



# *Audit Report*

## **District Inspector General for Audit Southeast/Caribbean District**

*Report: 98-AT-255-1002*

*Issued: March 13, 1998*

**TO:** Angelo Castillo, Director, Community Planning and Development Division,  
Florida State Office, Coral Gables, Florida, 4DD

**FROM:** Nancy H. Cooper  
District Inspector General for Audit- Southeast/Caribbean, 4AGA

**SUBJECT:** City of Homestead  
HOME Disaster Relief Grants  
Homestead, Florida

We have completed a review of the HOME Disaster Relief Grants received by the City of Homestead in calendar years 1992 and 1994. Our report includes four findings that need to be addressed.

Within 60 days please give us a status report for each recommendation on: (1) the corrective action taken; (2) the proposed corrective action and the date to be completed; or (3) why action is considered unnecessary. Also, please furnish us copies of any correspondence or directives issued because of this review.

We are providing a copy of this report to the City.

Should you or your staff have any questions, please contact me at (404) 331-3369.

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# *Executive Summary*

We reviewed the HOME Disaster Relief Grants received and administered by the City of Homestead. Two such grants were received from HUD totaling over \$14 million; a grant received in December 1992 for \$5.4 million and another in October 1994 for \$9.1 million. In response to a request from the Director of Community Planning and Development in the HUD field office in Coral Gables, the purpose of our review was to help identify where HOME funds had been spent, and also provide the field office with some assurance that HOME funds previously drawn by the City were used in accordance with applicable laws and regulations.

## **WE IDENTIFIED**

The City's inexperience in administering Federal grants, significant turnover in key management personnel, and the magnitude of the Hurricane Andrew disaster contributed to a number of problems. At January 1997, the City did not have an effective system to adequately track the expenditure of HOME funds. As a result, there were significant differences between HUD's record of draws and expenditures and the actual expenses incurred by the City (see Finding #1.).

The City's inexperience in administering Federal grants resulted in the inappropriate accumulation of income derived by the City from some of its HOME activities. The City did not deposit over \$500,000 in program income into a separate local HOME account and did not use this income before making additional draws of HOME funds from its US Treasury HOME account. Both were violations of HOME regulations (see Finding #2.).

The City acquired over 150 lots using, in part or in total, over \$3 million in HOME funds. Although HOME funds can be used to acquire vacant lots, the acquisition of vacant lots must be part of an otherwise eligible HOME project. The acquisition cost of these lots exceeded what the City had anticipated, and the City now has insufficient funds to complete HOME eligible projects on 37 of these 150 vacant lots. Based on the average amount of HOME funds expended on the acquisition of vacant lots, the total HOME dollars expended improperly on these remaining 37 lots is over \$1.4 million (see Finding #3).

Our review identified about \$56,000 in ineligible costs which were due primarily to the City's inability to effectively track progress payments made to contractors. On at least four occasions, the City overpaid contractors for work related to HOME-funded projects. The contractors overdrew the contract amount, and the City did not detect the subsequent overpayments. Additionally, the City improperly used \$5,000 in HOME funds for the acquisition of commercial property, and the City inappropriately paid about \$9,000 in legal fees associated with a rehabilitation project that was not eligible for HOME funding (see Finding #4).

**EXIT CONFERENCE**

We received written responses to the draft report from officials at both the City of Homestead and the HUD Field Office in Coral Gables, Florida, on January 13, 1998, and February 18, 1998, respectively. We also discussed the results of this review with officials from the City of Homestead and the HUD Field Office on January 13, 1998 and January 14, 1998, respectively. Comments and recommendations for corrective action related to the findings included in this report are summarized in the text of this report. The complete responses, except for attachments, are included as Appendix C.

We recommend that HUD, over the next 6 months, closely monitor the corrective actions taken by the City in response to this report.

