

Grantee: Miami Gardens City, FL

Grant: B-08-MN-12-0017

July 1, 2020 thru September 30, 2020 Performance Report

Grant Number: B-08-MN-12-0017	Obligation Date:	Award Date:
Grantee Name: Miami Gardens City, FL	Contract End Date: 03/04/2013	Review by HUD: Reviewed and Approved
Grant Award Amount: \$6,866,119.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$6,866,119.00	Estimated PI/RL Funds: \$6,069,896.00	
Total Budget: \$12,936,015.00		

Disasters:

Declaration Number

No Disasters Found

Narratives

Areas of Greatest Need:

The Title III of the Housing and Economic Recovery Act of 2008 states NSP funds shall be used with respect to individuals and families whose income does not exceed 120% AMI. The notice also indicates that grantees should give priority emphasis to areas of 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 City as likely to face a significant rise in the rate of home foreclosures. The City of Miami Gardens had over 3,654 foreclosures during an 18-month period ending June 2008 according to data provided by HUD (www.huduser.org/publications/commdev/nsp.html). The foreclosure rate for the City during this period was 12.4%. The green shaded area on the map[1] below shows the overall effect of foreclosures in the City. City of Miami Gardens Foreclosed Properties Repossessed by LenderNov 2007 to July 2008 In researching and analyzing foreclosures in Miami Gardens, City staff found that areas of greatest need are consistent with low and moderate areas identified in the City's consolidated plan. In the context of this substantial amendment, specific emphasis of highest priority will be directed to areas with the greatest percentage of home foreclosures, areas with the highest percentage of homes financed by a subprime mortgage related loan, and areas that have been identified as likely to face a significant rise in the rate of foreclosures. Additional data from HUD(**) on the chart below indicates that census tracts in Miami Gardens that have been identified as areas of greatest need include the following: Census Tracts * Estimated Number of Foreclosures * Estimated Number of Mortgages * Estimated. Foreclosure Rate * Est Hi/Cost (sub-prime) Loan Rates 009902 540 4,333 12.5% 58.6% 009802 429 4,552 9.4% 42.1% 010002 426 3,394 12.6% 59.0% 009502 340 2,803 12.1% 56.9% 000502 299 2,467 12.1% 54.1% 010009 287 2,437 11.8% 54.9% 010006 286 2,401 11.9% 55.5% 009400 263 1,942 13.5% 64.5% 010001 240 1,852 13.0% 61.3% 000401 234 1,983 11.8% 55.1% 010010 228 1,654 13.8% 65.7% 000403 212 1,540 13.8% 65.6% 009901 183 1,583 11.6% 53.8% 000501 181 1,396 13.0% 61.3% 009903 176 1,498 11.7% 54.8% 009501 132 1,042 12.7% 59.9% 000402 121 909 13.3% 63.4% 009600 119 1,080 11.0% 50.9% 009904 105 747 14.1% 67.1% The HUD data shows that the highest estimated number of foreclosures (540) was found to be in tract 00902, with an estimated foreclosure rate of 12.5%. However, the census tract with the highest foreclosure rate (14.1%) was tract 009904. This census tract was also found to have the highest rate (67.1%) of estimated high cost or subprime loans. The data shows that this census tract is at a higher risk of foreclosures in the future. Currently, the estimated foreclosures for this area are 105, compared to other census tracts, such as indicated above in tract 009

Areas of Greatest Need:

902. In analyzing the data, census tract 009802 had an estimated 429 foreclosures, yet the rate of high cost or sub-prime loans in the same tract is 42.1%. This shows that there are extreme variables as it relates to areas in Miami Gardens that are affected by the housing crisis. The NSP grant funds will be distributed to the areas of greatest need shown on the chart above. Given the City's proposed activities (acquisition of properties that are abandoned for purposes

Distribution and and Uses of Funds:

