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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

Date: March 17, 2009

Amended
Agenda Item No. 14(A)(4)

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

From: George M. Burgess
County Manager

Resolution No. R-312-09

Subject: Resolution authorizing the Implementation Order (IO) 2-11 fro the Miami-Dade County Neighborhood Stabilization Program (NSP) Substantial Amendment to its 2008 Action Plan

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The item was amended at the March 11, 2009 meeting of the Housing and Community Development Committee and March 17, 2009 meeting of the Board of County Commissioners to reflect the changes noted in the attachment to this cover memorandum.

RECOMMENDATION

It is recommended that the Board of County Commissioners (BCC) approve the attached Implementing Order (IO) 2-11 governing the process by which the County will operate the programs outlined in the Miami Dade County Neighborhood Stabilization Program (NSP) Substantial Amendment to the 2008 Action Plan (NSP Plan). Moreover, it is recommended that the BCC approve the expedited process in the IO whereby the Mayor or the Mayor's designee is authorized to solicit applications; award funding; and purchase and re-sale foreclosed upon properties utilizing the NSP funding.

SCOPE

US HUD approved the NSP Plan on January 12, 2009 which allocates $62,207,200 under Title III of the Housing and Economic Recovery Act of 2008 to assist with the redevelopment of abandoned and foreclosed homes in an effort to stabilize the Miami Dade community. The NSP program funds are allocated to Miami Dade County; however, as a general rule, cannot be used in the Community Development Block Grant (CDBG) entitlement cities (City of Miami, City of Miami Gardens, City of Hialeah, City of Homestead, City of North Miami, and City of Miami Beach) that are a direct recipient of NSP funding or an indirect recipient through the State of Florida.

The NSP requires Miami-Dade County, as grantee, to give priority emphasis and consideration to areas of low- and moderate-income levels where at least 51 percent of residents have incomes at or below 120 percent of the County's area median family income (AMI). NSP also requires selecting areas with the greatest need, including:

- the greatest percentage of home foreclosures;
- the highest percentage of homes financed with subprime related mortgage loans; and
- those identified as likely to experience a significant rise in the rate of home foreclosures.

As seen in the NSP Plan, County staff identified census tract block groups to receive NSP priority emphasis consistent with the federal legislation's emphasis on low- and moderate-income areas and the other factors mentioned in the U.S. Department of Housing and Urban Development (US HUD) NSP program guidelines.

FISCAL IMPACT

The NSP funds include an approved allocation of ten percent for administration costs incurred to carry out the program. Any other fees and/or costs related to the program are considered program costs and are included in the remaining 90 percent of available funds. As such, there should be not an additional fiscal impact to the County.

TRACK RECORD/MONITORING

The IO identifies the Office of Community and Economic Development (OCED) as the lead agency responsible for the management of the County's NSP program to ensure successful completion and compliance with Federal guidelines and County policies. The County, through OCED, will work with a contractor to assist with the administration of the program. Request for Qualifications (RFQ) 659, CDBG Program Administration of the Neighborhood Stabilization Program, requesting proposals from qualified contractors to assist OCED with funding agency coordination, sub-recipient monitoring, environmental

review, financial management monitoring and program management was advertised on November 14, 2008. The proposals were analyzed by a Selection Committee on January 8, 2009 and negotiations are presently taking place to bring the contractor on board prior to the Program's implementation. Upon execution of the contract, the vendor will be able to assist with monitoring, compliance, reporting and other tasks, as requested, at the discretion of OCED.

The grant funds will be available to the County and implementation of the NSP program will begin after the County and US HUD execute the grant agreement. The County will have 18 months from the execution of the grant agreement to obligate the funds and four years to expend all the funds. Failure to timely expend the funds will result in the recapture of the funds by US HUD.

BACKGROUND

The Housing and Economic Recovery Act of 2008 (Act) became law on July 31, 2008. The Neighborhood Stabilization Program (Title III) directs $3.92 billion in grants to states and units of local government to address problems associated with concentrations of foreclosed, vacant and abandoned homes. US HUD was designated as the implementing agency and charged with allocating the NSP appropriation according to "areas of greatest need" as specified in the Act. US HUD notified states and units of local governments of its allocation decisions and NSP program guidelines on September 29, 2008.

Each state and unit of local government that received an NSP allocation had to apply to US HUD to receive its grant in the form of an NSP Substantial Amendment to its CDBG Action Plan. The County prepared its Plan in accordance with the US HUD program guidelines and the BCC passed the Substantial Amendment to the 2008 Action Plan for the NSP on November 20, 2008. The Plan was submitted to the US HUD for consideration on November 26, 2008. After consultation with the local US HUD, County staff clarified points in the Plan and answered all questions for the local US HUD staff. On January 15, 2009, the Office of the Mayor was notified of the approval of US HUD, dated January 12, 2009. The County is currently waiting on the grant agreement for signature by the County and US HUD. Execution of the grant agreement will begin the 18 month time limit to encumber the funds.