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**Abbreviations:**

CMIS	Cash and Management Information System
CFR	Code of Federal Regulations
CRA	Clark, Roumelis & Associates, Inc.
HUD	Department of Housing and Urban Development

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# *Introduction*

On August 24, 1992, the City of Homestead and the surrounding area were devastated by Hurricane Andrew. In the aftermath of that disaster, the City of Homestead received over \$100 million in financial aid from various State and Federal sources, including two HOME Program Disaster Relief Grants totaling over \$14.5 million from the U.S Department of Housing and Urban Development (HUD). The first of these HOME grants was awarded in December 1992 for \$5,373,000 from fiscal year 1992 funds, and a second grant was awarded in October 1994 for \$9,149,000 from fiscal year 1993 funds.

## **BACKGROUND**

The purpose of these two special disaster relief HOME grants was to provide the City with additional funding to help in its effort to restore safe, decent and affordable housing for low-to-moderate income persons. These special grants can only be used in Presidentially-declared disaster areas.

In accordance with the Code of Federal Regulations (CFR), 24 Part 92, paragraph 500(d), HUD can reduce or recapture any HOME funds awarded that are not committed within 24 months or expended within 5 years after the last day of the month in which the award was made.

By late calendar year 1996, the City was experiencing difficulties in meeting the requirements to commit and expend the funds awarded to them. As of December 1996, the City still had \$487,406 of its 1992 grant uncommitted and apparently not spent, and \$3,897,632 of its 1993 grant in the same status.

The City's apparent inability to execute its HOME Program in a timely manner prompted a meeting between officials at the HUD Office in Coral Gables, and City officials. The meeting and subsequent discussions resulted in the following actions:

- The City was tasked to provide the Coral Gables HUD Florida State Office with a plan of action detailing how the remaining HOME funds would be spent and the timeframes needed to obligate and expend those funds.
- Future draws from the City's HOME Treasury account were suspended until the City could provide the HUD Office with a detailed accounting of how prior HOME funds drawn from their Treasury account were used.

The HUD Office, not satisfied with the accounting data provided by the City, requested our assistance in March 1997 to help provide:

- an accounting of where HOME funds had been spent, and;
- general assurance of whether the HOME funds spent by the City were eligible under applicable laws and regulations.

In September 1997, prior to the completion of our audit, the HUD Office recaptured \$1.7 million in HOME funds previously awarded to the City of Homestead. The HUD Office redistributed \$0.7 million of the \$1.7 million recaptured. However, before additional redistributions were made, the City filed an injunction in Federal court to halt further redistributions and to get the remaining \$1 million in HOME funds reinstated to their HOME Treasury account. A preliminary hearing was held in November 1997. An additional hearing was scheduled December 19, 1997, but was postponed.

This matter was subsequently settled between the parties and the City did get \$1 million in HOME funds reinstated to their HOME Treasury account.

## **AUDIT OBJECTIVES AND SCOPE**

The primary objectives of this limited audit were to:

- Establish whether the City's existing or reconstructed records provided acceptable support for expenditures related to the HOME Program at Homestead.
- Test whether HOME funds expended were used for eligible expenses.

We reviewed and tested summaries of HOME expenditures prepared by City officials which detailed expenditures by grant, project, and calendar year. To determine if the City's expenditures represented eligible HOME costs, we selected a sample of projects. Our sample included projects from both grants. Information on the sampled projects follows:

### 1992 Grant

Grant amount: \$5,373,000  
 Total number of projects funded: 133  
 Total expenditures as of 8/31/97: \$4,298,400  
 Total projects included in our sample: 34 (26 percent)  
 Total expenditures included in our sample: \$1,349,638 (31 percent)

### 1993 Grant

Grant amount: \$9,149,000  
 Total number of projects funded: 151  
 Total expenditures as of 8/31/97: \$5,053,283  
 Total projects included in our sample: 20 (13 percent)  
 Total expenditures included in our sample: \$2,929,359 (58 percent)

For each project included in our sample we reviewed the project files to determine:

- Project's eligibility for funding under the HOME Program,
- If participants were eligible,
- If expenditures were proper and adequately supported,
- If other required actions related to these projects were performed and documented in accordance with applicable laws and regulations.

