

RESOLUTION No. 2008-231-919

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AUTHORIZING A SUBSTANTIAL AMENDMENT TO THE THIRD YEAR PROGRAM ACTION PLAN ATTACHED HERETO AS EXHIBIT A; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, on July 30, 2008, President Bush signed the Housing and Economic Recovery Act of 2008, and

WHEREAS, one of the components of the Act is the authorization of Three Billion Ninety-Two Million Dollars (\$3,092,000,000.00) to the Neighborhood Stabilization Program ("NSP"), and

WHEREAS, in accordance with the NSP, the State of Florida will receive Five Hundred Forty-One Million Dollars (\$541,000,000.00) in federal funding, of which the City of Miami Gardens will receive Six Million Eight Hundred Sixty-Six Thousand One Hundred Nineteen Dollars and 02/100 (\$6,866,119.02), and

WHEREAS, the purpose of the funds is allotted to the City through the NSP will be for the acquiring and redevelopment of foreclosed property in an effort to decrease the level of blight within the City caused as a result of foreclosures, and

WHEREAS, in order for the City to receive the funds and to expend them in accordance with the NSP guidelines, it is necessary and appropriate for the City to amend its Third Year Program Action Plan to account for the additional funding,

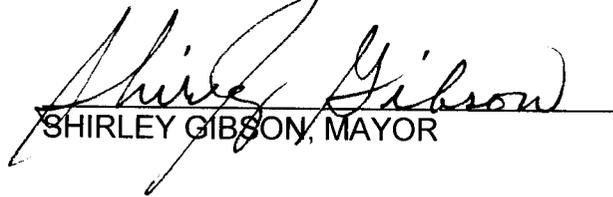
NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AS FOLLOWS:

Section 1. ADOPTION OF REPRESENTATIONS: The foregoing Whereas paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. AUTHORIZATION: The City Council of the City of Miami Gardens hereby authorizes a substantial amendment to its Third Year Program Action Plan in accordance with Exhibit A attached hereto in order to allocate the additional funds to be received by the City as a result of the Neighborhood Stabilization Program.

Section 3. EFFECTIVE DATE: This Resolution shall take effect immediately upon its final passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS AT ITS REGULAR MEETING HELD ON NOVEMBER 12, 2008.


SHIRLEY GIBSON, MAYOR

ATTEST:


RONETTA TAYLOR, MMC, CITY CLERK

PREPARED BY: SONJA KNIGHTON DICKENS, ESQ.
City Attorney

SPONSORED BY: DANNY CREW, CITY MANAGER

MOVED BY: Vice Mayor Watson
SECOND BY: Councilman Gilbert

VOTE: 5-0

Mayor Shirley Gibson	<input checked="" type="checkbox"/> (Yes)	<input type="checkbox"/> (No)
Vice Mayor Barbara Watson	<input checked="" type="checkbox"/> (Yes)	<input type="checkbox"/> (No)
Councilman Melvin L. Bratton	<input type="checkbox"/> (Yes)	<input type="checkbox"/> (No) (out of town)
Councilman Aaron Campbell	<input checked="" type="checkbox"/> (Yes)	<input type="checkbox"/> (No)
Councilman Oliver Gilbert, III	<input checked="" type="checkbox"/> (Yes)	<input type="checkbox"/> (No)
Councilwoman Sharon Pritchett	<input type="checkbox"/> (Yes)	<input type="checkbox"/> (No) (out of town)
Councilman André Williams	<input checked="" type="checkbox"/> (Yes)	<input type="checkbox"/> (No)

City of Miami Gardens

1515-200 NW 167th Street
Miami Gardens, Florida 33169



Mayor Shirley Gibson
Vice Mayor Barbara Watson
Councilman Melvin L. Bratton
Councilman Aaron Campbell Jr.
Councilwoman Sharon Pritchett
Councilman André Williams
Councilman Oliver Gilbert III

Agenda Cover Page

Date: November 12, 2008

Fiscal Impact: No Yes X

(If yes, explain in Staff Summary)

Funding Source: CDBG (NSP Funds) 1st Reading

Contract/P.O. Requirement: Yes No Advertising requirement: Yes X No

Sponsor Name/Department: **Danny Crew, City Manager**

Public hearing

Ordinance

Quasi-Judicial

Resolution X

2nd Reading

RFP/RFQ/Bid # N/A

Title

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AUTHORIZING A SUBSTANTIAL AMENDMENT TO THE THIRD YEAR PROGRAM ACTION PLAN ATTACHED HERETO AS EXHIBIT A; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

Staff Summary

Background

On July 30, 2008, President Bush signed the Housing and Economic Recovery Act of 2008. There are numerous components of this Act. One of those components was the authorization to release \$3.92 billion to the Neighborhood Stabilization Program (NSP). The State of Florida will receive \$541 million of federal funds, of which the City of Miami Gardens will receive \$6,866,119.02. The amount allocated was based on a formula that considered the following:

- Number of home foreclosures in each state
- Homes financed by a sub-prime mortgage related loan in each state or units of general local government (UGLG)
- Homes in default or delinquency in each state or UGLG

The NSP will provide emergency assistance to state and local governments with primary purpose of acquiring and redeveloping foreclosed properties that might otherwise become sources of abandonment and blight within their communities.

The NSP funds will be treated as Community Development Block Grant Funds (CDBG), in that all of the same regulations will apply with the exception of A) income limits, B) funding distribution (to grantees), and C) the limited list of eligible activities. In order to qualify to receive the funds allocated, grantees are required to submit a substantial amendment to their Annual Action Plan (Program Year 3). Action Plan Amendments must be submitted to the local HUD office no later than December 1, 2008 in order to be considered for approval.

City staff conducted a workshop for Council on October 30, 2008, where the NSP was explained in greater detail, and where the City's proposed activities under this program were presented. This workshop was also open to the general public in order to comply with the *Citizen Participation* requirement in the City's Consolidated Plan. Comments obtained in the workshop have been considered for incorporation into the Action Plan Amendment.

The attached Action Plan Amendment reflects the proposed activities to be carried out with the NSP funds. These activities are in line with the parameters set by HUD in their notice of allocations regarding the use of these funds. Moreover, the amounts allocated for each activity are based on City staff's assessment of current market conditions and the feasibility of carrying out each activity (and use of these funds) within the designated time frame of eighteen (18) months. Below are the proposed activities reflected in the City's Action Plan Amendment.

Activity	Amount
Purchase and rehab of foreclosed properties for housing of individuals earning up to 50% of AMI	\$1,716,529.70
Demolition of abandoned housing units	\$130,000.00
Purchase of foreclosed properties for resale	\$2,000,000.00
Rehab of units for resale	\$957,977.42
Subsidy assistance for buyers of purchased properties	\$1,375,000.00
Program Administration	\$686,611.90
Total NSP Funds Allocated	\$6,866,119.02

It should be noted that once the City receives HUD's approval of acceptance of this Action Plan Amendment and commences to carry out these proposed activities, staff will have a better idea of the feasibility of these activities. Should staff not be able to make significant progress in a short time, it is expected that this Action Plan will need to come back to Council with a subsequent Amendment outlining activities that *are* feasible in using the funds within the designated time frame.

Recommendation

City staff recommends the approval of the attached resolution. Once approved by City Council, the Action Plan Amendment will be submitted to HUD for review and approval prior to the December 1, 2008 deadline.

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): City of Miami Gardens	NSP Contact Person: Daniel A. Rosemond, Director
Jurisdiction Web Address: <u>www.miamigardens-fl.gov/cd</u> <i>(URL where NSP Substantial Amendment materials are posted)</i>	Address: 1515 NW 167 Street Bldg. 5, Suite 200 Miami Gardens, FL 33169
	Telephone: 305-622-8041
	Fax: 305-622-6046
	Email: drosemond@miamigardens-fl.gov

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan.

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data [LINK – to HUD USER data], in developing this section of the Substantial Amendment.

Response:

The City of Miami Gardens was incorporated on May 13, 2003, as the 33rd city in Miami-Dade County. With an estimated population of 105,414 according to the 2000 Census, it is the third largest city in the County. The City is located in North-Central Miami-Dade County and covers an area of approximately 20 square miles. Miami Gardens borders Broward County to the north, the City of Miami Lakes and Unincorporated Miami-Dade County to the west, the City of Opa-Locka to the south, and the City of North Miami Beach and Unincorporated Miami-Dade County to the east.

The City of Miami Gardens is comprised of seven communities identified as a Census Designated Places (CDP) in the 2000 Census: Andover CDP, portions of Carol City CDP, Scott Lake CDP, portions of Norland CDP, portions of Lake Lucerne CDP, Opa-Locka North CDP, and Bunche Park CDP. The City of Miami Gardens is an urban/suburban community that was heavily developed between 1950 and 1969. It is a solid, working and middle class community of unique diversity and holds the distinction of being the largest predominantly African-American municipality in the State of Florida. The City is 77% non-Hispanic Black, 16% Hispanic, 4% White non-Hispanic, and 3% other.

According to the 2000 Census, 11,151 households in the City of Miami Gardens earn less than 80% of the area median income or less and are therefore classified as low or moderate income by HUD. This represents about 38% of the citywide population for whom household income could be determined. Maps I-1 through I-4 in the 5 year Consolidated Plan document: (1) the City location, (2) the Community Designated Places that comprised the City in the 2000 census, (3) the CDBG priority areas by census block group and neighborhood and, (4) racial demographic by census block group.

Because the primary national objectives of the Consolidated Plan programs are to benefit low-income and moderate-income residents, the City of Miami Garden's Neighborhood Stabilization Program (NSP) funds will be targeted to low-income and moderate-income neighborhoods and households thru activities that benefit the City as a whole.

Target Areas:

The City of Miami Gardens has identified thirteen (13) areas that have a low to moderate-income population of 51% or more. These areas will be designated CDBG priority areas for the purpose of program funding.

