



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

14-1430

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

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

DATE: March 3, 2015

TITLE: HOME Investment Partnership Program (HOME) Repayment

Recommendation

It is recommended that the City Commission approve the repayment of \$100,834.14 to the U.S. Department of Housing and Urban Development for a finding related to the HOME Program and authorize the City Manager to execute the attached Participation Agreement with the Fort Lauderdale Community Development Corporation.

Background

On July 18, 2014 the City received a HOME Program monitoring finding from the U.S. Department of Housing and Urban Development (HUD) for “*Failure to Occupy Vacant Units in a Timely Manner*” (see Exhibit 1). This finding dates back to actions that occurred in 2006. This finding requires the City to repay \$100,834.14 to its HOME line-of-credit. Since the funding used in the 2006 activities that led to the finding was Program Income funds (and not Entitlement funds), HUD has allowed the City to set up a local account to deposit the funds, and that account will be treated like the City’s HUD HOME line-of-credit account, available to for use by eligible community housing development organizations.

In December 2006, the City authorized the purchase of 632 NW 15th Terrace for the Fort Lauderdale Community Development Corporation, using HOME funds. Fort Lauderdale Community Development Corporation was awarded HOME funds to purchase and renovate four homes in the northwest Fort Lauderdale community to promote home ownership. Three of the four homes were renovated and are being rented to qualified families. However, as a result of the downturn in the real estate market the fourth property (632 NW 15 Terrace) was not renovated and remains unoccupied. Since the property remains unoccupied, the acquisition does not meet the HOME program guidelines and \$100,834.14 must be repaid to HUD by the Fort Lauderdale Community Development Corporation, through the City of Fort Lauderdale.

Staff has met with the Fort Lauderdale Community Development Corporation to work out the terms of this repayment (see Exhibit 2). Fort Lauderdale Community Development Corporation has agreed to repay the City for this finding and the City will then use those funds to satisfy this finding. The City will then oversee the demolition and rebuild of this housing unit with those funds. Staff is confident the situation that led to this finding will not occur again, since circumstances that led to this error have since changed. Staff at both the City of Fort Lauderdale and at the Fort Lauderdale Community Development Corporation are better equipped to support federal requirements.

Over the past two years, in addition to having provided specialized training for City staff, HUD has provided training for the Community Housing Development Organizations (CHDOs) that administer funds through the HOME Program. The direct training to the CHDOs is unprecedented, as HUD typically only provided training to the municipalities. Separately, the Fort Lauderdale Community Development Corporation was monitored by City housing staff during the 2013/2014 fiscal year and no findings were identified. The only concern, which was not elevated to a finding, was related to updating one of the GFCI outlets in a bathroom at one of their properties.

Resource Impact

The funds used to repay will come directly from Fort Lauderdale CDC and paid to the City. The City will then use those funds to satisfy the finding.

Strategic Connections

This item corresponds to the *Press Play Fort Lauderdale Strategic Plan 2018* initiative included within the **Neighborhood Enhancement Cylinder of Excellence**, specifically advancing **Neighborhood Enhancement**:

- **Goal 5:** Be a community of strong, beautiful, and healthy neighborhoods.
- **Option 2:** Ensure a range of housing options for current and future neighbors.

This item advances the *Fast Forward Fort Lauderdale Vision Plan 2035: We Are Community*.

Attachments

Exhibit 1 – HOME Monitoring Report

Exhibit 2 – Participation Agreement

Prepared by: Jonathan Brown, Housing & Community Development Manager

Department Director: Jenni Morejon, Director