The City of Miami Gardens proposes to utilize the NSP Funds allocated to it by carrying out the activities represented in the following chart. Activity details are provided below. Activity Amount Purchase and rehab of foreclosed properties for rental to HH earning up to 50% of AMI - \$1,716,529.70 Demolition of abandoned housing units - \$130,000.00 Purchase of foreclosed properties for resale - \$2,715,000.00 Rehab of units for resale - \$1,596,521.98 Subsidy assistance for buyers of purchased properties - \$21,455.42 Program Administration - \$686,611.90 Total NSP Funds Allocated - \$6,866,119.02 1. 25% of Funds to be provided to households earning less than 50% of A.M.I. (\$1,716,529.70): In a January 2008 presentation to Governor Crist, by the Department of Children & Families' Committee on Health Families, it was reported that as of December 21, 2007 there were 3,941 youth, ages 18 to 23 that would be potentially eligible for the Road to Independence program that provides assistance to youths that are transitioning out of the Foster Care program. The City



proposes an activity that will be targeted at providing permanent housing for individuals that are aging out of the state's Foster Care Program. This target population has been identified as meeting the NSP eligibility criteria of 51% or below AMI. The proposed activity, using NSP funds, will include the purchase of single family homes that have been foreclosed upon and abandoned. The methodology used to identify the areas where this activity is proposed will be within the NSP guidelines as having the greatest percentage of homes foreclosures, the highest percentage of home financed by a subprime mortgage related loan, and identified as likely to face a significant rise in the rate of home foreclosures. These homes will then be rehabilitated and used as rental units for the target population. The City anticipates utilizing an experienced developer to carry out this activity on the City's behalf. The developer will be selected through a formal solicitation process and will hold title to the properties purchased. The properties will contain a restrictive covenant to ensure that their use is in accordance with the sub-recipient agreement that will be executed with the selected developer. 2. As part of the NSP, the City proposes demolition of abandoned and boarded up housing units (\$130,000). We believe demolition of these units will serve to eliminate eyesores to the neighborhoods and should serve to stimulate new home purchases. Through the City's Code Enforcement Department, approximately 30 single family units have been identified as blighted structures that are in violation of Florida Building Codes. These units (none of which are homesteaded properties) have gone thru the Special Masters process and deemed eligible for demolition. They also have amassed a large number of code enforcement liens that in many instances exceed the property value. The emphasis for the demolition of units will be to target those that exist within the areas of greatest need. 3. Purchase of foreclosed properties

Distribution and and Uses of Funds:

(\$2,500,000): The City proposes to purchase a number of single family housing units in the target neighborhoods identified previously. The criteria for purchasing these units will include (but not be limited to) purchase price below appraised value, location of housing unit, condition of the housing unit, size/amenity desirable to interested buyers. The City anticipates carrying out this activity in one of two ways. 1) City will utilize the services of licensed realtors to n

Acquisition and Relocation:

The City has identified approximately (30) properties that are currently abandoned and/or boarded-up with extensive code liens that will be included in the NSP program. \$130,000 will be allocated for the demolition of these properties. Other considerations for demolition activities include structures that are deemed blighted as well as non-Homestead properties. The City intends to purchase and rehabilitate twenty (20) to twenty-five (25) single-family units for resale to eligible buyer with income of no more than 120% of area median income. The resale of these will be sold to owner/occupants only. The City also proposes to provide a subsidy program that would provide a maximum of \$55,000, depending on the affordability needs of the buyer. Other terms of the subsidy program include, but are not limited to a 15-year secured mortgage. No repayment would be required unless property is sold, rented or transferred prior to completion of affordability period, zero (0) interest, no monthly repayment. Eligible buyers would also be required to attend an 8-hour Homebuyer Course. Ten (10) to fifteen (15) foreclosed upon properties will be converted for the purpose of providing rental homes for households and individuals earning less than 50% of area median income. The target population for this activity will be individuals that are aging out of the state's Foster Care Program with the purpose of providing permanent housing. The City intends to convey the properties to an eligible developer with a restrictive covenant placed on the land to ensure the desired use. Any program income generated by the sale, rental, redevelopment, rehabilitation, or any other eligible use that is in excess of the cost to acquire and redevelop (including reasonable development fees) shall be used in accordance with the provisions of Section 2301 of the Housing and Economic Recovery Act of 2008.