A summary Miami-Dade County's proposed NSP eligible activities and NSP proposed budget are as follows:

Approved NSP Activity	Proposed Budget	Estimated Completion
A. Low- or no- interest second mortgages and closing cost assistance to income eligible buyers of foreclosed upon homes purchasing properties and homebuyer counseling.	$9,790,000	November 30, 2012
B. Acquisition of single family residential properties that have been foreclosed for the purpose of rehabilitation and sale to income eligible buyers and homebuyer counseling.	$10,025,000	November 30, 2011
C. Acquisition and rehabilitation of multi-family residential properties to provide affordable rental housing.	$21,571,480	September 30, 2012
D. Neighborhood redevelopment of affordable multi-family rental housing on vacant property. *This activity will be directed toward the Scott Carver HOPE VI affordable housing project for public infrastructure cost.*	$8,600,000	September 30, 2011
E. Neighborhood redevelopment through multi-family rental housing development in the Expanded HOPE VI Area	$5,000,000	March 31, 2013
F. Demolition of blighted structures to address public health and safety problems in negatively impacted neighborhoods.	$1,000,000	March 31, 2013
G. Administration and Planning	$6,220,720	March 31, 2013
TOTAL	$62,207,200	

While the NSP Plan set forth the policy for the approved activities, the attached IO serves to delineate the roles and responsibilities of the County departments and the governing processes. Most importantly, the IO describes the manner in which the County will implement the programs, and serves as governing document to allow staff to carry out each program component. Finally, the IO follows an expedited process

to award funding for the purchase of Real Estate Owned properties (REOs) of single family units and multi family developments, with the authority to enter into a contract by the Mayor or the Mayor's designee.

A synopsis of the IO program guide is as follows:

- **NSP Activity A (Second Mortgages) and B (Acquisition and Rehabilitation of Single-Family Properties)**
  The County will utilize a lottery process for the award of second mortgages to eligible buyers for single family homes (spot loans). The program will follow the same process as the successful lottery renewed in the Fall 2008 These second mortgages set aside for the purchase of foreclosed homes will be considered spot loans and will qualify in any of the target areas. Additionally, the second mortgage assistance is available for those homes purchased under the acquisition and rehabilitation strategy. However, the homes set aside for the acquired homes will be subject to the two priority areas of highest and greatest need. All homeownership policies are consistent with the existing homeownership program; however, no loans will be forgiven. County staff has already begun the inclusionary task of working with lenders to determine available Real Estate owned (REO) properties and not for profits to help provide available, credit worthy buyers.
- **NSP Activity C (Acquisition and Rehabilitation of Multi-Family Properties)**
  The single family (mentioned above) and multi-family acquisitions will be undertaken by the County and, where practical, other organizations including homebuilders or developers. Rehabilitation will be completed by the County or private contractors. The IO allows for the Mayor or the Mayor's designee to solicit applications under this process and award work to private contractors. GSA is presently working with DPM to create a Request for Qualified Contractors to participate in this phase of the program. The department of GSA and OCED will work closely in assuring this program moves as expeditiously as possible in order to have funding encumbered within the 18-month period. Staff will report to the BCC the award of any funding to a developer should this action be taken. Affordability requirements and restrictive covenants consistent with the Infill Program will be implemented.
- **NSP Activity D (Neighborhood Redevelopment at HOPE VI)**
  The Miami Dade Public Housing Agency will be responsible to work with the selected HOPE VI developer to complete the required project infrastructure. The existing contract with McCormick Baron and Salazar, Inc. will be amended to add the NSP scope.
- **NSP Activity E (Neighborhood Redevelopment in HOPE VI Expended Area)**
  A competitive process will be completed for the development of mixed-income rental units in the expanded HOPE VI area. The selected developer will be awarded the NSP funds and OCED owned land for the construction of a multi-family development. The financial projections at this time are based on the assumption of 40 new units. Responses to the competitive process will be ranked based on use, target completion date, ability to proceed, and funding amounts.
- **NSP Activity F (Demolition of Blighted Structures)**
  Non-entitlement municipalities will be offered the opportunity to access demolition funding through a solicitation. Depending on the level of response from the non-entitlement cities, the remaining demolition dollars will be used in conjunction with other NSP activities including demolition of blighted structures in the County.

Miami-Dade County has the flexibility to adjust its NSP allocation distribution, as needed, with Board approval. More funding may be reallocated to activities that are working well, while less funding may be assigned to activities not proceeding on schedule. Constant monitoring and contact with the local US HUD office is critical in this area as all monies must be committed in 18 months and subsequently spent within four years. Failure to do so will result in the monies being returned to USHUD.

Attachment

Cynthia W. Curry
Senior Advisor to the County Manager

Amendments from March 11, 2009 Meeting of the Housing and Community Development Committee

1. Corrected the reference to the section titled "Open Application Period to Participate in Program" on typed page 9 of 16 of the Implementing Order from I.1.A to I.B.1 on the third line of the first paragraph.
2. Corrected, on page 12 of 16 of the Implementing Order under Section F.1 "Selecting Homebuyer," the reference to Section I.B from Section I.1a on the first line.
3. Amended the requirement that the Mayor or the Mayor's designee provide a report on the status of the program to the Board of County Commissioners on a monthly basis, rather than every six months.

