

# Memorandum



**Date:** November 3, 2009

Agenda Item No. 12B3

**To:** Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager

**Subject:** Neighborhood Stabilization Program (NSP1) - October 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 October 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.

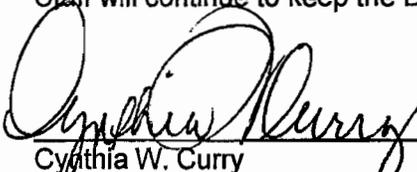
At the time the Board of County Commissioners (BCC) approved the IO, staff advised that it would inform after six months on whether or not the allocations for the six activities above should be adjusted. Although activities such as second mortgages and single family acquisitions have been slow, staff believes that recent changes will yield improvements. In last month's report, staff informed the BCC that the County has established relationships with banks which allow the County's NSP participants to have a first look at foreclosed properties. This includes Fannie Mae's program which extends the first look opportunity to our mortgage assistance lottery winners. Staff is also re-emphasizing the importance to homebuyers of working with a realtor to assist in the identification and selection of a home and is providing more assistance to address repairs needed on the homes as this has also caused delays in located suitable properties. These changes will assist lottery winners in accessing the second mortgages to close on their home.

The acquisition of multi-family units will continue to be challenging. There are two multi-family developments that may be presented to the evaluation committee for consideration and financing scenarios are being discussed and considered to best leverage NSP funds to acquire and rehabilitate these developments. GSA continues to search and inquire with lending institutions on the availability of other multi-family developments that may be of interest to the County. Lastly, the County can now move forward with the pool of contractors to assist with the rehabilitation of single-family and multi-family units.

The other activities are moving towards the execution of agreements that will obligate the funds within the required 18 month period. This includes the agreement with the Miami-Dade Public Housing Agency and the HOPE VI Master Developer; the agreement with the demolition contractors, and the agreement with the developer for the multi-family development in the expanded HOPE VI area.

Finally, staff recommends that the original funding allocations remain the same at this time and that we continue to monitor the progress of these activities and adjust processes as necessary to better deliver on the approved activities.

Staff will continue to keep the BCC informed on a monthly basis.

  
Cynthia W. Curry  
Senior Advisor to the County Manager

1. **Second Mortgages**

- The Department of Housing and Community Development (DHCD) hosted a reception with the Realtor Association of Greater Miami and the Beaches (RAMB) on September 24. Realtors and lottery winners had a chance to network and gain access to the available units in the County's priority areas.
- Purchase contracts submitted by lottery winners continue to track towards closing. An extension of 30 days has been granted to the lottery winners to allow for more time to locate a home considering the difficulty so far and now that the lottery winners may be engaging a realtor as their agent.
- As of September 30, 2009, two lottery winners have purchased a home.
- DHCD has begun to call in the 20 alternates selected from the lottery to interview them for participation in the spot loan program. The initial winners of the lottery continue to experience delays due to the condition of the homes. However, our recent reception with realtors and lottery winners appears to be yielding some better results.
- DHCD is training the lottery winners on using HomePath, a Fannie Mae web based tool to assist in the identification and subsequent purchase of a foreclosed home.

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

- The 19 selected contractors underwent an orientation session on September 14, 2009 to ensure a comprehensive understanding of the program parameters, procedures and other administrative processes.
- GSA and DHCD have shared the lists of applicants for homebuyer assistance (including the lottery winners) with the contractors to assist them in the marketing of the homes that are purchased by the County.
- GSA closed on the first home on October 1, 2009, and has fully executed purchase contracts for 7 additional single family homes with closings for the purchases to occur in the month of October.

3. **Demolition**

- The Interlocal Agreement with Florida City has been signed by the City and received for execution by the County Manager. The County Attorney's Office has the Interlocal Agreement and needs to sign for legal sufficiency. County staff is still waiting for the agreements from Opa-locka and South Miami.
- A checklist of the required documentation for demolition will be provided to the municipalities.
- The County is setting up the request for price quotes to identify the demolition contractors.

4. **HOPE VI for public infrastructure**

- The County Attorney's Office is reviewing the Interdepartmental Agreement with the MDPHA to consider a condensed version. This Agreement needs to be executed before DHCD can begin to pay the agency MDPHA for work associated with the public infrastructure.
- The DHCD is working with the MDPHA to resolve outstanding Environmental Review issues.
- The Additional Services Agreement has been reviewed and amended by the CAO. This agreement documents the NSP funds and infrastructure services to be provided by the developer. The Additional Services Agreement is an extension of the Master Developer Agreement between the County and McCormick Barron and Salazar, the HOPE VI Master Developer. Said contract has a provision for additional services to be provided by the developer if required by the MDPHA.

5. **HOPE VI Expanded Area**

- The County anticipates beginning negotiations with the Proposer within the month of September. The Cone of Silence is in effect. This solicitation was issued on June 3, 2009.
- A Phase I environmental site assessment has been completed for the development site at 2320 NW 62nd Street. It has been determined that no further investigation is required.

6. **Administration**

- There is a NSP training scheduled for DHCD staff, as well as other County staff working with the NSP program.
- The consultants engaged for this program are also working on solidifying a comprehensive Processes and Procedures manual.