Area name	Census Tracts
Andover & Vicinity	009802-(4), 009901-(9)
*Bunche Park	000402-(3)(4) 000403-(1)(5),
Brentwood & Vicinity	010002-(1)
*Cloverleaf Estates & Vacninty	009501-(9)
Eagles Landing/Leslie Estates	010002-(2)
Kings Gardens	010010-(2)
Lake Lucerne	009904-(1), 009904-(9)
LeJune Gardens & Vicinity	010006-(1)(2), 01009-(2)(3)
Myrtle Grove & Vicinity	009400-(4)(3)
Norland & Vicinity	009600-(2), 009902-(3)
Opa Locka North	000501-(2)(4)(5), 000502-(1)
Rainbow Park	000401-(6), 000403-(1)(6), 000402-(2) 000501-(3)(1)
Scott Lake	009502-(4)(6)

*indicates neighborhood with greater than 70% low-mod income

The priorities identified in this substantial amendment are aligned with the housing objectives stated in the City's Comprehensive Development Master Plan as a priority for the City. These objectives include:

- Ensure distribution of adequate housing sites at a variety of residential densities for all current and future residents, including very low, low, moderate, and market income housing
- Provide incentives to assist in the provision of affordable housing,

- Support the elimination of substandard housing and blighted areas including the structural and aesthetic improvement of existing housing aimed at the stabilization of existing neighborhoods,
- Preserve identified historically significant housing through City action or public-private partnerships to accomplish such preservation, provide the framework for a housing program that encourages the creation and preservation of affordable housing for all current and anticipated future residents of the City,
- Apply uniform and equitable treatment of persons displaced by redevelopment and City programs
- Support private and non-profit entities to provide housing opportunities that meet the unique needs of the elderly, dependent children, physically challenged and the developmentally disabled

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. *Note:* The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Response:

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	\$2,000,000.00
Rehab of units for resale	\$957,977.42
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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): 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

With these funds, the proposed activity will include the purchase of single family homes that have been foreclosed upon and abandoned. 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. Demolition of abandoned and boarded up housing units (\$130,000): Through the City's Code Enforcement Department, approximately 25 single family units have been identified as blighted structures that in violation of Florida Building Codes. These units (none of which are homestead properties) have gone thru the Special Masters process and deemed eligible for demolition. They have amassed a large number of code enforcement liens that in many instances exceed the property value. As part of the NSP, we believe demolition of these properties will serve to eliminate eyesores to the neighborhoods and should serve to stimulate new home purchases if demolished.
3. Purchase of foreclosed properties (\$2,000,000): 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 negotiate with lenders holding mortgages on these properties and will execute the purchase transaction directly. 2) City will execute a sub-recipient agreement with a developer (for profit or not for profit) to act on the City's behalf to purchase properties that meet the above established criteria.
4. Rehabilitation of purchased properties (\$975,977.42): It is the objective of the NSP that these funds be utilized with the primary intent to bring stabilization to the distressed housing market. To that end, the City anticipates purchasing several housing units that will be ultimately sold to eligible buyers. However, based on market data, it is an expected condition that properties that have been foreclosed and abandoned are in need of rehabilitation to either meet minimum building code (or housing quality standards-HQS), or to make them aesthetically desirable to the potential buyers. Therefore, this activity proposes utilizing the allocated funds to carry out the rehab activities. Depending on the most expedient manner, the City may choose to administer the individual rehabilitation projects directly or utilize a developer to perform the rehabilitation work on properties that have been purchased.
5. Subsidy assistance for buyers (\$1,375,000): An essential component of homebuyer programs is subsidy. This is especially critical when targeting household incomes that cannot exceed 120% of A.M.I. The City anticipates making the allocated amount available to eligible buyers that need the subsidy in order to make the purchase transaction feasible. The amount of per unit subsidy will not exceed \$55,000, which is well below the levels allowed under HOME regulations, as per Section 206A. The City

proposes that its subsidy assistance be in the form of a 15 year forgivable mortgage loan with a recapture provision.

6. Program administration (\$686,611.90): In accordance with HUD's notice governing the use of NSP Funds, grantees may use up to 10% of its allocation for general program administration costs. This activity will include things like advertising, homebuyer counseling, and program staffing.

C. 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.

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 Florida Housing Finance Corporation 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:

In relation to rental housing, the City will ensure that rents do not exceed the rental limits adjusted for bedroom size as defined by the Florida Housing Finance Corporation. This will be done thru the required sub-recipient agreements with the entity(ies) that will carry

out the proposed housing units that will be rented to individuals earning less than 50% of A.M.I.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: **\$1,716,529.70**.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

The City of Miami Gardens will allocate **\$1,716,529.70** 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.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., $\leq 80\%$ of area median income).

If so, include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response:

The City has identified twenty-six (26) 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 interest, no monthly repayment. Eligible buyers would also be required to attend an 8-hour Homebuyer Course.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

A public hearing was held on October 30, 2008. Below is the transcript of that meeting.

PUBLIC SPEAKER: My name is Ali Yassin, and I'm a real estate investor (inaudible). MR. ROSEMOND: Your address? PUBLIC SPEAKER: (Inaudible). MR. ROSEMOND: Your address? Your address for the record, Mr. Yassin. PUBLIC SPEAKER: 18400 Northwest 97 (inaudible). MR. ROSEMOND: Correct. It's a maximum of 55. PUBLIC SPEAKER: The other thing is, (inaudible) around \$95,000. The value of (inaudible). One of the comments that came up is that the purchase price has to be less than -- less than the market value. Don't you think that this will have a contradiction with the demand -- you know, the supply and demand rule of our system? MR. ROSEMOND: Well, it has to be purchased less than the appraised value. And there's a big difference between the appraised value and the market value. So what the HUD notice requires grantees to do is to purchase the properties below the appraised value, and the appraisal has to be conducted within 60 days of the purchased transaction. PUBLIC SPEAKER: Is there anyway that the County can consider something if HUD (inaudible). MR. ROSEMOND: Well, there isn't. And I can certainly speak to -- the issue of the NSP as we attempted to provide you, it does not provide that as an eligible use, so you cannot use the NSP. Likewise, you cannot use CDBG for paying taxes. Certainly in terms of what the tax rate is in the City or in the County, that is obviously up to City Council based upon our budget. But as it relates to the NSP, there is no provision in terms of the use of the funds to be able to address the issue of the tax rate, to be able to help. We can certainly consider, to your initial point, the amount of subsidy that we provide, but that is -- that is based upon the amount that we receive. As you know, the County receives -- received an allocation of 62 million. So I believe that their determination of the amount of subsidy is based upon their overall allocation, but it's also based upon the price points throughout the County and what the amount of subsidy that individuals are going to need to buy. PUBLIC SPEAKER: (Inaudible). MR. ROSEMOND: No, it's only specifically targeted for abandoned and foreclosed properties. As we mentioned in the eligible use screen, they're very, very restrictive in terms of what the monies can be used for. The City does have -- as an aside from this, we have

CDBG funds that are being used to address infrastructure improvements throughout the City and three distinct neighborhoods. So those are things that we are already addressing, but it is separate and apart from this particular program, because these funds are specifically targeted to addressing the foreclosure and abandoned properties.

PUBLIC SPEAKER: Darren Woods, 18140 Northwest 18 Avenue. (Inaudible).

The City is going to purchase these foreclosed properties; is that correct? MR. ROSEMOND: That is correct. PUBLIC SPEAKER: Who's going to manage these property once this is (inaudible)? MR. ROSEMOND: Correct.

PUBLIC SPEAKER: So that's one thing. And, two, I guess as it relates to the demolition, can you fill us in on the process. MR. ROSEMOND:

Absolutely. Well, in terms of the first question, once the City purchases the properties, we will obviously have to manage the properties during the time that they're being rehabilitated and prepared for resell, and that is part of the administration amount that you saw. That goes into that element, so we have to make provision for that. The rehabilitation will encompass the factors that will require the property to bring it up obviously to make sure that it meets Florida Building Code, but it also addresses needs to make the property attractive to the end user. So we have to balance exactly what those items are. So one of the considerations for us in terms of looking at the properties that we purchase is, the amount of money that we may need to invest in that particular property. The way that we've calculated I think the 975,000, it's about 30 to \$40,000 per unit that we would have to invest based upon our projections. And so it really depends on the particular location and the property and what we're able to buy it for. Obviously if we're able to buy a property for \$0.60 on the dollar, it freeze up a little -- additional funds if that particular property requires more than that. But it is -- as I mentioned before, it is a very fluid number, because until we begin negotiations with the banks, we're not going to know how much we're going to be able to buy those properties for and how much rehab those particular units are going to need. Some properties may be ready to go. All it needs is a fresh coat of paint, and it's ready to be resold, but it may not -- it may require much more than this. So the projection gives us 30 to 40,000 for rehabilitation. PUBLIC SPEAKER: Then I guess my next question. (Inaudible) market value on these properties.

(Inaudible). MR. ROSEMOND: Correct. That's a great question. HUD does not allow us to be able to sell the property above what the City invests with these funds, so let me give you a scenario. If we buy a property for \$100,000, and we invest 30,000 in rehab, the sales price for that property has to be 130,000. Now, part of

our calculation and our provision in that when we're looking to buy the properties, obviously we want the services that we're going to be using to be able to make those purchase decisions to look at the comparable's in that neighborhood, because it is a Neighborhood Stabilization Program. So we certainly don't want to buy a property that's \$130,000 when the rest of the properties on that block may be at 195 or 200, and then end up selling that property for well below that and essentially destabilizing or devaluing the other properties on that block. PUBLIC SPEAKER: Last question then. Have you all selected a group that will negotiate to buy, the lenders of these foreclosed properties? And, again, just because (inaudible). You cannot purchase at appraised value. You have to purchase at below appraised value. MR. ROSEMOND: Correct. PUBLIC SPEAKER: So if (inaudible). MR. ROSEMOND: Correct. PUBLIC SPEAKER: (Inaudible). MR. ROSEMOND: The invested in

terms of the rehab. PUBLIC SPEAKER: (Inaudible). I'd like to talk about because I think that does a disservice to the fine folks that already own property, it may devalue our homes. MR. ROSEMOND: Well, certainly in terms of the consideration for purchase -- and let me go back to answer the question. We have not made a decision in terms of how or who the group is that will help us in terms of the negotiation. That is part of the administrative process. We do have another slide at the end that we'll show in terms of the time frame of over the next 18 months what needs to happen, but we certainly are going to engage professionals in the real estate industry to help us with that, because we do need to take into account if we buy a property at 100,000, when everything else on that block is at 200,000, then it's going to devalue the rest of the neighborhood, and we certainly don't want to do that. At the same time, we don't want to pay 200,000, because if we're trying to sell the property for people that are at 120% or below, back to Ali's point, we're going to have to invest more than the \$55,000 in subsidy in order to be able to get people qualified. So, literally, the restrictions in terms of the program put us, all the grantees, between a rock and a hard place. So no one said this was going to be easy. It is quite the challenge. And there's a lot of nuances. The presentation here is intended to just give the audience something simple enough to be able to get kind of their heads around it, but it doesn't go into all the nuances involved in terms of the decisions that need to be made, because they're very, very complicated, and we understand that. But, I mean, it is that way, and we don't have the flexibility beyond what HUD has given us the parameters to operate under. PUBLIC SPEAKER: My name is Leslie Thomas. My address is 405 Northwest 214 Street. Okay, I'm kind of puzzled what you said. (Inaudible). MR. ROSEMOND: Well, what we're required to do is to buy it below the appraised value. And once we buy it below the appraised value, if we need to invest dollars in order to make that property attractive for someone else to buy it, the total amount of money that we've invested in that property, say if we spend 100,000, and we spend 100,000 to purchase it, and another 30,000 to rehabilitate it, we cannot sell it for more than 130,000. Now part of our consideration has to be, are there other properties on that block, in that neighborhood, that are around that same price point so that it does not devalue the other properties. And so those are the considerations, in addition to whether or not the person that will buy it, whether they can actually qualify for a mortgage of 130,000 if they're at that 120% of AMI, correct. There's a lot of moving parts to this, and a lot of things depend on something else. One of the things that is of serious consideration, and Darren understands this, is that right now several banks have properties in the City. They're asking for amounts that seem to be out of whack with what the market conditions seem to indicate. And when we begin those negotiations, we don't know whether the banks are going to bend or move from that. That is going to be a real challenge for us. And we're going to have to look at that, and make those decisions very, very quickly, because if we are -- as one grantee, as one City, if we're not able to make progress with that, we quickly have to let HUD know that activity of purchasing properties may not be something that we choose to carry out because the banks are unwilling to negotiate based upon the terms that HUD has given us. So, as I said, there are a lot of nuances to what we are challenged to do. Okay, I think there's a question there. PUBLIC SPEAKER: Here on behalf of Universal (inaudible). Just to touch on a couple of things you said earlier. If you purchase the

property in foreclosure, I don't believe that the property appraiser is taking those things into consideration when they assess the property. So actually and you're buying it, and it's foreclosed, you're actually (inaudible). The other thing I wanted to touch on was, were there any provisions made for after you purchase the property, to do the rehab, and you do have to sell it for less than the purchase price and the rehab? MR. ROSEMOND: Well, we didn't make provisions for that. That's where the subsidy comes in, because what we're attempting to do is to make sure the purchase price, again to Darren's point, does not devalue the rest of that neighborhood. So if in fact the total investment on the part of the City happens to be 150,000, but that individual that needs to buy it can only qualify for 100,000, the City would provide a second mortgage subsidy to be able to keep the purchase price at 150, but they only have to qualify for \$100,000 mortgage. And so it helps the individual buyer, but it doesn't hurt the other folks in that neighborhood in terms of the value of their property.