Amendments from March 17, 2009 Meeting of the Board of County Commissioners

1. Include the addition of two definitions in the IO, as listed below, and move the entire definitions section immediately after the Scope section.
   - AMI: The Miami-Dade County area median family income level.
   - Soft Second Mortgage: A second mortgage awarded to qualified buyers who are pre-approved for a first mortgage from an approved lender that will enable them to close a gap in financing and purchase a foreclosed home, which home may or may not be under County ownership.
2. Reference the IO number as 2-11 accordingly in the cover memorandum, Resolution, and IO.
3. Clarify on typed page 14 of 16 of the IO under H.1.b "First Priority for Tenancy" that the word "Program" in line two refers specifically to the NSP Homebuyer Assistance Program.
4. In the table titled NSP Property Requirements, found on page 10 of 16, move the language *"The cost of rehabilitation to single family homes, plus the cost of acquisition and carrying costs, may not exceed $205,000. In the case of multi-family rental properties, the cost to purchase and rehabilitate the building should not exceed $125,000 per unit"* under table heading Physical Conditions to table heading Purchase Price on that same chart. The first sentence under Purchase Price is removed with the addition of that new sentence.
5. Include proximity to transit corridors, where possible, under the criteria to be utilized for the selection of properties for acquisition for Multi-Family Housing on typed page 11 of 16 of the IO.
6. Include language that GSA will outsource as needed on typed page 3 of 16 of the IO under the roles and responsibilities of GSA.

MEMORANDUM
(Revised)

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

DATE: March 17, 2009

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Amended Agenda Item No. 14(A)(4)

Please note any items checked.

✓ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Mayor's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Amended
Agenda Item No. 14(A)(4)
3-17-09

RESOLUTION NO. R-312-09

RESOLUTION APPROVING IMPLEMENTING ORDER 2-11 FOR THE NEIGHBORHOOD STABILIZATION PROGRAM

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the Implementing Order 2-11 for the Neighborhood Stabilization Program in substantially the form attached hereto and authorizes the County Mayor or the County Mayor's designee to exercise any and all rights conferred therein.

The foregoing resolution was offered by Commissioner Bruno A. Barreiro who moved its adoption. The motion was seconded by Commissioner Audrey M. Edmonson and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman absent
Jose "Pepe" Diaz, Vice-Chairman aye

Bruno A. Barreiro	aye	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	aye
Barbara J. Jordan	aye	Joe A. Martinez	aye
Dorrin D. Rolle	aye	Natacha Seijas	aye
Katy Sorenson	aye	Rebeca Sosa	absent
Sen. Javier D. Souto	aye		

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The Chairperson thereupon declared the resolution duly passed and adopted this 17th day of March, 2009. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Shannon D. Summerset

I.O. No.: 2-11
Ordered:
Effective:

MIAMI-DADE COUNTY
IMPLEMENTING ORDER

NEIGHBORHOOD STABILIZATION PROGRAM

AUTHORITY:

Section 4.02 of the Miami-Dade County Home Rule Amendment and Charter.

SCOPE:

Pursuant to Resolution R-1151-08, Miami-Dade County submitted a Neighborhood Stabilization Program (NSP) Substantial Amendment to its 2008 Action Plan previously submitted to U.S. Department of Housing and Urban Development (US HUD), which describes the proposed use of NSP funds in Miami-Dade County (the County) consistent with the Housing and Economic Recovery Act (Act) and NSP Notice. US HUD approved the NSP Substantial Amendment on January 12, 2009.

This Implementing Order describes the manner in which the County will implement the programs described in the NSP Substantial Amendment, which is incorporated hereto by reference. In light of the limited timeframe that the County has to expend these funds, this implementing order establishes an expedited process to operate the Program and shall supersede any other County procedures that may be in conflict with the procedures established herein.

DEFINITIONS:

AMI: The Miami-Dade County area median family income level.

Foreclosed: A property "has been foreclosed upon" at the point that under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

NSP Certificate of Award: A document given to qualified homebuyers (NSP Certificate Holders) selected through the NSP Homebuyer Assistance Program lottery which states that they are eligible to receive a spot loan.

NSP Certificate Holder: A qualified homebuyer who has received an NSP Certificate of Award through the NSP Homebuyer Assistance Program lottery.

Soft Second Mortgage: A second mortgage awarded to qualified buyers who are pre-approved for a first mortgage from an approved lender that will enable them to close a gap in financing and purchase a foreclosed home, which home may or may not be under County ownership.

Spot Loan: A second mortgage awarded to qualified homebuyers who have received an NSP Certificate of Award to purchase any home that meets the requirements of the County's NSP Substantial Amendment.

POLICY:

Title III of the Housing and Economic Recovery Act of 2008 (Act) established the Neighborhood Stabilization Program (NSP) and authorized the appropriation of $3.92 billion to assist state and local governments with the redevelopment of abandoned and foreclosed homes in an effort to stabilize communities. The County intends to utilize its NSP allocation of $62,207,200 for the following activities:

- Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including soft-second mortgages, loan loss reserves and shared-equity loans for low- and moderate-income homebuyers
- Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties
- Demolish blighted structures, and
- Redevelop demolished or vacant properties

ALLOCATION OF NSP FUNDS:

Miami-Dade County has been allocated **$62,207,200** in HUD Neighborhood Stabilization Program funds. Pursuant to the County's NSP Substantial Amendment, the NSP funding will be utilized for the following eligible activities:

Eligible Activity	Budget	Benefit 50% AMI	Percentage of Total Grant for 50% AMI Benefit
Financing Mechanisms (Soft Second Mortgages) and Homebuyer Counseling	$9,790,000		
Acquisition/Rehab of Single Family (Sale) and Homebuyer Counseling	$10,025,000		
Acquisition/Rehab of Multi-Family (Rental)	$21,571,480	$15,250,000	25%
Demolition	$1,000,000		
Redevelopment of Vacant Property (HOPE VI)	$8,600,000	$2,150,000	3%
Redevelopment of Vacant Property (HOPE VI Expanded Area)	$5,000,000	$2,500,000	4%
Administration	$6,220,720		
Total	**$62,207,200**	**$19,900,000**	**32%**

EXPENDITURE TIMELINE

Pursuant to the Act all funding must be under contract for a specific project or activity within 18 months of receipt of the grant award (upon executing a formal grant agreement with HUD). Funds should be completely expended and drawn-down within 4 years.

