



AUDIT REPORT



DATE April 3, 2019

NO. 2019-005

HOUSING SERVICES
AFFORDABLE HOUSING RENTALS

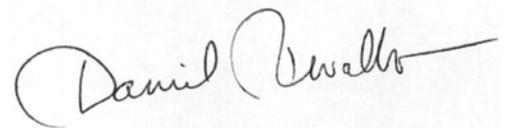
INTERNAL AUDIT DIVISION
ROGER D. EATON
CLERK OF THE CIRCUIT COURT AND COUNTY COMPTROLLER
CHARLOTTE COUNTY FLORIDA

Honorable Roger D. Eaton
Charlotte County Clerk of the Circuit Court and Comptroller
350 East Marion Avenue
Punta Gorda, Florida 33950

We have completed an audit of Housing Services Affordable Housing Rentals inventory for the fiscal year ending September 30, 2018. The purpose of this audit was to ensure adequate controls exist and are operating effectively.

The report details the current control environment and includes our comments and recommendations. Management responses have been included and immediately follow the audit report.

Respectfully submitted,

A handwritten signature in black ink that reads "Daniel Revallo". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Daniel Revallo
Internal Audit Director

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EXECUTIVE SUMMARY

Internal Audit has completed a review of rental assistance programs/strategies by the Housing Services Division of the Human Services Department.

Our review determined that:

- In general, Housing Services rental assistance programs comply with applicable Florida Statutes, Administrative Rules, and local law.
- Program expenses and revenues are documented and posted to the general ledger.
- Strategies developed by the county relating to rental assistance comply with state and county guidelines and eligibility requirements.

Our review also disclosed the following:

- Lack of a written policy and formal written procedures.

Based upon the findings of our review, we offer a summary of recommendations. These recommendations are discussed in detail later in this report:

1. **We recommend** Housing Services develop and implement a system of comprehensive internal written policies and procedures in alignment with current processes for its rental assistance program, including application review and income certification of prospective tenants and recipients of assistance.
2. **We also recommend** Housing Services include a control activity that requires that the application and income verification processes be reviewed/approved and/or verified by a second individual to provide reasonable assurance that appropriate personnel have reviewed transactions for accuracy and completeness to ensure that information is correctly captured.

BACKGROUND

The Housing Services Division (Housing Services) of the Charlotte County Human Services Department is responsible for the oversight of the enforcement of federal and state fair housing laws. It administers Charlotte County's affordable housing programs, which provides funds for affordable housing initiatives that assist eligible low and moderate income residents with the purchase, rent, or rehabilitation of housing units in Charlotte County.

The State Housing Initiatives Partnership (SHIP) Program is the only program currently open. It provides Charlotte County with state funds to expand or preserve affordable housing to income eligible households and other special need groups. Housing Services is responsible for coordinating the development of a Local Housing Assistance Plan (LHAP) describing how funds from the SHIP Program will be used within the framework established by the Florida Legislator.

As part of the LHAP, the county has developed two strategies that deal specifically with rental assistance: The Rental Rehab Program strategy and the Rental Assistance/Eviction Prevention strategy.

The Rental Rehab Program strategy serves homeless or at risk of becoming homeless households in the extremely low, very low, and low income categories. Recipients are selected on a first qualified, first served basis. Housing Services inherited the program from the Housing Corporation of Charlotte County, Inc. back in 2010, upon closing of the corporation. There are currently 13 houses in the program that were acquired under SHIP and NSP (Neighborhood Stabilization Program). These transitional units are available for lease while the households work to pay off debt and improve their credit. Repairs to the properties are paid for with program revenues from SHIP.

The Rental Assistance/Eviction Prevention strategy serves households in the extremely low and very low income categories. The strategy provides funds for rental households that are in need of assistance for:

- Security and utility deposit assistance
- Eviction prevention not to exceed 6 months’ rent, and/or
- Rent subsidies for up to 12 months.

Eligibility for rent subsidies under this strategy is outlined in the SHIP Local Housing Assistance PLAN (LHAP) strategies for 2017-2018, 2018-2019, and 2019-2020. To be eligible, households must include one adult who is a person with special needs or at risk of being homeless as defined in Florida Statutes.

