

Memorandum



Date: February 1, 2011

Agenda Item No. 12(B)1

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Neighborhood Stabilization Program (NSP1) – October 2010 Report

Implementing Order (IO) 2-11 requires that staff provide monthly progress reports to the Board of County Commissioners (BCC) on Miami-Dade County's Neighborhood Stabilization Program (NSP). The attached report reflects data through the end of October 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 by March 2013.

The attached table shows that of the \$62.207 million awarded, the County has obligated 100 percent of the total grant. As of October 31, 2010, the County has expended \$15,636,585, or 25 percent of the total grant.

The soft-second mortgage activity has concluded and any unexpended funds will be used for project delivery expenses associated with loan origination, underwriting and loan closings for the homes that were acquired by the County and available for sale.

The County continues its strategy to rehabilitate and sell the 50 single-family homes acquired. As of October 31, 2010, five have been sold, 16 have contracts pending closing, and two are scheduled for demolition and reconstruction. The 27 remaining homes are being marketed to eligible buyers.

The \$32,886,480 under the acquisition and rehabilitation of multi-family properties category have been fully committed to the following five projects:

Project Name	Address	Commission District	Unit Count	Status
Westview/Kings Terrace	12401-12801 NW 27 Avenue, Miami	District 2	300	Relocation of current residents is underway and demolition activity is anticipated to start in December 2010.
Southpoint Crossings	815 W Lucy Street, Florida City	District 9	122	Pending closing.
Harvard House/Tiffany Square	2020 NE 169 Street, North Miami Beach	District 4	56	Pending closing, environmental review is underway.
Opa Lakes	2491 NW 135 Street, Opa-locka	District 1	30	Pending closing, environmental review is underway.
Leisure Villas	28701 SW 153 Street, Miami	District 9	48	Pending closing, environmental review is underway.

With respect to demolition activities, the County began demolition of 11 structures in the City of Opa-Locka on October 6, 2010. Asbestos surveys have been completed for Lincoln Gardens, a public housing development administered by the County, and County's Department of Environmental Resources Management has cleared the site for demolition. Three units affected by the tornado in Brownsville will be demolished in November as the owners have signed the Vacate and Demolish agreements.

The HOPE VI project continues to progress with the site preparation and remediation required for the public infrastructure. The project in the HOPE VI expanded area is moving forward with the long-term lease negotiation and financial closing. The lease should be completed by the end of November.

The County has reviewed the Notice from the US Department of Housing and Urban Development (US HUD) on NSP Round 3. The County's staff also participated in a webinar on the US HUD Notice. While the approved activities did not change significantly from NSP Round 1, there are noteworthy differences between NSP Rounds 1 and 3 as shown below:

- 1) 50 percent of the funds must be expended in two years with the balance being spent in three years;
- 2) Funds are for housing activities only;
- 3) Only ten percent of the grant can be used for demolition, unless a waiver is received;
- 4) Funds cannot be used to demolish public housing;
- 5) Self-Assessments will be required of grantees to demonstrate capacity;
- 6) The target area(s) utilizing the HUD mapping tool must demonstrate neighborhood stabilizing impact; and
- 7) Procedures are required to create preferences for affordable housing rental developments.

US HUD will be issuing a guidebook sometime in November with information on the NSP Round 3 application process. In the interim, County departments and other stakeholders will meet to discuss the County's strategy for the use of NSP Round 3 funds. Upon completion of the planning sessions, staff will prepare an item for BCC consideration that will allocate funds by activity. The BCC will continue to be updated on a monthly basis on the NSP progress.

Attachment


Assistant County Manager

Neighborhood Stabilization Program Round 1 Funds By Activity

APPLICATION GOALS

STATUS OF GOALS (ACTUALS)

Task	UNITS				Amount Obligated	Due Date	FUNDS				Comments/updates		
	50% or less AMI	51% - 80% AMI	80% or higher AMI	TOTAL			Amount Expended	Amount Unexpended	50% or less AMI	51% - 80% AMI		80% or higher AMI	TOTAL
Soft-second mortgage assistance and change costs (\$40,000 maximum to purchasers of foreclosed-upon homes in areas of greatest need). Responsible Department: DHCD	0	3	7	10	\$750,000	11/30/2012	0	2	3	5	\$520,196	\$124,808	This activity has concluded at this time. The remaining funds are associated with project delivery costs for our second mortgage activities that will continue through the sale of the GSA homes.
Soft-second mortgage assistance and change costs. \$40,000 maximum to purchasers of foreclosed-upon homes purchased through HSP Acquisition/Rehabilitation Program. Responsible Department: DHCD	0	0	0	0	\$0	11/30/2012	0	0	0	0	\$5,146	\$0	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	\$8,085,000	11/30/2011	0	1	1	50	\$7,132,595	\$92,405	GSA has closed on 50 homes. 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. The remaining funds are for rehab work completed or to be completed.
Acquisition and rehabilitation of foreclosed-upon multi-family residential properties to provide affordable rental housing (\$125,000 per unit). Responsible Department: GSA	256	368	0	622	\$32,886,480	09/30/2012	0	0	0	0	\$3,439,546	\$29,446,934	The County has committed all funds in this activity. The projects that are pending closing expect to close by the end of 2010.
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	\$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. These funds have been fully expended.
Demolition of blighted structures to address public health and safety problems in negatively impacted neighborhoods. Responsible Department: DHCD	0	0	0	0	\$600,000	03/31/2013	n/a	n/a	n/a	n/a	\$11,624	\$588,376	Open-bids demolitions have begun. The County is moving forward to demolish the 47 units at Lincoln Gardens (public housing). The County will also be undertaking the demolition of some of the Riverdale tornado affected homes.
Neighborhood redevelopment of affordable multi-family rental housing on vacant property (\$38,411 per unit). This activity will be located near 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	\$3,308,899	\$5,291,101	The Miami-Dade Public Housing Agency (MDPHA) through its developer continues the site prep work.

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Neighborhood Stabilization Program Round 1 Funds By Activity

APPLICATION GOALS

STATUS OF GOALS (ACTUALS)

Task	LIMITS			TOTAL	Amount Obligated	Due Date	UNITS				FUNDS			Comments/updates
	50% or less AMI	51%-80% AMI	80% or Higher AMI				50% or less AMI	51%-80% AMI	80% or Higher AMI	TOTAL UNITS	Amount Expended	Amount Unexpended		
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	\$7,135	\$4,932,864	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 and is anticipated to be completed before the end of the calendar year.	
Administration and Planning Responsible Department: DHCD	n/a	n/a	n/a	n/a	\$5,220,720	03/31/2013	n/a	n/a	n/a	n/a	\$1,046,443	\$5,174,277	This is the entire amount of \$5.22 million approved for administration. All funds would be expended by the end of the grant life; however, funds not expended to date are reflected as obligated. These expenditures include staff, consultants, and leasing for working on the NSP program.	
TOTAL NSP ROUND 1					\$52,207,280		0	3	4	55	\$15,636,585	\$46,570,615		