The County, through the Office of Community and Economic Development (OCED), may seek US HUD approval to adjust allocation of funds under the NSP Substantial Amendment (requiring formal amendment) and, once approved by US HUD, adjust such allocations set forth in this Implementing Order over the life of the program.

AREAS OF GREATEST NEED

Title III of the Housing and Economic Recovery Act of 2008 directs NSP grantees to give "priority emphasis and consideration" to low- and moderate-income areas as defined in the U.S. Department of Housing and Urban Development NSP Notice (NSP Notice) and "other areas with the greatest need", including those: 1) with the greatest percentage of homes in foreclosures; 2) with the highest percentage of homes financed by subprime mortgage related loans; and 3) identified by the County as likely to face a significant rise in the rate of home foreclosures.

Based on a formula taking into account the above factors, the County has determined areas of greatest need. The County has further ranked these areas of need as highest, high, moderate and priority areas of need. Accordingly, NSP activities are being targeted to certain priority areas. Areas of greatest need, ranking of these areas of need and the targeted activities within the priority areas are set forth in the County's NSP Substantial Amendment to the 2008 Action Plan (Plan) and shown on Figure A-8 in the Plan.

ROLES AND RESPONSIBILITIES:

The following County Departments are responsible for implementing its allocation of NSP funds.

Office of Community and Economic Development (OCED): The Office of Community and Economic Development (OCED) is charged with the overall responsibility of administering the Neighborhood Stabilization Program (NSP) under this implementing order. OCED administers Federal and State funding that supports the development of viable urban neighborhoods in Miami-Dade County characterized by decent housing, expansion of economic opportunities and the preservation of historic properties. OCED is responsible for administering the NSP funds as stipulated herein and will work with a consultant, selected through a Request for Qualifications process, to track and monitor for compliance and assist OCED with other administrative functions on an as needed basis. OCED is also responsible for qualifying NSP-eligible homebuyers, providing NSP funding assistance in the form of soft second mortgages to eligible homebuyers and administering the resale process of the homes during the control period.

General Services Administration (GSA): As the County's official real property asset management agency, the Department of General Services Administration (GSA) is responsible for administering the acquisition, rehabilitation and re-sale of foreclosed-upon single-family properties to NSP-eligible homebuyers. GSA is also responsible for acquiring multi-family rental properties for OCED's current inventory of rental housing. GSA will outsource as necessary.

Building Department: The Building Department is responsible for enforcing regulations governing buildings and unsafe structures. The Department will be responsible for enforcement of Section 8-5 of the Miami-Dade County Code of Ordinances in connection with NSP-funded demolition activities in coordination with OCED and the Office of Neighborhood Compliance (ONC).

Office of Neighborhood Compliance: ONC is responsible for addressing community needs through code compliance services, which includes nuisance abatement, zoning violations, and other neighborhood maintenance regulations, and enhancing the safety and aesthetics of the community. The Office will be responsible for enforcement of Chapter 17B of the Miami-Dade County Code of Ordinances in connection with NSP-funded demolition activities in coordination with OCED and the Building Department.

Miami-Dade Public Housing Agency: The Miami-Dade Public Housing Agency (MDPHA) provides decent, affordable housing to Miami-Dade County's qualified low- and moderate-income residents. MDPHA is responsible for the contract administration of the Master Development Agreement for Scott-Carver (HOPE VI) Revitalization and approving the public infrastructure plans and budget provided by the selected developer of the HOPE VI project.

NSP PROGRAM IMPLEMENTATION

I. NSP Soft-Second Mortgage and Closing Cost Assistance

NSP funds have been allocated in the amount of $9,790,000 for soft-second mortgage assistance, including closing costs, and may include down payment assistance, to NSP-eligible homebuyers to purchase foreclosed-upon single-family homes (Homebuyer Assistance Program). It is estimated that 130 soft second mortgages will be awarded to qualified homebuyers under this activity. Eighty (80) of these loans will be set aside for spot loans and 50 will be set aside for the foreclosed homes purchased by the County. OCED will utilize the same process it currently uses to distribute second mortgage funds, i.e., Surtax, SHIP, CDBG except that these NSP funds will be paid back by the borrower.

A. Marketing of Homebuyer Assistance Program

1. OCED will conduct a marketing campaign to identify qualified buyers to participate in the Homebuyer Assistance Program. This campaign will include conducting outreach meetings throughout the County and advertising through various mediums including local newspapers, and cable and radio stations. In addition, staff will work with MDHA to reach out to people who have Section 8 homeownership vouchers as well as former Scott and Carver residents. Staff will reach out to organizations that can assist with identifying qualified homebuyers, such as the Housing Finance Authority (HFA) and the Miami-Dade Affordable Housing Foundation. Staff will also do outreach to those homebuyer counseling agencies funded by the County, such as Miami-Dade Neighborhood Housing Services, Centro Campesino, Opa-Locka CDC, and Miami Beach CDC.