PUBLIC SPEAKER: The other thing is, I'm also president of the South Florida Realty, which our headquarters is actually located in Miami Gardens. We've been talking to a number of lenders about the different programs in different cities. Quite a few of them are willing to negotiate significantly on the prices for purchase of the property, not only lenders, but Fannie Mae (inaudible).

MR. ROSEMOND: Well, that is certainly a consideration. As I said, we are going to engage the services of professionals like yourself to be able to help the City in terms of those negotiations. Clearly if there's a particular lender that has a bundle of properties that are of interest to the City that meet all of our criteria, we certainly want to look at that. And I'm sure it's a benefit on all sides. It's a benefit to the lender and their portfolio, and it's a benefit to the City because those particular properties meet the criteria that we want. They have been identified as areas where the end buyers want to live. They may not require extensive rehabilitation dollars. And so if it meets all of those, you know, if all the planets align, so to speak, then it certainly makes sense, but that is going to be a very tall order. We will only know that once we begin the process and begin the negotiation with the lenders or the mortgage holder.

PUBLIC SPEAKER: 'Cause I think you'd be able to obviously do more properties and (inaudible).

MR. ROSEMOND: Of course, of course.

PUBLIC SPEAKER: And the final question or comment. On one of the slides you mention that you want developers (inaudible).

MR. ROSEMOND: Well, on the slide that we provided that -- Debby, if you could go back to the one on the 25% AMI, the 25% of the total. There you go, that one. Go back. That is an activity right now that we are determining to consider for the use of individuals that are -- that are aging out of the foster care program. That is something that we are preliminarily considering, because it allows us to meet this requirement, but it also addresses a greater need with respect to the City.

When I went to the workshop that HUD provided a couple of weeks ago, grantees have the option of doing a number of different things. Some cities considered using their 25% to address homeless needs. Some cities are looking at addressing properties for individuals living with HIV AIDS. So there's a number of different options that grantees can consider in order to meet this requirement.

The one thing that we don't have any flexibility on is the 25% of our total allocation has to be for individuals, households that are at 50% or below. The reason why we say rental specifically is because, when you look back at that chart -- Debby if we can go back to the income chart. When you look at individuals at that income range, household of four earning \$30,000, we believe -- and back to Mr. Yassin's point, that a household earning \$30,000 is going to be very hard pressed to just be able to keep up with the taxes and insurance alone, let alone any mortgage on the property. So we really don't believe that a homeownership situation makes sense for individuals at that income rate. We think that more of a rental option makes sense. The way that we're crafting it, or proposing to craft it is that it would be for a developer to develop those units, to rehab those units, to then be made available to, as I mentioned, individuals that are aging out of the foster care program. That is an idea that we are considering. It is certainly not something that we have decided on, because

any time that we will make that decision, it would have to be through a formal solicitation process so developers can provide their responses and ideas and opinions. So that is part of what we want to do tonight, is to share with the Council and the members of the public what we are proposing, and then you all can give us any comments or ask any questions that you may have.

PUBLIC SPEAKER: (Inaudible)
repayment of subsidy. (Inaudible).

MR. ROSEMOND: It's considered program income. And so we get to keep a portion of it, but then it has to be repaid. It's a little complicated, because it depends on when the repayment occurs.

PUBLIC SPEAKER: Right.

MR. ROSEMOND: So if it occurs within -- if I remember correctly, if it occurs within the first four years, it all has to be returned. If it occurs after the four-year period, then we get to keep it as program income and return a portion. Don't quote me on that, because I have to look back at what that notice is. Quite honestly, our concern right now is not at that point, 'cause that's so far down the road, and there's so many things that have to happen before we get to that point, that my approach is let's deal with what we have immediately in front of us first than dealing with the specifics of that, because, as I mentioned, if we're not even able to negotiate with the lenders, then we may not even get to the point of having a subsidy that needs to be repaid.

PUBLIC SPEAKER: (Inaudible).

MR. ROSEMOND: Exactly.

PUBLIC SPEAKER: And my last comment is I think the breakdown of (inaudible) has been very well done.

MR. ROSEMOND: Well, thank you very much.

PUBLIC SPEAKER: My name is Sylvia (inaudible), 7101 Northwest 177 Street. My question, first of all (inaudible).

MR. ROSEMOND: The NSP requires us -- from individuals that purchase it, the only requirement in the program is that the individual's income, the household income cannot exceed 120% of AMI. That is standard now. In terms of who buys or who utilizes, that really is an open process.

Now I will tell you what the City has done, what our office has done, is that we have begun to build what we call a home buyers pool, and we've done that by sending out a flyer. And I think some of you may have seen it. We I think had some in the back. We sent out a flyer letting people know that we are looking for home buyers, and we've done it by sending that out to the two universities that are in the City, to several of the public schools, which I know that there are several teachers that are still renting and are looking to buy. So we tried to cover all of the bases in terms of the individuals that are looking to buy, really from the standpoint of trying to identify the interested buyers. We think that it is a great opportunity for, as you mentioned, younger couples, the younger professionals that are at a point where their income is not great, and this is a great opportunity. And so we've done that. We've actually also done that with City employees, and several of the City employees that are renting, and we instituted some activities to help them get engaged in being able to see if they can actually follow through on the process of being ready to be home buyers.

PUBLIC SPEAKER: Skipper with the community. We have a business here in the Miami Gardens area. My question was --

MR. ROSEMOND: Your address.

PUBLIC SPEAKER: 1525 Northwest
(inaudible). Is there any provision for disabled or say some of the Section 8

folks who are moving into homeownership program?

MR. ROSEMOND: Again, there isn't -- HUD is very, very particular about -- when we talk about targeting, and that's essentially what you're doing, when you're targeting a particular demographic or a particular condition, whether it's younger or older or whatever, it's very dangerous, as you can well imagine, because there are some residents who may say, well, I don't want a lot of young people living in my neighborhood, and others folks may say I don't want a lot of older folks living in my neighborhood. And so what HUD does very, very carefully is that they address the issue of income. And so that is what the provision is in this program, is that

it's income driven. What we have done as a local grantee that we've tried to reach out -- our home buyer school is not exclusive or not targeted. We basically sent it out to I think several of the churches within the City. We've sent out the flyer. So we've pretty much blasted that information so that anyone who is interested in becoming a home buyer is able to apply as long as they meet the income eligibility. That is the only requirement in the program, that you be income eligible in order to participate as a person who will be a recipient of the properties that the City would purchase and/or the subsidies needed to make that purchase transaction.

PUBLIC SPEAKER: So going back to Darren's question as far as the program (inaudible). Right now there's this program called (inaudible). Trying to get the highest price. Banks are not really going to (Inaudible).

MR. ROSEMOND: You know, Skipper, I don't know what that will end up being. Again, I think that when we begin the negotiations, we'll be in a better position to know what type of traction we can get with respect to that. I suspect that some lenders, depending on their portfolio, depending on the direction of their, you know, board of directors or the leadership of that organization, what they're willing to do. I can't respond to that, because I don't really know exactly how they will be able to work with us in that. I am eager to find out exactly there we are. And we have to find out very, very quickly in order to be able to make a determination. If we have to change our activities in terms of what we do, we have to do that very, very quickly, because, as I mentioned, we have 18 months to make those allocations happen. And if we don't, we're at risk of obviously losing the funds, and I know these folks up here would not be very happy if we ended up losing those funds and did not use it, so that is very urgent on my mind. I think we had a question here.

PUBLIC SPEAKER: (Inaudible).

MR. ROSEMOND: Sure.

PUBLIC SPEAKER: Oscar Sole, 10221 Southwest 137th Place. I'm here representing the Carlyle Development

Group, and I just want to give you a little bit of background on Carlyle, and also just walk you through a couple of our comments and suggestions to the program. Carlyle is the largest affordable housing developer in the State of Florida. We pride ourselves on our focus with social, environmental and financial success. When I say we're the largest developer in the State of Florida, we are working with multiple communities across the state, from Pensacola down to Key West. You know, we work with a lot of different state governments, the state, a lot of different county governments, city government. And so we're in a unique position to work in a lot of different areas with a lot of different programs. And our specialty is trying to help these communities stretch their dollars as far as possible. And so when we look at these programs, and we've already started talking to Escambia County, Hillsborough County, the city of Miami about this particular program, a lot of these communities are scrambling around trying to put the program together. There wasn't a lot of time to put this together. And I'll commend Daniel for really kind of stepping up to the plate and putting together a good program. Specifically, our suggestions are three-fold. We think in order to stretch the dollars as far as possible, there should be a concentration on homeownership. And the reason why we say that is, when you try to do rental housing with only 10 or 15 single-family homes, it's very, very difficult to develop any kind of economy of scale with that kind of a program. It's very hard to find a sponsor who will be able to operate that efficiently. And so our idea is try to create the most robust program you can by grouping as much -- the most amount of money you can into that program, which is the homeownership program. That will help reduce the operating cost for whoever the sponsor is, and it will also help reduce the administrative cost for the City. The other thing that's encouraged for-profit and non-profit sponsorships, and you might also consider having one sponsor take the lead on your program. The reason why it's important, I heard a

comment there that said, you know, obviously if you're buying 40 homes, you're going to be able to leverage -- you're going to be able to negotiate better with the banks and you're going to be able to create a better program, you're also going to be able to track more private investments from a lot of these lenders if you can group together 40 or 50 homes as opposed to just having one, or two or three homes. But it's important to emphasize the for profit/non-profit partnership, because we do want to -- you know, it's important to work with non-profits in the area to provide a lot of the community support services, a lot of, you know, those kinds of programs, a lot of the home buyer assistance programs, financial training that are crucial for any of these programs to work. And the last thing that we would suggest is to have a foster care component. When we first looked at this program, we thought, you know, here's the situation. I mean, there's tremendous amount of kids that need adoption. Obviously everybody is familiar with that, but there's also -- there's also a great deal of foster parents and individuals who want to adopt or foster kids, and maybe they're already fostering one child, but they'd like to foster two. But for the fact that they don't have adequate housing, maybe they're renting an apartment, maybe they're living in a one-bedroom house, whatever the case may be, they don't have the adequate housing. And so you've got this tremendous number of foreclosed properties that are sitting empty right now, bank-owned or soon to be bank-owned, and you've got these folks that really want to serve the community in this foster care support service program. And our idea, you know, is to kind of mesh those two together and provide a set-aside at least for a portion of the homeownership component to go to foster folks, folks that want to agree to basically take in a foster kid, and in exchange for that, they may get a reduced loan, or maybe a waiver on their subsidy and that kind of thing. You know, so I think you guys have really done, you know, a very good job in kind of putting this program together, and

we -- you know, we'll submit our formal comments I think in a couple of days. I think there's a (inaudible) to submit our formal comments. We just wanted to kind of get some of our ideas out in the table. A little bit more about the foster care program. You know, again, we think it's just a really unique program to kind of create a win/win. It's almost doubling the impact of the City's money. By basically providing a homeownership opportunity, you're also going to be able to leverage some of the subsidies that are available to the foster care program, which will make the housing more affordable to these potential or prospective foster parents. So we think, you know, it's something that should definitely be considered.

