still eligible for deferral. In addition, Zoning can require that the affordable housing development provide an annual report and any other requirements deemed necessary or appropriate for participation in the affordable housing deferral program.

Auditee Response and Action Plan:

☑ I Agree  ☐ I Disagree  Please Initial

Explanation

See explanation attached
ADMINISTRATIVE FEES WERE NOT ASSESSED RELATIVE TO IMPACT FEE DEFERRALS

Section 13-14 of the City Code titled, “Administrative Fees” states that expenses to be incurred by the City in connection with the administration of the development impact fee ordinance have been estimated and budgeted and have been determined to be of benefit to the properties therein and shall be reimbursed to impact fee administration fund of the city out of the revenues accruing through the imposition of a service charge in the amount of three percent (3%) of the impact fee due. The nonrefundable service charges are in addition to and shall be paid separately from the impact fees but shall be payable at the time of application for the building permit and shall be for the sole purpose of defraying expenses as provided herein.

Our review of the 78 petition files maintained by Zoning relative to the affordable housing deferral program submitted since the inception of the program on January 16, 2006 through April 8, 2010 determined that impact fee deferrals totaling approximately $11.9 million were properly calculated relating to all of the petition files. However, audit tests determined that 52 (or 67%) of the 78 affordable housing impact fee deferrals totaling approximately $7 million were never assessed the three percent (3%) administrative fee, as required. Our audit determined that the automated Building and Zoning (BZ) Plans and Permitting computer System automatically calculates the 3% administrative fee based on actual impact fees due. Upon audit inquiry, the Building and Zoning staff responsible for assessing impact fees stated that the BZ System (computer application) currently used to calculate impact and administrative fees would not allow administrative fees to be assessed without impact fees first being entered into the BZ System. Upon further audit inquiry, the Zoning Administrator stated that Zoning developed and implemented a mechanism in June 2007 that allows for administrative fee to be assessed on a line item in the BZ computer system known as “RE-REVIEW PLANS FEE/ZONING” without impact fee charges being entered into the BZ System. However, it is not clear why this process was not used to assess and collect administrative fee charges totaling $210,633.41 ($7,021,113.50 multiplied by 3%) related to the 52 affordable housing impact fee deferrals noted above.

We recommend that all administrative fees due and outstanding be assessed and collected. Also, we recommend that the BZ System be configured to properly document any deferrals applied and the appropriate administrative fees to be assessed to a development.
Auditee Response and Action Plan:

☐ I Agree  ☐ I Disagree  Please Initial ☐

Explanation______________________________________________

________________________________________________________

See explanation 3 attached

Please confirm our understanding by signing on the space provided below and returning this memorandum to us. In the event that you disagree with any of the items listed above, please provide your explanation and attach all supporting documentation by September 3, 2010.

If you have any questions, please feel free to contact me at 305-416-2043 or by email at lmcginnis@miamigov.com.

Thank you for your attention to this matter.

Lourdes Slezak  9/8/10  Date

cc: Victor I. Igwe, Independent Auditor General
    Orlando Toledo, Director, Building Department
Explanation 1

The provisions of the code that allow for deferrals of impact fees for affordable housing projects was a concept that did not exist under the old impact fee ordinance. In 2006 the Office of Zoning received a large amount of requests for these deferrals prior to having internal administrative procedures for these requests. There are very strict guidelines that must be met in the financing world of affordable housing projects. These require that permits be issued by certain dates or the funding will be forfeited. Since the City did not yet have internal administrative procedures for the deferral of impact fees for affordable housing projects (nor did we for a while) after the adoption of the ordinance, many projects were approved without full compliance so that the funding would not be lost. Since that time, we have created and followed much stricter procedures that will help assure compliance as this concept moves forward.

Explanation 2

The function of monitoring compliance with deferrals of impact fees for affordable housing projects has been assigned to the Community Development Department. The Manager’s office held a meeting several years ago to discuss the aspects of this program that required monitoring. It was agreed that the enforcement of these provisions belonged in the Community Development Department since their operation includes qualified inspectors that could carry out this function. It was also agreed that these projects were only in the permitting stages at that time and that they would need at least 12-18 months to complete construction and would not be done with leasing for an additional approximately 6 months. This meant that the monitoring would not need to commence for a few years. It was also discussed that the upcoming land management system would become a helpful tool to implement this function.

The Office of Zoning agrees that such logs and monitoring need to occur and will work closely with the assigned departments to develop an appropriate mechanism.