B. Application Process for Participation in Homebuyer Assistance Program

1. Open Application Period to Participate in Program

a. OCED will open an application process to establish a list of qualified homebuyers to participate in the NSP Homebuyer Assistance Program and thus, become eligible for a soft second mortgage. In order to be placed on the list, applicants must provide documentation that they meet the NSP borrower qualification requirements as set forth in Section I.C in this Implementing Order (first review).

b. The list of potential homebuyers will have the opportunity to compete for Spot Loans and for County-purchased homes by lottery at such time as these lotteries are held.

2. Spot Loan Award by Lottery

No earlier than 45 days after published notice of the opportunity to submit an application to the NSP Homebuyer Assistance Program, a lottery open to public viewing will be held to issue certificates to qualified homebuyers. A certificate holder is eligible to receive a spot loan of up to $70,000 to purchase a foreclosed home (amounts are based on household income).

3. Issuance and Exercise of NSP Certificate of Award

Certificate holders will have up to 120 days from the date the certificate is issued to:

a. Undergo a second review of borrower qualifications under the NSP Program. During the scheduled appointment with the borrower, OCED will provide the terms and the interest rate of the loan, the affordability period and the restrictive covenants that will be placed on the property, and the NSP property requirements that must be met; and

b. Enter into a contract to purchase a single-family home that meets all of the NSP property requirements set forth below under Section I.E. Said contract must be pre-approved by the County and incorporate an NSP Program addendum executed by the seller; and

c. Close on the home.

Any potential homebuyer provided an NSP Certificate of Award who is unable to close within 120 days will lose their eligibility for a spot loan, but will remain on the Homebuyer Assistance Program list and will be eligible to participate in future spot loan lotteries or lotteries to purchase homes from the County. The Director of OCED or his/her designee will have the ability to extend the 120 day deadline for reasons beyond the homebuyer's control, for example, title problems.

4. Soft Second Mortgage Assistance for Buyers of County-owned Homes

Soft second mortgages will be available for homebuyers selected to purchase the homes being sold by the County. Homebuyers must undergo a second review of

borrower qualifications under the NSP Program to ensure that they still meet the eligibility requirements. During the scheduled appointment with the borrower, OCED will provide the terms and interest rate of the loan, the affordability period and the restrictive covenants that will be placed on the property. The selection process to purchase these homes is described in Section II.F.1.

C. Borrower Qualification Requirements

Prospective borrowers must meet the following qualifications to participate in the Homebuyer Assistance Program:

Qualifications for Participation	
Income Limits:	Total household incomes no less than 51% and no more than 120% of area median income. (low- to moderate-income)
Employment and Credit History	Employment for at least 24 consecutive months, up to the time of application. Good, established credit history.
Citizenship	U.S. Citizen or legal permanent residency immigration status.
Homebuyer Counseling Certification	Minimum of eight (8) hours of homebuyer counseling conducted by a HUD-certified homebuyer counseling agency currently under contract with Miami-Dade County. Certificate must be issued within 12 months prior to lottery selection.
Approved for First Mortgage	Pre-approved for a first mortgage from an approved lender.
Down Payment Requirements	Not less than 3% of the purchase price. At least 1% must come from the buyers' own funds.
Maximum Debt to Income Ratio for Loan Approval	The maximum monthly payment including house payment (mortgage payments, insurance and taxes) and all outstanding debts (including installment loans, revolving credit cards, and child care expenses) cannot exceed 45% of the participant's gross monthly income.

D. Loan Terms and Maximum Amount of Assistance

Loan Terms	
Term of Loan	30 years
Interest Rate	0-6%, based upon debt to income ratio
Maximum Assistance	
Household Income	**Maximum Assistance**
51% to 80%AMI	up to $70,000
81% to 100%AMI	up to $60,000
101% to 120% AMI	up to $50,000

E. Property Requirements Including Maximum Purchase Price

Properties must meet the following requirements in order to receive NSP mortgage and closing cost assistance:

NSP Property Requirements	
	Spot Loans
Location of Property	Property must be located in any of the County's priority areas identified in the NSP Substantial Amendment. For the borrower's convenience, a list of foreclosed-upon properties will be made available. Borrowers are not limited to selecting one of the listed properties as long as the selected home meets all of the property requirements.
Purchase Price	Must not exceed the lesser of $205,000 (County approved maximum sales price) or a price which is a minimum of 15% less than its current appraised market value.
Type of Properties	Single family home, townhouse or condominium, which has been foreclosed-upon. No cooperative units. This is in alignment with the current OCED program.
Appraisal	The current market appraisal must not be older than 60 days.
Title	Title must be clear of any liens, outstanding fines and assessments; title insurance will be required.
Physical Conditions	• In addition to meeting HUD Housing Quality Standards (HQS), the property must meet County building and housing standards (as set forth in the NSP Substantial Amendment) evidenced by a current Certificate of Use. • An independent inspection is required by a licensed professional. • Property must have an expected economic life of not less than 30 years.
Property Must Be Vacant	Property must be vacant at time of listing and remain vacant until closing.
Use as Primary Residence After Closing	After closing, must be occupied by the purchaser of record as primary residence and must not provide a source of income to the borrower.

