Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

Intergovernmental, Recreation and Cultural Affairs Committee

Wednesday, November 9, 2005
9:30 AM
Commission Chamber

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Commission Auditor

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Intergovernmental, Recreational and Cultural Affairs Committee
Meeting Agenda

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Written analyses for the below listed items are attached for your consideration in this Legislative Analysis.

Item Number(s)

2(A)	2(C)

If you require further analysis of these or any other agenda items, please contact Guillermo Cuadra, Chief Legislative Analyst, at (305) 375-5469.

Acknowledgements--Analyses prepared by:
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IRCA ITEM 2A
November 9, 2005

LEGISLATIVE ANALYSIS

RESOLUTION URGING THE FLORIDA LEGISLATURE TO ENACT LEGISLATION, INCLUDING A JOINT RESOLUTION PROPOSING A CONSTITUTIONAL AMENDMENT IF NECESSARY, TO PROVIDE PROPERTY APPRAISERS STATEWIDE AN ALTERNATIVE ASSESSMENT APPROACH FOR MULTIFAMILY AFFORDABLE HOUSING PROPERTIES

Commissioner Bruno A. Barreiro

I. SUMMARY

The resolution urges the Florida Legislature to enact legislation, including a constitutional amendment, to provide an alternative assessment approach to multi-family properties.

The recent sharp increases in the value of such properties have forced many landlords to either increase rents above what their tenants can afford, or sell to developers. Under the Florida Constitution, county Property Appraisers are required to assess real property at market value.

II. PRESENT SITUATION

The recent sharp increases in the value of many multi-family residential properties have resulted in correspondingly higher assessed values. The increased values also mean increased ad valorem taxes, which has forced many landlords to either increase rents above what their moderate- or low-income tenants can afford, or sell to developers.

Under Art. VII, Sec. 4, Fla. Const., provides how county Property Appraisers are required to assess real property: “By general law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation . . .” The section then provides several specific reduced assessments, such as for agricultural lands, water recharge lands, certain recreational lands, Save Our Homes, granny flats, and historic properties. A previous section provides for exemptions for municipal property, widows and widowers, the blind and the disabled, new and expanding businesses, and renewable energy source devices. A subsequent section provides for the Homestead Exemption.

Section 193.011, Fla. Stat., provides the factors that Property Appraisers can consider when deriving the just value, which includes “highest and best use” and income from the property.

III. POLICY CHANGE AND IMPLICATION

The resolution maintains County policies of providing affordable housing opportunities for County residents, and supporting reduced ad valorem taxation for certain properties that merit protection from just valuation.

IV. ECONOMIC IMPACT

An alternative assessment may reduce the tax burden of owners of certain multi-family residential properties, thus reducing the upward pressure on rents of tenants, including low- and moderate-income tenants.

The reduction in the property tax base will result in the corresponding shift of the tax burden to other property owners.

A cost-benefit analysis may show that it would be more efficient and economical to assess these properties at their market value, and earmark some of the proceeds to affordable housing.

V. COMMENTS AND QUESTIONS

The alternative assessment could involve allowing a Property Appraiser to rely more on the existing rent of an income-producing property (contract rent), rather than what the income-producing property would command on the open market (market rent).

To qualify for the reduced assessment, the approach could require that rents or tenant income not exceed a certain percentage of the County median rental price or median household income. Such limits would ensure that multi-family residential properties occupied by low- and moderate-income tenants, rather than upper-income tenants, would be assessed at a lower value.

IRCA ITEM 2C
November 9, 2005

LEGISLATIVE ANALYSIS

RESOLUTION URGING THE PRESIDENT, THE UNITED STATES CONGRESS AND THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") TO RECONSIDER THE APPLICATION OF THE "ONE STRIKE" POLICY

Commissioner Barbara J. Jordan

I. SUMMARY

This resolution urges the federal government to reconsider the application of the “one strike” policy when evicting and excluding tenants of public housing, based on violent criminal activity, drug-related activity and sexual offense. Currently, legislation has been filed to create an “innocent tenant” exception to this policy (H.R. 1309 by Cong. Lee).

II. PRESENT SITUATION

On March 28, 1996, the U.S. Department of Housing and Urban Development (HUD) introduced guidelines to help public housing administrators screen and evict tenants involved in drug or other criminal activity. The provisions were set out in the policy, "One Strike and You're Out." The eviction and screening procedures have been law since 1988, but many public housing authorities (PHAs) were not enforcing them because they were unclear about the legal ramifications and constitutionality of eviction and screening.

The “one strike” provision was unanimously upheld by the U.S. Supreme Court in *Rucker v. Davis* in 2002, holding it was not unreasonable for Congress and HUD to impose a no-fault penalty upon innocent tenants.

III. POLICY CHANGE AND IMPLICATION

This resolution urges the federal government to reconsider the application of the “one strike” policy, in light of the negative impact it has on innocent tenants and the disparate impact it has on the poor.

IV. ECONOMIC IMPACT

None.

V. COMMENTS AND QUESTIONS

On March 15, 2005, federal legislation was filed to create an “innocent tenant” exception to this policy, H.R. 1309 by Rep. Barbara Lee (D-CA). No hearings have been scheduled yet. The bill is supported by the National Low Income Housing Coalition and the National Housing Law Project.