

# Memorandum



**Date:** July 8, 2010

Agenda Item No. 12(B)2

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

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

A handwritten signature in black ink, appearing to read "Burge", written over the printed name of George M. Burge.

**Subject:** Neighborhood Stabilization Program (NSP1) – June 2010 Report

Pursuant to Implementing Order (IO) 2-11, regarding the Miami Dade County's Neighborhood Stabilization Program (NSP), monthly progress reports to the Board of County Commissioners (BCC) are required. The attached report reflects data through the end of May 2010. 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 from March 10, 2009.

The attached table has been updated to reflect the funding reallocations approved by the BCC on May 18, 2010 through the amendment to the NSP Plan, which was submitted to US HUD on May 25, 2010 and is pending final approval. The County has obligated and expended \$42.99 million, or 69 percent, of the total \$62.207 million grant award. All funds must be obligated by September 9, 2010.

As a result of the funding reallocations approved by the BCC, the second mortgage assistance activity associated with the homes acquired by the County has been reduced to zero. These funds can not be used as second mortgages on the homes that the County has acquired because of a U.S. Department of Housing and Urban Development (US HUD) opinion that limits the amount of grant funds allowed in an acquisition, rehabilitation and subsequent resale activity. The \$750,000 allocation under this activity would be for "spot loans," which are issued to a homebuyer to select a home of their choice. Homebuyers that are interested in locating a foreclosed home of their choice can use these funds to assist them in their purchase until the funds are depleted.

The County will continue with the strategy to acquire, rehabilitate, and sell homes and has acquired 39 at the time of this report. In addition, there are 11 units with fully executed contracts scheduled to close and may get the County to its original performance measure of 50, seven more than the 43 anticipated in the amended NSP Plan. There is funding capacity under this activity to acquire the additional seven homes above the anticipated 43 despite funding having been reduced from \$10 million to \$8.85 million.

The increased funds under the category of acquiring and rehabilitating multi-family units allow the County to obligate the balance of the NSP funds on other multi-family projects. Staff has received projects that will be presented to the Evaluation Committee for consideration. Additional loan commitments as well as loan closings are anticipated for the month of June. All \$32.886 million under this category will be obligated by that time.

Staff continues to work on demolition activities with the following municipalities: City of Opa-locka, City of South Miami, and City of Florida City. A demolition of a single family home was completed in May 2010. Environmental reviews continue on homes scheduled for demolition.

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The HOPE VI project is progressing with some site work having begun and has seen its first draw approved. The Department of Housing and Community Development and Miami-Dade Public Housing Agency are working on two additional draw requests that reflect the site work in preparation for the public infrastructure.

With respect to the project in the HOPE VI expanded area, the process continues under the cone of silence.

The Board will continue to be updated on a monthly basis on the NSP's progress.

Attachment



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Irene Taylor-Wooten  
Special Assistant to the County Manager

for

Neighborhood Stabilization Program Round 1 Funds By Activity

APPLICATION GOALS

STATUS OF GOALS (ACTUALS)

