



**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee R. Feldman, ICMA-CM, City Manager

**DATE:** November 17, 2015

**TITLE:** Motion to Approve Payment to Broward County in Response to  
Housing and Urban Development Office of Inspector General Audit  
Findings of the Chronic Homeless Housing Collaborative Program -  
\$61,836.29

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**Recommendation**

It is recommended the City Commission authorize the City Manager to issue payment to Broward County resulting from the United States Department of Housing and Urban Development Office (HUD) of Inspector General (OIG) audit findings of the Chronic Homeless Housing Collaborative Grant in the amount of \$61,836.29.

**Background**

In December, 2014 the HUD Office of Inspector General initiated an audit of Broward County's Continuum of Care Homeless Initiative Partnership Section that administers the homeless programs that are funded by the County, the State of Florida and HUD. The Chronic Homeless Housing Collaborative Program (CHHC) is a collaborative effort between the County, community service providers, business leaders, and local governments for maintaining a countywide continuum of homeless services. The HUD OIG audited 17 projects that included the City of Fort Lauderdale Chronic Homeless Housing Collaborative Grant for Fiscal Year 2013/2014.

The audit objectives were to determine whether Broward County (1) spent grant funds for eligible program activities and ensured that expenditures were sufficiently supported and (2) maintained sufficient documentation to ensure that the funding sources used to match the grant funds were eligible. Among the findings from the audit (Exhibit 1), the Office of Inspector General found the County and the City expended grant funds that exceeded rent reasonable standards per HUD regulation 24 CFR (Code of Federal Regulation) 578.49(b) (2) – rents paid with grant funds must be reasonable and cannot exceed rents charged for comparable units, considering the location, size, type, quality amenities, facilities, and management services.

The City contracted with the Housing Authority of the City of Fort Lauderdale to lease 22 Housing Authority owned housing units, consisting of one- and two-bedroom units to house program participants. Upon the OIG review, the monthly rents charged by the Housing Authority ranged between \$450 and \$700 in 2014 for the one- and two-bedroom units. However, the CHHC grant-assisted client's monthly rent charges were \$988 for the one-bedroom units and \$1,187 for the two-bedroom units that were located in the same Housing Authority owned buildings.

The Housing Authority received excessive rental payments from the City and the County reimbursed the City for the rental expenses and administrative costs with HUD grant funds. The OIG found that neither the City nor the Housing Authority performed the rent reasonable review for the leased units in 2014 and the County lacked control processes to ensure the rents charged to the grant met rent reasonable requirements.

The amount of excessive grant funds the City received for rents were \$59,932.11 and \$1,904.18 for administrative costs totaling \$61,836.29; these funds must be repaid as recommended by the HUD OIG Report. While the City will make the excess rental payment to the County upon approval of the City Commission, it has reached an understanding with the Fort Lauderdale Housing Authority, as the recipient of the excess rental payments, that the Housing Authority will fully recompense the City for the excess rental payment per Mr. Tam English, CEO of the Housing Authority of the City of Fort Lauderdale. Further, the OIG found the City received duplicate payment for August 2014 rent, maintenance worker salary and administrative cost in the amount of \$17,393.00. The City has already submitted a reimbursement to the County for \$16,805 and the administrative cost of \$588 is included with this payment request.

In addition to the OIG findings, the County identified additional ineligible expenditures in the amount of \$36,491.29 for maintenance worker salaries and furnishings that are not included in this repayment request as staff is working toward a cooperative resolution. The City may have legal recourse in pursuing repayment or cost sharing by the Housing Authority for the ineligible maintenance worker salaries and Lori Day, consultant for New Day Mediation, Inc., for the ineligible furnishing expenditures. Ms. Day was the consultant responsible for managing the grant program and to ensure compliance with all federal, state, and local laws/guidelines during this time. Further, her contract required indemnification in the event of any penalty or violation found against the City.

Due to the OIG report, Broward County has suspended reimbursement for the current grant year until they have receive payment for the items discussed in the report. Upon receipt of the payment in the amount of \$61,836.29, the County will provide the appropriate release for any remaining findings of the HUD OIG Audit and lift the reimbursement suspension for this current grant year.

### **Resource Impact**

There is a fiscal impact in the amount of \$61,836.29. These funds were approved via the Consolidated Budget Amendment CAM 15-1312 at the City Commission’s regular meeting on the November 3, 2015 Agenda.

Available Funds as of November 12, 2015

ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
129-GHOMEL14A-3216	Chronic Homelessness Housing HUD City	Services & Materials/ Costs Fees and Permits	\$ 440,117	\$ 125,412	\$ 61,836.29
<b>PURCHASE TOTAL →</b>					<b>\$ 61,836.29</b>

**Strategic Connection**

This item is a *Commission Annual Action Plan* priority, included within the Policy Agenda, advancing the Comprehensive Homeless Strategy.

This item is a Press Play Fort Lauderdale Strategic Plan 2018 initiative, included within the Public Places Cylinder of Excellence, specifically advancing:

- **Goal 3:** Be a community that finds opportunities and leverages partnerships to create unique, inviting and connected gathering places that highlight our beaches, waterways, urban areas, and parks.
- **Objective 5:** Work with partners to reduce homelessness by promoting independence and self-worth through advocacy, housing, and comprehensive services.
- **Initiative 2:** Implement a comprehensive short and long-term strategy with community partners to address Homelessness

This item also furthers the *Fast Forward Fort Lauderdale 2035 Vision Plan: We are Community*.

**Related CAM**

#15-1312

**Attachment**

Exhibit 1 – Office of Inspector General Report

Prepared by: Jeri Pryor, Homeless Interventions Administrator

Department Director: Lee R. Feldman, ICMA-CM, City Manager