We also performed limited testing to verify the accuracy of reports prepared by the City related to program income and the status of vacant lots acquired by the City using HOME funds.

This limited audit was conducted in accordance with generally accepted government auditing standards. We began this effort in May 1997, and completed our field work in September 1997. The audit universe included records and reports related to HOME-funded activities from December 1992 through August 1997.

# *Findings*

## **Finding 1**

### **The City Did Not Effectively Track HOME Expenditures**

Prior to January 1997, the City did not track HOME expenditures by project or track expenditures in total against the amounts authorized and drawn. In January 1997, the City undertook the substantial task of reconstructing its HOME expenditures by year and by project. Summaries were compiled using data from the general ledgers, copies of related invoices, canceled checks, and other relevant documents. The results clearly showed that the City had lacked an effective system to properly monitor, record, and control HOME expenditures and draws. Based on our tests, we concluded that these reconstructed summaries provided an acceptable record of actual expenditures.

There were numerous discrepancies in the amounts authorized, expended, and drawn. Our review and testing of the summary of expenditures related to the 1992 HOME grant showed the following problems (prior to adjustments):

- The City drew a total of \$537,300 from its 1992 HOME Treasury account to cover administrative expenses. However, the City charged \$231,565 in administrative expenses to the 1992 grant.
- The City drew a total of \$446,100 from its 1992 HOME Treasury account to cover technical assistance related expenses. In this case, the actual expenses charged to technical assistance exceeded the amount drawn by \$142,309.
- The City expended \$447,198 more on projects than authorized and \$396,206 in excess of draws to cover project expenses from the 1992 grant. We also noted little correlation between specific project numbers the funds were drawn for, and projects those funds were actually applied to. Because our primary objective here was to establish if a generally accurate record of actual expenses existed, we did not attempt to correlate these actual expenditures to individual draws.

City officials cited a number of problems they experienced which led to the discrepancies including:

- The City's inexperience in administering Federal grants,

- The significant turnover in key management personnel involved with the HOME Program.
- The magnitude of the disaster.

The condition of the records related to the HOME Program at the City of Homestead was unacceptable prior to July 1997. From January 1997 through July 1997 the City completely reconstructed records related to HOME. This effort revealed for the first time the status of the HOME grants received by the City. It also identified a number of adjustments that were needed for funds authorized, drawn, and expended. These adjustments, which we reviewed during our limited audit, follow:

- Reclassification of \$51,109 in expenditures originally charged to Technical Assistance as Administrative Expenses in the 1992 grant.
- Transfer of \$447,198 in project expenditures originally charged to the 1992 grant to the 1993 grant.
- Transfer of \$254,626 in Administrative Expenses originally charged to the 1993 grant to the 1992 grant.

These adjustments would permit the City to request a final draw of \$487,406 on its 1992 HOME grant and close out that grant. The 1993 grant would have \$3,462,561 remaining to be drawn. (See Status of HOME Disaster Relief Grants in Appendix A.)

We were informed on October 8, 1997, that the above adjustments were made by the City. As of that date, the City had also requested, but not yet received, its final draw on the 1992 grant.

### **AUDITEE COMMENTS**

Both HUD and City officials agreed with the findings as presented. City officials stated that since hiring a consultant to manage their HOME program the City now has an effective system in place to properly track the expenditure of HOME funds. The City also stated, and has provided appropriate documentation, to indicate that the needed adjustments described above have been made. The City has requested and received its final draw of \$487,406 on the 1992 grant. However, the 1992 grant has not yet been closed-out.

### **RECOMMENDATIONS**

We recommend that you require the City to:

- 1A. Establish an effective system to properly account for and track HOME expenditures.