Eligibility for programs is based on household income as determined by the U.S. Department of Housing and Urban Development each year. For 2018, income limits for Charlotte County are listed on the table below. Extremely low income households are those with incomes below 30 percent of the Area Median Income (AMI). Very low incomes are those at or below 50 percent of AMI. Low incomes are between 51 and 80 percent of AMI.

Income Limits for 2018

	Extremely Low	Very Low	Low
	30%	50%	80%
1 Person	12,250	20,450	32,700
2 Person	16,460	23,350	37,350
3 Person	20,780	26,250	42,000
4 Person	25,100	29,150	46,650
5 Person	29,420	31,500	50,400
6 Person	33,740	33,850	54,150

AUDIT OBJECTIVES

1. Ensure that Housing Services has effective and adequate policy and control procedures in place over its rental assistance programs.
2. Verify that programs comply with applicable laws, resolutions, funding source requirements, and county policies and procedures.
3. Verify that properties are rented or leased following State and County guidelines and eligibility requirements.
4. Ensure that revenue and expenses are properly documented/posted to the general ledger and that these accounts are properly maintained.
5. Ensure that security deposits and refunds are properly documented/posted to the general ledger and that these accounts are properly maintained.

AUDIT SCOPE AND METHODOLOGY

This audit assignment is only concerned with and includes the evaluation of those programs administered by the Housing Division of the Human Services Department that provide rental assistance to Charlotte County residents.

We reviewed data for the period 10/01/2017 through 09/30/2018, however; transactions and processes reviewed were not limited to the audit period. The data included revenue and expense information posted to the Clerk's financial software EDEN, as well as leases and annual qualification reviews contained in the folders provided by Housing Services.

We also interviewed personnel involved with rental assistance programs in Housing Services, the county's Fiscal Division, and the Clerk Comptroller's Office. We conducted audit tests and procedures we considered necessary to determine whether the Housing Services Division complied with applicable Federal, State and local laws, as well as its own policies and procedures. We used original records and copies as evidence and verified through observation and physical examination.

COMMENTS AND RECOMMENDATIONS

1. Lack of written policy and formal written procedures for the rental assistance program

We found that Housing Services does not have written policy and procedures in place for its rental assistance program to ensure consistency in the application process and qualification of prospective tenants under its rental assistance strategies.

It is management responsibility to create policy and write internal procedures covering program processes. Well-written and updated procedures ensure that processes/internal controls have been established, as well as consistency in the application of processes and performance of duties. They minimize the occurrence of errors by providing the guidance necessary to carry out the activities at a required level of quality and facilitate cross training as well as backup of key staff functions.

We planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our comments and conclusions based upon the audit objectives. To accomplish the audit objectives, we developed a series of audit and testing procedures we considered necessary in the circumstances.

We began by requesting from Housing Services personnel to write down the tasks, duties, and responsibilities of each of the individuals involved in the rental assistance program. We then prepared a tentative list of the process and steps involved in the application and qualification of prospective tenants, and presented the list to Housing Services for their review, input, and agreement. We judgmentally selected a sample of files for those tenants occupying the 13 units as of September 30, 2018 and reviewed documentation for fiscal year 2018.

To accomplish the audit objectives, including verification of policy and control procedures, compliance with Florida Statutes, Rules, and Housing Services requirements, we reviewed and tested the documentation and found several deficiencies and errors in the application, income verification, and tenant qualification processes. In connection with the application process, documentation required is not being obtained, reviewed, and placed on file. With respect to the income verification and qualification process, errors occurred in calculating the annual anticipated income for some tenants and at least one tenant received assistance when her annual anticipated income exceeded the maximum limit for the income categories define in Florida Statutes and served by the Rental Rehab Program Strategy.

Those deficiencies and errors can be summarized as follows:

1. Documentation required with the "Application for Rental Housing" form is not being obtained, reviewed, and on file:
 - Credit reports for seven of the sixteen tenants were not on file.
 - W-2 form and bank statements was not on file for one of the tenants.
 - Inspection checklists not on file for two of the tenants.
 - Social Security card was not on file for one tenant.
 - An inspection checklist was not on file for two of the sixteen active tenants as of September 30, 2018.
2. Errors were made in calculating the annual anticipated income for some tenants when Housing Services completed the "Resident Income Certification – Rental Housing" form:
 - Housing Services failed to include Social Security Income for one of the tenants resulting in an under calculation of annual anticipated income.
 - Housing Services erroneously used the "passbook Savings Rate" when calculating annual anticipated income for one of the tenants, resulting in an over calculation of income.
3. Housing Services erroneously and knowingly qualified a tenant for continuous rental assistance when annual anticipated income exceeded the maximum limit for the income categories define in Florida Statutes and served by the Rental Rehab Program Strategy.

