

Memorandum



Date: February 1, 2011

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

From: George M. Burgess
County Manager

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

Agenda Item No. 12(B)2

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 November 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 November 30, 2010, the County had expended \$17,755,999, or approximately 29 percent of the total grant. Below is a summary by strategy.

Soft-second Mortgage Assistance (Items #1, #2, and #5 on attached table)

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

Acquisition and Rehabilitation of Single-Family Homes (Item #3 on attached table)

As of the end of November, the County had acquired 50 single-family homes of which five have been sold, 17 have sales contracts pending closing, and two are scheduled for demolition and reconstruction. The 26 remaining homes will be marketed to eligible buyers.

Acquisition and Rehabilitation of Multi-Family Residential Properties (Item #4 on attached table)

The \$32,886,480 for the acquisition and rehabilitation of multi-family properties have been fully committed to the five projects in the table below.

Project Name	Address	Commission District	Unit Count	Status
Westview/Kings Terrace	12401-12801 NW 27 Avenue, Miami	District 2	300	Relocation is moving well with only 65 of 421 units remaining occupied. Demolition activity is anticipated to start in December 2010.
South Point 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 with the request for the release of funds sent to US HUD November 29, 2010
Opa Lakes	2491 NW 135 Street, Opa-locka	District 1	30	Rehabilitation work is expected to begin in the second quarter of the fiscal year.
Leisure Villas	28701 SW 153 Street, Miami	District 9	48	Pending closing and the environmental review is underway.

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Demolition (Item #6 on attached table)

The proposed demolitions in the City of Opa-Locka are nearing completion. Regarding Lincoln Gardens, Miami-Dade Public Housing Agency continues to work with the Department of Environmental Management to resolve issues regarding the protection of trees prior to demolishing this development. In November, owners of three Brownsville units signed agreements to vacate their units, which will be demolished once they are empty. The Notice to Proceed has been issued for demolition of two of the three units.

Scott/Carver HOPE VI Project and HOPE VI Expanded Area (Items #7 and #8 on attached table)

Work continues on site preparation and remediation required for the public infrastructure on the HOPE VI project. The project in the HOPE VI expanded area is moving forward. The long-term lease negotiation is in progress which will facilitate the financial closing. The lease should be completed by the end of December 2010.

On November 18, 2010, the US Department of Housing and Urban Development (US HUD) issued a guidebook on the NSP Round 3 application process. Staff reviewed the materials and participated in a webinar describing the US HUD notice on the application process. Meetings have occurred with County departments as well as other stakeholders 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 to allocate funds by activity. The deadline to submit the application to US HUD is March 1, 2011. Staff will continue to update the BCC monthly.

Attachment



Assistant County Manager

Neighborhood Stabilization Program Round 1 Funds By Activity

APPLICATION GOALS

STATUS OF GOALS (ACTUALS)

Item	Task	UNITS			Amount Obligated	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	TOTAL	Amount Expended	
1	Soft-second mortgage assistance and closings costs (\$80,000) maximum to purchasers of foreclosed-upon homes in areas of greatest need(s). Responsible Department: DHCD	0	3	7	\$750,000	11/30/2012	0	2	3	5	\$620,196	\$124,658	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.
2	Soft-second mortgage assistance and closings costs: \$60,000 maximum to purchasers of foreclosed-upon homes purchased through NSP Acquisition/Rehabilitation Program. Responsible Department: DHCD	0	0	0	\$0	11/30/2012	n/a	n/a	n/a	n/a	\$5,146	\$0	This line item is zero based on an opinion by HUD that requires no additional funds to 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.
3	Acquisition and Rehabilitation of foreclosed-upon single family homes (up to \$200,000 per unit). Responsible Department: GSA	0	9	34	\$8,085,000	11/30/2011	0	4	1	5	\$7,356,515	\$728,485	GSA has purchased all 50 homes. GSA has sold five homes to date.
4	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	\$32,886,480	09/30/2012	0	0	0	0	\$3,455,446	\$29,431,034	The County has committed all funds in this activity. All projects are expected to be closed by the end of 2010.
5	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	\$65,000	see above	n/a	n/a	n/a	n/a	\$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.
6	Demolition of blighted structures to address public health and safety problems in negatively impacted neighborhoods. Responsible Department: DHCD	n/a	n/a	n/a	\$600,000	03/31/2013	n/a	n/a	n/a	n/a	\$11,624	\$588,376	Opa-locka demolitions have begun. The County is moving forward to demolish the 47 units at Lincoln Gardens (public housing) as soon as the DEPM issues are resolved. The County will also be undertaking some demolition of the Brownsville tornado affected homes; three homes remain.
7	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. Responsible Department: MDPHA	59	225	70	\$8,600,000	09/30/2011	0	0	0	0	\$5,185,550	\$3,414,450	The Miami-Dade Public Housing Agency (MDPHA) through its developer continues the site prep work.
8	Neighborhood redevelopment through multi-family rental housing development in the Expanded HOPE VI Area (\$125,000 per unit). Responsible Department: DHCD	20	10	10	\$5,000,000	03/31/2013	0	0	0	0	\$7,136	\$4,992,864	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.
9	Administration and Planning Responsible Department: DHCD	n/a	n/a	n/a	\$6,220,720	03/31/2013	n/a	n/a	n/a	n/a	\$1,049,386	\$5,171,334	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					\$62,207,200		0	6	4	10	\$17,755,999	\$44,451,201	

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