- 1B. Make appropriate adjustments to properly align the amount of HOME funds authorized, drawn, and expended.
- 1C. Promptly and properly close-out the 1992 HOME grant.

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## **Finding 2**

### **The City Inappropriately Administered Program Income**

The City did not properly handle HOME Program income and did not establish a separate account for these funds. The cause was disregard for or a lack of knowledge about HUD requirements. As a result, Program income funds of over \$504,000 were deposited in the City's general fund.

#### **HOW PROGRAM INCOME WAS DERIVED**

The City used HOME funds to acquire vacant lots. The lots were subsequently used to construct single-family homes which were sold to low-to-moderate income persons under the HOME First-Time Homebuyer Program. The cash received from the sale of these properties generated Program income. Twenty-three such sales since July 1995 had generated \$466,795 in HOME Program income to the City.

HOME funds were also used for rental rehabilitation projects. In return for low-interest loans, owners were required to maintain rents affordable to qualified low-to-moderate income persons for the period of the loan; normally 20 years. Repayment of these loans also generated Program income to the City. Principal and interest payments on 10 such loans had generated \$37,597 in income to the City through August 31, 1997.

#### **PROGRAM INCOME NOT MAINTAINED IN SEPARATE ACCOUNT**

Title 24 CFR, paragraph 92.503(b) states that any payment of interest or other returns on the investment of HOME funds must be deposited in the jurisdiction's HOME Investment Trust Fund local account. Paragraph 92.502c(3) states that HOME funds in the local account of the HOME Investment Trust Fund must be disbursed before requests are made for HOME funds in the United States Treasury account.

The City had not established a local HOME Investment Trust account as of August 31, 1997. Returns on the investment of HOME funds were deposited in the City's general fund in violation of the regulations. Although the Program income was appropriately segmented and recorded under separate HOME account codes, it was not until September 1997 that the City computed the amount of HOME Program income they had generated since the grants were received. As a result, none of the \$504,392 in Program income had been applied to HOME eligible projects before additional draws were made by the City from its United States Treasury HOME Investment Trust account.

At the conclusion of our field work in September 1997, the City did not have sufficient cash resources to establish and fully fund a separate local HOME Investment Trust account.

**AUDITEE COMMENTS**

City officials stated, and have provided appropriate documentation, showing that a separate local bank account has been established for HOME Program income. That account currently has a balance of nearly \$500,000. City officials stated these funds would be used on HOME-eligible activities; specifically, the Infill Housing Project and Pioneer Village.

**RECOMMENDATIONS**

We recommend you require the City to:

- 2A. Properly identify and account for all HOME Program income.
- 2B. Establish a separate local bank account for HOME Program income.
- 2C. Ensure all HOME program income is used for HOME-eligible activities.

We recommend that you:

- 2D. Assure that no additional draws from the HOME Treasury account are allowed until the City has provided appropriate evidence that all HOME Program income has been properly expended and/or obligated for HOME eligible activities.

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## **Finding 3**

### **The City Improperly Used HOME Funds To Acquire Vacant Lots**

In its rebuilding after the hurricane, the City had plans to acquire vacant lots using other sources of funding, and to use the HOME funds to provide downpayment assistance to first-time homebuyers. However, the costs to acquire vacant lots exceeded the City's estimates, and HOME funds originally planned for downpayment assistance had to be used to complete the purchases. The City has acquired more lots using HOME funds than it has HOME funds available to complete; the result is over \$1 million of HOME funds were spent for vacant lots that are not now eligible.

#### **APPLICABLE HOME REGULATIONS**

The acquisition of vacant lots is an eligible HOME activity only if it is part of the cost of an otherwise HOME eligible activity; e.g., construction of a new home for a first-time homebuyer. Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide affordable housing. (Title 24 CFR, paragraph 92.205(a)(2)). Otherwise, the acquisition of vacant land is not a HOME-eligible activity.

