

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) – March 2012 Report

The following monthly progress report on Miami-Dade County's Neighborhood Stabilization Program Round 1 (NSP1) reflects data through the end of March 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 March 31, 2012, the County had expended \$39,316,585 or approximately 63 percent of the total grant, an increase of close to \$400,000 since February 29, 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. The County sold two homes during the month of March 2012, leaving the total sold to date at 27 homes. A total of 19 have fully executed sales contracts pending closing, and two homes are scheduled for demolition and reconstruction. The remaining two 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 March 2012.

Redevelopment Project: Scott/Carver HOPE VI Phase II Project

Through the end of March 2012, the Public Improvements construction is 98 percent completed and it is scheduled to be completed by May 30, 2012. Sector III/IIIA (West) construction is 100 percent completed. All 29 buildings have obtained a Certificate of Occupancy (CO). Out of the total 134 apartment units, 50 apartment units are now occupied (21 Public Housing, 18 Tax Credits and 11 Market rate). Out of the 50 apartment units now occupied 22 are former Scott Carver residents (21

Public Housing, 1 Market Rate). Carver/Sector IV construction is 86 percent completed and estimated to be completed by August 12, 2012, due to minor delays in obtaining inspection approvals.

Redevelopment Project: HOPE VI Expanded Area Project

Construction permits were approved to construct a four-story, 30 unit apartment building. The developer is negotiating a lease amendment to do the 30 units in two phases. Revised plans for a three-story, 22 unit apartment building were submitted to the Building Department. The Developer is compiling all items required to finalize the NSP loan closing checklist. A Pre-Construction meeting was held on March 7, 2012. Construction is scheduled to start on April 16, 2012. A full credit 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 st . Avenue and NW 79 th . Street Unincorporated Miami-Dade County, Florida | 2 | 100 | \$7,500,000 <ul style="list-style-type: none"> ▪ Pending Closing ▪ Environmental clearance process is underway. |
| Town Center Apartments | 551 Fisherman Street Opa-locka, Florida | 1 | 124 | \$7,739,688 <ul style="list-style-type: none"> ▪ Pending Closing ▪ Environmental clearance process is underway. |
| Hampton Village Apartments | 2740 NW 43 rd Terrace Unincorporated Miami-Dade County, Florida | 3 | 100 | \$2,592,985 <ul style="list-style-type: none"> ▪ Pending Closing ▪ Environmental clearance process is pending approval. |

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: Russell Benford, Deputy Mayor
- Robert A. Cuevas, Jr., County Attorney
- 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 | | | TOTAL | Amount Obligated | Due Date | UNITS | | | | FUNDS | | Comments/Update |
|---|-----------------|---------------|-------------------|-------|---------------------|------------|-----------------|---------------|-------------------|-------------|---------------------|---------------------|--|
| | 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 | |
| Soft-second mortgage assistance and closings costs (\$30,000) maximum to purchasers of foreclosed-upon homes in areas of greatest need(s). Responsible Department: PHCD | 0 | 3 | 7 | 10 | \$750,000 | 11/30/2012 | 0 | 2 | 3 | 5 | \$873,488 | \$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. Responsible Department: PHCD | 0 | 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 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: Internal Services | 0 | 9 | 34 | 43 | \$9,085,000 | 11/30/2011 | 0 | 21 | 6 | 27 | \$8,718,999 | \$0 | Internal Services purchased 50 homes. The County has sold 27 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). Responsible Department: Internal Services | 256 | 366 | 0 | 622 | \$32,886,480 | 09/30/2012 | 0 | 0 | 0 | 0 | \$17,448,982 | \$15,437,498 | 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). 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. Responsible Department: PHCD | n/a | n/a | n/a | 122 | \$500,000 | 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. Westview 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. Responsible Department: PHCD | 59 | 225 | 70 | 354 | \$8,600,000 | 09/30/2011 | 0 | 0 | 0 | 0 | \$8,600,000 | \$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). 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 Responsible Department: PHCD | n/a | n/a | n/a | n/a | \$6,220,720 | 03/31/2013 | n/a | n/a | n/a | n/a | \$2,995,307 | \$3,558,971 | 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 | 23 | 9 | 32 | \$39,316,585 | \$23,985,333 | |

Multi-Family Residential Projects

| Project Name | Address | Commission District | Unit Count | Construction Status |
|------------------------------|---------------------------------------|---------------------|------------|--|
| Kings Terrace | 12401-12801 NW 27 Avenue, Miami | District 2 | 300 | Kings Terrace (reconstruction) - \$17,000,000: The bridge work is 99 percent complete. Phase II construction is 45 percent complete and is scheduled to be 100 percent complete by March 9, 2013. The Community Center and Building 1 will be completed June 2012. |
| South Point Crossings | 815 W Lucy Street, Florida City | District 9 | 122 | South Point Crossings (renovation) - \$7,444,489: Phase II construction is 65 percent completed with a scheduled completion date of July 2012. Construction of stage 3 of 4 stages, consisting of major renovation of Buildings G & F, will be completed at the end of April. Construction of the new community center is pending permit approval by the Florida City Building Department. |
| Harvard House/Tiffany Square | 2020 NE 169 Street, North Miami Beach | District 4 | 56 | Harvard House/Tiffany Square (renovation) - \$2,239,082: Relocation and Construction will occur in two (2) phases. Phase I of relocation was completed during March 2012. Phase I of construction started on March 26, 2012 and it will be completed by July 2012. |
| Opa Lakes | 2491 NW 135 Street, Opa-locka | District 1 | 48 | Opa Lakes Apartments (renovation) - \$2,520,667: The property title was transferred 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. Developer closed loan with Principal Lenders for additional renovation funds. Pre-Construction meeting was held on March 29, 2012. Start of construction is pending the submittal of the Performance and Payment bond to PHCD. The plans are being revised to include the Uniform Federal Accessibility Standards (UFAS) requirements. Credit underwriting is underway. |
| Leisure Villas | 28701 SW 153 Avenue, Miami | District 9 | 30 | Leisure Villas (renovation) - \$3,592,200: Approval of construction plans is pending from the Miami-Dade Building Department. The Developer ran into minor delays in selecting a general contractor. Therefore, the selection the general contractor is scheduled to be completed by the end of May 2012. A relocation plan is being prepared and the 30-day notices will be distributed to tenants by April 27, 2012. Credit underwriting review is underway. Construction is scheduled to start in June 2012 and be completed by February 2013. |