The lack of policies and procedures contributed to the errors and inconsistencies found. To reduce the possibility of fraud and error, procedures should be coordinated so that an individual who is

independently performing separate duties checks another employee's work. In general, the flow of transaction processing and related activities should be designed so that the work of one individual is either independent of, or serves to check on, the work of another.

Housing Services does not have procedures requiring that a second person verify the work of another individual. The errors and inconsistencies discovered in the audit could have been promptly detected with a control activity requiring that the work of one person be reviewed/verified by a second individual.

The "Resident Income Certification – Rental Housing" form is the vehicle used for the calculation of the "Annual Anticipated Household Income". Accuracy in completing the form is of extreme importance because it is the basis for qualification or disqualification of a household for rental assistance.

Further, the inconsistencies found concerning the type of information and the amounts that should be included in the "Resident Income Certification – Rental Housing" form indicate a mixed interpretation and potential violation of Housing Services requirements, statutes, or rules that resulted in erroneously qualifying a household for rental assistance while potentially denying assistance to households in need meeting qualification requirements.

We recommend Housing Services develop and implement a system of comprehensive internal written policies and procedures in alignment with current processes for its rental assistance program, including application review and income certification of prospective tenants and recipients of assistance.

We also recommend Housing Services include a control activity that requires that the application and income verification processes be reviewed/approved and/or verified by a second individual to provide reasonable assurance that appropriate personnel have reviewed transactions for accuracy and completeness to ensure that information is correctly captured.

ACKNOWLEDGEMENT

We would like to thank the Human Services – Housing Department, Fiscal Services, and the Clerk Comptroller's office for their assistance in the completion of this audit.

Audit completed by:
Orlando Solarte
Senior Internal Auditor
Charlotte County Clerk of Court and Comptroller



Charlotte County Government

"To exceed expectations in the delivery of public services."

www.CharlotteCountyFL.gov

Dan Revallo, Internal Audit Director
Orlando Solarte, Internal Auditor
Charlotte County Clerk of the Court and County Comptroller
Internal Audit Department
350 E. Marion Ave.
Punta Gorda, FL 33950

February 15, 2019

Good afternoon Dan and Orlando,

Thank you very much for your internal audit of our Rental Program. As we discussed in our meeting, I have attached the updated application, policy, and standard operating procedures. These attachments should address all internal findings based on your report.

It is our intention to transfer ownership of these properties to local nonprofit organizations that will maintain the units as affordable housing while also providing intensive case management. This process will be done through our Affordable Housing Advisory Committee (AHAC) over the next year. However, in the meantime, we certainly want to adhere to best practices and maintain excellent program records.

Sincerely,

A handwritten signature in black ink, appearing to read 'CBH', with a long horizontal flourish extending to the right.

Carrie B. Hussey
Director, Human Services

HUMAN SERVICES

1050 Loveland Blvd. | Port Charlotte, FL 33980
Phone: 941.833.6500 | Fax: 941.833.6565

APPLICATION PACKAGE
RENTAL HOUSING
A program of Charlotte County Government



PLEASE NOTE:

CALL CHARLOTTE COUNTY HUMAN SERVICES
HOUSING DIVISION
TO SCHEDULE RETURN OF APPLICATION:
941.833.6503
1050 LOVELAND BLVD.
PORT CHARLOTTE, FL 33980-1836
HOURS: 8:00-5:00
MONDAY- FRIDAY

**APPLICATION FOR RENTAL HOUSING
 CHARLOTTE COUNTY HUMAN SERVICES
 HOUSING DIVISION
 1050 LOVELAND BLVD. PORT
 CHARLOTTE, FL 33980-1836
 941.833-6503**

(PLEASE PRINT)

FIRST	MIDDLE	LAST	BIRTH DATE	SOCIAL SECURITY #	DRIVERS LICENSE NUMBER
ANY OTHER NAMES USED IN PAST			HOME PHONE #	CELL PHONE #	WORK #

WHAT IS YOUR MARITAL STATUS? MARRIED		SINGLE	WIDOWED	DIVORCED
LIST ALL OTHER PROPOSED OCCUPANTS	US CITIZEN YES OR NO*	BIRTH DATE	SOCIAL SECURITY #	RELATIONSHIP

*IF NO, PLEASE PROVIDE INS ISSUED ALIEN# OR ADMISSION# AND COPY OF GREEN CARD.