Paragraph 92.205(c) states: "The minimum amount of HOME funds that must be invested in a project involving rental housing or homeownership is \$1,000 for each HOME-assisted unit."

#### **CITY HAS ACQUIRED MORE VACANT LOTS WITH HOME FUNDS THAN JUSTIFIED**

Because our audit did not review 100 percent of the HOME-funded projects, our results may not include all the vacant lots acquired in part or in total with HOME funds. We did identify 153 vacant lots that had HOME funds applied to them during the acquisition process. The total HOME funds involved with these lots was more than \$3 million. Of these 153 lots, only 31 were subsequently used for HOME eligible projects leaving 122 vacant lots still owned by the City which have not yet been developed for a HOME-eligible activity. The total HOME funds associated with these remaining 122 vacant lots is \$3,691,404. Twenty-five of these 122 lots had less than \$1,000 in HOME funds applied per unit.

The City originally planned to use the bulk of its HOME funds set aside for this effort to fund its First-Time Homebuyer Program. The HOME funds were intended to be used only to fund soft second mortgages for qualified low-to-moderate income persons. As acquisition costs became higher than anticipated, HOME funds set aside for soft second mortgages were used instead to acquire the vacant lots. The funding of acquisition of vacant lots from different sources possibly caused some complications and confusion in the payment of invoices. Consequently, 25 invoices under \$1,000 were charged to the HOME Program in error.

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**THE CITY NO LONGER HAS SUFFICIENT HOME FUNDS TO COMPLETE HOME-ELIGIBLE PROJECTS ON ALL THE VACANT LOTS ACQUIRED USING HOME FUNDS.**

A waiver was granted by HUD to extend the time period to commit and expend HOME funds in June 1997. Then, the City estimated that they had sufficient HOME funds to complete HOME-eligible projects on 60 of the 122 HOME-funded vacant lots they owned. That left 62 HOME-funded vacant lots with no specific HOME-eligible activity.

During our limited audit, a City official stated that they would find alternative funding sources for the 25 vacant lots that had less than \$1,000 in HOME funds associated with them. However, as of September 30, 1997, the City had not provided any evidence that this refunding had taken place. If these 25 vacant lots will be funded from other sources, there will be 37 vacant lots still lacking a HOME-eligible project. Based on the average cost of these lots, the City expended over \$1.4 million on the acquisition of 37 vacant lots that were not part of an otherwise HOME-eligible activity. The average cost of the remaining 37 unused vacant lots is \$38,008 (see Appendix B).

The City officials told us that the remaining 37 lots would be offered to first-time homebuyers through the Florida Housing Finance Agency. This Agency provides loans through local lenders to qualified low-income persons who are first-time homebuyers. The loans are 30-year fixed rate mortgages that as of July 1997 were at 6.92 percent. The available information provided insufficient evidence on whether and/or when the loans would occur .

**AUDITEE COMMENTS**

HUD officials commented that the City must develop all lots purchased with HOME funds in accordance with applicable program regulations and that all lots and all funds should be developed and spent by October 31, 1999. All plans to accomplish this must be submitted to HUD for approval.

City officials stated that they intended to develop all lots acquired with HOME funds in accordance with applicable program regulations. However, the City stated that some lots acquired were too small for a one-to-one replacement. The City's consultant has been tasked to develop plans to accomplish this which will be submitted to HUD for approval. Additionally, City officials stated that they would find alternative non-Federal sources of funding for approximately 25 vacant lots which were acquired using less than \$1,000 in HOME funds per lot.

## RECOMMENDATIONS

We recommend you require the City to:

- 3A. Provide you with a complete and accurate listing of all vacant lots which the City acquired using HOME funds. At a minimum, this listing should include a description and location of the property, the amount of HOME funds used in acquiring the property, and the City's intended use of the property.
- 3B. Find other non-Federal sources of funds to fund vacant lots acquired by the City using less than \$1,000 in HOME funds.
- 3C. Devise, and submit to you for approval, plans to develop HOME-eligible projects on all vacant lots that were acquired in part or in total using HOME funds.
- 3D. Reimburse HUD from non-Federal sources for the HOME funds used to acquire any vacant lots that do not have a HOME-eligible project completed or under contract by October 31, 1999.