Task	UNITS			Amount (As Amended)	Due Date	UNITS			FUNDS		Comments/Update	
	50% or less AMI	51% - 80% AMI	80% or higher AMI			TOTAL	50% or less AMI	51% - 80% AMI	80% or higher AMI	Amount Obligated		Amount Expended
Soft-second mortgage assistance and closings costs (\$80,000) maximum to purchasers of foreclosed-upon homes in areas of greatest need(s). <b>Responsible Department: DHCD</b>	0	3	7	\$750,000	11/30/2012	0	3	10	3	\$0	\$451,873	Applicants for homebuyer assistance have opportunities to purchase eligible units with a spot loan, selecting a home of their choice, until the funds are committed.
Soft-second mortgage assistance and closings costs. \$80,000 maximum to purchasers of foreclosed-upon homes purchased through NSP Acquisition/Rehabilitation Program. <b>Responsible Department: DHCD</b>	0	0	0	\$0	11/30/2012	0	0	0	0	\$0	\$5,146	This line item is zero based on an opinion by HUD that requires no additional funds be added to homes that are acquired by the County. Instead, the County will reduce the price of the home to make it affordable. The reduction in sales price will be recorded as a second mortgage.
Acquisition and Rehabilitation of foreclosed-upon single family homes (up to \$200,000 per unit). <b>Responsible Department: GSA</b>	0	9	34	\$8,085,000	11/30/2011	TBD	TBD	37	TBD	\$1,126,875	\$4,712,928	GSA has closed on 37 homes, an increase from 32 last month. As many as 6 units are in the pipeline and have been fully approved by the seller and buyer. GSA will continue to work towards closing on these homes and will continue to purchase with program income derived from the sale of the homes.
Acquisition and rehabilitation of foreclosed-upon multi-family residential properties to provide affordable rental housing (\$125,000 per unit). <b>Responsible Department: GSA</b>	256	366	0	\$32,886,480	09/30/2012	0	0	622	0	\$21,540,266	\$31,214	The County has committed \$21.571 million in NSP funds to this activity. Other projects are being considered based on the additional funds.
Minimum 8 hour homebuyer counseling for income-qualified persons provided soft-second mortgage assistance to purchase foreclosed-upon homes (\$500 per participant). <b>Responsible Department: DHCD</b>	0	104	26	\$65,000	see above	0	0	130	0	\$65,000	\$0	This line item is the funding for the homebuyer education that is required for all homebuyers. Not-for-profit agencies have submitted reimbursement requests for processing.
Demolition of blighted structures to address public health and safety problems in negatively impacted neighborhoods. <b>Responsible Department: DHCD</b>	n/a	n/a	n/a	\$600,000	03/31/2013	n/a	n/a	122	n/a	\$230,295	\$13	Florida City, Opa-locka and the City of South Miami have submitted the interlocal agreement for demolition and are putting together the documentation for the specific units. The County is moving forward to demolish the 47 units at Lincoln Gardens (public housing). The environmental review is being finalized. The County will also be undertaking some demolition of the Brownsville tornado affected homes. BNC has provided a list of potential demolition sites.
Neighborhood redevelopment of affordable multi-family rental housing on vacant property (\$36,411 per unit). This activity will be directed toward the Scott Carver HOPE VI affordable housing project for public infrastructure cost. <b>Responsible Department: MDPHA</b>	59	225	70	\$8,600,000	09/30/2011	0	0	354	0	\$8,398,386	\$201,614	The Miami-Dade Public Housing Agency (MDPHA) has submitted the third draw from the Master Developer for the HOPE VI. This draw is under review.
Neighborhood redevelopment through multi-family rental housing development in the Expanded HOPE VI Area (\$125,000 per unit). <b>Responsible Department: DHCD</b>	20	10	10	\$5,000,000	03/31/2013	0	0	40	0	\$0	\$6,198	The expenditures in this activity reflect the environmental work that has been completed. Negotiations are required based on the solicitation issued and once the process is complete, these funds will be obligated. The funding agreement has been reviewed by the DHCD and is being reviewed by the County Attorney's Office before being forwarded to the developer. The cone of silence is still in effect.
Administration and Planning <b>Responsible Department: DHCD</b>	n/a	n/a	n/a	\$6,220,720	03/31/2013	n/a	n/a	n/a	n/a	\$5,608,365	\$612,355	This is the entire amount of \$6.22 million approved for administration. All funds would be expended by the end of the grant life; therefore, funds not expended to date are reflected as obligated. These expenditures include staff, consultants, and training for working on the NSP program.
<b>TOTAL NSP ROUND 1</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>\$62,207,200</b>		<b>0</b>	<b>2</b>	<b>40</b>	<b>40</b>	<b>\$36,969,187</b>	<b>\$6,021,341</b>	

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