RENTAL/RESIDENCE HISTORY

	CURRENT RESIDENCE	PREVIOUS RESIDENCE	PRIOR RESIDENCE
STREET ADDRESS			
CITY			
STATE & ZIPCODE			
OWNER OR LANDLORD AND PHONE NUMBER			
REASON FOR LEAVING			
IS/WAS RENT PAID IN FULL?			
DID YOU GIVE NOTICE?			
WERE YOU ASKED TO MOVE?			
NAME(S) IN WHICH YOUR UTILITIES ARE NOW BILLED:			
	FROM/TO	FROM/TO	FROM/TO
DATES OF RESIDENCY			

EMPLOYMENT HISTORY

	CURRENT EMPLOYMENT	PREVIOUS EMPLOYMENT	PRIOR EMPLOYMENT
NAME OF EMPLOYER			
ADDRESS			
EMPLOYERS PHONE #			
OCCUPATION/TITLE			
NAME OF SUPERVISOR			
MONTHLY GROSS PAY			
	FROM/TO	FROM/TO	FROM/TO
DATES OF EMPLOYMENT			
EMPLOYMENT OTHER HOUSEHOLD MEMBERS	NAME OF EMPLOYER	SUPERVISOR PHONE#	HIRE DATE GROSS MO. INCOME
1.			
2.			

DO YOU OR ANYONE IN THE HOUSEHOLD RECEIVE ANY OF THE FOLLOWING: SOCIAL SECURITY, PENSION, CHILD SUPPORT, ALIMONY, UNEMPLOYMENT, WORKERS COMPENSATION, AFDC, REGULAR GIFTS OR CONTRIBUTIONS?
 Yes No

NAME OF RECIPIENT	SOURCE	GROSS MONTHLY AMOUNT
		\$
		\$
		\$
		\$

ARE YOU CLAIMING A "PREFERENCE"?

- DISPLACED BY GOVERNMENT ACTION OR PRESIDENT/ALLY DECLARED DISASTER.
- VICTIM OF DOMESTIC VIOLENCE
- WORKING, ELDERLY, OR DISABLED
- OTHER OR LOCAL PREFERENCE (EXPLAIN) _____

HAVE YOU OR ANY MEMBER OF YOUR HOUSEHOLD EVER BEEN CONVICTED OF, PLEAD GUILTY TO OR BEEN PLACED ON PROBATION FOR ANY CRIME or CHARGED WITH ANY CRIMINAL OFFENSE? YES NO IF YES, PROVIDE THE NATURE OF THE CRIME(S) AND WHO COMMITTED THE CRIME:

DATE: _____ STATE: _____ CITY: _____ COUNTY: _____

FINANCIAL STATEMENT (IF NONE, PLEASE WRITE NONE. DO NOT LEAVE BLANK.)

	BANK/INSTITUTION NAME	ACCOUNT NUMBER/NAME ON ACCOUNT	BALANCE	MO PYMT
CHECKING ACCOUNT				
SAVINGS ACCOUNT				
OTHER ACCOUNT				
AUTO LOAN				
CREDIT CARD				
OTHER				

VEHICLES (INCLUDE VEHICLES BELONGING TO OTHER PROPOSED OCCUPANTS ALSO)

MAKE	MODEL	COLOR	YEAR	LICENSE PLATE NO.