MR. ROSEMOND: To address the issue,

I think when you go to the slide --

PUBLIC SPEAKER: One other thing, if I may. I heard a comment about, you know, the concern --

COUNCIL MEMBER WILLIAMS: Maybe we should hire you or have you arrested.

PUBLIC SPEAKER: Sorry, I've taken over the meeting.

I heard a comment about, you know, the concern that by purchasing these homes below fair market value, it could reduce the property values. And I think one thing that you've got to consider is, the alternative is to do nothing would basically have a home sitting there empty, grass getting overgrown, you know, who knows what's is going to happen. So you have to kind of think about the alternative. I'm not -- it's certainly a concern. It's something that's going to have to be addressed. Consider the alternative, which is, you know, an empty home that sits there for a year. We all know what starts to happen. It's not very attractive.

MR. ROSEMOND: The slide with the questions or comments, I did want to address something that Mr. Sole mentioned, and that is -- and I apologize about the font at the bottom -- the City will receive comments up through November the 6th. So if you have other comments that you'd like to submit in writing, we can certainly make that available. All the information that we have here is also

available on our web site. So if you want to go to our web site and submit your written comments that way, they will also be received. If you have anyone else within the City who wants to provide comments to the City with respect to this particular program, all of those comments will not necessarily be incorporated, because some of them can't be based upon some of the questions that have been raised already, but we certainly need to record them as part of our citizens participation process when we submit our amendment to HUD, so that HUD can see actually what several individuals have raised as issues.

And I think that there was a question over here.

PUBLIC SPEAKER: My name is Karen (inaudible).

MAYOR GIBSON: Can you speak a little louder, ma'am? I'm sorry? I'm sorry, I can't hear you.

MR. ROSEMOND: Just bring the microphone closer to you.

MAYOR GIBSON: If you come over here, this mike projects more.

PUBLIC SPEAKER: I'm nervous.

MAYOR GIBSON: We still can't hear.

I know you're nervous, but we can't hear what you're saying.

PUBLIC SPEAKER: About the form (Inaudible).

MR. ROSEMOND: The survey, yes, for the home buyer approval.

PUBLIC SPEAKER: (Inaudible) Is this open to other people in the neighborhood?

MR. ROSEMOND: It's open to anyone that wants to buy. And we actually I think had -- I don't know if we have the forms there, but we can get you some if you're interested.

PUBLIC SPEAKER: I have one, but at the same time (inaudible).

MR. ROSEMOND: Go back to that slide, Debby.

PUBLIC SPEAKER: Is that the rental, the one --

MR. ROSEMOND: The 50%?

PUBLIC SPEAKER: (Inaudible).

MR. ROSEMOND: Well, this is --

PUBLIC SPEAKER: (Inaudible).

MR. ROSEMOND: Yeah, this one is 120%. If you're wanting to buy -- everyone in the -- to utilize the NSP program has to -- cannot exceed that. So

like you said, if you had six people in the home, the maximum income for that household cannot exceed 83,880.

PUBLIC SPEAKER: (Inaudible).

MR. ROSEMOND: Credit repair? Well, that's part of what we -- obviously in any home buyer situation, we have to go through the home buyer counseling, and the preparation of the home buyer, so that is built into everything that we'll do, how we do that, whether we utilize a non-profit, whether we utilize different mechanisms. It's still something that we have to determine. That is part of our administrative process. But obviously we want to make sure that individuals that come in and become home owners through this program, stay in their home. We don't want a repeat in kind of what has put the nation in this situation. So we want to make sure that individuals go through home buyer counseling and the adequate credit repair and preparing them for that decision.

PUBLIC SPEAKER: (Inaudible).

MR. ROSEMOND: No, we need to hear your comments.

PUBLIC SPEAKER: Oh, sorry.
(Inaudible).

MR. ROSEMOND: We cannot -- the monies are restricted to that use, to that program.

PUBLIC SPEAKER: (Inaudible).

MR. ROSEMOND: Well, if you -- for instance, the way that our survey, if you've looked at it, will ask you to tell us what area you'd like to live in. In that survey, if you already identified a block, even a particular house, by all means put that down, because if we go to the bank, and if we have a buyer who's income eligible, who's ready to buy, and you've said I want that house on the corner, that will be a house that the City will consider purchasing, because we already know we have an interested buyer. By all means, let us know.

PUBLIC SPEAKER: (Inaudible).

MR. ROSEMOND: We do need to get your name and address.

PUBLIC SPEAKER: My name is Leslie Thomas. My address is 405 Northwest 214 Street. (Inaudible) credit.

MR. ROSEMOND: The survey, uh-huh.

PUBLIC SPEAKER: (Inaudible) home buyers.

MR. ROSEMOND: Right.

PUBLIC SPEAKER: (Inaudible).

MR. ROSEMOND: Let me explain how the pool will work. When the City purchases the properties that we are proposing to purchase, everyone that is on our home buyer's pool that obviously meets the income eligibility, and obviously that will be the first determination that we have to make. Everyone that has responded to the survey does not meet the 120% of AMI. So those individuals that don't meet that, they're above that, we'll let them know based upon this program, you don't qualify, okay, you are above the income. Everyone else will be on our database. And as we have properties that are available, those properties will be made available to everyone in that pool. And so those individuals will have the option to say I like that house; I don't like the house that the City has purchased. And if you're ready to buy, you can certainly put in, you know, a bid for that house and how we do that. So we won't make the determination in terms of who gets to pick and who does not pick based upon anyone's credit or anything of that nature. The purpose here for us is to know how many interested buyers do we have. In our numbers, we said we're projecting to

buy anywhere from 20 to 25 properties. Based upon our experience, in order to get someone to buy, we need to have four or five individuals for every one house, because things will typically happen, the person will qualify, they'll change their mind, their job will change, any number of things. So in order for us to be able to sell 20 to 25 units, we have to have about a 100 people essentially that are ready to purchase based upon the numbers that I just shared with you.

MAYOR GIBSON: Daniel.

PUBLIC SPEAKER: (Inaudible).

COUNCIL MEMBER WILLIAMS: Darren, what organization are you with?

PUBLIC SPEAKER: Several. I'm sales manager at Countrywide Home Loan, and I sit on the board, the foundation board of the Board of Realtors, and I didn't want to put on that hat. I'm a citizen tonight.

MR. WILLIAMS: But you have expertise, though.

PUBLIC SPEAKER: Yes, sir.

MR. WILLIAMS: That's important. But I did want to touch the issue with credit. First of all, we hate to hear credit repair, because that does our community a disservice. If you go out and pay \$500, and somebody tries to take something (inaudible). There are a number of HUD certified counseling agencies in our community that the City has access to their information, their numbers that could help you bring your credit up to a standard that a lender will then give you a loan. The credit criteria for homeownership now has changed. It will never be the same and thank God. Some of those loans were ridiculous. What we want to make sure that every homeowner or every potential homeowner has the opportunity to buy, but you've got to take the steps now knowing that these programs are coming. And Daniel can give you a number of non-profits that the home buyer counseling and not credit repair, because it's very important that our people in our community understand the difference between home buyer counseling and credit repair, because credit repair has gotten a lot of people into the

positions that they're in now. There are a number of them in here, Arden is here, Danny is here, and Don with the foundation. We want to make sure that we use the right terminology, so our people can be better informed and they can make the right decisions.

MR. ROSEMOND: Thank you. I think there was a question in the back, please.

PUBLIC SPEAKER: Bernard Lee, 901 Brickell Key. Sounds like -- all and all how many people are going to be -- with the six million dollars, how many homes are going to be (inaudible).

MR. ROSEMOND: I would say it's approximately 45 to 50, depending on what we're able to purchase them for.

PUBLIC SPEAKER: And there's about 110,000 folks that live in the city of Miami Gardens?

MR. ROSEMOND: Correct.

PUBLIC SPEAKER: Are you able to take a portion of that 6 million dollars and say establish ongoing homeownership, financial literacy component that folks

who live here will be able to use rather than just looking at this little bucket of 45 to 50 houses that are going to be filled up, which is great, but for a 110,000 folks, you would think you're not going to have too many opportunities to use, let's say, 10% of the 6 million dollars (inaudible).

MR. ROSEMOND: Well, that is done through our regular CDBG. The City is an entitlement city, and we have programs for that purpose. And the issue of financial literacy -- and Debby and my staff, we've talked about that for several months. I've actually -- and the Mayor and I have talked about that for the last two years. That is an issue that we have certainly felt important, and we want to structure it correctly and it has to be curriculum based, not an eight-hour course that you can just come in and learn to make good financial decision. We tried to identify the right partner. We're not there yet. But we cannot -- to answer your question, we cannot use these program funds for that purpose. But through our regular CDBG allocation, that is something that we can and are committed to doing.

PUBLIC SPEAKER: Arden Shank, Neighborhood Housing Services. We already have agreed with the city to foreclosure (inaudible) and a lot has been happening. Several comments first on the use of the funds; I would encourage the City to also consider the possibility of contracting directly with non-profit or for-profit developers to buy the units rather than the City buying them. I think you're going to move more quickly, and have more houses be purchased and turned around into the community.

The second comment is that the \$2 million for acquisition and rehab actually can turn into second mortgages. So that pot of money, and the 1.375 for the second mortgage is actually kind of the same thing. And, you know, the money can be recycled so that more houses can be purchased.

Third comment would be that I would encourage you to consider given these last couple comments, that a portion of the 10% admin money be used for -- not much, but at least a small portion to be used to prepare the home buyers buying the

rehabilitative properties, so that those buyers are ready.

Then the comment, I think several of you already maybe mentioned this, is that the concern that properties will bring down other property values like Darren commented on, certainly buying one of these properties and selling it again for 80, 85% of its -- of the value in that community is better than 25% on a property that's sitting there vacant with weeds high and problems happening. And to those several of you who are potential home buyers, we can help you to credit repair and home buyer training right now, regardless of whether there is money or not.

MR. ROSEMOND: Thank you, Arden.

Before we kind of go through extra, because I think several folks have asked a couple of questions, I do want to give our Council an opportunity to provide any comments or ask any questions, because as we talked about in the beginning, this meeting is dual purpose. It's not only for the citizens' participation, but we also wanted to provide Council with a workshop. So at this time we want to give Council an opportunity to ask any questions or make any comments on the record that they may have.

MAYOR GIBSON: Thank you, Daniel.

Mr. Williams.

COUNCIL MEMBER WILLIAMS: Like minds think alike. And before I comment on the specifics of the plan, Danny, by the way, you've done a great job, and I particularly like the subsidy program. And I also want to commend the County for taking leadership on and putting this plan together. I think it's going to be very helpful in stabilizing our neighborhood. I want to speak very quickly before I get to my main points to the folks in the audience who came here, folks who are in foreclosure and seeking relief, because although these monies and these efforts are not designed for that, I think it's important that you understand the City has been working hard on your behalf. I'm just going to share with you some of the things that we've done, so that you know that there's hope, and you can share that with some of the other folks who you know who might be in that foreclosure process. We had legislation in June of this

year urging the Federal Reserve to implement strict regulations on lenders who engage in abusive practices and set unreasonable debt to income ratios, and that's a predatory lending resolution that we enacted.

