


CITY OF HALLANDALE BEACH, FLORIDA
MEMORANDUM
CM17-108

DATE: September 27, 2017

TO: Honorable Mayor and City Commissioners

FROM: Roger M. Carlton, City Manager 

SUBJECT: Community Benefit Program Analysis.

In a memorandum dated June 5, 2017 (Exhibit 1) the City Commission was informed that the Community Benefits Program (CBP) and the Hallandale Opportunity Project (HOP) had "lost their way for a complex variety of reasons." In that memorandum and in a subsequent City Commission meeting, the Commission was advised that Assistant City Manager Dr. Jeremy Earle would be responsible for the creation of an extensive report that would analyze the existing CBP program and document areas indicative of waste, fraud or abuse. Although the report documents areas of substantive waste, a subsequent determination of fraud or abuse would be made by City Attorney Jennifer Merino, who has extensive experience in such matters. Additionally, the report would also include recommendations for the creation of a completely new type of community benefits program which would be grounded on rigorous policies, procedures, and measurable metrics for success, all of which, were missing when the initial program was created. The recommendation for a completely new program would therefore be based on "Best Practices" developed from various projects in cities across the nation, and through a Needs Assessment that would provide clear direction for how the program should be prioritized in order to address the specific needs of the residents of the City of Hallandale Beach (COHB).

Although the City Commission was initially informed that the report would be presented by September 30, 2017, a request was made that the report instead be presented as early in September as possible so that the financial implications of the future of the CBP program could be incorporated in the City Commissions review of the FY 2017-2018 budget. Due to this request, as well as the extensive amount of documents and other information that the CBP review committee had to analyze, the initial CBP report was prepared for presentation in draft form for the September 6, 2017 City Commission meeting. Due to Hurricane Irma, however, the September 6, 2017 meeting was canceled and the CBP report presentation was rescheduled for the September 27, 2017 City Commission meeting.

The City's intentions when the CBP and the HOP programs were designed as a mechanism for creating benefit and value within the community by allowing unemployed and underemployed residents to acquire workforce development skills have categorically not been achieved. That original design included a combination of hands-on training and employment opportunities, which would enable participants to become self-sufficient.

Additional community benefit would also be extended to local businesses within the COHB whose businesses would benefit by being preferred vendors on the various capital improvement projects funded by the COHB.

The good intentions of the CBP, however, did not hold up when faced with the reality of a program that could not help but fail from the beginning due to a lack of coherent policies and procedures or sound management practices. This draft CBP report acknowledges the challenges that the program has faced from its inception due to a myriad of reasons. The CBP report concludes with providing recommendations that provide hope to our residents. The COHB leadership can not only learn from our mistakes, but use those lessons learned to create a new program that will serve the residents across our great city, including our most vulnerable populations, the children and the elderly.

It is most important to note that the FY 2017-2018 budget (see Summer Study 17-002)(Exhibit 2) demonstrates that the direction of the City Commission to eliminate the General Fund contribution to the Human Services Department over three years is dependent on replacement revenue derived from the new CBP program. There have been some concerns raised about the transition. The first concern is that development trends are not always stable. The Administration response is that the pipelines of both public and private projects are growing rapidly and the new CBP revenue should cover the three year transition. Beyond that is hard to predict. The need to reprogram General Fund expenses is clear and definite. The second concern relates to the elimination of waste, fraud and abuse as well as clawback of unearned payments under the old program. The City Commission should rest assured that the new program will be designed on a fixed percentage of project cost, which will be known in advance to all developers and to the City capital project planners. The use of these funds will be developed through the Community Needs Assessment and approved as an element of the City's budget in future years. All of this will be fully transparent and easily monitored.

Prepared by Jeremy Earle, Ph.D., AICP, Assistant City Manager

