

Memorandum



Date: October 5, 2010

Agenda Item No. 12(B)5

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

From: George M. Burdick
County Manager

Subject: Neighborhood Stabilization Program (NSP1) – August 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 August 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 within four years from March 10, 2009.

The attached table shows that of the \$62.207 million awarded, the County has obligated \$62.207 million, or 100 percent of the total grant. As of August 31, 2010, the County has expended \$11,178,816, or 18 percent of the total grant.

Under the second mortgages category, a total of \$707,464 has been expended for spot loans to assist six homebuyers who located a foreclosed home in any of the priority areas. The remaining balance of \$37,390 has been obligated to offset costs that are directly associated with second mortgages, such as loan origination and processing.

The County continues with the strategy to acquire, rehabilitate, and sell single-family homes. As of August 31, 2010, 50 single-family homes were acquired of which 15 have pending sales contracts with eligible buyers. Sale of these single-family homes continues with new marketing efforts such as radio and print advertising. There are no single-family homes for acquisition remaining in the pipeline.

The \$32,886,480 under the category of acquiring and rehabilitating multi-family units have been fully committed to five projects: (1) Kings Terrace in District 2, (2) South Pointe Crossings in District 9, (3) Harvard House in District 4, (4) Opa Lakes in District 1, and (5) Leisure Villas in District 9. The financial closing for Kings Terrace has taken place and the general notice for relocation has been issued to residents. Efforts will continue to move the project forward including relocating the residents and demolishing the buildings in preparation for reconstruction of the development. The financial closing for South Point Crossings is anticipated to be completed by the end of September 2010. The remaining three projects are awaiting appraisals and environmental review before they can close.

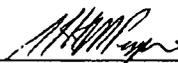
Staff continues to work on demolition activities with the City of Opa-locka. The environmental 15-day comment period ended on August 27, 2010. The City of South Miami has provided documentation, subsequent to further requests, and County staff is reviewing the additional information. The demolition of Lincoln Gardens, a public housing site, will be complete within 90 days given that the environmental review process has been completed.

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The HOPE VI project continues to move with the site preparation and remediation required for the public infrastructure. The project in the HOPE VI expanded area was awarded and the contract executed. Staff is moving forward with the long-term lease and financial closings.

The County received an update from US Department of Housing and Urban Development (US HUD) on NSP Round 3. Miami-Dade County's NSP Round 3 allocation of \$20.036 million was announced on September 8, 2010 based on a formula similar to the one used for NSP Round 1. US HUD will issue an NSP Round 3 guidance notice in the next few weeks to assist grantees in designing their programs and applying for funds. Upon that notice from US HUD, staff will prepare an item for BCC consideration that will allocate funds by activity. The BCC will continue to receive monthly updates on the NSP.

Attachment



Assistant County Manager

Neighborhood Stabilization Program Round 1 Funds By Activity

APPLICATION GOALS

STATUS OF GOALS (ACTUALS)

Task	UNITS				Amount (As Amended)	Due Date	FUNDS				Comments/Update		
	50% or less AMI	51% - 80% AMI	80% or higher AMI	TOTAL			Amount Obligated	Amount Expended	TOTAL UNITS	80% or higher AMI			
	0	3	7	10			0	\$750,000	11/30/2012	0		2	4
Soft-second mortgage assistance and closing costs (\$80,000 maximum to purchasers of foreclosed-upon homes in areas of greatest need(s). Responsible Department: DHCD	0	3	7	10	\$750,000	11/30/2012	0	2	4	6	\$37,390	\$707,464	We have closed on our final spot loan. The remaining funds are associated with project delivery costs for our second mortgage activities. These funds will be used to offset costs that are directly related to the second mortgage activity.
Soft-second mortgage assistance and closing costs. \$80,000 maximum to purchasers of foreclosed-upon homes purchased through NSP Acquisition/Rehabilitation Program. Responsible Department: DHCD	0	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). Responsible Department: GSA	0	9	34	43	\$8,065,000	11/30/2011	TBD	0	1	50	\$1,763,457	\$6,321,543	GSA has closed on 50 homes, an increase from 46 last month. GSA will continue to work towards selling these homes and will continue to purchase with program income derived from the sale of the homes. The funds have been fully obligated.
Acquisition and rehabilitation of foreclosed-upon multi-family residential properties to provide affordable rental housing (\$125,000 per unit). Responsible Department: GSA	256	366	0	622	\$32,886,480	09/30/2012	0	0	0	0	\$29,989,752	\$2,916,728	The County has committed all funds in this activity. Four projects are pending closing, with the next closing to occur by the end of September.
Minimum 8 hour homebuyer counseling for income-qualified persons provided soft-second mortgage assistance to purchase foreclosed-upon homes (\$500 per participant). Responsible Department: DHCD	0	104	26	130	\$65,000	see above	0	0	0	0	\$0	\$65,000	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. These funds have been fully expended.
Demolition of blighted structures to address public health and safety problems in negatively impacted neighborhoods. Responsible Department: DHCD	n/a	n/a	n/a	122	\$600,000	03/31/2013	n/a	n/a	n/a	n/a	\$592,313	\$7,687	City of South Miami submitted documentation for the specific units they targeted for demolition. This information required additional documentation which is now under review. Operational demolitions are pending the completion of the environmental review process, an add for comments was issued on August 12. The County is moving forward to demolish the 47 units at Lincoln Gardens (public housing). The environmental review is completed. The County will also be undertaking some demolition of the Brownsville Terrace affected homes; three homes remain. These funds have been fully obligated.
Neighborhood redevelopment of affordable multi-family rental housing on vacant property (\$36,411 per unit). This activity will be directed toward the Scott Center/HOPE VI affordable housing project for public infrastructure cost. Responsible Department: MDPHA	59	225	70	354	\$8,600,000	09/30/2011	0	0	0	0	\$8,157,528	\$442,472	The Miami-Dade Public Housing Agency (MDPHA) through its developer continues the site prep work.
Neighborhood redevelopment through multi-family rental housing development in the Expanded HOPE VI Area (\$125,000 per unit). Responsible Department: DHCD	20	10	10	40	\$5,000,000	03/31/2013	0	0	0	0	\$4,992,864	\$7,136	The expenditures in this activity reflect the environmental work that has been completed. The funding agreement has been signed and a long term lease has been developed for execution.

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Neighborhood Stabilization Program Round 1_Funds By Activity

APPLICATION GOALS		UNITS				STATUS OF GOALS (ACTUALS)				FUNDS		
		50% or less AMI	51%-80% AMI	80% or higher AMI	TOTAL	50% or less AMI	51%-80% AMI	80% or higher AMI	TOTAL UNITS	Amount Obligated	Amount Expended	Comments/Update
Administration and Planning Responsible Department: DHCD		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$5,515,080	\$705,640	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.
TOTAL NSP ROUND 1						0	2	5	56	\$51,028,384	\$11,178,816	