GENERAL INFORMATION

HAVE YOU EVER BEEN SERVED A LATE RENT NOTICE?	HAVE YOU EVERY BEEN SERVED AN EVICTION NOTICE? IF SO, WHEN?	HAVE YOU HAD ANY RECURRING PROBLEMS WITH YOUR LANDLORD? IF YES, PLEASE EXPLAIN BELOW:
WHY ARE YOU MOVING FROM YOUR CURRENT ADDRESS?	HAVE YOU BEEN A PARTY TO A LAWSUIT IN THE PAST? IF YES, PLEASE EXPLAIN:	HAVE YOU EVER BEEN CONVICTED OF A FELONY? IF YES, PLEASE EXPLAIN:
WE MAY REQUIRE A CREDIT AND/OR A CRIMINAL BACKGROUND CHECK. IS THERE ANYTHING NEGATIVE WE WILL FIND THAT YOU WISH TO COMMENT ON?		
ARE YOU A U.S. CITIZEN? YES NO IIF NO, PLEASE PROVIDE INS ISSUED ALIEN OR ADMISSION# AND COPY OF GREEN CARD.		

AUTHORIZATION AND AGREEMENT

I BELIEVE THAT THE STATEMENTS I HAVE MADE ARE TRUE AND CORRECT. I HEREBY AUTHORIZE A CREDIT/AND OR CRIMINAL CHECK TO BE MADE, VERIFICATION OF INFORMATION I PROVIDED AND COMMUNICATION WITH ANY AND ALL NAMES LISTED ON THIS APPLICATION. I UNDERSTAND THAT ANY DISCREPANCY OR LACK OF INFORMATION MAY RESULT IN THE REJECTION OF THIS APPLICATION. I UNDERSTAND THAT THIS IS AN APPLICATION AND DOES NOT CONSTITUTE A RENTAL OR LEASE AGREEMENT IN WHOLE OR IN PART. ANY QUESTIONS REGARDING REJECTED APPLICATIONS MUST BE SUBMITTED IN WRITING AND ACCOMPANIED BY A SELF-ADDRESSED STAMPED ENVELOPE.

SIGNATURE _____

DATE _____

SIGNATURE _____

DATE _____

REFERENCES/CONTACT INFORMATION

	NEAREST LOCAL RELATIVE NOT LIVING WITH YOU	NEAREST RELATIVE LIVING ELSEWHERE	OTHER REFERE
NAME/APPLICANT			
RELATIONSHIP			
STREET ADDRESS			
CITY			
STATE & ZIPCODE			
PHONE NUMBER			

NAME/CO-APPLICANT			
RELATIONSHIP			
STREET ADDRESS			
CITY			
STATE & ZIPCODE			
PHONE NUMBER			

DOCUMENTS REQUIRED

IT IS VERY IMPORTANT THAT YOU COMPLETE THE APPLICATION THOROUGHLY AND PROVIDE THE FOLLOWING DOCUMENTS THAT APPLY FOR ALL HOUSEHOLD MEMBERS.

1. COPIES OF 6 CONSEQUITIVE PAYSTUBS
2. COPIES OF SOCIAL SECURITY BENEFITS AWARD LETTERS OR PENSION AWARD LETTERS- NEEDS CURRENT DATE
3. COPIES OF THE LAST TWO YEARS W-2 STATEMENTS
4. COPIES OF THE LAST TWO YEARS INCOME TAX RETURNS
5. COPIES OF 3 MONTHS BANK STATEMENTS FOR ALL ACCOUNTS
6. IF YOU ARE SELF-EMPLOYED, COPIES OF BUSINESS RETURNS PLUS CURRENT PROFIT & LOSS STATEMENT
7. COPY OF COURT ORDER IF RECEIVING CHILD SUPPORT OR ALIMONY
8. PROOF OF AFDC OR ANY OTHER TYPE OF ASSISTANCE BEING RECEIVED
9. PROOF OF ANY OTHER TYPE OF MISCELLANEOUS INCOME
10. COPY OF SOCIAL SECURITY CARDS FOR ALL HOUSEHOLD MEMBERS
11. COPY OF BIRTH CERTIF/CATES FOR CHILDREN IN HOME
12. COPY OF FLORIDA DRIVER'S LICENSE OR FLORIDA I.D. CARD FOR APPLICABLE HOUSEHOLD MEMBERS
13. COPY OF ANY OTHER DOCUMENT DEEMED NECESSARY BY THE HOUSING DIVISION.

ACKNOWLEDGMENT:

I/WE, THE UNDERSIGNED, ACKNOWLEDGE THAT ALL DOCUMENTS PROVIDED ARE ACCURATE COPIES AND THAT ALL INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND ACCURATE AS OF THE DATE SET FORTH.