F. Lender Participation and Seller Cooperation

1. Lender Participation Agreement

Lenders choosing to participate must execute a Participating Lender Agreement with the County. This agreement will outline all of the specifics relative to the NSP. Information relative to discount rate requirements, interest rates restrictions, subprime lending prohibitions, acceptable loan types, affordability terms, restrictive covenants and other program allowances and restrictions will be detailed in this agreement. Lenders will have to agree to work closely with the County to expedite the real estate transactions.

2. Seller Cooperation - NSP Addendum to Purchase Contract

Upon meeting program eligibility, potential homebuyers will be instructed not to execute a purchase contract until the lender (seller) has executed a NSP Purchase Contract Addendum. The Addendum will make the purchase contingent upon the subject property meeting all of the NSP property requirements set forth herein. The Addendum may include other terms and conditions as may be advised by the County Attorney.

G. Environmental Review

Pursuant to 24 CFR §58.35(b)(5), mortgage and closing cost assistance is categorically excluded activity for which no environmental review impact statement or environmental assessment and finding of no significant impact under NEPA is required, nor is the activity subject to a review or compliance determination under Federal laws and authorities cited in 24 CFR §58.5.

H. Compliance with 24 CFR §58.6 – Flood Insurance Requirements

The County must ensure that the provisions of 24 CFR 24 CFR §58.6 are met at the time of mortgage assistance. These statutory requirements generally require that flood insurance protection is obtained as a condition of the approval of soft second mortgage financial assistance to the homebuyer, if required.

II. Purchase and Rehabilitation of Foreclosed-Upon Single Family Homeownership and Multi-Family Rental Properties

NSP funds in the amount of $10,025,000 have been allocated to acquire and rehabilitate foreclosed-upon single-family homes for re-sale to NSP-qualified homebuyers and provide homebuyer counseling. An additional $21,571,480 in NSP funds have been allocated towards the acquisition and rehabilitation of foreclosed-upon multi-family rental properties to be utilized for affordable rental housing benefiting NSP-income eligible households.

GSA will administer the acquisition, rehab, and resale component of the NSP. GSA will utilize in house staff as well as the services of not-for-profit and for-profit third party real estate professionals and construction trade persons to assist with identifying foreclosed homes, estimating the rehab cost, negotiating the purchase, conducting due diligence, rehabilitating the housing, identifying buyers and selling the single family housing.

Pursuant to statutory authority granted to counties under Section 125.379, of the Florida Statutes, GSA will sell the homes to qualified buyers selected in the manner described in Section I.B.1. OCED will provide these NSP-eligible homebuyers with soft second mortgage and closing cost assistance to purchase these homes.

Multi-family rental properties once acquired by GSA will be turned over to property managers currently under contract with the County (OCED) to perform all required functions of property management, including any necessary rehabilitation, marketing, and renting of the units. Seventy-one percent (71%) of the $21.57 million allocation of funds to be used towards acquisition and rehabilitation of multi-family rental housing has been restricted to benefiting households with incomes up to 50% of AMI, thereby satisfying one of the Act's requirements.

In addition, the County Mayor or the County Mayor's designee may establish a pool of qualified for profit and/or not-for-profit developers or home builders to identify and acquire foreclosed-upon single family homes from lenders and rehabilitate them to the extent required to meet housing standards set forth in the NSP Plan prior to re-sale. The County may fund up to full cost of the acquisition and rehabilitation of the homes with NSP funds, subject to a first mortgage on the property with deed restrictions imposing terms to ensure continued affordability.

The County Mayor or the County Mayor's designee may also select for-profit and not-for-profit housing developers or homebuilders to acquire, rehabilitate and manage multi-family rental housing. In such cases, the County may fund a portion or the full acquisition and rehabilitation costs with NSP funds. The selected developer must present projects that are fully financed except for a gap that the County would fill using NSP funds. The funds will be provided as a deferred loan payable at the end of the affordable period. The projects are subject to a subsidy layering review.

A. Identification of Foreclose-Upon Properties

1. Published Notice

The County will publish a notice in local newspapers and newspapers of general circulation as well as on the County's website informing the public of the County's interest in acquiring foreclosed properties (Real Estate Owned – title must have been transferred to mortgage holder) in areas throughout the unincorporated areas of Miami-Dade County (UMSA) and in municipalities that are non entitlement cities and were not allocated direct NSP funds. Properties must have been determined by the County to be in areas of greatest need (a map showing the areas of greatest need with priorities of highest and high need can be found on the County's web site at www.miamidade.gov/ced). The deadline by which the properties must be submitted in order to be considered will be specified as well as the minimum criteria that the properties must meet to be considered for acquisition.

2. Solicitation of Foreclosed Properties Lists

In addition to a published notice, GSA will contact financial institutions doing business in Miami-Dade County for lists of foreclosed-upon properties that meet the minimum criteria that properties must meet to be considered for acquisition.

B. Property requirements

In order to be considered for purchase, the properties must meet the following criteria:

NSP Property Requirements	
	Acquisition and Rehab of Single family (Homeownership) and Multi-family housing (Rental)
Location of Property	Properties acquired and rehabilitated by the County for resale will be located in highest and high priority need areas as designated in the NSP Substantial amendment.
Purchase Price	The cost of rehabilitation to single family homes, plus the cost of acquisition and carrying costs, may not exceed $205,000. In the case of multi-family rental properties the cost to purchase and rehab the building should not exceed $125,000 per unit. As required by the Act and NSP Notice, the County's purchase price must be at a discount from the appraised value of the property, with the aggregate being no less than 15% of the current appraised market value.
Type of Properties	Homeownership: Single family home or townhouse, but, no condominium or cooperative units. Multi-Family Rental: A minimum of twenty contiguous units.
Property Tax	No property taxes can be delinquent.
Title	Title must be clear of any liens, outstanding fines and assessments; title insurance will be required.
Physical Conditions	The County will assess the degree of rehabilitation necessary for a single-family home to ensure that the home meets the County's building and housing standards prior to re-sale.
Unit Occupancy	Homeownership: Units must be vacant at time of listing and remain vacant until closing. Multi-Family Rental Housing: Units may be vacant; however, the purchase of occupied units is permitted provided the tenants meet the required income levels stated in Section II.H.1a below.