Explanation 3

The provisions of the code that allow for deferrals of impact fees for affordable housing projects while continuing to collect the 3% administrative fees was something that did not exist under the old impact fee ordinance and was therefore not contemplated in our computer systems that calculated the fees due. The new land management system that was supposed to be in place the following year was going to include a way to do this. In the interim, because of pressure to approve these projects before our systems could handle them (see explanation 1 above – i.e. loss of funding), approvals were granted without a solution having been found. It was then discovered that by using a different field in the mainframe system (file-review fees) we could assess the 3% and capture these monies. The re-review fee field was not being used for any other purpose and this was (and will continue to be) our mechanism for this fee until the land management system is implemented.
Date:    July 27, 2010

To:        Diana Gomez, CPA, Director
                 Finance Department

From:     Lai-Wan E. McGinnis, Staff Auditor
                  Office of the Independent Auditor General

Subject:  Audit of the City of Miami’s Assessment and Collection of Impact Fees
                  Audit Report #10-001

In connection with our ongoing audit of the assessment and collection of impact fee revenues pursuant to the provisions set forth in Chapter 13 of the City Code entitled, “City of Miami’s Development Impact Fee Ordinance” we examined accounting records relative to the impact fees collected for the period October 1, 2004 through September 30, 2009, and selected transactions prior and subsequent to this period. Please confirm or clarify our understanding of the following:

1. City Code, Section 13-13(c), entitled Establishment and maintenance of accounts, provides that: “The city finance department shall establish separate accounts and maintain records for each such account, whereby impact fees collected are segregated by type of impact fee and by benefit district or applicable subdistrict. A separate account shall be maintained for each type of impact fee by benefit district or subdistrict as follows: fire-rescue impact fee north subdistrict, fire-rescue impact fee south subdistrict, police impact fee district, general services impact fee district and parks and recreation impact fee district.”

Our audit determined that subsequent to the conversion from GEMS financial accounting system to the Oracle financial accounting system (Oracle) in October 2006,
impact fee collections totaling approximately $9 million have not been segregated and accounted for by type of impact fee and by benefit district or applicable sub-district, as required. Upon audit inquiry, Finance department personnel stated that the interface between the Building & Zoning (BZ) Plans and Permitting System and Oracle were not properly configured to segregate and account for impact fee collections by type of impact fee and by benefit district or applicable sub-district, as required. The accounting of the source and disbursement of all revenues by projects specified in the impact fee-related capital improvements program for all benefit districts/sub-districts would ensure that the disbursement of funds were solely and exclusively used for the projects specified in the impact fee-related capital improvements program sub-districts.

However, our audit determined that the allocation of impact fee collections to the designated benefit districts is currently performed manually by the Capital Improvements Program Department through the use of a SQL Report.

Auditee Response and Action Plan:

- I Agree  □ I Disagree

Explanation: Although separate accounts are not maintained for each type of impact fee, the SQL Report indicated above was created to be able to account for impact fee collections by type as required.

2. Section 13-13(b), entitled Transfer of funds to the finance department, states that: "Upon receipt of impact fees, the building department shall transfer such funds to the city finance department which shall be responsible for placement of such funds into the appropriate separate accounts by type of impact fee and applicable benefit district, or applicable subdistrict for fire-rescue impact fees. All such funds shall be deposited in interest-bearing accounts in a bank authorized to receive deposits of city funds.

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Interest earned by each account shall be credited to that account and shall be used solely for the purposes specified for funds of such account. The funds of these accounts shall not be commingled with other funds or revenues of the city."

Our review of pertinent accounting records indicated that during the audit period approximately $27.6 million of impact fee revenues were collected and deposited into an interest bearing account and simultaneously disbursed for impact fee eligible expenditures related to capital improvements projects within the City. Accordingly, the ending cash balance (revenues less related expenditures) for the month is the basis used for interest allocation. The Finance Department’s procedure for allocating interest is based on an average of the six month Treasury Index and the one year Treasury Index.