I organized a summit of lenders in October 7, 2008, which Danny participated in, to discuss relief to Miami Gardens' residents facing foreclosure. We've had an ongoing dialogue with those same lenders, and those would be helpful as we negotiate some purchases and acquisitions of these homes.

We've met with local representatives of HUD to discuss helping Miami Gardens -- Miami Gardens' residents.

We've organized individual meeting with lenders like GMAC, WAMU, Wells Fargo, Bank of America and Countrywide to discuss specific relief to Miami Gardens' residents.

We've also met with representatives of the state Housing Finance Authority and the Federal Housing Administration to discuss relief to Miami Gardens' residents.

I went to Washington D.C. for the Faculty of HUD Summit to discuss the specifics of this allocation under the Neighborhood Stabilization Program.

I sent a letter to our state Housing Finance Authority this week urging them to use their allocation that they got through this Federal program to issue tax exempt bonds to further provide -- to provide additional mortgages and down payment assistance to first-time home buyers. And, finally, the City is going to be hosting a foreclosure prevention clinic on November 18, 2008. And this is remarkable, because all the major lenders will be participating, and they have specifically targeted their borrowers who are in foreclosure in Miami Gardens. So this is not some flimflam promotion of marketing. We're actually going to reach those folks in foreclosure. I wanted to share that with you.

But let me speak to raise some issues that I think are important to this process. Well, first let me share some research with you. And, by the way, I'm a real estate attorney. I've been very actively involved on this issue for sometime, and I do understand the

principles of the program, but I do have some issues about this property acquisition component.

And this is an article from the New York Times It's dated 1986 that talked about New York as a reluctant landlord. New York had a tax delinquency problem in the early 1980's, and they purchased -- or they foreclosed on tax delinquent properties throughout the City of New York, and they accumulated a number of properties: 4,180 occupied buildings with 38,356 apartments and 140,000 to 150,000 tenants. They had to create an agency to manage those properties. And, Darren, you spoke about the issues of property management by the City, which I think is going to be cumbersome. Anyway, this article talked about how it became a real bear for process for the City of New York. They had to contribute huge sums of money to maintain these properties. They had problems with criminal activity, huge budgets. Ultimately, private developers bought these homes, these properties, but it took almost 25 years for them to sell all these properties, and it was an incredible, incredible tax on the city's coffers and the city's finances. So this is -- again, this is an issue that I think is important to us as we enter this whole property management realm which, again, I'm a little uncomfortable with, simply because of history that other cities have had with this experience.

Two -- three propositions that I just want to put on the record, and I've spoken about this before: Equity shares. And that's the idea of rather than purchasing the properties outright, purchasing equity shares in these homes. For example, if a home is valued at \$300,000, but, you know, it was sold or bought for 500, in equity share, you know, maybe we invest \$100,000 in that home. We have a stake. We have an equity stake on the home, but the lender is still on board for maintaining that property rather than the City having to invest its dollars in the long run to maintain and rehabilitate that property. And as for rentals, that is an absolute bear. And I can tell you I'm really uncomfortable with the City being in the business of rental, rental management. And we've all seen Section 8,

and other rental -- we've had other rental experiences in Miami Gardens that have gone south. And, you know, I don't -- you know, I try to live in the real world and not a fairy tale. And I just -- I'm just uncomfortable, because, I don't know, we've had problems selling homes across the country, including Miami Gardens. We had that HUD home that it took us almost two years to sell. And, you know, my concern is, you know, what makes us think that we're going to be able to turn around and sell these properties in a reasonable time frame and not incur longtime costs in maintaining these properties.

And my last issue is the educational component. And certainly I think it's important that we educate these current home buyers and the folks who are interested in buying these existing properties. But there's a reason that Miami Gardens has the second highest foreclosure rate in the state. There's a reason why we have 400 foreclosures last year. And certainly that's attributable to lenders taking advantage of folks, but there's also a lack of education. And, you know, how do we, as a City, educate folks to be more responsible, and more due diligent before they enter into these transactions. So I'm certainly in favor of using some of that money to educate the City residents in general, not just the specific home buyers. I don't know how that happens. I don't know what that process is. There's probably a lot smarter folks who can make that happen, but I think you have to be creative, engage the media and folks in order to make that a successful education.

MAYOR GIBSON: Thank you.

Mr. Gilbert.

COUNCIL MEMBER GILBERT: Daniel I was sitting here as you were speaking, but I know the stabilization funds aren't specifically -- we aren't supposed to help people who are in foreclosure.

MR. ROSEMOND: That's correct.

COUNCIL MEMBER GILBERT: But I had a thought. If we have a family that's in foreclosure and they meet the income requirements, can we allow that house be foreclosed, buy the house from the bank, because they might be in the house -- they might be in a bad loan and not be able to,

you know, meet the obligation for that reason, but they still might qualify for other purposes. Could we buy the house from the bank and sell it back to the family with an instrument that they could actually use?

MR. ROSEMOND: I don't believe -- and I'll have to check. I don't believe it allows for that purpose. However, there is another program which has not been that popularized, it's a Hope IV Homeowner Program, which is essentially to restructure an existing loan. The specific nuance with that particular program, it's an HFA product and maybe some of the lenders can clarify, but the lender has to be willing to allow that restructure. They do have to take a loss on that particular mortgage, but they can restructure that existing loan. But I don't believe that in the NSP, that there's a provision to allow that to deliberately happen to then make that person go back. And there's a commonsensical reason why it won't happen, because if you have allowed that to go into foreclosure, you're not able to get a loan, because now you have blemished credit in terms of that, so it will preclude you just by the very nature of the process from getting a new loan, even with significant subsidies. But I --

COUNCIL MEMBER GILBERT: If you could -- well, is there anything stopping them -- setting their credit rating aside, is there anything stopping them from being able to be a part of our pool buyers if they meet the income eligible?

MR. ROSEMOND: You mean if they're in a home now?

COUNCIL MEMBER GILBERT: No, if they've been foreclosed. They've been foreclosed.

MR. ROSEMOND: No, not at all.

COUNCIL MEMBER GILBERT: Is there anything to stopping them from being part of that pool?

MR. ROSEMOND: No, there's nothing to stop them from that. What we have tried to do, again, separate and apart from the NSP program is, through -- and you heard Arden speak earlier, through our partnership with NHS, is to try to help individuals that are in that particular situation. Their organization, as a

non-profit, tries to help individuals do exactly that, to contact the lender on their behalf, to try to restructure the loan, to assess the income that now exists with that particular family and to reach out to the lender to say, would you be willing to restructure? Would you be willing to forebear? Do something to help this family?

The City can also consider, depending on the unique circumstance, identifying a separate funding source, not NSP funds, a separate funding source to help maybe bridge the gap. Because often times, what has happened is, that you have individuals who have suffered a temporary loss of income, but they're back on track, but they can't get caught up. They may be a month behind or two months behind, and they can't get caught up. So if in fact we can identify people that meet a particular criteria with other funds, not

the NSP funds, to help them get current, then that is possibility we can consider.

COUNCIL MEMBER GILBERT: I have a couple more questions. Do we know what percentage of homes in Miami Gardens have been foreclosed on?

MR. ROSEMOND: I do not have that number.

COUNCIL MEMBER GILBERT: Okay. And of the homes that were foreclosed on, do we know what percentage of them were family based and what percentage are actual investors?

MR. ROSEMOND: No, I don't have that number either. That is one of the research information that we'll do through our realtors, and we'll obviously have that distinction made as well. Obviously, in one of the earlier meetings that we had had with one of the lenders, one of the comments that came back is that certainly the whole emphasis of helping people would be not individuals that bought the properties for investment purposes, but that are individuals that really genuinely intended to be home buyers and then they got into a product that really was not suitable for them. So, yeah, those are all things that we will ensure that we don't have the money go toward people that are doing it for investment purposes.

MAYOR GIBSON: Thank you.

Sir, excuse me, excuse me, excuse me, we kind of closed the public piece now, it's on the dais, unless a Council Member asks you to do a clarification for them. Thank you.

I certainly want to ask a couple of questions. On the \$55,000, how did we arrive at that amount?

MR. ROSEMOND: It was very -- it's a projection based upon the total numbers. We looked at I think it was a calculation of about 80,000 to 90,000 for property purchases. We looked at our average amount of rehabilitation that we currently spend, which is about 35 to 40,000 and how much money we wanted to set-aside for subsidy when you look at the amount of mortgage that people can qualify for. And we don't have a good database for that, and when we talked to some of the organization like Housing Finance Authority and some of the other folks, when you look at individuals that are ready to buy, they may qualify for a mortgage that's about 80 to \$90,000. And so our goal is, we say, we look at a particular price point of about 130 to 140,000 and then we back into what the individual can qualify for and it amounts to about 50 to \$55,000 that they would need in subsidy in order to be able to meet that sales price of about 150,000.

MAYOR GIBSON: So is there advantage or some means if it was higher?

MR. ROSEMOND: There may be.

MAYOR GIBSON: What would be the advantage -- let's say if the subsidy went up to 75,000. What's the advantage of it then? 75,000 to a potential buyer, I think -- I kind of get my question to, does that change, what we're looking at is the purchase point of a house that may be purchased or is that --

MR. ROSEMOND: Not necessarily. What -- the two things that are at play there would be how much the individual is eligible for in terms of their first mortgage. In other words, if they qualify for a mortgage of \$70,000, then we would have to look at providing even higher subsidies of maybe 70 to 75, but then you're into a particular policy issue, which is should you subsidize 50 percent of the purchase price versus something that is a little bit less. And that is

obviously something that this Council would have to consider, staff will have some recommendations. Cities across the country deal with that. I think that some of the County programs have, as Mr. Yassin mentioned, some very, very significant subsidies. I'm personally not of the belief philosophically that you should have such deep subsidies, because now you have the individual buyer with less of a vested interest in terms of that purchase than the government assistance. I think the government should be able to provide some assistance, but it should not take the brunt of the responsibility for that purchase, but that's just kind of a personal philosophy on that. I think --

MAYOR GIBSON: Does that -- but the higher subsidy -- if there's a higher subsidy, and the property is purchased at

a higher price. I understand that this program says that you cannot purchase the property at the market value.

MR. ROSEMOND: Appraised value.

MAYOR GIBSON: At the appraised value. You have to purchase it lower. So if there's a house that has a higher appraised value that someone may be interested in, and it is two doors down from Mr. Woods, and it brings a more comparative to his property if it's sold, and then there's an additional \$75,000 of the subsidy, would that kind of balance out this thing of lowering the price of properties already in the neighborhood versus the new property on this maybe coming in?

MR. ROSEMOND: It may. But, again, it's based upon how much the individual buyer qualifies for.

MAYOR GIBSON: So the 75,000 would be a part of -- I thought that would not be a part of what the person qualifies for or is it?

MR. ROSEMOND: It is not.

MAYOR GIBSON: So --

MR. ROSEMOND: So, in other words, if you have a \$200,000 home --

MAYOR GIBSON: And, let's say -- okay we purchase a house. Let's say we purchase a house under the appraised value. Let's say the appraised value is \$300,000. We purchase it at two. Let's say the person can only qualify for say

130. We have a subsidy of 75.

MR. ROSEMOND: Or 70.

MAYOR GIBSON: Okay. Then that person, if they qualify for everything else, gets that \$70,000 subsidy from us, it puts that property in -- it's purchased then at closer to the value of the other homes in the community which keep it to me -- my understanding, keeps it more stabilized --

MR. ROSEMOND: Right.

