

Florida Housing Finance Corporation

A Review of
SHIP Compliance Monitoring at
The City of St. Petersburg

Review Performed: May 6 – June 29, 2015
On-site Visit: June 29, 2015

Purpose of Review

The purpose of the review is to evaluate whether the local governments participating in the SHIP program perform complete, accurate, and timely work consistent with the provisions of Section 420.9075, Florida Statutes (F.S.), Chapter 67-37 Florida Administrative Code (F.A.C.) and their Local Housing Assistance Plans (LHAP). The FHFC review staff perform tests on the work completed by the local governments, as reported in their Annual Reports, for the purpose of evaluating their compliance with F.S., F.A.C. and their LHAP.

During each review, inconsistencies, deficiencies and discrepancies identified are reported to local government management. The local government's performance is determined based on their compliance with F.S., F.A.C. and their LHAP.

Review Participants and Discussion

The desk review took place in Tallahassee, FL from May 6, 2015 through June 29, 2015. Diane Carr, Executive Analyst; Pat Thompson, Asset Management Senior Analyst; Barbie Goodson, Asset Management Senior Analyst; and Luke White, Asset Management Senior Analyst reviewed information provided by the City of St. Petersburg staff through ShareFile at the Corporation's office in Tallahassee, Florida. The on-site review took place at the City of St. Petersburg offices in St. Petersburg, Florida on June 29, 2015 and included Diane Carr; City staff members Joshua Johnson, Director of Housing and Community Development; Linda Byars, Housing Finance Coordinator; Terry Salerno, Fiscal Manager; and Lynn Gilbert, Housing Development Coordinator.

During the review, all discrepancies were discussed with the City of St. Petersburg staff who were given the opportunity to clarify or resolve any concerns.

The Annual Report (AR) for the 2011-12 fiscal year lists funds expended for Emergency Repair, Housing Rehabilitation, Barrier Free, First Time Home Buyer Purchase Assistance and Multi-Strategy. The review scope was a selection taken from these activities including two Emergency Repair, two First Time Home Buyer Purchase Assistance, and one Multi-Strategy recipient files.

Background

The SHIP Program provides state funds to local governments on a population-based formula as an incentive to produce and preserve affordable housing for very low, low and moderate income families. SHIP funds are distributed on an entitlement basis to all 67 counties and 52 Community Development Block Grant entitlement cities in Florida. To obtain SHIP funding, a local government must prepare and adopt a local housing plan that specifies the strategies that will be employed to allocate funding in the community. At least 65 percent of funds must be used for homeownership. SHIP dollars may be used to fund such strategies as emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, property acquisition, matching dollars for federal programs and homeownership counseling. The statute specifies that each participating

local government may use up to ten percent of its SHIP funds for administrative expenses. Local governments have three years to expend funds.

The City of St. Petersburg SHIP program is administered by Joshua Johnson, Director of Housing and Community Development and his staff. The LHAP's Housing Goals Chart for the fiscal year under review, 2011-12, includes strategies for Emergency Repair, Housing Rehabilitation, Barrier Free, Disaster Relief, Foreclosure Prevention, First Time Home Buyer Purchase Assistance, A+ Housing, Multi-Family Rental Housing Development, Energy Conservation Program, Home Purchase Community Land Trust Single Family Housing, and Mayor's Corridor Improvement Initiative.

Review Activity, Present Situation, & Recommendations

Observation #1 – NOFA

Chapter 67-37.005(6) of the SHIP Rule reads as follows:

“(6) Each local housing assistance plan shall also include a statement, and evidence thereof, that the county or eligible municipality:

(a) Has a plan to advertise a notice of funding availability of the housing assistance plan at least 30 days before the beginning of the application period in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods unless a waiting list of applicants exists. The advertisement shall:

1. Identify the amount of the distribution projected to be received from the state for the fiscal year;
2. List the beginning and end date of the application period;
3. Provide the name of the local plan contact person and other pertinent information including where applicants may apply for assistance.”

The City published a NOFA for multiple strategies in the St. Petersburg Times on August 29, 2011. However, the NOFA did not list either the beginning and ending dates of the application period or the name of the local plan contact person.

Recommendation

We recommend that the City of St. Petersburg SHIP staff publish NOFAs according to the Rule.

Response

The City concurs with your assessment, and moving forward will publish NOFA's listing amount of funding where applicable, to include the beginning and ending dates of the application period, and the name of the contact person whom the public may contact about the plan.

Observation #2 – Terrie L. file

- (a) The verification of employment from Franklin Templeton Investments dated August 6, 2013, stated that Terrie L. is eligible for overtime and bonus/commissions for the year 2013. The overtime amount, current as of August 6, 2013, was \$274.29 and the bonus received in 2012 was \$1,398.29. This additional income was not examined, calculated, or included in the RIC total household income.
- (b) Section D (Assets) on the RIC documented income from assets in the amount of \$509.12 (imputed income). However, this \$509.12 amount was not brought forward to Section E (Anticipated Annual Income) on the RIC and was not included in the Total Aggregate Income.

Recommendation

We recommend that City of St. Petersburg staff:

- (a) accurately calculate and include all anticipated income and verify the amount prior to determining a household as income eligible,
- (b) ensure that income certifications are performed correctly by including all income in the Total Aggregate Income.

Response

The City concurs with your assessment. This was an oversight and staff has been instructed to ensure that all imputed income is brought forward and counted in the aggregate total income.

Observation #3 – William S. file

Social Security Income was not calculated correctly on the RIC. The City calculated Social Security Income by using the monthly net amount of \$661.00 for an annual total of \$7,932.00 instead of the monthly gross amount of \$666.00 for an annual total of \$7,992.00

Recommendation

We recommend that that the City determine Social Security Income by calculating the gross amount before deductions.

Response

The City concurs with your assessment. This was an oversight, and staff has been advised to always utilize gross income.

Conclusion

Overall, the City of St. Petersburg is doing a good job in its administration of the SHIP program. The files reviewed were well-organized and well documented.