C. Property Evaluation and Selection

After County solicitation of foreclosed-upon properties, staff will screen properties to determine if the properties meet the minimum threshold criteria specified above.

1. NSP Property Acquisition Evaluation Committee

Those foreclosed upon properties meeting the criteria specified above will be presented to the NSP Property Acquisition Evaluation Committee who will rank and select the properties that will best accomplish neighborhood stabilization with the greatest impact in the areas of highest and high need, with sensitivity to the need to stabilize neighborhoods throughout such areas in the County (in the northern, southern, western and eastern portions of the County).

2. Composition of Acquisition Evaluation Committee

The Committee will be composed of representatives from the following Departments:

- GSA
- OCED
- Planning and Zoning
- Building Department
- Office of Neighborhood Compliance
- Office of Economic Development Coordination

3. Stabilization Criteria to be Utilized in the Selection of Properties for Acquisition

The Committee will utilize the following criteria to rank properties for acquisition:

Single Family Housing

- Acquisition and rehabilitation costs per housing unit;
- The estimated time between acquisition and completion of repairs and correction of building code violations, if any;
- The percent of vacant and foreclosed units within a 0.5 mile radius;
- The percent of housing units with filings of lis pendens within a 0.5 mile radius during the latest three (3) month period; and
- The percent decline in median home prices within a 1.0 mile radius over the past year.

Multi-Family Housing

- Acquisition and rehabilitation costs per housing unit;
- The estimated time between acquisition and completion of repairs and correction of building code violations, if any;
- The percent of vacant units within the building;
- The percent of vacant and foreclosed housing units within a 2.0 mile radius; and
- Proximity to transit corridors, where possible.

The Director of OCED will determine the appropriate weight that should be given to each of the factors used to rank properties for the purpose of recommending acquisitions.

D. Acquisition of Properties

1. Authority to Enter into Purchase Contracts to Acquire and Sell Properties

In order to utilize NSP funds as quickly as possible to stabilize neighborhoods experiencing high rates of foreclosures and within the time and regulatory constraints imposed by the Act, the County Mayor or County Mayor's designee is authorized to enter into purchase contracts to acquire and sell properties, subject to the review of the County Attorney, that are recommended by the NSP Evaluation and Selection Committee. The County Mayor or designee is also authorized to enter into contracts with entitlement cities to acquire multi-family housing when utilizing NSP funds

2. **Maximum Purchase Price**

As required by the Act and NSP Notice, the County's purchase price must be at a discount from the current appraised market value of the property, with the aggregate being no less than 15% of the current appraised market value.

In any event, the County may not acquire single-family homes at a purchase price greater than $205,000 and it may not purchase multi-family rental properties when the price would be greater than $125,000 per unit.

3. **Property Appraisals**

As dictated by the Act and HUD Notice, the County may not rely upon appraisals that are older than 60 days. Appraisals for properties under consideration will be available for public disclosure or inspection. The County will not utilize exemptions from Section 119.07(1) F.S.

4. **Administration of Acquisitions**

GSA will negotiate an acceptable price and conduct other due diligence required prior to closing on the properties, such as ordering title searches, surveys, and environmental review as required by HUD. GSA and the County Attorney's Office will be responsible for closing on the properties.

E. Rehabilitation of homes

Once the home has been purchased, GSA will initiate the rehabilitation of the unit. Depending on the amount and type of rehab work that the home requires, GSA will either do the work in house utilizing it's Design and Construction Division staff, or contract the work out to construction trade vendors that are under contract with the County's Office of Capital Improvements.

F. Sale of Homes to Eligible Homebuyers

1. **Selecting Homebuyer**

In the manner described in Section I.B above and pursuant to authority given to the County under Section 125.379 F.S., the County, through GSA, will sell the homes to homebuyers on the NSP Homebuyer Assistance Program list. Once a single family home is acquired, it will be offered for purchase to the Homebuyer Assistance Program list, administered by OCED. If more than one eligible homebuyer expresses an interest in purchasing the home, a lottery will be held amongst the interested homebuyers. In the event that the top ranked potential homebuyer does not meet NSP borrower qualifications during second review or cannot close on a timely basis, the next highest ranked potential homebuyer will be offered the home.

2. **NSP Homebuyer Assistance**

Homebuyers selected by lottery to purchase a County-acquired home will be eligible to receive NSP soft second mortgage assistance, as described in Section I.

G. Terms Controlling Long-Term Affordability

1. NSP Affordability Requirements

The long term affordability requirements for the NSP will mirror the restrictions of the County's Infill Housing Program. In addition to the soft second mortgage, a declaration of restrictive covenants running with the land will be recorded in the public records of Miami-Dade County at closing. This provision applies to all single family home purchases made with or in part by utilizing NSP funds, including the spot loans. The declaration of restrictive covenants will specify that:

- The covenants will bind the homebuyer, any assignee, mortgagee, and all other parties that receive title to or interest in the property. These covenants will be senior to all instruments securing permanent financing.

