

# Memorandum



**Date:** April 26, 2012

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

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Neighborhood Stabilization Program (NSP1) – February 2012 Report

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The following monthly progress report on Miami-Dade County's Neighborhood Stabilization Program Round 1 (NSP1) reflects data through the end of February 2012. Monthly reports on the program are required as stipulated in Implementing Order (IO) 2-11.

The County continues to make steady progress on NSP1 funded activities, which 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 NSP1 activities must be spent by March 2013.

The County has obligated 100 percent of the \$62.207 million NSP1 grant award, which is highlighted in the NSP Round 1 Funds By Activity chart (Attachment 1). As of February 29, 2012, the County had expended \$38,958,379 or approximately 63 percent of the total grant, an increase of \$1.76 million since January 31, 2012. Below summarizes each strategic category:

#### Soft-second Mortgage Assistance

The soft-second mortgage activity concluded prior to the end of 2010 and the remaining balance has been expended. Some of the project delivery expenses associated with loan origination, underwriting and loan closings for the homes acquired by the County exceeded the balance and will be addressed with program income or administrative dollars. [Note: The status of this activity has not changed since July 2011.]

#### Acquisition and Rehabilitation of Single-Family Homes

As of November 30, 2010, the County had acquired 50 single-family homes. No homes were sold during the month of February 2012, leaving the total sold to date at 25 homes. A total of 18 have fully executed sales contracts pending closing, and two homes are scheduled for demolition and reconstruction. The remaining five homes are available on a first-come-first-served basis to any eligible buyer.

#### Acquisition and Rehabilitation of Multi-Family Residential Properties

The November 2010 report indicated that Miami-Dade County completely committed its \$32,886,480 allocation for the acquisition and rehabilitation of multi-family properties among five housing projects. The Multi-family Residential Projects table (Attachment 2), highlights the status of those five developments as of the end of February 2012.

#### Redevelopment Projects: Scott/Carver HOPE VI Project and HOPE VI Expanded Area

Through the end of February 2012, the Public Improvements construction is 98 percent completed and it is scheduled to be completed by April 1, 2012. Sector III/IIIA (West) construction is 99 percent completed with an estimated completion date of March 30, 2012. Out of the 29 buildings, 22 buildings have obtained a Certificate of Occupancy (CO) and 15 apartment units are now occupied. The CO for the remaining 7 buildings is expected to be obtained by the end of March 2012. Carver/Sector IV construction is 78 percent completed and estimated to be completed by May 12, 2012. In Sector

III/IIIA, ten (10) buildings have the final Certificate of Occupancy. On January 12, 2012, tenants began moving in Sector III/IIIA. However, ongoing efforts continue by the Management Company and PHCD with coordinating/scheduling tenants' move-in dates. All three sectors contractually must be finished by May 2012.

The Anchorage project (HOPE VI expanded target area) is expected to obtain construction permits by March 16, 2012. The Developer is compiling all items required to finalize the NSP loan closing checklist. The General Contractor has been selected. A Pre-Construction meeting is scheduled for March 7, 2012. Construction is scheduled to start by the end of March 2012. A subsidy layering underwriting review is underway.

Demolition

The table below describes the status of the four demolition projects funded under NSP1:

| Project Name     | Address                             | Commission District | Unit Count | Status    |
|------------------|-------------------------------------|---------------------|------------|-----------|
| Opa-locka        | Various                             | 1                   | 19         | Completed |
| Brownsville      | Various                             | 3                   | 4          | Completed |
| Lincoln Gardens  | 4771 NW 24 Court, Miami, FL         | 3                   | 47         | Completed |
| Westview Terrace | 12401-12801 NW 27 Avenue, Miami, FL | 2                   | 421        | Completed |

