

Memorandum



Date: September 13, 2012

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

From: Carlos A. Gimenez
Mayor 

Subject: Neighborhood Stabilization Program (NSP1) – July 2012 Report

The following monthly progress report on Miami-Dade County's Neighborhood Stabilization Program Round 1 (NSP1) reflects data through the end of July 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 July 31, 2012, the County had expended \$43,373,582 or approximately 70 percent of the total grant, an increase of \$1,088,867 since June 30, 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. [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 one home during the month of July 2012, leaving the total sold to date at 29 homes. A total of 16 have fully executed sales contracts pending closing, and two homes are scheduled for demolition and reconstruction. The remaining three 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 July 2012.

Redevelopment Project: Scott/Carver HOPE VI Phase II Project

Through the end of July 2012, the Public Improvements construction is 99 percent complete and is now scheduled to be completed by August 30, 2012, pending installation of water meters by Miami-Dade Water and Sewer Department (MDWASD). Sector III/IIIA (West) construction is 100 percent complete. Out of the total 134 completed apartment units, 115 apartment units are now occupied (54 PHA, 36 Tax Credit and 25 Market rate). Carver/Sector IV construction is 95 percent complete and estimated to have a final completion of December 30, 2012, also pending installation of water meters by MDWASD and power meters by Florida Power and Light.

Redevelopment Project: HOPE VI Expanded Area Project (Anchorage Apartments)

Construction is approximately 50 percent complete. The Anchorage Bond and 4 percent Housing Credits were approved at the July 20th Florida Housing Finance Corporation Board Meeting, and closing is scheduled by the end of September, 2012. The developer is compiling all items required to complete the NSP loan closing by the end of September 2012. First draft of the Credit Underwriting report was issued on July 25, 2012.

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 Ave., 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 ▪ Construction plans are underway and scheduled to be completed by the end of September 2012 ▪ Developer will submit the HFA Bond application by the end of August 2012 ▪ PHCD has transferred \$1,375,000 Surtax funds awarded to Northside Phase II project to this project ▪ ISD has approved the selection of Corwil Architects and is reviewing a request from the developer to change the original proposed design to a design similar to the Brownsville Transit Village project. ▪ Credit underwriting report is underway, pending completion of HFA bond underwriting report. |

| Project Name | Address | Commission District | Unit Count | Status |
|----------------------------|--|---------------------|------------|--|
| Town Center Apartments | 551 Fisherman Street Opa-locka, Florida | 1 | 124 | \$7,739,688 <ul style="list-style-type: none"> ▪ Pending Closing ▪ Design of construction plans is underway and scheduled to be completed by the end of September 2012 ▪ The Comprehensive Plan Amendment was submitted to the State ▪ Credit underwriting review 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 ▪ Construction plans were submitted to Miami-Dade County Building Department for review and approval on July 6, 2012 ▪ Relocation process is underway ▪ Vacant units were boarded up. ▪ Advertisement for the selection of a demolition contractor was published ▪ Credit underwriting report is underway, pending completion of HFA bond underwriting report |

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
- Gregg Fortner, Director, Public Housing and Community Development
- Jennifer Moon, Director, Office of Management and Budget
- Charles Anderson, Commission Auditor

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. The Phase II construction is 80 percent complete and scheduled to be completed by March 9, 2013. Buildings 8, 9, 11 and the Clubhouse received the Certificate of Occupancy. Buildings 1, 2, 3, & 4 are 50 percent complete. Buildings 5, 6, 7, 10 & 12 are 70 percent complete. |
| Southpoint Crossings | 815 W Lucy Street, Florida City | District 9 | 122 | South Point Crossings (renovation) - \$7,444,489: Tenants have moved-in into the eight renovated multi-family buildings. Phase III construction of the new community Clubhouse is 10 percent complete and expected to be completed by November 30, 2012. |
| Harvard House/Tiffany Square | 2020 NE 169 Street, North Miami Beach | District 4 | 56 | Harvard House/Tiffany Square (renovation) - \$2,239,082: Phase I construction is 60 percent complete and scheduled to be completed by the end of September 2012. Phase II construction is scheduled to start by the beginning of October 2012 and be completed by February 2013. The completion schedule changes are due to unforeseen and hidden conditions, such as mold damages to dry wall and wood framing and deteriorated plumbing and electrical piping, encountered at this renovation project. Closing on \$1.1M in additional NSP2 funds occurred on August 3, 2012 and the \$400,000 Carrfour Bridge Loan on July 12, 2012. First draft of the Credit Underwriting report is complete; however underwriter is awaiting plans and information on elevator. |
| Opa Lakes | 2491 NW 135 Street, Opa-locka | District 1 | 48 | Opa Lakes Apartments (renovation) - \$2,520,667: Performance and Payment bond was submitted to PHCD. Construction started July 3, 2012. Final Credit underwriting report by First Housing was completed on August 6, 2012. |
| Leisure Villas | 28701 SW 153 Avenue, Miami | District 9 | 30 | Leisure Villas (renovation) - \$3,592,200: Pre-Construction meeting was held on August 2, 2012. All tenants were relocated to the Southpoint Crossings Apartments. Construction is scheduled to start by August 13, 2012 and be completed by February 2013. Credit underwriting review is underway, expected to be completed by the end of August 2012. |

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)). Responsible Department: PHCD | 0 | 3 | 7 | 10 | \$750,000 | 11/30/2012 | 0 | 2 | 3 | 5 | \$744,854 | \$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 has been reconciled. |
| 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 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). Responsible Department: Internal Services | 0 | 9 | 34 | 43 | \$8,065,000 | 11/30/2011 | 0 | 23 | 6 | 29 | \$8,992,721 | \$0 | Internal Services purchased 50 homes. The County has sold 28 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 | \$32,888,480 | 09/30/2012 | 32 | 64 | 0 | 96 | \$21,087,907 | \$11,798,573 | 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 | \$600,000 | 03/31/2013 | n/a | n/a | n/a | n/a | \$599,504 | \$496 | 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 terrace affected homes. Westview Terrace demolition is complete. A small balance remains. This line item is fully expended and subject to adjustment. |
| 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: PHCD | 59 | 225 | 70 | 354 | \$8,600,000 | 09/30/2011 | 16 | 68 | 0 | 84 | \$8,600,000 | \$0 | Public Housing and Community Development Department (PHCD) through its developer has completed 99 percent of 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. Construction is 50 percent complete. NSP loan closing is scheduled to be completed by the end of September 2012. |
| 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 | \$3,271,314 | \$2,949,406 | 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 | 48 | 157 | 9 | 214 | \$43,373,582 | | 48 | 157 | 9 | 214 | \$43,373,582 | \$19,741,339 | |