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2 Miami commissioners want CRA funds to pay staff

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ROBERTO KOLTUN / EL NUEVO HERALD FILE

Miami Mayor Tomás Regalado

Two Miami commissioners want to transfer \$105,000 from community redevelopment funds to their own offices, a move experts say could be illegal and skirts the intent of helping blighted communities.

The request, to be voted on Thursday, comes as commissioners grapple with a free-falling city budget -- and as they look for ways to shore up their own staff finances.

“They're over budget in their commission offices, big time,” said Mayor Tomás Regalado, among those questioning the idea.

Legal experts say Community Redevelopment Agency money -- intended to spur redevelopment in blighted areas -- should not be shifted outside the impacted communities. If the vote passes Thursday, the CRA money would flow to

City Hall in Coconut Grove, well outside the targeted districts.

Two commissioners head CRA districts, and both support the transfer: Richard P. Dunn II and Chairman Marc Sarnoff.

Commissioners, who make up the CRA boards, are being asked to take \$52,500 from the Southeast Overtown/Park West CRA and transfer that money to their district offices to cover “necessary expenses incurred in the discharge of duties.”

That CRA district is run by Dunn. The same total is being sought at the Omni CRA, headed by Sarnoff.

Dunn said top staffers in his office, such as chief aide Alexander Koteles, spend about 30 percent of their time dealing with CRA issues, visiting constituents to study their concerns. CRA money “goes to the commissioner's budget to cover for the person who spends time at the CRA,” said Dunn.

Sarnoff echoed Dunn.

“You have all those obligations you never had before,” said Sarnoff.

The two resolutions would grant the respective chairs \$30,000, and each other commissioner \$15,000.

Some observers question the wisdom -- and legality -- of such a move.

“It's a real gray area because you're not allowed to spend CRA money on city services,” said Brad Knoeffler, a Park West developer. “They don't have any money in the general fund. They're looking for

money."

The state says property tax dollars accumulated in a CRA district must stay within that boundary. The statute also demands CRA money be spent on projects that have a chance of bringing economic vitality to an area.

In a letter to Dunn, CRA Executive Director James Villacorta, a former assistant city attorney, quoted a state statute that says a ``commissioner shall receive no compensation for services, but is entitled to the necessary expenses, including travel expenses, incurred in the discharge of duties."

Frank Schnidman, director of the Center for Urban Redevelopment Education at Florida Atlantic University, disputed Villacorta's opinion.

Commissioners are ``basically providing a slush fund out of CRA money that is supposed to be used for slum and blight. It's an attitude that's pervasive in Miami," Schnidman said.

Replied Dunn: ``I disagree. A slush fund is when something is provided without services."

Schnidman and Knoeffler believe the CRA money would be better spent on propping up local businesses in Park West, Overtown or the Omni area.

Dunn says he's in a tough spot. Commission budgets have been slashed to under \$250,000.

That money comes from the city's general fund, or through property tax dollars. Office staff is paid through a commissioner's budget.

Sarnoff said a pair of audits show his office is over budget after being slashed in the cost-cutting move by the city, which is on the brink of financial collapse. But Sarnoff says he has enough unspent money from previous years he can roll over to balance his books.

``But yes, under both budgets, we'd be over budget," said Sarnoff.

Dunn, who admits his office is slightly over budget, denies using CRA money to balance his books.

``No I'm not," said Dunn. ``I mean it helps. It helps to stabilize my books."

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