Definitions and Descriptions:

(1) Definition of "blighted structure" in context of state or local law. Response: Blighted structure: A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. For the purposes of the NSP, a blighted structure echoes the criteria for slum and blight found in Florida Statutes Chapter 163.340, which outlines the following conditions: 1. Building deterioration 2. Site deterioration or site deficiencies 3. Unsanitary and unsafe conditions and incompatible uses 4. Six or more ownership parcels per block 5. Buildings greater than 40 years of age 6. Presence of closed/vacant buildings 7. Presence of vacant lots 8. Buildings in violation of property maintenance code violations 9. Presence of buildings scheduled for demolition A blighted structure will meet one or more of the aforementioned criteria. Abandoned: A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days. (2) Definition of "affordable rents." Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability. Response: The City will apply the maximum rent levels as published by the HUD annually and will ensure that any housing provided through this initiative is affordable. Affordable in this category is defined as monthly rents or mortgage payments including taxes and insurance that do not exceed 30 percent (30%) of the maximum monthly income allowed for the applicant's income category as indicated in Sections 420.9071 (19), (20) and (28), F.S. However, the City will not limit an individual household's ability to devote more than 30% of its income for housing, if the first mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark. (3) Describe how the grantee will ensure continued affordability for NSP assisted housing. Response: As it relates to homeownership, a subsidy program will be developed to provide up \$55,000 in subsidy, depending on the affordability needs of the buyers. Terms of this subsidy program will include, but are not limited to a 15-year secured mortgage. These mortgages

Definitions and Descriptions:

will carry zero (0) interest, no repayment would be required unless the property is sold, rented or transferred prior to the completion of the affordability period. To ensure affordability, the buyer will be required to execute a Promissory Note, which will be secured by a recorded Mortgage and Security Agreement, for the amount of assistance being provided. The terms stipulated on the documents require that the buyer continue to own and occupy the property throughout the affordability period

Low Income Targeting:

The City of Miami Gardens will allocate \$1,716,529.70 (25% of the total funds) for the purchase and rehabilitation of ten (10) to fifteen (15) foreclosed upon properties for the purpose of providing rental homes for households and individuals earning less than 50% of area median income. The City intends to convey the properties to an eligible developer with a restrictive covenant placed on the land to ensure the desired use. The City proposes an activity that will be targeted at providing permanent housing for individuals that are aging out of the state's Foster Care Program.



Public Comment:

No written comments were received during the 15-day comment period. The proposed uses of funds were advertised on the City's website as well as in the newspaper of population circulation. Additionally, the Department of Community Development hosted a City Council workshop/public hearing on October 30, 2008, at which time public comments were received.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$12,936,015.00
Total Budget	\$0.00	\$12,936,015.00
Total Obligated	\$0.00	\$12,936,015.00
Total Funds Drawdown	\$0.00	\$12,446,225.91
Program Funds Drawdown	\$0.00	\$6,496,134.82
Program Income Drawdown	\$0.00	\$5,950,091.09
Program Income Received	\$0.00	\$5,899,420.96
Total Funds Expended	\$0.00	\$12,318,000.33
Most Impacted and Distressed Expended	\$0.00	\$3,869.55
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$1,029,917.85	\$0.00
Limit on Admin/Planning	\$686,611.90	\$973,215.02
Limit on Admin	\$0.00	\$973,215.02
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$3,234,003.75	\$3,622,988.91

Overall Progress Narrative:

No new activity to report for this quarter.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP01-#1, Rehabilitation and Reconstruction of	\$0.00	\$3,701,330.94	\$1,705,160.91
NSP01-#2, Demolition	\$0.00	\$387,671.77	\$117,676.76
NSP01-#3, Property Acquisition, Rehabilitation, and	\$0.00	\$7,585,114.19	\$4,318,892.91
NSP01-#4, Program Administration	\$0.00	\$1,261,898.10	\$354,404.24
NSP01-#7, Re-development of vacant land	\$0.00	\$0.00	\$0.00