## Finding 4

### The City Had Some Other Ineligible Costs

Our audit identified over \$56,000 in ineligible costs. These ineligible costs related primarily to overpayments made to contractors (\$41,745). The City needs to reimburse its HOME Program.

#### **CITY DID NOT EFFECTIVELY TRACK PAYMENTS TO CONTRACTORS**

On four separate occasions we found overpayments were made to contractors for work performed on HOME projects.

- Project #306, 23 NW 4<sup>th</sup> Ave.: The final contract price on this project was \$65,800. However, progress payments made to the contractor totaled \$89,034; an overpayment of \$23,234. The contractor did not properly report the amount paid to date in requests for progress payments, and the City did not detect the misstated amounts.
- Project #108, 813 Turner Circle: The City failed to detect an error in a request for a progress payment which understated the amount paid to date. As a result, the contractor was overpaid \$3,195.
- Project #63, 722 NW 7<sup>th</sup> Ave.: The contractor submitted two requests for the second progress payment. The second revised the first submission, but the City paid both requests for payment resulting in an overpayment to the contractor of \$10,414.
- Project #70, 278 NW 1st St.: The final progress payment request was paid twice by the City and not detected. As a result, this contractor was overpaid \$4,902.

Other ineligible costs identified by our audit included:

- Project #61, 1040-42 NW 9<sup>th</sup> Court: This was a rehabilitation project of a duplex. Only one-half of the duplex qualified for HOME funding and all the costs associated with this project were appropriately split between HOME and other funding sources with the exception of legal costs related to this project. The total legal costs of \$18,800 related to this project were charged to HOME. However, only half of these expenses (\$9,400) were eligible for HOME funding.
- Project #36, 141 W. Mowery: This was a commercially-zoned vacant lot purchased by the City from other eligible funding sources. However, the initial deposit of \$5,000 on this property was charged to HOME. During our audit the City corrected this error and made appropriate adjustments to delete HOME funds from this project.

**CITY HAS NOT YET MADE ALL THE APPROPRIATE ADJUSTMENTS**

During the audit, the City agreed these costs were ineligible and agreed to make appropriate adjustments. However, by completion of our field work in September 1997, only one adjustment was actually made. The City has yet to provide any evidence that the remaining \$51,145 in ineligible costs have been funded from other non-Federal sources. Based on the City's promise to make the necessary adjustments, the funding status in Appendix A to this report was prepared assuming that the necessary adjustments would be made.

**AUDITEE COMMENTS**

Both HUD and City officials agreed with the finding as presented and agreed adjustments were needed. However, the City provided no evidence that any adjustments had yet been made.

**RECOMMENDATION**

We recommend you require the City to:

- 4A. Make appropriate adjustments to fund the \$51,145 in ineligible expenses described above from non-Federal sources.

# *Internal Controls*

In planning and performing our audit, we considered the City's internal controls to determine our auditing procedures and not to provide assurance on internal controls. Internal controls consist of the plan of organization and methods and procedures adopted by management to ensure that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports. We determined that only those internal controls related to the HOME disaster relief grant activities were relevant to our review. We therefore reviewed controls related to the following areas:

- Recording and reporting of project expenditures and program income.
- Eligibility of expenditures and recipients.

It is a significant weakness if internal controls do not give reasonable assurance that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

Based on our review, we believe the internal controls were significantly weak in the examined areas. Finding 1 shows the City did not have adequate controls to effectively track expenditures of HOME funds. The City did not properly report or use income derived from its HOME activities (Finding 2). Findings 3 and 4 provide details on the City's misuse of some HOME funds.