MAYOR GIBSON: -- for the value. So why wouldn't we make a higher amount that would be the subsidy?

MR. ROSEMOND: There is --

MAYOR GIBSON: To -- instead of saying to, let's say up to. Instead of saying 55, we can say we can go up to 75,000, and then it would be deemed on what the person would initially qualify for with the price of the home.

MR. ROSEMOND: There is nothing precluding us from doing that, Mayor. We certainly can do that. One of the other components to that is that in that purchase price of \$200,000, we'd have to determine that we would not need any rehabilitation work in that particular house. Remember, we would have to recoup, if you will, everything that we invested, not only the purchase price, but any rehabilitation. But nothing keeps us from being able to change that activity to say our subsidy amount can go up to \$75,000. Now, keep in mind also, that one of the other -- it's not just looking at those particular neighborhoods that are, you know, in the two or the \$300,000 range. The requirement is that we look at those target or priority areas that have already been identified in the documents of the City.

MAYOR GIBSON: Okay, which means -- so now let's say we've looked at those areas, and we know a lot of those areas are Bunche Park and the west side of the City, primarily are those areas, if I remember correctly. So when we go west, we're looking at homes in those areas that we looked at. We're looking at homes at the less value because of the neighborhoods.

MR. ROSEMOND: Because of where they are, correct.

MAYOR GIBSON: So at that point then your other scenario probably makes more

sense to me, because you are definitely talking about homes that have a lower -- going to have a lower market value.

MR. ROSEMOND: Now, I will say this.

We -- as I mentioned, nothing keeps us from saying that the subsidy amount has to be 55. We can make a decision that we change the subsidy amount to \$100,000.

MAYOR GIBSON: Well, that's what I'm saying. I really think we should. I'm going to be proposing that we get to this, by giving you direction from Council to staff, that it be more of a sliding scale, because, I mean, we can't keep it at 55. I think it needs to be at a higher scale. And people where they can qualify for or meet that standard, they can fall anywhere on that continuum of those numbers, on those dollars.

MR. ROSEMOND: The reason why we proposed the numbers that we did is based upon very preliminary information, not knowing exactly where the properties are, not knowing exactly what type of progress we're going to be able to make with the banks. And so it is very preliminary. And I mentioned I think the first time that I reported to Council on this issue, that it will more than likely require us to come back with an additional amendment to the action plan based upon the numbers that we have. We're currently trying to do our due diligence up front to determine exactly what our home buyer pool is, what people qualify for. Are the banks actually able to sell those properties? Do we have properties in particular neighborhoods and what those numbers are. I think once we have that information, we'll be in a better position to come back and say here's the numbers, and now we have more solid data that will drive the decision to be able to increase it. I don't necessarily want to subsidize that much and then end up not being able to provide as many housing units as possible, but the numbers are going to drive that.

MAYOR GIBSON: This is my last question for now. If we -- I think as Mr. Shank said, if we got -- if we were concentrating or focusing on having a partnership with other non-profits, who would be the ones to purchase these homes. That would take us out of this area of having to worry about rehabbing, yes?

MR. ROSEMOND: Yes, directly. It would take us -- well, let me say this. As a grantee, we're ultimately responsible for the use of the funds, so whether we --

MAYOR GIBSON: No, no, no, no, that's not kind of where I'm going.

MR. ROSEMOND: Okay.

MAYOR GIBSON: If there's a partnership with a non-profit that is into this buying homes and what have you, whatever they do, if they buy the property, that's their responsibility to buy it, get it ready for the market. Is that not correct?

MR. ROSEMOND: It is their --

MAYOR GIBSON: Okay, so that takes us out of rehabbing. Our only relationship now is utilizing the percentage of these funds that can -- that we would use to help the home buyer get into these properties. So, now we back to, like I said, if we on this 55,000 or \$75,000 allocation that we could give, then we're in a better position to actually move more homes, and I think maybe try to do it faster, because then all the other vetting is going to be done by the partnership with the non-profit or whomever is doing that, which they probably I would think if they have a track record, they can do it faster and better than we can in time, because we talk about 18 months. That is not a lot of time to actually say that we have some contracts out. That I know that means that I think that we probably don't have to say every penny is spent, but it needs to have some kind of allocation to say it will be spent.

MR. ROSEMOND: There has to be addresses --

MAYOR GIBSON: So even -- so actually to even do that, I think we need to be looking at that kind of partnership pretty much to be able to say -- 'cause then they -- to me, it's like they've given us the pool of houses, and we're trying to bring the pool of buyers and we kind of work a more collaborative together. You know, I don't do this housing here. And, you know, we have an expert attorney in my right, and then we have all these folks in the audience and I don't really do this. I'm just thinking of the actual time and effort that we took to actually sell one HUD house was just absolutely nightmarish. It took us three years. You know, it

was--

MR. ROSEMOND: It did not take us three years.

MAYOR GIBSON: Not from the first time, before you came, basically. Well, yeah, before you came.

MR. ROSEMOND: That doesn't count.

MAYOR GIBSON: When you came, it moved much faster, but prior to you, we had started this process. But actually when you came, it was less.

So I'm looking at how do we make that happen by rehabbing a real partnership with some other non-profit?

MR. ROSEMOND: Mayor, let me just address the -- and this is a very, very important point for the Mayor and everyone to understand. HUD does not make a distinction between -- in terms of the mechanism that any grantee utilizes to carry out its activities. When HUD looks at the Miami Gardens, They're saying, the City got 6.8 million dollars, and it's your responsibility to be able to carry out the approved eligible activities.

Now, whether we choose to do it ourselves or through for-profit, non-profit, a combination of thereof, at the end of the day, it is the City's responsibility, and we have to give an account how that happened.

It is staff's responsibility to come back to Council in the form of this plan and say this is what we believed to be the most prudent mechanism to be able to carry out that plan. I am still torn in terms of what is the right formula, if you will. I suspect that it will probably be a combination thereof.

I think what happens is that you have a lot of different factors. To the example that you pointed out, if we were to partner with non-profit to say you buy the property, you rehab them and then we'll just provide the buyers, you also have to take into consideration that there may be some criteria for rehabilitation. For instance, the non-profit may say I'm trying to keep my cost down and I'm only going to do the minimum in terms of rehabilitating that property, and that property may sit there for a while because it does not have the aesthetic value that somebody that is interested in buying may want. And so that scenario is a possibility that we would need to make

sure that partnership -- we would have clear criteria and clear objective in terms of how that property is going to be rehabilitated.

MAYOR GIBSON: I understand that.

But if the non-profits are decisive, they're going to be in the business, they're looking in Miami Gardens to buy homes, it would be, to me, very counterproductive if they did not rehab the property so they could sell it. And if they did -- if they purchase a property, and it was not I guess of the standard that we think that it would move, then it would just not be a relationship, because it's not going to move. So if the property -- if they buy it, they can't move it, we don't have a relationship with them. Am I correct?

MR. ROSEMOND: You're correct. But, ultimately, going back to my first statement, we're ultimately responsible for that, so in that --

MAYOR GIBSON: No, wait, wait, I'm confused now. Are you saying if the non-profit buys 25 homes out here, they just buy them.

MR. ROSEMOND: Using their own funds?

MAYOR GIBSON: Their own money, not our money.

MR. ROSEMOND: That's different.

MAYOR GIBSON: No, my whole conversation was their money.

MR. ROSEMOND: Oh, okay, I didn't catch that.

MAYOR GIBSON: I'm sorry, I thought that was kind of understood. I'm talking about them buying with their money.

MR. ROSEMOND: That's a huge difference, Mayor.

MAYOR GIBSON: Yeah. I'm talking about them purchasing the homes with their money. They come to us. We have 50 homes in Miami Gardens that we purchased. We have our list of potential buyers. We have our criteria, which we're saying we can subsidize up to 75,000, \$100,000. And then we consummate this relationship. We are not responsible for how they've rehabbed it. I mean, it has to pass inspection. It has to do all that. So why wouldn't be able to move through this process I think quicker and be able to move homes faster and not bring so much more in-house to our staff, where we really -- where you are now, you're not staffed to handle that. I would think that would be kind of the way that we

might want to go. And then I think we move much faster through the process. And then we can really raise that level of what we talked about on that sliding scale, because it gets us out of that. If they buy homes and they don't rehab and don't get it ready, that's their loss. We haven't lost anything.

Ms. Farmer, do you want to say something? Go ahead and then Ms. Vice Mayor.

MS. FARMER: I just wanted to point Council to the last page in the handout that you have, which is staff's projected timeline. And this is part of the conversation, I think -- the greater conversation that we'll be having in the next -- in the upcoming months about the exact mechanism that we're going to go through in order to do that. There's a litany of options that will lay out for you and make some recommendations about what we think the best way to get us there within the 18 months would be. Certainly as Mr. Rosemond has indicated, partnering with a non-for-profit or for profit developer in order to do this is certainly on the table because of the reasons that you've stated, Mayor Gibson, but that deal has got to be worked out in terms of how is the money going to flow, what makes the best sense, what makes business sense for the person who's going to partner with us, as well as what makes sense within the confines of the program. So, yes, I think that all of those things are going to be dealt with, especially in the December month, which we have called the administrative activities on.

MR. ROSEMOND: Right, December through January.

MAYOR GIBSON: Okay, okay.

MR. ROSEMOND: Because -- and just drawing your attention to that projected time frame, and this is also for the audience to understand what happens next. In this process, we will be receiving comments, as we mentioned, through November 6th in terms of the plan if in fact you have any other written comments, but we will bring -- staff will bring back to Council an Action Plan Amendment, which will carry out -- which will reflect the activities proposed, incorporating the comments that we deem appropriate, and it will be up to Council to approve it as is or approve it with modification. Then we

have to submit that plan to HUD by December 1st. That is a hard date. We don't have any flexibility in that date. And if we don't meet that date, then the City will not be able to receive these funds. While we have submitted that date, through the months of December and January, we will be making those determinations in terms of what is the right mechanism going through a formal solicitation process or processes to identify the right partners to be able to do that. And so those are all things that are considerations on the table. Again, I want to point out that the timing is very, very critical. I am certainly sensitive to the fact that in order to vet something like that out, we have to have very, very, very aggressive benchmarks and points of determinations with whatever partner we identify and go into business with that if in fact we don't see deliverables or productivity within a very short window, that we kind of change that. But I think you'll find in the plan that we will submit that there is enough flexibility in that, that all of the activities that you are mentioning are allowable in terms of that. All we would simply need to do at a later date, if we determined that we needed additional subsidies, to come back and say we're going to allocate more money to the subsidy line and less money to the property purchase, and it's just as simple as that.

MAYOR GIBSON: Right. Right. Okay.

Mr. Gilbert -- oh, I'm sorry, Vice Mayor. I'm sorry.

VICE MAYOR WATSON: Not a problem. I just wanted to make sure there were one or two points to really clarify, Mr. Rosemond, because I heard some comment from the audience in their participation. There seemed to be some people looking for an investment, and I also seem to heard some other utilization of homes perhaps rehab. What exactly -- is this supposed to be a program that's a homeownership?

MR. ROSEMOND: It is.

VICE MAYOR WATSON: And it's for occupancy under what guidelines for how many years for the owner that is applying for these monies?

MR. ROSEMOND: The funds are going to be governed by HOME guidelines, which is

the housing equivalent to CDBG funds, and it has an affordability period of a minimum of 15 years.