Our audit determined that during fiscal years (FY) 2005 and 2006, interest revenue totaling $1,118,794.62 ($424,257.85 + $694,536.77, respectively) was earned and allocated to the impact fee fund. Additionally, we noted that although interest was earned during FY 2007 through FY 2009, it was never allocated to the impact fee fund, as required. Our review of pertinent accounting records and audit inquiry disclosed that subsequent to the conversion from the GEFS to the Oracle Financial System, the following funds designated specifically for impact fee related transactions were created: (a) Fund 31000 Impact Fees, (b) Fund 31000 General Government, (c) Fund 32000 Public Safety, and (d) Fund 36000 Streets and Sidewalks. The allocation of interest earned on the impact fee cash balance would provide additional funding for impact-fee-related capital improvements program subdistricts. However, the Finance Department personnel stated that going forward; the appropriate interest will be allocated monthly based on impact fee collections.

Auditee Response and Action Plan:

✓ I Agree  □ I Disagree  Please Initial dfg

Explanation

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3. Pursuant to Section 13-13(b) of the City Code, impact fee accounts shall not be
commingled with other funds or revenues of the City. However, our audit determined
that during FY 2008, insurance proceeds from a fire casualty loss (sustained at a City
NET Office) totaling $81,954 was recorded in the impact fee fund. The segregation of
accounting for the receipts and disbursements of unrestricted funds (insurance
proceeds) and impact fees (restricted funds) would enhance accountability and ensure
that funds are properly used as codified and/or authorized.

Auditee Response and Action Plan:

✓ I Agree   ☐ I Disagree

Please confirm our understanding by signing on the space provided below and returning this
memorandum to us. In the event that you disagree with any of the items listed above, please
provide your explanation and attach all supporting documentation by August 9, 2010.

If you have any questions, please feel free to contact me at 305-416-2043 or by email at
lmcginnis@miamigov.com.

Thank you for your attention to this matter.

Diana Gomez  8/4/10

cc: Victor I. Igwe, Independent Auditor General

OFFICE OF THE INDEPENDENT AUDITOR GENERAL
444 S.W. 2nd Avenue, 7th Floor/Miami, FL 33130
Borges, Dulce

From: Rodríguez, Gisela
Sent: Monday, July 30, 2007 3:40 PM
To: Borges, Dulce
Subject: FW: Account Number Request (B-60393A)

From: Maragh, Yvette
Sent: Monday, July 30, 2007 12:44 PM
To: Chircul, Pete
Cc: Rodríguez, Gisela; Saenz, Pilar
Subject: RE: Account Number Request (B-60393A)

The account # to deposit the insurance money is as follows: 31100.401000.469000.0000.0000

Please let me know the total amount reimbursed so I can appropriate the funds in September.

From: Chircul, Pete
Sent: Wednesday, July 18, 2007 3:06 PM
To: Maragh, Yvette; Gomez, Diana
Cc: Rodríguez, Gisela
Subject: FW: Account Number Request

Yvette
Please assign an account # in CIP to deposit the insurance money for the fire at the Net Office.

From: Rodríguez, Gisela
Sent: Wednesday, July 18, 2007 2:41 PM
To: Chircul, Pete
Subject: RE: Account Number Request

Pete:

I just spoke to Frank Gomez in our department and he says that these funds are to rebuild the Net Office and that he has spoken to several individuals in CIP regarding this. He estimates that it will be a total of approximately $240,000.00 that we should be receiving all together. Please let me know so that I can deposit this check. Thank you!

From: Chircul, Pete
Sent: Wednesday, July 18, 2007 11:29 AM
To: Rodríguez, Gisela
Cc: Maragh, Yvette; Saenz, Pilar; Gomez, Diana
Subject: RE: Account Number Request

Gisela
These funds will be use in the future to rebuild the Net Office? If so we need to get CIP involve so that when they will need the funds to do the rebuilding they will know where to appropriate said fund from.

7/31/2007
## 1 – INCORRECT IMPACT FEE ORDINANCE WAS USED

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<th>Plan #</th>
<th>Process Date</th>
<th>Address</th>
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<th>Add’l Admin Fee Due</th>
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$65,827.47  $1,974.87  $67,802.34

Note 1 – Process date refers to the date when an application was submitted and accepted as complete by the City. An application is considered complete when building plans for a development have had all applicable building reviews and a building permit is issued.
### EXHIBIT II – SCHEDULE OF IMPACT FEE UNDERCHARGES

#### II – INCOMPLETE BUILDING APPLICATION DATE WAS USED TO DETERMINE IMPACT FEE RATES TO CALCULATE FEES DUE

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<th>Address</th>
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<th>Add'l Admin Fee Due</th>
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### III – INCORRECT ACTUAL UNITS OR FAR WAS USED

