



City of Miramar Neighborhood Stabilization Program (NSP)

*March 1, 2010 – Real Estate Professionals Request for Letters of Interest Workshop
10:00 AM
City of Miramar City Hall*



Presentation Agenda

- Introduction
- Existing Program/Proposed Changes
- Real Estate Professionals Participation/RLI
- Questions and Answer

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Miramar NSP Overview

Purpose:

The Neighborhood Stabilization Program (NSP1) is authorized under Title III of the Housing and Economic Recovery Act of 2008. Finance, Rehab, Redevelop and/or Resell Foreclosed Properties to stabilize target neighborhoods

Miramar NSP 1- Program Budget: \$9,312,568

(Purchase/Rehab/Admin)

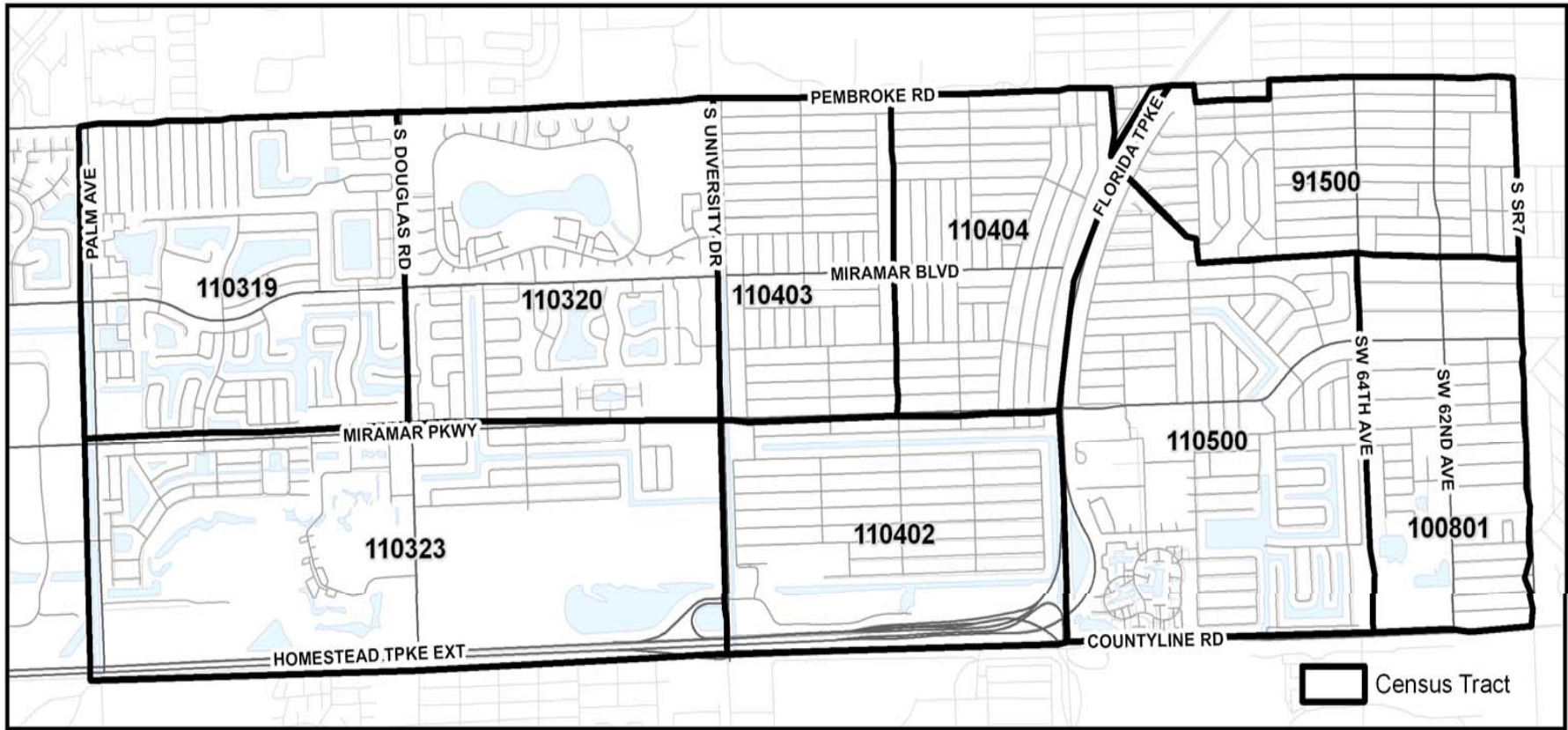
18 Months to Obligate: Obligation Date: September 2010

4 Years to Fully Expend





NSP Target Area



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Existing Assistance Goal:

To assist approximately 70 households. 50 Mod/Middle Income & 20 Low Income with purchase assistance and home repair assistance upon closing.