- The covenants shall control for a minimum of 20 years and shall automatically reset every 20 years for a maximum of 60 years, except that in the event an eligible home is owned for an entire 20-year control period by the same individual(s), said individual(s) shall automatically be released from the Declaration of Restrictive Covenants.

- The restrictions shall run with the land for the entire control period.

- Re-sale of the property during the affordability control period is limited to NSP income-qualified individuals or families for use as their primary residence. The assisted home may not be leased to another party.

- Prior to the re-sale of the NSP-assisted home during the control period, the current homeowner shall obtain the County's written approval.

- The maximum sales price permitted on resale of an eligible home will be based on the following:

  (i) the method used in the Infill Housing Program, which takes into account the price paid by the current owner and any increases tied to an index of area incomes during the period in which the current owner owned the home; and
  (ii) documented costs for property improvements that are permanent in nature and not for decoration or maintenance purposes

- The County reserves a right of first refusal to purchase the eligible home prior to or at the end of control period, if it becomes available for purchase and there are no eligible persons to purchase the NSP-assisted home.

2. **Assessed Value of Homes Subject to NSP Affordability Controls under Restrictive Covenants**

To ensure that the assessed value of the affordable home reflects consideration of the above restrictions, the County will submit a copy of the recorded covenant to the Miami-Dade Property Appraiser's Office immediately after closing. Upon receiving the covenant, the Property Appraiser's Office will make a notation in the records available to the public that the home is subject to affordable housing restrictions and, for subsequent assessments during the control period, will ensure that the discounted value reflects consideration of the housing restrictions.

H. Multi-Family Rental Housing -- Property Management, Affordability Controls and Tenancy

1. Tenant Population

a. Breakdown of Unit Occupancy Restricted by Income:

The County will acquire at least 172 units of rental housing, setting aside 122 units for households at or below 50% of AMI, 25 units for households between 51% and 80% of AMI and 25 units between 81-120%.

b. First Priority for Tenancy

Priority for tenancy will be given to existing tenants, provided they meet the eligibility requirements of the NSP Homebuyer Assistance Program. Preference will also be given to those households evicted from foreclosed-upon properties. In coordination with the Miami-Dade County Police Department, who delivers the writ of possession, OCED, though its property management team, will verify and document such cases. The Miami-Dade County Homeless Trust will assist OCED and the Police Department in developing a protocol for this coordination.

2. Responsibility for Rehabilitation and Property Management

OCED currently has an inventory of multi-family rental properties and has contracted with property management companies to fully maintain and manage these properties. Such services include marketing, lease-up, rent collection, general maintenance and rehabilitation when necessary. Multi-family rental properties once acquired by GSA with NSP funds will be turned over to these property managers under County contract to perform rehabilitation as required under the Act and all required functions of property management as described above.

3. Affordability Period

The NSP rental units will remain affordable for thirty years to individuals and families earning 120% or less of area median income.

4. Affordable Rents

Miami-Dade County will adopt the maximum rents allowed as determined by market

comparison. The County will set rents at thirty (30) percent of monthly gross income, not to exceed the maximum market rent. Alternatively, maximum rents may be based on HUD-approved rent limits for tax credit projects.

III. Demolition of Blighted Structures

NSP funds in the amount of $1,000,000 will be directed toward demolition of blighted structures located in highest and high priority areas of need. These structures are expected to be primarily single family homes.

A. Authority for Demolition and Responsible Departments

1. Authority for Demolition

The County adopts the definition of "uninhabitable structures" as defined in Section 17B-15 of the Miami-Dade County Code of Ordinances, as the definition of "blighted structures" for purposes of the NSP Substantial Amendment. In the event that the structure does not meet the standards for demolition under Chapter 17B, the County will seek demolition of the property as an "unsafe structure" under Section 8-5 of the code.

2. Responsible Departments

OCED will coordinate demolition of blighted structures under the NSP Program with the Office of Neighborhood Compliance and Miami-Dade Building Department's Building Code Compliance Office, which are responsible for enforcement of Chapter 17B and Section 8-5, respectively, of the Miami-Dade County Code of Ordinances.

B. Use of NSP Funds for Demolition

1. Request for Applications (RFA) Open to Non-NSP Municipalities

A portion of NSP funds allocated to this activity will made available to municipalities that did not receive a direct allocation of NSP funds or an allocation through the State of Florida. These municipalities will be invited by the County Mayor through OCED to submit applications for demolition of blighted structures. The County Mayor or the County Mayor's designee will approve those applications that meet the requirements based on available funding.

Municipalities seeking NSP funds will be required to adopt Chapter 17B and Section 8-5 of the Miami-Dade Code of Ordinances by reference. The County will provide training and support to municipalities as necessary to assist them in carrying out demolition activities in accordance with the provisions of Chapter 17B and Section 8-5.

2. Utilization of Demolition Funds in Conjunction with Other NSP Activities

Some of the demolition funds may have the greatest impact if used in conjunction with other NSP activities. Therefore, such funds will be utilized as needed to accomplish greater neighborhood stabilization under these activities. In cases where the County has control of the land, properties will be placed under the Infill Housing Program,