And if you go back, Debby, to the slide under the subsidy -- oh, you just passed it, right there. Under the eligibility, the home must be owner-occupied, must not be rented or leased. So that is built into the provision if in fact an individual receives a subsidy, whatever the amount is, that is required. And if in fact they

decide to sell it within a period of five years, the entire amount has to be repaid. If it exceeds the five years, then there's a sliding scale. 10% is forgiven each year. So we ensure that the intent of the program is maintained through this particular recapture provision.

VICE MAYOR WATSON: So there's -- the way this is structured right now, there is no opportunity available for investors to come in, buy up properties and try to resell them and work other --

MR. ROSEMOND: That is correct, not with this money. Again, as the Mayor said, if an investor wants to do that, it has been done in the past several years, and if people want to do that, but these funds are specific to what we have provided in this presentation.

MAYOR GIBSON: Okay.

COUNCIL MEMBER WILLIAMS: Madam Mayor?

MAYOR GIBSON: Yes. Go ahead.

COUNCIL MEMBER WILLIAMS: Under the Mayor's scenario, Danny, it wouldn't even have to be a non-for-profit that buys up homes. It could just be the banks.

MR. ROSEMOND: It could be anyone.

MAYOR GIBSON: I just used them, but it could be --

COUNCIL MEMBER WILLIAMS: Right.

MR. ROSEMOND: Not to cut you off, the banks -- because, remember, this is a nationwide program, and all cities or states have had a particular allocation. The banks may be meeting like we are meeting to determine what is going to be our plan of action in terms of when we get approached by individuals. And that's why I said I'm going to be very eager to find out exactly what kind of traction we get in terms of that, because I may be coming

back here a month from now, after the grant agreement is signed, to say, listen, we have to change the strategy because this is the information that we found out. The banks are now making them available, but they just need increased subsidies from the different cities. And that may be all we need to do.

COUNCIL MEMBER WILLIAMS: Another thing, an observation. I was listening to the Mayor's comments and something that you said. You know, as the problem evolved, it was banks selling bad products, giving people houses that they couldn't really afford. It occurs to me that the higher we make the subsidy, we might be doing something akin to what the bank did with a very bad instrument. Remember, that if you -- you know, if you buy a house, you own a house that's worth \$200,000, even if you only pay the 125, you're going to pay the insurance and that mortgage on that 200 in perpetuity. So if we're going to make this, you know, something that actually stabilizes the neighborhood and not a band aid for something that's going to be reoccurring in four or five years on those taxes, and mortgages and all that stuff starts piling up, we might really look hard at getting people in homes, not only that even with our subsidy that they can actually afford in perpetuity. So some of the houses, you know, this might not be for a Coconut K house. That just really might not be, because when it comes down to it,

(inaudible) program, even if we got them in the house, they can't afford it long term. This might be for a house someplace else and that probably needs to be --

MR. ROSEMOND: One of the things that's important I think to know, and I don't have a specific number on this, I've seen a couple of reports, most of the individuals that have purchased homes through government subsidy programs, the foreclosure rate is very, very small. And the reason for that is because the requirements to be able to get those subsidies is very, very extensive compared to the traditional mortgage products which

18 are no doc or low doc loans. So when you have individuals that go through a government subsidized program, they're required to take extensive home buyer

counseling courses and they do a very thorough job in making sure that the person is going to be able to stay in that home long-term. But it really is, as I mentioned before, a policy decision in terms of how much should government subsidize a purchase of a home. That's really, at the end of the day, a decision that the Council needs to make with the staff's recommendation.

MAYOR GIBSON: Mr. Williams and then Ms. Pritchett.

COUNCIL MEMBER PRITCHETT: Oh, that's nice. Thank you very much. It's a very quick question likewise, and thank you. I just wanted to ask Mr. Rosemond, because I do believe I remember you saying last week when we had our meeting, it's very difficult to put a numeric count or a figure in terms of the foreclosed properties in Miami Gardens, but as I look at this map on Page 7 that you provided us with, thank you for the information, I'm just wondering do we have a ballpark figure, even realizing it can change and fluctuate from day-to-day? But it would be nice to have some figure as a frame of reference in our minds. I've just not heard a figure yet.

MR. ROSEMOND: I think it was close to a 1000, if I remember correctly, from our source, Realty Track. The last is about 960,970.

COUNCIL MEMBER PRITCHETT: So all of these little dots, if I took the time to count them, would give me about 960 to a 1000?

MR. ROSEMOND: Well, that actually provides you the data through -- from November of 2007 through July of 2008. And as I mentioned to Vice Mayor at that same meeting --

COUNCIL MEMBER PRITCHETT: Yes.

MR. ROSEMOND: -- the number changes each day.

COUNCIL MEMBER PRITCHETT: Yes, you said that.

MR. ROSEMOND: But that particular map just gives you a visual of looking at the magnitude and the fact that it's not really concentrated in any one area in the City. It's really all over the county, you look at it in a larger scale.

COUNCIL MEMBER PRITCHETT: But for our purposes, in the city of Miami Gardens

currently, it's projected that it's from 980 to 1,000?

MR. ROSEMOND: Correct.

COUNCIL MEMBER PRITCHETT: That's it.

Thank you, Mr. Williams.

MAYOR GIBSON: Mr. Williams.

COUNCIL MEMBER WILLIAMS: Madam

Mayor, and I want to address Councilwoman Pritchett, and I think Council person Gilbert raised the issue as well about the actual counts of foreclosures. The Federal Government used a complicated formula to determine our allocation, but their data indicated that there are almost 4,000 foreclosures over an 18-month span to determine the allocation and that equated to 12.4% of our housing stock, so you can do the math on that. And that is the second highest foreclosure rate in the state, according to the Federal Government's data.

UNIDENTIFIED SPEAKER: What was the percentage?

COUNCIL MEMBER WILLIAMS: 12.4.

COUNCIL MEMBER PRITCHETT: May I ask a question, too, because you did explain it's a complicated formula they use.

COUNCIL MEMBER WILLIAMS: Uh-huh.

COUNCIL MEMBER PRITCHETT: Well, do they have any written information they can share with us regarding that or can we go on the web to find this?

COUNCIL MEMBER WILLIAMS: Well, I forwarded it to you all last week, but I'll forward it to you again. It lists the criteria and the breakdown of how they arrived at that.

COUNCIL MEMBER PRITCHETT: Thank you.

COUNCIL MEMBER WILLIAMS: But I'll send it to you all again. That's not a problem.

COUNCIL MEMBER PRITCHETT: Why is there such a difference in the amount you were talking about, that 12.4%, and what Mr. Rosemond is talking about, just so we have some clarity here?

MR. ROSEMOND: Well, the number --

COUNCIL MEMBER PRITCHETT: Why such a disproportionate?

MR. ROSEMOND: The number that I cited is from the source that we've used, which is Realty Track. HUD does have a different data source. I cannot speak the source that Councilman Williams is referring to, but it's also during a different period of time. So you also have to factor that in. I'd certainly be open to looking at that. And as I

mentioned to Vice Mayor Watson, I don't necessarily look at that as much. And I know that that number is very intriguing to a lot of folks, but when you look at the total amount -- I'm very practical in my approach to things. And so regardless of whether there's 4,000 or 400,000, if all we have is 6.8 million, we have to be realistic in terms of what we can do with 6.8 million. So while we may want to have a discussion at a later time in terms of what is the real number, I don't think that's germane to what we're trying to accomplish, and that is, what do we do with this money.

COUNCIL MEMBER WILLIAMS: Madam Mayor, one other point.

MAYOR GIBSON: Go ahead.

COUNCIL MEMBER WILLIAMS: And you raised an important issue. It's only 6.8 million dollars. It sound like a lot

of money, but it's really not. And I've raised this issue before, and I feel very strongly about it. We're going to be throwing money around to these lenders, and, you know, they've contributed to the problem. So, I mean, you know -- you know, we're not helping the residents, but certainly we're enriching them to a certain degree by providing relief to them with these dollars. I'm hopeful that our negotiations include some component where we say to Wells Fargo, okay, if we're going to give you a million dollars to buy whatever number of homes, those folks that are in foreclosure right now, those Wells Fargo clients and foreclosures right now, what relief are you going to provide? In other words, the quid pro quo. We're giving you this money, what are you going to do? What's the end game? How are you going to help out these, you know, poor folks who are about to lose their homes who are your clients? We have the leverage and we can make that happen.

MAYOR GIBSON: But what -- if that -- I don't know if that's relative to what I was discussing kind of.

COUNCIL MEMBER WILLIAMS: It's not.

MAYOR GIBSON: It's different. It's different. But I don't -- I don't want us giving them money to do that. I mean, I wouldn't be in favor of giving them money to have them go out and do that. I mean -- COUNCIL MEMBER WILLIAMS: No, I'm saying buying homes.

MAYOR GIBSON: No, not giving them money for them to acquire the home? No, let them do their own thing with their own money. I don't -- MR. ROSEMOND: I think -- MAYOR GIBSON: Maybe I'm not understanding that.

MR. ROSEMOND: I think what Councilman Williams is referring to is, asking sure that we add to that list of criteria, when we're going in terms of purchasing homes, to make sure that the lender who holds title to those properties -- MAYOR GIBSON: Yes.

MR. ROSEMOND: -- that they do something reciprocal to the existing clients that they're serving in the City. And I want to address that, because I think we have to be very, very careful in terms of deviating from what the intent of the program is.

MAYOR GIBSON: Yeah, I don't want to do that.

MR. ROSEMOND: And whether or not it is our place to be able to -- to be able to do that. I think when you look at the notice, which is a very voluminous document, I can certainly provide it, but we attempted to kind of give you a summary here. We need to I think focus on what it is we, as a grantee, do as parameters which HUD has provided us. And I think it be very, very dangerous for us to begin to factor in other things that HUD has not told us, especially when it comes down to not focusing on the objective of the program, which is neighborhood stabilization. And I'll give you a for instance. If in fact we identify a target area which has a high number of foreclosed home, and the residents in that neighborhood have said we really, really need something to happen, I would not be a proponent of saying, well, I'm not going to do that simply because it happens to be owned by a lender who is unwilling to negotiate with us, because my objective is, I want to make sure we stabilize that neighborhood, so I think that you put things -- in an ideal world, of course you want to be able to do things with people that are, you know, amenable to whatever you've requested. But for two reasons: One is that we have to be careful about entering into uncharted territory, and, secondly, the objective of the program is to

stabilize the neighborhood irrespective of who owns the title to those properties.

COUNCIL MEMBER WILLIAMS: Madam

Mayor, may I respond to that?

MAYOR GIBSON: Umm, okay.

COUNCIL MEMBER WILLIAMS: (Inaudible).

MAYOR GIBSON: I said okay.

COUNCIL MEMBER WILLIAMS: Danny, I fully disagree. And, you know, from a legal perspective, I think that's -- I don't think that's proper to the negotiation process, 'cause certainly these lenders are trying to -- trying to prevent these folks from going into foreclosure. And I mean I know they're going to be at my foreclosure clinic on the 18th. And based on my relationship with them, I think they'd be amenable to something like that. So, you know, yes, I understand the focus is stabilizing these neighborhoods, but we also have a big problem with folks, with families losing their homes. And, you know, I'm just uncomfortable with just giving these lenders -- however you want to couch it, engaging them through an intermediary, then not leveraging our position, being able to help these folks who are suffering from foreclosures in Miami Gardens.

MAYOR GIBSON: No, Renee and then to you, Mr. Gilbert.