To Date:

236 Applications Received.

148 Notices of Eligibility/Awards Issued since June 2009

19 Closings and 10 Contracts Pending Closing

19 Properties Transferred to Home Repair

15 Mod/Middle and 4 Low Income Purchased 6 Mod/Middle Under Contract and 4 Low Income Current Under Contract

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Amendments (Completed and Proposed) To Date

Home Repair Funds Increased To Address Greater Repair Needs—

Units Decreased from 95 to 75

Approved: January 2010

Proposed: Addition of Acquisition/Rehab – Proposed Units Would Decrease from 75 to Approximately 50 because of acquisition and related costs. Proposed – March 2010



Summary of Proposed Activities

NSP Eligible Use	<u>EXISTING INCOME</u>	<u>EXISTING BUDGET</u>	<u>PROPOSED INCOME</u>	<u>PROPOSED BUDGET</u>
(FINANCING MECHANISMS PURCHASE ASSISTANCE — First and Second Mortgages	51%-120% of the Area Median Income	\$3,026,613.85	51%-120% of the Area Median Income	\$1,000,000
UNITS (ESTIMATED)		50		30
FINANCING MECHANISMS REHABILITATION OF UNITS	51%-120% of the Area Median Income	\$3,026,613.85	51%-120% of the Area Median Income	\$1,500,000
UNITS (ESTIMATED)		50		30
ACQUISITION & REHABILITATION	51%-120% of the Area Median Income	\$0	51%-120% of the Area Median Income	\$3,753,228
UNITS (ESTIMATED)		0		20



25% SET ASIDE FOR LOW INCOME HOUSEHOLDS				
PURCHASE ASSISTANCE – (FINANCING MECHANISMS) First and Second Mortgages	50% of the Area Median Income or Less	\$1,164,082.25	50% of the Area Median Income or Less	\$480,000
UNITS (ESTIMATED)		20		8
FINANCING MECHANISMS REHABILITATION OF NSP UNITS	50% of the Area Median Income or Less	\$1,164,082.25	50% of the Area Median Income or Less	\$500,000
UNITS (ESTIMATED)		20		8
ACQUISITION & REHABILITATION	50% of the Area Median Income or Less	\$0	50% of the Area Median Income or Less	\$1,348,164
UNITS (ESTIMATED)		0		7
PLANNING AND ADMINISTRATION		\$931,265.80		\$731,266
	TOTAL	\$9,312,658	TOTAL	\$9,312,658

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NSP Program Requirements

- Eligible Property = Foreclosed Property in Target Area (Single Family, Condos, Town Homes, Villas)
- Purchased at least 1% discount of current market value (Updated June 11, 2009)
- Bona fide tenants must have received 90 day notice before being evicted. – Obtain documentation from seller (Bank).
- All properties must receive appropriate inspections including environmental reviews.
- All prospective buyers must meet income guidelines established by the Federal government.
- The City is required to set aside 25% of its NSP allocation for low income households.



NSP Purchase Assistance From City - Financing

- 0% Interest Deferred Loan (2nd Mortgage Held by the City)

Maximum Purchase Assistance Amount:

0-50% AMI (Low Income Set-Aside) - \$60,000

51-80% AMI (Moderate Income) - \$40,000

81-120% AMI (Middle Income) - \$30,000

Minimum First Lender LTV:

0-50% AMI (Low Income Set-Aside) – 50% LTV

51-80% AMI (Moderate Income) – 70% LTV

81-120% AMI (Middle Income) – 80% LTV

Maximum Combined LTV:

105%



NSP Rehabilitation Assistance From City - Financing

- 0% Interest Deferred Loan (3rd Mortgage Held by the City)

Average Rehabilitation Assistance Amount:

0-50% AMI (Low Income Set-Aside) – \$60,000

51-80% AMI (Moderate Income) - \$60,000

81-120% AMI (Middle Income) - \$60,000

Maximum Combined LTV:

N/A

Or

Maximum limits incorporated into 203K Rehab Loan Per First Lender's Guidelines.



NSP Proposed Acquisition Rehabilitation

- City proposes to utilize assistance of real estate professionals, First Look Programs, etc to find properties to acquire.
- Properties will be rehabilitated by NSP – and then made available to participating pool of NSP buyers for purchase or rent – 236 (and more should the City take applications.
- 25% of the funding will remain directed to low income households.



Prospective Buyers

- Must meet program income guidelines.
- Must be pre-approved or pre-qualified by a pre-registered lender participating with the program.
- Must be mortgage-ready at the time of application. (Credit, income, and minimum 1% contribution verified before receiving lender's pre-approval-pre-qualification.)
- Must attend a HUD approved 8 Hour Homebuyer's Education Class and present certificate of completion.
- Must apply for assistance during application period.



Low and Moderate Income Limits

Household Size	0-30% AMI Very Low Income	31-50% AMI Low Income	51-80%AMI Moderate Income	81-120% Middle Income
1	\$16,050	\$26,800	\$42,850	\$64,250
2	\$18,350	\$30,600	\$48,950	\$73,450
3	\$20,650	\$34,450	\$55,100	\$82,600
4	\$22,950	\$38,250	\$61,200	\$91,800
5	\$24,800	\$41,300	\$66,100	\$99,150
6	\$26,600	\$44,350	\$71,000	\$106,500
7	\$28,450	\$47,450	\$75,900	\$113,850
8	\$30,300	\$50,500	\$80,800	\$121,200

Source: HUD 2009 Income Limits Effective March 19, 2009

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NSP Real Estate Professionals

Request for Letters of Interest – Primarily to Address Acquisition

- Identify Foreclosed Properties for the City.
- Prepare Market Analysis for Identified Properties.
- Conduct Purchase Negotiations.
- Assist with Completing Property Transactions.
- List Property for Re-Sale Once Repairs are Complete.
- Non – Exclusive Contract.
- Compensated by the City with a Flat Fee TBD.
- Must Submit by March 9, 2010 by 5:00 PM

Financing Mechanisms –

Anyone can assist a buyer who is looking for down payment/cost assistance with NSP funds. Funding is first come-first served and not reserved until property is under contract.

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Questions

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