



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**REGULAR MEETING**

**#13-0065**

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**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee Feldman, ICMA-CM, City Manager

**DATE:** January 8, 2013

**TITLE:** Public Hearing - Program Amendment for the Neighborhood Stabilization  
Program (NSP 3)

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**Recommendation**

It is recommended that the City Commission convene a public hearing to receive input and approve the Substantial Amendment to the 2010–2011 Annual Action Plan for the NSP 3 Program. In addition to acquiring properties in Twin Lakes North and Durrs, this Substantial Amendment would hereby allow the NSP Developers (*Florida's Attainable and Inner Urban Asset Management*) to acquire properties in the following areas:

- **District 1** – Palm Aire West and Boulevard Park / Coral Ridge Isles
- **District 3** – Melrose Manors, Melrose Park, River Garden / Sweeting Estate and Rock Island

Upon approval of the items listed above the City Commission also authorizes the City Manager to execute all documents associated with this amendment.

**Background**

On October 19, 2010, the Department of Housing and Urban Development (HUD) released the NSP 3 Notice for the allocation of NSP funds that were authorized in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The City of Fort Lauderdale was awarded \$2,145,921.

NSP 3 was established to focus on compact areas, as opposed to NSP 1 which focused on broader areas. Using the "HUD Mapping Tool," the City "must target its funds to one or more areas of greatest need in its jurisdiction; however the City does have flexibility in defining these areas." The selection of the area(s) must be accompanied by a market analysis that justifies the eligibility and need of that particular area(s).

On February 15, 2011, the City Commission selected Twin Lakes North (*Commission District #1*) and Durrs (*Commission District #3*) as the NSP target areas. NSP 3 Agreements were executed earlier this fall.

The NSP Developers have requested that the City Commission expand the eligible NSP 3 areas, because the available properties in Twin Lakes North and Durrs did not meet HUD requirements (*as eligible properties must be foreclosed, bank owned and vacant*). In accordance with HUD regulations, NSP 3 funds cannot be used to acquire properties that do not meet HUD's requirements for NSP 3. While we have seen properties that appear to be eligible, those properties are either not in foreclosure, not bank owned, a short sale with a contract on it (*some even with back up offers*) and some are multi-family properties (*duplex, triplex, etc.*).

The NSP 3 Developers extensively use the Neighborhood Stabilization Community Trust (NCST) that was created exclusively for the NSP program nationally and the participating lenders which include the major lenders who give the properties to the trust via a first look portal that allows NSP buyers the opportunity to purchase prior to listing on MLS. The NSP Developers also participate with Freddie Mac and Fannie Mae's First Look Program that operates the same as NCST. The ending result is that there are very little properties available. It is also important to note that the lender's are deciding to award properties to buyers which may not be NSP buyers.

We have concluded that the best way to ensure we expend 50% (\$1,072,960.50) of our NSP 3 funds by March 10, 2013, is to expand the NSP 3 target areas. To date, the NSP 3 Developers have not located and acquired any NSP 3 eligible properties in Twin Lakes North or Durrs.

Staff and the NSP 3 Developers are in agreement that it is best to expand the NSP 3 target areas in order to meet the spending requirements of NSP 3. The expansion areas are all areas that the Commission discussed as viable areas in District's 1 and 3.

### **Resource Impact**

NSP 3 funds have already been appropriated by the City. This CAM has no fiscal impact.

### **Funds Availability**

SUB		SUB					
FUND	FUND	FUND NAME	INDEX #	INDEX NAME	OBJECT #	SUBJECT NAME	AMOUNT
108	01	Housing & Urban Dev. Grants	NSP1011	NSP 3	8001	Program Funds	2,145,921.00

### **Attachment(s)**

Exhibit 1 – Expanded Areas in Commission District 1  
Exhibit 2 – Expanded Areas in Commission District 3  
Exhibit 3 – Advertisement

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Department Director: Greg Brewton, Sustainable Development