I/WE, FURTHER UNDERSTAND THAT ANY FALSE OR MISREPRESENTED STATEMENTS OR DOCUMENTS MAY RESULT IN MY/OUR DISQUALIFICATION AND REJECTION OF THIS APPLICATION.

SIGNATURE _____

DATE _____

SIGNATURE _____

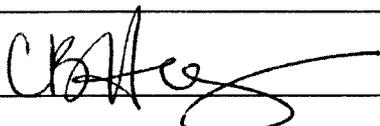
DATE _____

NON-DISCRIMINATION STATEMENT



IN ACCORDANCE WITH CHAPTER 91-37.014, FLORIDA ADMINISTRATIVE CODE, CHARLOTTE COUNTY SHALL NOT DISCRIMINATE ON THE BASIS OF RACE, CREED, RELIGION, COLOR, AGE, SEX, FAMILIAL STATUS, NATIONAL ORIGIN OR HANDICAP IN THE SELECTION OF TENANTS.

**CHARLOTTE COUNTY
HUMAN SERVICES DEPARTMENT
POLICY AND PROCEDURES**

Subject: Housing Program Policy and Procedures Program: Rental Rehab Program	Effective Date: February 13, 2019	Number:
Division: Neighborhood Services	Last Amended: April 2018	Page: 1 of 3
Signed: 	Title: Director	Date: 02.13.2019

I. PURPOSE

To describe the procedure for carrying out the Rental Rehab Program strategy of the State Housing Initiatives Partnership (SHIP) Local Housing Assistance Plan (LHAP).

II. DESCRIPTION OF PROGRAM

The Rental Rehab Program is a transitional housing program that is designed to assist extremely low, very low and low-income households who are homeless or at risk of homelessness in obtaining housing from current rental housing stock of Charlotte County Neighborhood Services. Eligible tenants will pay monthly rent based on gross monthly income, not to exceed 30%. Utilities (electric and water/sewer) may be included in the monthly rent depending on individual tenant circumstances. Security deposit is required upon lease signing. This amount is usually equal to one month's rent. All eligible tenants will sign either a three, six or twelve-month lease with Charlotte County. Recipients of assistance from this program will be on a first qualified, first served basis following receipt of an application, income qualification and lease signing.

The Rental Rehab Program is regulated by Florida Statute 420.907-9079 and Chapter 67-37 of the Florida Administrative Code.

III. PROCEDURE FOR TENANT APPROVAL AND LEASE SIGNING

- A. Provide client with Rental Rehab Program Application for completion. Once client has completed the application in full, it should be returned to Housing Staff for review. Housing Staff will review application for completeness, income eligibility and family suitability for available property (occupancy levels, criminal history, eviction history, etc.).

- B. Once all required documentation has been received by Housing Staff, the processing of the application will commence. The Income Certification will be completed by Housing Staff and eligibility determined. To insure accuracy and completeness, a second Housing Staff member will review the income certification. Both staff members will initial the income certification. Extremely low, very low and low-income households are eligible.
- C. Lease is prepared for either three, six or twelve-month period as determined by Housing Staff. Rental amounts and due dates are established based on individual circumstances.
- D. Client is contacted to set up appointment to sign lease and income certification. Notary Public must be present to notarize client signature(s). First month's rent and security deposit are collected from client at initial lease signing. Alternate arrangements may be made based on individual circumstances.
- E. Client receives copy of executed lease for their records.
- F. Security deposit and rent payment are processed by Housing Staff and hand delivered to Charlotte County Budget & Administrative Services – Fiscal Division for further processing according to the Partnership Agreement between the two Departments.
- G. Cash, money orders and personal checks are accepted. If a check is written with insufficient funds available in the account and the check is returned, cash or money order will be the only form of payment accepted going forward. Client shall be responsible for payment of owed rent (including any assessed late fees) as well as returned check fees within 7 days.
- H. Housing Staff and client meet at house for initial inspection. Properties are presented as clean and with all fixtures, appliances and mechanicals in good working order. Inspection form is signed by both Housing Staff and the client. Client receives copy of inspection report for their records. Keys to the home are turned over to the client.
- I. A copy of the keys to the property are retained by Housing Staff. Housing Staff reserve the right to enter the property at any time, for cause, including routine inspection.