MS. FARMER: Oh, thank you, Madam Mayor. I just wanted to mention, I know that Councilman Williams had provided the City with some information, and I'd be willing certainly to distribute that to Council via memo on behalf of the Council Member so that we have that for your edification before the next meeting.

MAYOR GIBSON: Mr. Gilbert.

COUNCIL MEMBER GILBERT: Madam Mayor, understanding what Mr. Rosemond said and what Council person Williams said, I think the general consensus, in an ideal world, we would like to do business with people who are good community partners.

MR. ROSEMOND: Sure.

COUNCIL MEMBER GILBERT: I think, you know, as a general view, we would look at it from that perspective. And I think --

MR. ROSEMOND: And I agree with that. And I think -- I think -- I just simply want to caution us, and I think it is my responsibility as a staff member, not to mislead Council into believing that we may

be able to do something that may compromise the City's position. And so I won't tell you it's something that we can do, because it is not part of the parameters that HUD has indicated in the

notice. And I will simply caution to stay my recommendation will be that we not deviate or add to anything that is in the notice. And I'm not -- I don't have the benefit of being an attorney. We have our City attorney, and we will allow her to make the legal determination as to what is appropriate or inappropriate.

COUNCIL MEMBER GILBERT: I think -- I think the second part of that is, it's always -- you're always on shakier ground when you start to add, you know, negotiating points that have nothing to do with the Federal funds that you're spending, but we do want to deal with good community partners.

MR. ROSEMOND: Always.

MAYOR GIBSON: I need to ask a question, Madam Attorney. At the final thing, I know I sign a lot of documents as -- do some of the legal signatures for the City. Is this I sign off on this, on this money from HUD? 'Cause, you know, some of those contracts I sign off on certain documents that come in.

MS. DICKENS: Yes, Mayor, you do.

MAYOR GIBSON: I do? Well, we will be doing do this right.

MS. DICKENS: And also -- and also -- let me also add --

MAYOR GIBSON: 'Cause I will not --

MS. DICKENS: -- that it will come to the Council for formal approval, the plan, the plan.

MAYOR GIBSON: Yeah, but, you know --

MS. DICKENS: The actual plan to be approved, and what we're going to do, will actually come to Council for your approval. We won't allow you to sign documents that are not --

MAYOR GIBSON: Don't worry. Okay, that is interesting. I just want to know, you know, because you know who they march off to jail, who do the last signing.

COUNCIL MEMBER WILLIAMS: We have a capable Vice Chair.

MAYOR GIBSON: That is not making me happy. That won't make me happy. I don't care who -- oh, you go to jail because

Vice Mayor is capable while you're serving time. No, that is not an option.

Ms. Pritchett.

COUNCIL MEMBER PRITCHETT: Thank you, Madam Mayor and to the attorney. And I think that's a very good point you raised. Madam attorney -- and I've heard what Councilman Williams has suggested and I've heard from Councilman Gilbert and Mr. Rosemond, certainly our Director of Community Development. You're rendering your legal opinion. Is it not wiser for us to follow the parameters of what the government --

MS. DICKENS: What you do, you'll lose the money. I'm not saying that what Councilman Williams suggested is outside the parameters of what HUD would allow. I think that question will ultimately be answered by Dan, who's an expert in that, and pretty well versed in what HUD allows and does not allow. So once he tells us, we have to spend the money within the guidelines, so that we don't lose the money.

COUNCIL MEMBER PRITCHETT: Follow the guidelines and adhere to them.

MS. DICKENS: Certainly.

COUNCIL MEMBER PRITCHETT: Okay, thank you, just for clarification.

VICE MAYOR WATSON: Madam Mayor.

MAYOR GIBSON: Vice Mayor.

VICE MAYOR WATSON: Thank you. Of course I will be standing on the curb waiving goodbye.

MAYOR GIBSON: Well, you know, I haven't --

VICE MAYOR WATSON: Mayor, Mayor.

MAYOR GIBSON: I haven't even been indicted and they're telling already telling they're going to tell me bye. Isn't that something? I have a lot of witnesses out here. You be sure it is not happening. Go ahead.

VICE MAYOR WATSON: But the one thing I just really wanted to say to Mr. Rosemond, I truly understand what Councilman Williams is (inaudible). I think what he's really saying, if there's an opportunity -- and forgive me for trying to interpret, because I think you so adequately doing it. I think what we're looking for is there any leverage that will give this City an opportunity within the confines, we're not looking to go beyond, to give us an opportunity to

leverage some things. I think that's the whole gist of what he's saying.

MR. ROSEMOND: And, Vice Mayor, absolutely we will do everything that we can, and that's the reason why staff is recommending that we utilize professionals in terms of this negotiation, because certainly I don't have the professional negotiations. We are going to be utilizing individuals that are experts in that field to be able to help us through -- agents to help us with that process. But I want to make sure that when we look at the purchase transaction that we stay true to what the intent is.

And one of the other things that is important to be reminded of is that we've already taken steps -- as Mr. Shank reported, we've already taken steps to try to facilitate the process to help people that are in that circumstance, to be able to get the relief necessary through Neighborhood Housing Services, to help with those negotiations. So I believe that, from the City's perspective, we're also making the intent to help people where they're at. So it is not something that we're putting all our eggs in this one basket to say we're going to hold this negotiation over them. I think that we are being responsible government in terms of that.

And I also want to make sure that we do not, again, deviate from the intent of the program. While we may want to do business with people who are, as Councilman Gilbert said, good corporate citizens or partners, I don't want that to be something that will maybe later on come back and bite us to say, well, that is not part of the what the intent was. So I will -- I will look into that further, and maybe that's the course of action and whether or not we can add any other ariables to that, and certainly get back to you in our plan.

MAYOR GIBSON: I do want, before we close out, is to -- you did emphasize that we have to stay true to our Comprehensive Development Master Plan and then our long range plans we had about housing and some of the community -- communities in the City that we had said that we needed to address -- MR. ROSEMOND: Target areas.

MAYOR GIBSON: -- you articulated

some of those very particular problems. So certainly when you come back, I would hope that you will bring us something that we can look at that will be relative to trying to look at some of those areas that we had targeted in our Comp. Plan, because that is what is part of this from HUD, from the Federal Government, that we still have to stay true to some of the issues that we said was a need in this City even before this issue came up.

MR. ROSEMOND: One of the things, Mayor, because I want to be very straightforward -- and, Debby, if you could go to the slide with the timetables at the end. Again, the emphasis here in terms of the plan that we will be bringing to Council on November 12th, it will capture the activities and the amount. How we carry out those activities, we will have an opportunity, while HUD is reviewing the plan --

MAYOR GIBSON: Okay, I gotcha.

MR. ROSEMOND: -- and being able to evaluate that.

MAYOR GIBSON: Put all the infrastructure part in that.

MR. ROSEMOND: Exactly. Who's going to do what; how is it going to happen; what are we going to concentrate on, those details. MAYOR GIBSON: Okay, I got it. I understand.

MR. ROSEMOND: But I don't want us to lose our emphasis on that point.

MAYOR GIBSON: Okay, that's good clarity, understanding. We just need to do the initial plan, and then we go back to HUD and send them the basic action of that, how that's going to be accomplished.

MR. ROSEMOND: And then internally, administratively, we will have the specifics in terms of how those things are going to be carried out.

MAYOR GIBSON: I got you. Okay, that's good clarity for me. I got that. How we will then do that, you will just bring us the basic plan what we have now. Okay, anyone else on the dais before we dismiss? Okay, certainly I want to thank our audience for coming out and staying. It was a little bit longer than we had anticipated, but you had good questions in your interest, so we want to thank you for that. And to stay engaged with us. You have the schedule of the meetings that are

there, so please come back and participate. And you heard Mr. Williams, who will be having some meetings as well, that you want to participate in. And so we will work through all of this, and certainly try to make sure that we put this money to good use and to expend it for the purposes that it has been allocated from the Federal Government.

Mr. Rosemond.

MR. ROSEMOND: Just one quick comment. If anyone came in afterward and did not sign in, please make sure -- I'm sure staff did that. We do want to make sure that we get a record of everyone's attendance. And please, if you have any written questions, certainly feel free to send those questions via the link that is provided on the screen or just visit our web site and provide those written comments prior to November 6th so we can incorporate them in our plan.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Purchase and rehab of foreclosed properties for rental to households earning up to 50% of AMI.**

(2) Activity Type: **Acquisition**

(3) National Objective: **LMC**

(4) Projected Start Date: **January 2009**

(5) Projected End Date: **March 2009**

(6) Responsible Organization: **Department of Community Development, 1515 NW 167 Street, Bldg. 5, Suite 200, Daniel A. Rosemond, Director**

(7) Location Description: **Citywide**

(8) Activity Description: **TBD**

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

I. Total Budget: (Include public and private components) \$1,716,529.70

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): TBD

(1) Activity Name: **Demolition of abandoned housing units.**

(2) Activity Type: **Clearance and Demolition**

(3) National Objective: **LMC**

(4) Projected Start Date: **April 2009**

(5) Projected End Date: **August 2009**

(6) Responsible Organization: **Department of Community Development, 1515 NW 167 Street, Bldg. 5, Suite 200, Daniel A. Rosemond, Director**

(7) Location Description: **Citywide**

(8) Activity Description: **TBD**

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

I. Total Budget: (Include public and private components) \$130,000

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): TBD

- (1) Activity Name: **Purchase of foreclosed properties for resale**
- (2) Activity Type: **Acquisition for Rehabilitation**
- (3) National Objective: **LMH**
- (4) Projected Start Date: **January 2009**
- (5) Projected End Date: **March 2009**
- (6) Responsible Organization: **Department of Community Development, 1515 NW 167 Street, Bldg. 5, Suite 200, Daniel A. Rosemond, Director**
- (7) Location Description: **Citywide**
- (8) Activity Description: **TBD**
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

I. Total Budget: (Include public and private components) \$2,000,000

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): TBD

- (1) Activity Name: **Rehab of units for resale**
- (2) Activity Type: **Rehab; Single Unit Residential**
- (3) National Objective: **LMH**
- (4) Projected Start Date: **April 2009**
- (5) Projected End Date: **August 2009**
- (6) Responsible Organization: **Department of Community Development, 1515 NW 167 Street, Bldg. 5, Suite 200, Daniel A. Rosemond, Director**
- (7) Location Description: **Citywide**
- (8) Activity Description: **TBD**

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

I. Total Budget: (Include public and private components) **\$957,977.42**

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): **TBD**

- (1) Activity Name: **Subsidy assistance for buyers of purchased properties**
- (2) Activity Type: **Direct Homeownership Assistance**
- (3) National Objective: **LMH**
- (4) Projected Start Date: **December 2008**
- (5) Projected End Date: **December 2009**
- (6) Responsible Organization: **Department of Community Development, 1515 NW 167 Street, Bldg. 5, Suite 200, Daniel A. Rosemond, Director**
- (7) Location Description: **Citywide**
- (8) Activity Description: **TBD**
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

I. Total Budget: (Include public and private components) \$1,375,000

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): TBD

(1) Activity Name: **Program Administration**

(2) Activity Type: **General Program Administration**

(3) National Objective: **N/A**

(4) Projected Start Date: **December 2008**

(5) Projected End Date: **March 2010**

(6) Responsible Organization: **Department of Community Development, 1515 NW 167 Street, Bldg. 5, Suite 200, Daniel A. Rosemond, Director**

(7) Location Description: **Citywide**

(8) Activity Description: **TBD**

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

I. Total Budget: (Include public and private components) \$686,611.90

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): TBD

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds \leq 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment

attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

Title

