

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Meeting Date: April 15, 2008 [X] Consent [] Regular

Department: Housing and Community Development

Submitted By: Housing and Community Development

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I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: the State Housing Initiatives Partnership (SHIP) Corrective Actions Policy for the Commission on Affordable Housing's (CAH) Purchase Assistance Program.

Summary: This Corrective Actions Policy outlines the process and penalties to be utilized when there is inappropriate conduct by "Business Partners" of the CAH's Purchase Assistance Program. For the sake of the Corrective Actions Policy, "business partners" are defined as: Appraisers, Building Contractors, Inspectors, Mortgage Lending Organizations, Non-profit Organizations, Realtors and Title Agents. Potential sanctions include: indemnifying Palm Beach County's interest in the subsidy assistance provided (along with a sixty day probationary period); suspension from participation in programs administered by Commission on Affordable Housing for 180 days; and debarment from participating in all programs administered by the Commission on Affordable Housing for a period of two (2) years. This recommended Corrective Actions Policy will further improve the Purchase Assistance Program; and was recommended for approval by the CAH Advisory Committee on February 28, 2008. Countywide (TKF)

Background and Policy Issues: On May 18, 1993, Palm Beach County Board of County Commissioners (BCC) adopted its Affordable Housing Ordinance (No. 93-8 as amended) pursuant to the SHIP regulations outlined by the Florida Housing Finance Corporation (FHFC). The County's Commission of Affordable Housing (CAH) was established by the BCC in 1990 to administer the Robert E. Pinchuck Memorial Housing Trust Fund. The current SHIP Local Housing Assistance Plan (LHAP) adopted by the BCC on April 25, 2006 (R2006-0735) establishes how local SHIP program funds are to be allocated. The SHIP funds are used to facilitate the rehabilitation, acquisition, and construction of affordable single-family and multi-family / rental housing Palm Beach County. Additionally, under the LHAP SHIP funding is also used for: purchase assistance, disaster mitigation, homeownership development, multi-family rental development, owner-occupied housing rehabilitation, rental housing entry assistance, foreclosure prevention, utility connection and impact-fee payments, and architectural barrier removal for the disabled. On February 5, 2008, the BCC approved updated criteria which will allow for improved administration of the SHIP Purchase Assistance Program.

Attachments:

- 1. Corrective Actions Policy

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Recommended by: Edward R. Romo Department Director Date: 4/7/08

Approved By: Shannon [Signature] Assistant County Administrator Date: 4/11/08

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	Ø	(see note below)			

# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes ___ No

Budget Account No.:

Fund ___ Unit ___ Org ___ Object ___ Program Code/Period BG ___-GY

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Source:

No fiscal impact

C. Departmental Fiscal Review:

[Signature] 4-8-08
Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

There is no additional fiscal impact associated with approving this Corrective Actions Policy.

[Signature] 4.11.08
OFMB 4/10/08 C/A/B

[Signature] 4/11/08
Contract Development and Control
E. Jones 4/11/08

B. Legal Sufficiency:

[Signature] 4/14/08
Senior Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

Palm Beach County
Commission on Affordable Housing (CAH) Corrective Actions Policy
Purchase Assistance Sanction Procedures

Florida Statue 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial conditions is a misdemeanor of the first degree, punishable by fines and imprisonment provided under FL Statutes 775.082 or 775.83.

Housing and Community Development (HCD) policy states that any willful false statement of information will be grounds for corrective actions up to debarment from participation in programs administered by HCD. The policy is retroactive and will cover files reviewed by staff, internal and external auditors.

Processes

Through the normal eligibility processes a file that has inconsistencies which appear to be grossly negligent, fraudulent or a willful attempt to misrepresent material facts to garner a favorable decision; the SHIP files will then be sent to a three (3) member Review Panel [*consisting of 2 CAH/HCD staff, 1 CAH Advisory Committee Member (we will rotate CAH Advisory Committee Members)*]. The panel will review the file (*and if necessary the panel will speak with the parties involved; which includes the homebuyer and any CAH Business Partner*) and issue a decision regarding the violation. The following corrective actions will be taken when imposing sanctions on CAH Business Partners:

First Infraction / Sanction

The violating agency (or agencies / organizations) will receive written notification of any violations and provide the Commission on Affordable Housing with a written response within the time allotted. The violating agency (or agencies / organizations) **may** be required to indemnify Palm Beach County's interest in the subsidy assistance provided. The violating agency (or agencies / organizations) **will** be placed on probation for 60 days and all files regardless of designation status (*fast track, consent, or regular*) will be presented to the CAH Advisory Committee for final approval.

Second Infraction / Sanction

The violating agency (or agencies / organizations) will be suspended from participation in programs administered by Commission on Affordable Housing for 180 days. Suspension will begin the date a ruling is passed by the Review Panel. The ruling will be issued in writing.

Third Infraction / Sanction

The violating agency (or agencies / organizations) will be debarred from participating in programs administered by Housing and Community Development and/or the Commission on Affordable Housing for a period of two (2) years.

Please note that **any violation** of policy could warrant the Review Panel selecting any level of sanction (*or the combining of sanctions*) that is deemed necessary, regardless of how many infractions the violating agency has had. If the violator's actions are particularly egregious the panel can, in addition to the infractions outlined, refer the file to the Office of Inspector General and/or another regulatory agency for further action.