



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#13-0230

TO: CRA Chairman and Board of Directors

FROM: Lee Feldman, ICMA-CM, Executive Director

DATE: February 19, 2013

TITLE: Motion Approving Repayment of HOME Funding

It is recommended the CRA Board adopt a Motion approving repayment of \$524,620.93 from the Northwest-Progresso-Flagler Heights Community Redevelopment Area Trust Fund (NPF-CRA) to the City's HOME Line-Of-Credit account with the Department of Housing and Urban Development (HUD) contingent upon City Commission approval of CAM 13-0229. The monies will be re-deposited into the City's HOME Line-Of-Credit from the NPF-CRA and be used for designated CRA projects.

Repayment of Housing & Community Development (HCD) Division funds with CRA funds has been used in the past to address Community Development Block Grant (CDBG) program issues. In 2009 the City Commission agreed to use CRA funds to repay \$2.5M to cure findings identified in a HUD Inspector General Audit of the CDBG program. The CRA funds have been used for designated projects such as the NE 6th St/Sistrunk Enhancement and other neighborhood enhancements in the Durrs/Home Beautiful areas.

The Department of Housing and Urban Development (HUD) has suspended the City's ability to commit funds to new and existing projects through our HOME program. According to HUD records, the City of Fort Lauderdale currently has 37 incomplete activities totaling \$591,774.05 in HOME dollars (Exhibit 1). HUD has labeled these projects incomplete because they are lacking the necessary data for project closeout. As indicated by HUD, these issues were created during a span of 11 years (1995 – 2006) and it highlighted the systemic issues within HCD at that time; issues that have been appropriately addressed in recent years.

In an effort to clarify and resolve these issues, last fiscal year (*February 28 – March 1, 2012*), HUD authorized Training & Development Associates, Inc. (TDA) to assess the City's HOME open activities. On March 1, 2012, TDA met with staff from the City Manager's Office and Sustainable Development to discuss their findings. Their report separated the HOME open activities into 3 Categories:

Category A – Identified \$981,086 in open activities that could be closed out, if the City were to ascertain the appropriate information from the Fort Lauderdale CDC and the

Housing Enterprises (Housing Authority).

Category B – Identified \$639,934 that would need to be repaid, based on how the funds were used.

Category C – Identified \$1.6M in current HOME activities that were active and up to date.

Since March 2012, HCD has successfully cleared up \$1,029,245.95 in open HOME activities. That leaves a balance of \$591,774.05 (*from Category B*) that could not be cleared up, which the City is required to repay from a non-federal funding source in order to regain the ability to commit and expend current and future HOME funds.

Staff recommends using the proceeds from the sale of surplus lots that have HOME funds invested in them combined with NPF-CRA funds to make up the \$591,774.05 repayment amount. We expect the NPF-CRA funds that will be used for the HOME repayment to be fairly quickly recycled as funding for housing projects within the NPF-CRA.

Furtherance of the CRA Plan

The monies to be re-deposited into the City’s HOME Line-Of-Credit from the NPF-CRA would then be used for designated CRA projects within the NPF-CRA that further the redevelopment plan for the area.

Additional Information

By utilizing NPF-CRA funds for repayment and making those funds for HOME-eligible projects within the CRA district, all of the vacant Northwest Neighborhood Improvement District (NWNID) lots will be transferred to the NPF CRA to more proactively facilitate residential development in the area. Since the properties are owned by the NWNID, the transfer of the properties from the NWNID and acceptance of the properties by CRA will occur at a future meeting of the NWNID and a corresponding CRA meeting on March 19, 2013. For your information a list and map of the NWNID properties are attached as Exhibits 1 and 2.

Resource Impact

FUNDS AVAILABILITY LOCATION:
FISCAL SUB

YEAR	FUND	FUND	FUND NAME	INDEX #	INDEX NAME	SUB OBJECT #	SUBJECT NAME	AMOUNT
2013	347	01	SISTRUNK BLVD STREETSCAPE ENHANCEMENTS	P10448.347	SISTRUNK BLVD STREETSCAPE ENHANCEMENTS	6599	CONSTRUCTION	295,266.93
2013	347	01	NW GARDENS STREETSCAPE ENHANCEMENTS	P11739.347	NW GARDENS STREETSCAPE ENHANCEMENTS	6599	CONSTRUCTION	229,354.00
							TOTAL	<u>524,620.93</u>

TRANSFER TO

FISCAL		SUB				SUB		
YEAR	FUND	FUND	FUND NAME	INDEX #	INDEX NAME	OBJECT #	SUBJECT NAME	AMOUNT
2013	108	01	HOUSING & COMMUNITY DEV. GRANTS	HM12SLS	HOME FUND REPAYMENT	8001	PROGRAM FUNDS	524,620.93
							TOTAL	<u>524,620.93</u>

Attachments: Exhibit 1 and Exhibit 2

Prepared by: Jonathan Brown, Housing & Community Development Manager

Department Director: Greg Brewton, Sustainable Development