- J. Periodic inspections of the property are performed as deemed necessary by Housing Staff throughout the lease term (minimum semi-annually). The property is inspected for cleanliness, damage, unauthorized pets, unauthorized tenants, etc. These inspections are signed by both the tenant and the Housing Staff performing the inspection. The tenant agrees to any corrective action based on inspection findings, or faces eviction proceedings.

- K. Tenants' failure to pay rent in a timely manner is addressed on a case-by-case basis (see lease agreement). Lease terms indicate eviction proceedings will commence within 30 days of failure to pay.

- L. Two weeks prior to lease expiration, tenant is contacted by letter sent via US Mail. If tenant is in good standing and wishes to renew the lease, an application is completed and required documentation for income recertification submitted to Housing Staff for processing.
 - 1. If tenant does not wish to renew lease or if tenant is not in good standing, the tenant will be sent a Certified Letter via US Mail and will have 30 days to vacate the property.
 - 2. If the property has not been vacated after 30 days, Housing Staff will contact the Charlotte County Attorney's Office to begin the eviction process.

- M. A move-out inspection will be performed prior to tenant departure (tenant can be present if they desire). This inspection will determine what portion if any of the security deposit will be returned to the tenant. If Housing Staff determines that a refund of security deposit should be issued, Fiscal is contacted to process a check request for the refund. If it is determined that a refund will not be issued, Fiscal is contacted to process a journal entry moving the deposit from liability to revenue.

- N. Personal property left behind by former tenants becomes the property of Charlotte County for proper disposition/disposal.

- O. Tenant files are kept in locked file room and retained according to Charlotte County Records Retention Policy.

IV. PROCEDURE FOR PROPERTY REPAIRS/MAINTENANCE

All repairs and maintenance issues are handled by Housing Staff. Tenant notifies Housing Office of repair/maintenance issue and then Housing staff makes appointment with tenant or gets permission to enter the property to inspect. After inspection, Housing Staff determines if the repair will be handled internally by Housing Project Manager or by an approved Charlotte County vendor. Mowing is the responsibility of the tenant unless otherwise specified in the lease. Responsibility for mowing of vacant properties lies with Charlotte County. Funding for repairs and maintenance comes from revenue received from rent payments or the regular SHIP allocation. If issue is handled by an approved County vendor, the Charlotte County Purchasing Procurement Policy is followed.

V. PROCEDURE FOR UTILITIES (WATER/SEWER & ELECTRIC)

- A. Utilities for tenant occupied properties are paid one of the following three ways and are determined on a case by case basis by Housing Staff.
 - 1) Charlotte County pays utility invoices out of rent received from tenant,
 - 2) Tenant pays utility invoices directly,
 - 3) Charlotte County pays utility invoices and then tenants are billed monthly.

- B. Utility bills for unoccupied properties are paid by Charlotte County.



Standard Operating Procedure: Rental Rehab Program

Charlotte County Human Services

Neighborhood Services

Date: 02/11/2019

Prepared by: Doreen H. Stoquert, Housing Specialist

Purpose:

To describe the procedure for carrying out the Rental Rehab Program strategy of the State Housing Initiatives Partnership (SHIP) Local Housing Assistance Plan (LHAP).

Description of Program:

The Rental Rehab Program is a transitional housing program that is designed to assist extremely low, very low and low-income households who are homeless or at risk of homelessness in obtaining housing from current rental housing stock of Charlotte County Neighborhood Services. Eligible tenants will pay monthly rent based on gross monthly income, not to exceed 30%. Utilities (electric and water/sewer) may be included in the monthly rent depending on individual tenant circumstances. Security deposit is required upon lease signing. This amount is usually equal to one month's rent. All eligible tenants will sign either a three, six or twelve-month lease with Charlotte County. Recipients of assistance from this program will be on a first qualified, first served basis following receipt of an application, income qualification and lease signing.

The Rental Rehab Program is regulated by Florida Statute 420.907-9079 and Chapter 67-37 of the Florida Administrative Code.

Procedure for tenant approval and lease signing:

- 1) Provide client with Rental Rehab Program Application for completion. Once client has completed the application in full, it should be returned to Housing Staff for review. Housing Staff will review application for completeness, income eligibility and family suitability for available property (occupancy levels, criminal history, eviction history, etc.).
- 2) Once all required documentation has been received by Housing Staff, the processing of the application will commence. The Income Certification will be completed by Housing Staff and eligibility determined. To insure accuracy and completeness, a second Housing Staff member will review the income certification. Both staff members will initial the income certification. Extremely low, very low and low-income households are eligible.