As the Board is aware, the County was awarded \$20.036 million under Round 3 of the NSP (NSP3). The County has issued commitment letters on the following three projects:

| Project Name                | Address  | Commission District | Unit Count | Status   |
|-----------------------------|--|---------------------|------------|--|
| Northside Transit Village I | N.W. 31 <sup>st</sup> . Avenue and NW 79 <sup>th</sup> . Street, Unincorporated Miami-Dade County, Florida | 2                   | 100        | \$7,500,000<br><ul style="list-style-type: none"> <li>▪ Pending Closing</li> <li>▪ Environmental clearance process is underway.</li> </ul> |
| Town Center Apartments      | 551 Fisherman Street, Opa-locka, Florida   | 1                   | 124        | \$7,739,688<br><ul style="list-style-type: none"> <li>▪ Pending Closing</li> <li>▪ Environmental clearance process is underway.</li> </ul> |
| Hampton Village Apartments  | 2740 NW 43 <sup>rd</sup> . Terrace Unincorporated Miami-Dade County, Florida                               | 3                   | 100        | \$2,592,985<br><ul style="list-style-type: none"> <li>▪ Pending Closing</li> <li>▪ Environmental clearance process is underway.</li> </ul> |

In addition, draft funding agreements have been prepared for the three NSP3 projects listed above and have been reviewed for a pending financial closing. The closings were anticipated to occur by the end of the year. Since this has not happened the executed commitments were extended to March 31, 2012.

Staff will continue to update the BCC on a monthly basis on the progress of NSP.

Attachment

- c: Robert A. Cuevas, Jr., County Attorney
- Russell Benford, Deputy Mayor
- Jennifer Moon, Director, Office of Management and Budget
- Gregg Fortner, Director, Public Housing and Community Development
- Charles Anderson, Commission Auditor
- Christopher Mazzella, Inspector General

Neighborhood Stabilization Program Round 1 Funds By Activity

Attachment 1

APPLICATION GOALS

STATUS OF GOALS (ACTUALS)

| 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 UNITS |                     | Amount Expended     | Amount Unexpended  |
| Soft-second mortgage assistance and closings costs (\$80,000) maximum to purchasers of foreclosed-upon homes in areas of greatest need(s).<br>Responsible Department: PHCD   | 0               | 3             | 7                 | 10               | \$750,000           | 11/30/2012 | 0               | 2             | 3                 | 5           | \$873,498           | \$0                 | This activity has concluded. The funds have been expended on actual mortgages and project delivery costs for our second mortgage activities that continues through the sale of the County acquired homes. The budgeted amount exceeds the line item but can be addressed using program income received.                  |
| Soft-second mortgage assistance and closings costs, \$80,000 maximum to purchasers of foreclosed-upon homes purchased through NSP Acquisition/Rehabilitation Program.<br>Responsible Department: PHCD  | 0               | 0             | 0                 | 0                | \$0                 | 11/30/2012 | n/a             | n/a           | n/a               | n/a         | \$5,145             | \$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.                               |
| Acquisition and Rehabilitation of foreclosed-upon single family homes (up to \$200,000 per unit).<br>Responsible Department: Internal Services   | 0               | 9             | 34                | 43               | \$8,085,000         | 11/30/2011 | 0               | 19            | 6                 | 25          | \$8,694,651         | \$0                 | Internal Services purchased 50 homes. The County has sold 25 homes to date. This line item has exceeded the budget but is reflective of program income received.   |
| Acquisition and rehabilitation of foreclosed-upon multi-family residential properties to provide affordable rental housing (\$125,000 per unit).<br>Responsible Department: Internal Services  | 256             | 396           | 0                 | 622              | \$32,895,480        | 09/30/2012 | 0               | 0             | 0                 | 0           | \$17,448,682        | \$15,437,798        | The County has committed all funds in this activity. A total of five projects have been slated for acquisition and rehabilitation as shown on Attachment 2.  |
| Minimum 8 hour homebuyer counseling for income-qualified persons provided soft-second mortgage assistance to purchase foreclosed-upon homes (\$500 per participant).<br>Responsible Department: PHCD   | 0               | 104           | 26                | 130              | \$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 exhausted these funds.   |
| Demolition of blighted structures to address public health and safety problems in negatively impacted neighborhoods.<br>Responsible Department: PHCD   | n/a             | n/a           | n/a               | 122              | \$600,000           | 03/31/2013 | n/a             | n/a           | n/a               | n/a         | \$602,517           | \$0                 | Opa-locka demolitions are completed. The County has demolished the 47 units at Lincoln Gardens (public housing). The County has completed the demolition of the Brownsville tornado affected homes. Washview Terrace demolition is complete. The funds are exhausted. This line item has also gone slightly over budget. |
| Neighborhood redevelopment of affordable multi-family rental housing on vacant property (\$38,411 per unit). This activity will be directed toward the Scott Carver HOPE VI affordable housing project for public infrastructure cost.<br>Responsible Department: PHCD | 59              | 225           | 70                | 354              | \$9,600,000         | 09/30/2011 | 0               | 0             | 0                 | 0           | \$9,600,000         | \$0                 | Public Housing and Community Development Department (PHCD) through its developer continues the site work. Vertical construction continues on schedule. The NSP funds have been expended.   |
| Neighborhood redevelopment through multi-family rental housing development in the Expanded HOPE VI Area (\$125,000 per unit).<br>Responsible Department: PHCD  | 20              | 10            | 10                | 40               | \$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. The developer has been given access to the site to begin due diligence. The developer has signed the lease agreement in order to access additional funds.                               |
| Administration and Planning<br>Responsible Department: PHCD  | n/a             | n/a           | n/a               | n/a              | \$5,220,720         | 03/31/2013 | n/a             | n/a           | n/a               | n/a         | \$2,661,749         | \$3,558,971         | This is the entire amount of \$8.22 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>21</b>     | <b>9</b>          | <b>30</b>        | <b>\$38,958,379</b> |            | <b>0</b>        | <b>21</b>     | <b>9</b>          | <b>30</b>   | <b>\$38,958,379</b> | <b>\$23,989,633</b> |  |