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$ \text{Total:} \quad 96,979.96 \quad 5,677.42 \quad 102,657.37$
### EXHIBIT IV – SCHEDULE OF IMPACT FEE OVERCHARGES

<table>
<thead>
<tr>
<th>#</th>
<th>Plan #</th>
<th>Address</th>
<th>Total Impact Fees Refundable to Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50011920</td>
<td>1289 NW 55 ST</td>
<td>(1,280.58)</td>
</tr>
<tr>
<td>2</td>
<td>50019154</td>
<td>4300 BISCAYNE BLVD</td>
<td>(44,420.47)</td>
</tr>
<tr>
<td>3</td>
<td>60017664</td>
<td>1320 NW 70 ST</td>
<td>(1,478.20)</td>
</tr>
<tr>
<td>4</td>
<td>40020294</td>
<td>3145 DAY AV</td>
<td>(93.90)</td>
</tr>
<tr>
<td>5</td>
<td>50009737</td>
<td>3168 OHIO ST</td>
<td>(37.55)</td>
</tr>
<tr>
<td>6</td>
<td>60001820</td>
<td>3181 OAK AV</td>
<td>(3,853.65)</td>
</tr>
<tr>
<td>7</td>
<td>40016091</td>
<td>1712 SW 2 AV</td>
<td>(6,656.96)</td>
</tr>
<tr>
<td>8</td>
<td>40015124</td>
<td>3473 MAIN HWY</td>
<td>(4,093.10)</td>
</tr>
<tr>
<td>9</td>
<td>40008067</td>
<td>3111 SW 27 LN</td>
<td>(725.85)</td>
</tr>
<tr>
<td>10</td>
<td>40006603</td>
<td>2623 LINCOLN AV</td>
<td>(77.93)</td>
</tr>
<tr>
<td>11</td>
<td>40012142</td>
<td>1298 NW 38 ST</td>
<td>(311.36)</td>
</tr>
<tr>
<td>12</td>
<td>40017257</td>
<td>325 SW 36 AV</td>
<td>(1,225.55)</td>
</tr>
<tr>
<td>13</td>
<td>40021469</td>
<td>910 NW 31 AV</td>
<td>(1,113.52)</td>
</tr>
<tr>
<td>14</td>
<td>50024428</td>
<td>1760 NW 7 ST</td>
<td>(6.43)</td>
</tr>
<tr>
<td>15</td>
<td>60018941</td>
<td>2701 SW 3 AV</td>
<td>(19.36)</td>
</tr>
<tr>
<td>16</td>
<td>60003595</td>
<td>1398 SW 1 ST</td>
<td>(321.61)</td>
</tr>
<tr>
<td>17</td>
<td>70012253</td>
<td>1011 SUNNYBROOK RD</td>
<td>(97.48)</td>
</tr>
</tbody>
</table>

$ (65,813.50)
### EXHIBIT V – SCHEDULE OF ADMINISTRATIVE FEES NOT ASSESSED

<table>
<thead>
<tr>
<th>#</th>
<th>Plan #</th>
<th>Address</th>
<th>Add'l Admin Fee Due to the City</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>60002603</td>
<td>3365 DAY AVE</td>
<td>$ 427.44</td>
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<tr>
<td>2</td>
<td>40013817</td>
<td>3145 NEW YORK ST</td>
<td>$ 113.59</td>
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<td>3</td>
<td>40007571</td>
<td>3041/43 SW 23 TERR</td>
<td>$ 115.28</td>
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<tr>
<td>4</td>
<td>60003155</td>
<td>1401 NW 51 TERR</td>
<td>$ 242.97</td>
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<tr>
<td>5</td>
<td>60001120</td>
<td>113 NW 33 ST</td>
<td>$ 242.97</td>
</tr>
<tr>
<td>6</td>
<td>60003158</td>
<td>1212 NW 71 ST</td>
<td>$ 242.97</td>
</tr>
<tr>
<td>7</td>
<td>60003160</td>
<td>258 NE 58 ST</td>
<td>$ 242.97</td>
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<tr>
<td>8</td>
<td>60001119</td>
<td>270 NW 49 ST</td>
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<tr>
<td>9</td>
<td>60004183</td>
<td>1261 NW 44 ST</td>
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<td>60004154</td>
<td>3555 ANCHORAGE WAY</td>
<td>$ 242.97</td>
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<td></td>
<td></td>
<td></td>
<td><strong>Total</strong> $2,357.10</td>
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</tbody>
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