- 3) Lease is prepared for either three, six or twelve-month period as determined by Housing Staff. Rental amounts and due dates are established based on individual circumstances.
- 4) Client is contacted to set up appointment to sign lease and income certification. Notary Public must be present to notarize client signature(s). First month's rent and security deposit are collected from client at initial lease signing. Alternate arrangements may be made based on individual circumstances.
- 5) Client receives copy of executed lease for their records.
- 6) Security deposit and rent payment are processed by Housing Staff and hand delivered to Charlotte County Budget & Administrative Services – Fiscal Division for further processing according to the Partnership Agreement between the two Departments.
- 7) Cash, money orders and personal checks are accepted. If a check is written with insufficient funds available in the account and the check is returned, cash or money order will be the only form of payment accepted going forward. Client shall be responsible for payment of owed rent (including any assessed late fees) as well as returned check fees within 7 days.
- 8) Housing Staff and client meet at house for initial inspection. Properties are presented as clean and with all fixtures, appliances and mechanicals in good working order. Inspection form is signed by both Housing Staff and the client. Client receives copy of inspection report for their records. Keys to the home are turned over to the client.
- 9) A copy of the keys to the property are retained by Housing Staff. Housing Staff reserve the right to enter the property at any time, for cause, including routine inspection.
- 10) Periodic inspections of the property are performed as deemed necessary by Housing Staff throughout the lease term (minimum semi-annually). The property is inspected for cleanliness, damage, unauthorized pets, unauthorized tenants, etc. These inspections are signed by both the tenant and the Housing Staff performing the inspection. The tenant agrees to any corrective action based on inspection findings, or faces eviction proceedings.
- 11) Tenants' failure to pay rent in a timely manner is addressed on a case-by-case basis (see lease agreement). Lease terms indicate eviction proceedings will commence within 30 days of failure to pay.
- 12) Two weeks prior to lease expiration, tenant is contacted by letter sent via US Mail. If tenant is in good standing and wishes to renew the lease, an application is completed and required documentation for income recertification submitted to Housing Staff for processing.

If tenant does not wish to renew lease or if tenant is not in good standing, the tenant will be sent a Certified Letter via US Mail and will have 30 days to vacate the property.

If the property has not been vacated after 30 days, Housing Staff will contact the Charlotte County Attorney's Office to begin the eviction process.

- 13) A move-out inspection will be performed prior to tenant departure (tenant can be present if they desire). This inspection will determine what portion if any of the security deposit will be returned to the tenant. If Housing Staff determines that a refund of security deposit should be issued, Fiscal is contacted to process a check request for the refund. If it is determined that a refund will not be issued, Fiscal is contacted to process a journal entry moving the deposit from liability to revenue.
- 14) Personal property left behind by former tenants becomes the property of Charlotte County for proper disposition/disposal.
- 15) Tenant files are kept in locked file room and retained according to Charlotte County Records Retention Policy.

Procedure for property repairs/maintenance:

All repairs and maintenance issues are handled by Housing Staff. Tenant notifies Housing Office of repair/maintenance issue and then Housing staff makes appointment with tenant or gets permission to enter the property to inspect. After inspection, Housing Staff determines if the repair will be handled internally by Housing Project Manager or by an approved Charlotte County vendor. Mowing is the responsibility of the tenant unless otherwise specified in the lease. Responsibility for mowing of vacant properties lies with Charlotte County. Funding for repairs and maintenance comes from revenue received from rent payments or the regular SHIP allocation. If issue is handled by an approved County vendor, the Charlotte County Purchasing Procurement Policy is followed.

Procedure for Utilities (Water/Sewer & Electric)

Utilities for tenant occupied properties are paid one of the following three ways and are determined on a case by case basis by Housing Staff.

- 1) Charlotte County pays utility invoices out of rent received from tenant,
- 2) Tenant pays utility invoices directly,
- 3) Charlotte County pays utility invoices and then tenants are billed monthly.

Utility bills for unoccupied properties are paid by Charlotte County.