# *Follow-Up On Prior Audits*

This is the first audit of HOME activities at Homestead, Florida, by the HUD Office of Inspector General. Reports prepared by independent public accountants for fiscal years 1995 and 1996 did not contain any significant items for HOME activities.

# Appendices

## Appendix A

### STATUS OF HOME DISASTER RELIEF GRANTS HOMESTEAD, FLORIDA After Adjustments Made and Promised

	<u>Amount Authorized</u>	<u>Funds Drawn As of 8/31/97</u>	<u>Expended As of 8/31/97</u>	<u>Amount Left to Draw</u>
<b><u>1992 GRANT</u></b>				
Project Expenses	\$4,298,400.00	3,902,193.95	\$4,298,400.00 <sup>1</sup>	\$396,206.05
Administrative Expenses	537,300.00	537,300.00	537,300.00	
Technical Assistance	537,300.00	446,100.00	537,300.00	91,200.00
Totals for 1992 Grant	<u>\$5,373,000.00</u>	<u>\$4,885,593.95</u>	<u>\$5,373,000.00</u>	<u>\$487,406.05</u>
<b><u>1993 GRANT</u></b>				
Project Expenses	\$7,319,200.00	\$4,470,181.63	\$5,053,283.60	\$2,265,916.40
Administrative Expenses	914,900.00	781,186.68	409,472.42	505,427.58
Technical Assistance	914,900.00		223,682.86	691,217.14
Totals for 1993 Grant	<u>\$9,149,000.00</u>	<u>\$5,251,368.31</u>	<u>\$5,686,438.88</u>	<u>\$3,462,561.12</u>

<sup>1</sup> Excludes \$51,145 in ineligible costs discussed in Finding #4 which were to be funded by the City from non-Federal sources. The \$51,145 is made up of overpayments to contractors of \$41,745 and \$9,400 of unreimbursed ineligible expenditures.

## Appendix B

### Inventory Of Unused Vacant Lots

Project Number	Address	Number of Lots	HOME \$'s	HOME Project Location
200	80 NW 2 St (C-Town)	8	\$894,882.15	Pioneer Village
202	312 NW 1 Ave. (Cordallo)	2	\$469,827.73	Pioneer Village
186	114 NW 5 St (B&V Apts)	6	\$445,311.33	Pioneer Village
203	67-75 NW 2 St	2	\$163,317.66	Pioneer Village
215	100 NW 1 St	1	\$126,749.34	Pioneer Village
35	80 NW 4 St	3	\$125,998.08	Pioneer Village
187	122 NW 5 St	1	\$109,444.21	Pioneer Village
185	130 NW 5 St	1	\$78,595.30	Pioneer Village
250	137 NW 2 St	1	\$77,176.76	Pioneer Village
34	48-64 NW 2 St	2	\$75,674.65	Pioneer Village
324	145 NW 1 St	1	\$31,526.37	Pioneer Village
119	146 NW 1 St	2	\$28,943.15	Pioneer Village
218	135 NW 1 St	1	\$27,723.34	Pioneer Village
251	146 NW 2 St	2	\$26,306.14	Pioneer Village
83	40 NW 1 St	1	\$24,651.56	Pioneer Village
327	110 NW 3 St	1	\$15,976.08	Pioneer Village
37	51-59 NW 2 St	2	\$15,797.00	Pioneer Village
194	77 NW 4 St	1	\$14,349.00	Pioneer Village
222	72 NW 1 St	2	\$13,718.00	Pioneer Village
144	114 NW 3 St	1	\$9,999.39	Pioneer Village
197	48 NW 4 St	1	\$8,435.21	Pioneer Village
224	43 & 49 NW 1 St	2	\$7,652.71	Pioneer Village
188/190	86 & 94 NW 5 St	2	\$7,260.00	Pioneer Village
254/311	122 NW 3 St	2	\$5,410.88	Pioneer Village
329	121 NW 2 St	2	\$4,277.25	Pioneer Village
328	122 NW 2 St	1	\$1,937.50	Pioneer Village
226	212 NW 1 Ave.	2	\$1,835.91	Pioneer Village
216	110 NW 1 St	2	\$1,375.00	Pioneer Village
	Sub-Total - Pioneer Village	55		
33	604 SW 6 St (Webb/Lieb)	14	\$261,231.49	In-Fill
89	306 SW 6 Ter	1	\$177,885.19	In-Fill
128	161 NW 1 St	1	\$69,172.88	In-Fill
55	153 NW 1 St	1	\$58,547.33	In-Fill
129	169 NW 1 St	1	\$44,759.50	In-Fill
41	300 NW 5 Ave	2	\$42,974.27	In-Fill

