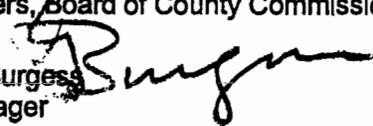


Memorandum



Date: November 3, 2009

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners Agenda Item No. 12R1

From: George M. Burgess 
County Manager

Subject: Neighborhood Stabilization Program (NSP1) - September 2009 Report

The following monthly report regarding the progress on the County's Neighborhood Stabilization Program (NSP) is required pursuant to Implementing Order (IO) 2-11. The attached summary is the September 2009 update by each specific NSP activity.

The NSP activities encompass six strategies: (1) second mortgages, (2) acquisition of single-family homes and rehabilitation, (3) acquisition of multi-family properties and rehabilitation, (4) demolition, (5) redevelopment activity on the HOPE VI project, and (6) redevelopment in the expanded HOPE VI area. The funds associated with these activities must be under contract in 18 months and funds must be spent in four years.

The County continues to assess properties for acquisition. There have been some gains as both Bank of America and Chase have provided the County a "first look" program that allows the County first consideration as foreclosures occur. Also, Fannie Mae has released a first look program that will work with both municipalities and individual NSP buyers.

Currently GSA has four contracts awaiting closing under the purchase and rehab activity of NSP 1.

Finally, the County has closed on the first home with one of the lottery winners. The first buyer, a school teacher, purchased a three-bedroom townhouse in the Tamiami area of the County, Commission District 11. OCED has three additional contracts that are soon to close under the spot loan activity.

Staff will continue to keep the Board of County Commissioners informed on a monthly basis.


Cynthia W. Curry
Senior Advisor to the County Manager

1. Second Mortgages

- OCED has closed on its first home in the Tamiami area; a 3-bedroom townhouse purchased by a school teacher.
- Six additional purchase contracts have been submitted by lottery winners and are moving towards closing.
- OCED will be working with realtors as well as the acquisition and rehabilitation pool members (see #2 below) to assist the lottery winners in identifying eligible homes. Many of the lottery winners are having a difficult time purchasing homes due to competition from investors as well as issues with homes needing excessive repairs. Accordingly, staff has begun to reach out to the alternates of the lottery winners.
- In addition to the lottery winners, the County is still accepting applications for homebuyer assistance in the targeted high priority areas. The houses in the targeted high priority areas are the ones that the County will acquire under the purchase and rehab program. These homes will be marketed to all the lottery participants, as well as the current applicants.

2. Rehabilitation of Single-Family and Multi-Family Homes

- The County has completed the RFQ selection process to solicit a pool of contractors to carry out the acquisition, rehabilitation and resale functions under the NSP. These contractors will present foreclosed properties to the County to be approved by the Property Acquisition Evaluation Committee. Upon approval, the County will issue a work order to the contractor to perform rehabilitation services.
- The contractors are expected to undergo an orientation session the week of September 7, 2009 to ensure a comprehensive understanding of the program parameters, procedures and other administrative processes.
- GSA has fully executed purchase contracts for 4 single family homes and anticipate closing of the purchases within the next few weeks. These homes will be purchased barring any issues arising with the appraisal or other items that can prevent the sale.
- GSA and OCED are working closely with Bank of America, Fannie Mae, and JP Morgan Chase to obtain a "first-look" of their Real Estate Owned (REO) portfolios. This "first-look" gives the County a jumpstart to secure properties prior to them being introduced to the general public. The benefit is that the County potentially will have the best cost options and opportunities to negotiate discounts with the banks - which provides for quicker expenditure of program funds that can be reinvested back in to the program on a revolving basis. The banks will allow the County time for due diligence before the homes will be given to their broker for sale to the public.

3. Demolition

- The County Attorney's Office has reviewed the Interlocal Agreement for the three municipalities (Opa-Locka, South Miami and Florida City) that have been selected for the demolition activity. Staff created a draft Interlocal Agreement and is now forwarding it to the selected municipalities. In last month's report, it was erroneously reported that Homestead and not Opa-locka was part of the program.
- The Interlocal Agreement will allow the County to undertake demolition activities within the municipalities' jurisdictions. They have agreed to adopt the County's ordinances relative to Section 8-5 and Chapter 17B-15 in connection with demolition activities.
- A total of 38 units (six in Opa-locka, seven in South Miami and 25 in Florida City) have been identified for demolition by the cities. The County will verify that the cities applied the code appropriately in identifying blighted structures and determine feasibility and compliance with NSP regulations.
- At this time the County has not identified any blighted structures in the unincorporated area that meets the criteria for demolition in accordance with the requirements of the NSP program. The Office of Neighborhood Compliance continues to survey the community to seek these potential opportunities.

4. HOPE VI for public infrastructure

- The County is continuing to work with the MDPHA and developer to ensure that this project moves forward within the prescribed timelines. The OCED is currently in the process of executing an Interdepartmental Agreement with the MDPHA to carry out functions under the NSP. This Agreement will outline each party's responsibilities under the program.
- The OCED met with MDPHA staff and the Master Developer to discuss timelines and the environmental review process. It is anticipated that the Additional Services Agreement, which will detail requirements for the Master Developer under the NSP, will be executed in advance of the December 2009 date. The department has received a draft of the agreement and is currently reviewing and commenting on it. Upon execution, funding can be drawn for this project upon environmental clearance of the subject property.

5. HOPE VI Expanded Area

- The County received 1 response to the RFP issued on June 3, 2009. The Selection Committee has been chosen and the County has reviewed the proposal to see if the proposer is a responsive, responsible bidder and able to provide new construction services in the expanded HOPE VI area. Staff will begin negotiations with the developer. The estimated 40+ units to be developed are expected to serve incomes of 120 percent of AMI and below.

6. Administration

- OCED staffs continues to work with the Consultant to institute and streamline processes that provide for greater efficiencies within the NSP. Program agreements, forms, checklists and manuals continue to be developed and refined to provide program continuity and structure.
- The County submitted its first NSP Quarterly Report to HUD prior to the deadline of July 30, 2009. This report reflected the preparatory activities that have transpired in order to implement the NSP. It is expected that the quarter ending September 30, 2009 will reflect greater program expenditures based on the significant progress that has been made on project activities.