



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-1000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

August 28, 2018

Mr. Charles Lane
Assistant Director
City of Clearwater
112 South Osceola Avenue
Clearwater, FL 33756

RE: FY2000 Economic Development Initiative-Special Project grant for City of Clearwater,
number B-00-SP-FL-0088: Disposition of Real Property through Retention of Title

Dear Mr. Lane:

This letter is a follow-up to the telephone conference call between the Department of Housing and Urban Development (HUD) and the City of Clearwater Florida (the grantee) regarding the grantee's request for disposition instructions for real property acquired with Economic Development Initiative-Special Project (EDI-SP) grant funds. Specifically, you requested that the Department authorize retention of the property acquired with EDI-SP grant funds by the City of Clearwater Florida to the Clearwater Community Redevelopment Agency.

You also noted that on November 6, 2014, the City of Clearwater transferred \$301,303.00 to the Department when a portion of land was sold to another party. At that time, the City of Clearwater forgot to deduct \$47,225.32 from that amount for reasonable selling and fixing up expenses. Therefore, the Department was overpaid \$47,225.32. Now, the City of Clearwater would like to retain another portion of property that was purchased with EDI funds under the above referenced grant, and deduct \$47,225.32 from the amount that the Department is owed, due to the previous overpayment. After review and consideration, the Department approves this request.

The FY2000 Appropriations Act for the Department of Housing and Urban Development (the Department) and other agencies (P.L. 106-74) authorized the use of the grant "for cost associated with development of a regional storm water retention facility". In May 2000, the Department received a grant award application which included a narrative of the project and a budget for line-item activities for this grant which state that the grantee would use the funds to acquire the property needed for the facility. This application was reviewed and approved, and a grant agreement was entered into between the grantee and the Department on November 3, 2000. Further, the Department received a grant close out package that included the signed Certificate of Project Completion and Grant Closeout Agreement from the grantee dated June 14, 2002. Receipt of the close out package indicated a total of \$1,295,000 had been expended. This close out package was counter signed by the Department on June 27, 2002, effectively closing out the award.

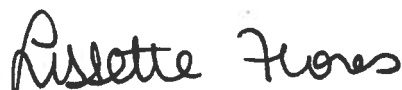
In cases where the EDI-SP grantee is a state or local government, the disposition of real property is governed by the 24 CFR §85.31(c). If the grantee proposes to dispose of the property via title transfer, the transaction is governed by the 24 CFR §85.31(c) (1) which states that ***“Retention of title.*** Retain title after compensating the awarding agency. The amount paid to the awarding agency will be computed by applying the awarding agency's percentage of participation in the cost of the original purchase to the fair market value of the property. However, in those situations where a grantee or subgrantee is disposing of real property acquired with grant funds and acquiring replacement real property under the same program, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.”

The City of Clearwater, Florida has already disposed of a 1.5 acre tract of the total four acres of land purchased with the grant to the Clearwater Community Redevelopment Agency (CCRA). The city is requesting to retain the title for a portion of the remaining property of 18,100 SF. The congressional intent of the property was to develop a regional storm water retention facility. The activity proposed by the grantee is not reflected in the planned use for the property to be retained. Based on review of the request vis-à-vis the congressional language of the grant and the applicable regulation, the City of Clearwater, FL may retain the title of the property and repay HUD 50% of the current fair market value of the property. Instructions on the repayment of sales proceeds to the Department are attached.

Please feel free to contact me with any questions regarding this matter. I can be reached at (202) 402-5525.

It has been a pleasure to assist your organization in the completion of this project.

Sincerely,



Lissette M. Flores
Supervisory Community Development
Specialist
Office of Policy Development and
Coordination

Enclosure:

Internal HUD Distribution:						
Identification Lines: Disposition of Real Property : City of Clearwater, FL, grant number B-00-SP-FL-0088						
Correspondence Code	Originator DECC	Concurrence	Concurrence	Concurrence	Concurrence	Concurrence
Name	GLambert <i>AL</i>	LFlores <i>LF</i>	SWashington			
Date	<i>8-28-18</i>	<i>8-28-18</i>	<i>LF 9-12-18</i>			

Official Record Copy

U.S. Department of Housing and Urban Development
Previous edition is obsolete.

form HUD-713.1 (02/03)

Instructions for Returning Funds to HUD

Return of Funds via Wire Transfer through Treasury Federal Reserve Bank (FRB)

Amounts in excess of \$2,000 should be remitted via wire transfer. The bank where the grantee initiates the wire transfer will complete the section of the Wire Transfer Form containing the outgoing Banking information. Ensure that the form contains the complete **Federal Bank Identification Number**, the wire transfer **Sender's Name, Address, Account Number, SSN/EIN**, and any other required information.

The following information is required under **Beneficiary Information** or **Receiving Bank Information**:

1. Amount of Transfer
2. Transfer to Bank = **TREASURY FRB New York**
3. Bank ABA Routing Number =
4. City and State = **New York, NY**
5. Credit Name of Beneficiary = **U.S. Department of HUD**
6. Address of Beneficiary = **Fort Worth, TX**
7. Account Number of Beneficiary =
8. Special Instructions = **Return Funds Drawn From HUD Grant No. _____, TIN of Sender _____** (example 61-0000000), Budget line item, if appropriate.
9. Provide a written explanation of why the funds are being returned, the budget line item detail, and indicate that the funds should be restored to the grant, **not returned to the U.S. Treasury.**

Return of Funds via Check

If wire transfer is not a viable option, then funds must be returned to HUD by check using the following guidelines:

1. Make the check payable to **U.S. Department of HUD**
2. Annotate on the check the **Project/Grant Number**
3. Provide a written explanation of why the funds are being returned and also include, the grant number, the budget line item detail, and indicate that the funds should be restored to the grant, **not returned to the U.S. Treasury.**
4. Mail the check along with the written explanation to:

U.S. Department of Housing and Urban Development Collections
Bank of America
Project No. _____
P.O. Box 277303
Atlanta, GA 30384-7303

Please note that it could take up to 4 weeks for funds to be credited back into the grantee's account.