Project Number	Address	Number . of Lots	HOME \$'s	HOME Project Location
350	713 SW 11 Ave	3	\$39,397.64	In-Fill
127	243 NW 6 Ave	1	\$36,488.90	In-Fill
54	170-176 NW 1St	1	\$36,349.66	In-Fill
38	136 NW 3 St	3	\$22,214.59	In-Fill
351	1029 W. Lucy St	1	\$21,108.71	In-Fill
84	106 NW 6 Ave	4	\$15,312.11	In-Fill
87	105 NW 5 Ave	2	\$15,141.95	In-Fill
44	304 NW 4 Ave	2	\$13,379.25	In-Fill
86	730 SW 12 Ave	1	\$8,047.95	In-Fill
158	631 SW 11 Ave	1	\$7,729.30	In-Fill
182	621 SW 7 St	2	\$1,510.00	In-Fill
309	320 NW 2 St (WNC)	1	\$1,325.00	In-Fill
	Sub-Total - In-Fill	42		
	Lots Over \$1,000	97	\$3,686,727.42	Average Cost Per Lot - \$38, 008
259	70 NW 5 St	3	\$715.00	
320	122 NW 4 St	1	\$460.00	
208	79 NW 3 St	2	\$460.00	
252	47 NW 3 St	2	\$408.25	
199	87 & 93 NW 3 St	2	\$373.75	
317	16 N. Krome Ave	1	\$310.00	
310	NW 4 St & 1 Ave	2	\$287.50	
330	161 NW 2 St	1	\$276.00	
316	806 NW 1 Ave	2	\$250.00	
325	145 NW 2 St	1	\$224.25	
255	129 NW 3 St	1	\$172.50	
314	146 NW 4 St	2	\$166.75	
231	95 NW 2 St	1	\$143.75	
253	121 NW 3 St	1	\$138.00	
319	130 NW 4 St	1	\$100.00	
257	137 NW 3 St	1	\$100.00	
337	29 NW 1 Ave	1	\$90.91	
	Total - Lots Under \$1,000	25	\$4,676.66	
	Grand Total	122	\$3,691,404.08	

## Appendix D

### SCHEDULE OF INELIGIBLE AND UNSUPPORTED COSTS

Recommendations	Ineligible <sup>2 3</sup>	Unsupported <sup>4</sup>
3A - Vacant lots		\$1,406,296
4A - Overpayments to Contractors	\$41,745	
Unallowable Expenditures	\$14,400	

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<sup>2</sup> Costs clearly not allowable by law, contract, HUD, or local agency policies or regulations.

<sup>3</sup> The City has made only one \$5,000 adjustment of these amounts.

<sup>4</sup> Costs not clearly eligible or ineligible but which warrant being contested.

## Appendix E

### DISTRIBUTION

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United States Senate, Washington, DC 20510-6250  
The Honorable John Glenn, Ranking Member, Committee on Governmental Affairs,  
United States Senate, Washington, DC 20510-6250  
Mr. Pete Sessions, Government Reform and Oversight Committee, Congress of the  
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