



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

October 10, 2014

Mr. Jonathan Brown, Manager
 Housing and Community Development Division
 City of Fort Lauderdale
 Building Services Center
 700 N.W. 19th Avenue
 Fort Lauderdale, Florida 33311-7834

Subject: City of Fort Lauderdale Monitoring Report Response - FY 2014
 HOME Investment (HOME) Program
 Emergency Shelter Grants (ESG) Program

Dear Mr. Brown:

Our office has reviewed your response to our monitoring findings and concerns. Based on this response, disposition of the findings and concerns in our letter is as follows:

Finding # 1 - Failure to Occupy Vacant Units in a Timely Manner

Condition - The City of Fort Lauderdale provided \$100,834.15 in HOME CHDO Set-Aside funds to a City CHDO, Ft. Lauderdale CDC in order to acquire a single-family property located at 632 NW 15th Terrace, Fort Lauderdale, FL, 33311. The project was acquired by the CHDO and the activity was reported as completed in the IDIS on 9/28/2007. At the time of monitoring, this project was listed as a vacant unit on the HUD PJ Vacant Units Reports for the City of Fort Lauderdale. Per conversations with City staff, the CHDO has not been able to obtain funding to rehabilitate the property and lease it to eligible rental households since it was acquired in 2007.

Corrective Action - In order to resolve this finding, the City must reimburse its HOME Line of Credit Control System (LOCCS) account in the amount of \$100,834.14, within 30 days of this letter. Please contact our office for instructions.

City's Response - The City has been working with the Fort Lauderdale Community Development Corporation (CDC) to address this finding. Both the City of Fort Lauderdale and the Fort Lauderdale CDC are reviewing residency records to confirm that the units were not occupied after the property was acquired. If occupancy records exist, the City will provide the documentation that is necessary to clear the finding. If no records exist, the City will reimburse its Line of Credit on or before December 31, 2014.

HUD's Response - Based on the City's August 26, 2014 response, this finding is not cleared. This HOME project located at 632 NW 15th Terrace, has been reported in IDIS as vacant for over seven (7) years. The City must change the status of the housing unit in IDIS

from vacant to complete based on accurate and eligible beneficiary data of the household assisted at the time the project completed within 30 days of this letter. If no such data has been presented to the City from the CHDO, the City must reimburse its HOME Line of Credit Control System (LOCCS) account in the amount of \$100,834.14, within 30 days of this letter.

Finding # 2 – Conflict of Interest Provisions

Condition - The City of Fort Lauderdale did not seek a conflict of interest determination from HUD before awarding HOME funds to a City employee who was a participant in the City's Homeowner Rehabilitation/Replacement program. The employee received a deferred forgiveness loan in the amount of \$26,477.00 from the City for the rehabilitation of his property as a result of his participation in the program.

Corrective Action - In order to resolve this finding, the City must comply with the regulations at 24 § CFR 92.356. HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis. An exception may be considered only after the PJ has provided the following: 1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and (2) An opinion of the participating jurisdiction's attorney that the interest for which the exception is sought would not violate State or local law. In the request, the City must provide the following: the name of the program the City employee sought and received assistance for; the type and amount of assistance that was provided; employee name; employee title; employee department/division a time of application; name/title/division/department of direct supervisor; and listing of job responsibilities and duties. Please be aware that if a conflict of interest is determined, an after-the-fact approval will not be considered.

City's Response - The City Attorney's Office is reviewing the client file and will issue a legal opinion on the rehabilitation assistance provided. The public disclosure will be in the Sun-Sentinel on Saturday, August 30, 2014. No later than September 30, 2014, the City will forward the legal opinion to HUD and request an after-the-fact approval.

HUD's Response – Based upon the City's August 26, 2014 response and subsequent submission of the City's conflict of interest request for the City employee and a City Attorney's legal opinion, this finding is cleared.

In conclusion, we have evaluated the documentation provided by the City and as a result, finding 2 has been cleared. Finding 1 remains open. Please submit all requested documentation within 30 days of this letter.

If you have any questions regarding this correspondence, you may contact John Quade, CPD Representative, at (305) 520-5018 or via e-mail; John.F.Quade@hud.gov.

Sincerely,



Ann D. Chavis
Director
Community Planning & Development Division

cc: Lisa Bustamante, Program Manager, US HUD

Enclosure