## Multi-Family Residential Projects

| Project Name                 | Address                               | Commission District | Unit Count | Construction Status  |
|------------------------------|---------------------------------------|---------------------|------------|--|
| Kings Terrace                | 12401-12801 NW 27 Avenue, Miami       | District 2          | 300        | <b>Kings Terrace</b> (reconstruction) - \$17,000,000: The bridge work is 99 percent complete. Phase II construction is 32 percent complete and is scheduled to be 100 percent complete by March 9, 2013.   |
| South Point Crossings        | 815 W Lucy Street, Florida City       | District 9          | 122        | <b>South Point Crossings</b> (renovation) - \$7,444,489: Phase II construction is 50 percent completed with a scheduled completion date of July 2012. Construction of stage 2 of 4 stages, consisting of major renovation of Buildings A & H, is 100 percent complete and the tenants have moved in. Construction of stage 3 of 4 stages, consisting of major renovations to Buildings G & F started on February 20 and February 27, 2012, respectively.   |
| Harvard House/Tiffany Square | 2020 NE 169 Street, North Miami Beach | District 4          | 56         | <b>Harvard House/Tiffany Square</b> (renovation) - \$2,239,082: Phase I relocation of tenants started on February 20, 2012. The Pre-Construction meeting was held on February 22, 2012. Underwriting review is underway. Construction is scheduled to start by March 12, 2012 and it will be completed by March 2013.  |
| Opa Lakes                    | 2491 NW 135 Street, Opa-locka         | District 1          | 48         | <b>Opa Lakes Apartments</b> (renovation) - \$2,520,667: Developer's attorney is working with the Miami-Dade County Attorney Office to transfer the property title from Metro Realty of South Florida, Inc. to Opa Lakes Development, LLC, an entity that will have United States Association of CDC, Inc and Metro Realty of South Florida, Inc. as members, with Mr. Howard as Managing Member. Developer has failed to provide funding commitment for the additional \$1.4 million funds needed. The lead paint report has not been completed yet. The plans need to be revised to include the Uniform Federal Accessibility Standards (UFAS) requirements. The underwriting report is underway. |
| Leisure Villas               | 28701 SW 153 Avenue, Miami            | District 9          | 30         | <b>Leisure Villas</b> (renovation) - \$3,592,200: Approval of construction plans is pending from the Miami-Dade Building Department. Selection of a general contractor is scheduled to be completed by the end of April 2012. A relocation plan is being prepared and initial General Information Notices have been delivered. Underwriting review is underway. Construction is scheduled to start by June 2012 and be completed by February 2013.   |