



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

Housing & Community Development
Committee

October 13, 2010
9:30 A.M.
Commission Chamber

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**Miami-Dade County Board of County Commissioners
Office of the Commission Auditor**

**Legislative Notes
Housing & Community Development
Meeting Agenda**

October 13, 2010

Written analyses and notes for the below listed items are attached for your consideration:

Item Number(s)

3(E)
3(G)

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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**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 3(E)

File Number: 102334

**Committee(s)
of Reference:** Housing & Community Development Committee

Date of Analysis: October 12, 2010

Type of Item: Resolution Approving the Issuance of Home Ownership Mortgage Revenue Bonds

Summary

This resolution approves the issuance by Housing Finance Authority (HFA) of its Home Ownership Mortgage Revenue Bonds (MRB) in one or more series in aggregate principle amount not to exceed \$100,000,000.

Background and Relevant Legislation

The HFA of Miami-Dade County was created through Ordinance No. 78-79. The role of HFA is to provide capital to alleviate the shortage of affordable housing in Miami-Dade County. The HFA is empowered through Ordinance 78-79 to issue its revenue bonds for the purpose of providing financing for residential housing to be occupied by persons or families of moderate, middle or lesser income.

The HFA issues Single Family Homeownership MRB under one Master Indenture which was approved in 1999 through R-563-99. The Master Indenture outlines the process and requirements of bond issuance and allows the subsequent issuance of bonds as supplementals known as Series Bonds. The HFA under this Master Indenture has issued bonds in 1999, 2000, 2001, 2002, 2004, 2005, 2006A & 2006B, 2007. According to the HFA, the issuance of these bonds produces mortgages for homebuyers on a first come first serve basis. Additionally, each issuance will vary in amounts from \$15,000,000 to \$25,000,000, producing around 200 mortgages each.

According to the HFA, there is no waiting list for the loans, it is required to be first come first served and open to the general public who meet general program criteria.

The last Single Family Bond issue was approved by the Board on December 1, 2009, through resolution R-1380-09 which made \$25,000,000 available under the New Issue Bond Program (NIBP). The NIBP is being implemented under the provisions of the Housing and Economic Recovery Act of 2008, which allows the Treasury to purchase bonds at below market interest rates through Fannie Mae and Freddie

Mac. The NIBP will provide temporary financing for nationwide Housing Finance Authorities to issue new housing bonds to fund new mortgages.

Budgetary Impact

Miami-Dade County nor the HFA have any liability with respect to the payment of the bonds. The homebuyer is responsible for repayment of their respective mortgage, which will be used to repay the Bonds.

The cost associated with the issuance of the bonds will be paid from bond proceeds and/or from the HFA funds.

Prepared by: Mia B. Marin

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
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Legislative Notes

Agenda Item: 3(G)
File Number: 102115
Committee(s) of Reference: Housing & Community Development Committee
Date of Analysis: October 12, 2010
Type of Item: Resolution Approving for the North Miami Community Redevelopment Agency (NMCRA) Loan

Summary

This resolution approves a loan for the NMCRA in an amount not to exceed \$27,000,000.

Background

This loan is for an amount not to exceed \$27,000,000 to be secured by tax increment revenues to fund certain projects consistent with the NMCRA Redevelopment Plan.

Approval of item will do the following:

- extend the life of the CRA from the current expiration date of October 1, 2016 until June 7, 2035;
- extend obligations of the County and City to make annual tax increment payments from the current expiration date of October 1, 2016 to the year 2035;
- not hold the County liable for making payments on the loan if NMRCA is unable to make payments; and
- place a first-lien pledge of tax increment revenues reducing the County refund for the area west of Biscayne Boulevard if there is insufficient funding in the trust fund for the CRA to pay the County and make loan payments.

Budget Information

The NMCRA budget approvals for the last four years are as follows:

Approval Date	Item Number	Fiscal Year	Resolution Number	Budget Amount
9/10/2010	101587	FY2009-10	R-886-10	\$10,859,999
1/22/2009	083480	FY2008-09	R-38-09	\$14,290,323
2/19/2008	080365	FY2007-08	R-185-08	\$14,253,424
12/19/2006	063204	FY2006-07	R-1426-06	\$9,155,314

On November, 16, 2009, the County Manager issued a report relating to Community Redevelopment Agencies and availability of net surplus TIF revenues for FY2009-10 and FY2010-11. According to this report, NMCRA has approximately \$5.678 million in obligations for FY2009-10 and \$5.860 million in FY2010-11. Additionally, the report estimates an amount of \$558,000 for FY2009-10 and \$545,000 for FY2010-11 in uncommitted County TIF funds.

As of October 12, 2010, the Office of Strategic Business & Management states that all of the NM CRA TIF funding is committed based on the CRA's FY2009-10 budget.

Comments

On May 14, 2010, the South Florida Business Journal reported that an affordable housing developer, Urban Residential Development Group (URDG) is suing the NMCRA for more than \$1.5 million and that NMCRA offered to pay URDG a \$250,000 settlement, but that deal was rejected.

On September 10, 2010, the Board of County Commissioners (Board) approved the North Miami CRA FY2009-10 budget (Resolution R-886-10). However, some Board members expressed concern of how CRA funds are being used pay for high executive salaries, costly travel expenses, and to the legality of TIF fund transfers to supplement services provided in the CRA area by the City of North Miami.

Currently, the NMCRA has issued an RFP to identify an institution that can provide the NMCRA with a loan of \$27.1 million. This RFP has a September 14, 2010 deadline for receipt of proposals.

Prepared by: Mia B. Marin