Memorandum

MIAMI-DADE COUNTY

(Second Reading 2-6-07)

Date: December 5, 2006

Amended
Agenda Item No. 7(D)

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Ordinance Approving the Transfer of the Documentary Surtax and SHIP Single-Family Homeownership and Rehabilitation Programs from MDHA to HFA

O#07-18

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the accompanying ordinance pertaining to affordable housing programs, which (i) transfers the receipt, administration, and distribution of funds used for Documentary Stamp Surtax ("Surtax") and State Housing Initiative Partnership ("SHIP") programs, for single-family homeownership and rehabilitation, from the Miami-Dade Housing Agency ("MDHA") to the Housing Finance Authority of Miami-Dade County ("HFA"), and (ii) amends certain sections in the Code of Miami-Dade County (the "Code") related to the various housing programs administered by the County through MDHA.

BACKGROUND

Over the past few months, staff has been carefully reviewing the administration of the homeownership and rehabilitation portions of the Surtax and SHIP single-family programs. These programs are currently administered by MDHA, under the supervision of the Finance Director. Staff has met with several financial institutions in the community regarding the administration of the single-family programs and, based on the feedback received by staff, it has been determined that financing to qualified borrowers can be provided more expeditiously and cost effectively. In order to maximize resources to effectuate an affordable housing program that provides the necessary funds to the community in a comprehensive and expeditious manner, staff recommends that the HFA administer the homeownership and rehabilitation portions of the Documentary Surtax and SHIP single-family programs currently administered by MDHA.

A summary of the recommended Code changes are as follows:

1. Section 29-7 is amended to include language that (i) the property must be used as the primary residence of the borrower, secured by a deed or declaration of use restriction placed on property purchased using Documentary Surtax funds, and (ii) the County will provide random and detailed inspections on newly constructed properties. Such deed or declaration of use restriction prohibits the renting, leasing, or using the property as income or investment property.
2. Section 17-102 amends the program components of the current Local Housing Assistance Program which is financed in part by SHIP funds. The Local Housing Assistance Program shall now consist of the following components:
   a. Housing Development Assistance.
   b. Down Payment Assistance.
   c. Housing Rehabilitation.
   d. Homeownership Assistance.
   e. Home Buyer Education and Counseling.
   f. Other strategies and components.

3. Section 17-103 is amended to include the HFA, as one of the responsible entities for the implementation and administration of the Local Housing Assistance Program.
4. Section 17-105 is amended to include the HFA in the development of a local housing partnership so that the implementation of the Local Housing Assistance Program involves other County agencies, local governments, lending institutions, housing developers, community based housing and service organizations and other persons who can assist in providing housing or related support services.

FISCAL IMPACT

Additional resources will be required by the HFA to administer the program; at this time, the exact number of employees necessary and associated costs are not known. It is not anticipated that the County will pay more for the administration of the single-family homeownership and rehabilitation programs as a result of this transfer.

Cynthia W. Curry
Senior Advisor to the County Manager

MEMORANDUM
(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: February 6, 2007

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Amended Agenda Item No. 7(D)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Amended
Agenda Item No. 7(D)
02-06-07

ORDINANCE NO. **07-18**

ORDINANCE PERTAINING TO AFFORDABLE HOUSING PROGRAMS; AMENDING SECTION 29-7, CODE OF MIAMI-DADE COUNTY, FLORIDA PERTAINING TO DOCUMENTARY SURTAX; AMENDING SECTION 17-102, PERTAINING TO ESTABLISHMENT OF THE LOCAL HOUSING ASSISTANCE PROGRAM; AMENDING SECTION 17-103, PERTAINING TO ADMINISTRATION AND IMPLEMENTATION OF MIAMI-DADE COUNTY'S LOCAL HOUSING ASSISTANCE PROGRAM; AMENDING SECTION 17-105, PERTAINING TO LOCAL HOUSING PARTNERSHIP; AMENDING SECTION 17-106, PERTAINING TO AFFORDABLE HOUSING ADVISORY BOARD POWERS AND DUTIES; AND PROVIDING SEVERABILITY, INCLUSION IN THE CODE AND AN EFFECTIVE DATE

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. Section 29-7 of the Code of Miami-Dade County, Florida is hereby amended as follows:[1]

Sec. 29-7. Documentary surtax.

* * *

(E) *Administration, collection and use.*

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[1] Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

(1) The >>C<<[[c]]ounty hereby adopts as its controlling policy regarding expenditure of the revenue, the [[~~Documentary Surtax Guidelines and Operating Procedures~~]]>>Miami-Dade County Affordable Housing Program Guidelines<<, as they may be revised by the County Manger or designee.

(2) The documentary surtax levied hereunder shall be administered and collected pursuant to the provisions of Chapter 201, Florida Statutes and Chapter 83-220, Florida Statutes, with the exception of Section 201.15, Florida Statutes.

(3) There is hereby created the Miami-Dade County Housing Assistance Loan Trust Fund (hereinafter referred to as "the Housing Trust Fund"). All revenue collected by the State of Florida Department of Revenue pursuant to the provisions of this ordinance and Chapters 201 and 83-220, Florida Statutes, less any costs of administration, shall be remitted to Miami-Dade County and placed into the Housing Trust Fund. The revenue shall be used only to finance the construction, rehabilitation or purchase of housing for low and moderate income families and to pay the necessary costs of collection and enforcement of the documentary surtax, subject to the following limitations and requirements:

(a) No less than fifty [[~~(50)~~]] percent >>(50%)<< of the revenue shall be for the benefit of low income families.

(b) Authorized uses of the revenue shall include, but not be limited to, providing funds for first and second mortgages, acquiring property for the purpose of forming housing cooperatives and the financing of new construction. However, no more than fifty [[~~(50)~~]] percent >>(50%)<< of the revenue collected each year may be used to finance new construction.

>>(c) On newly-constructed properties, the County will provide random inspections during the construction of the home and detailed inspections prior to the placement of the second mortgage.

(d) The property must be used as the primary residence which will be reflected by a deed restriction or declaration of use restrictions covenant and will be stated in the loan documents. The property may not be rented, leased, or otherwise used as income or investment property at any time that the loan remains in effect. If the family sells, transfers, rents or vacates the property, the balance of the mortgage loan, including accrued interest, will be due upon vacating, selling, renting or transferring of the property.<<

[[~~(c)~~]]>>(e)<< Special consideration shall be given toward utilizing the revenue in the neighborhood economic programs of community development corporations.

[[~~(d)~~]]>>(f)<< The revenue shall not be used for rent subsidies or grants.

[[~~(e)~~]]>>(g)<< Subject to the limitations and requirements set forth above, the revenue shall be expended by the County only in accordance with the [[~~Documentary Surtax Guidelines and Operating Procedures~~]]>>Miami-Dade County Affordable Housing Program Guidelines<<.

Section 2. Section 17-102 of the Code of Miami-Dade County, Florida is hereby amended as follows:

Sec. 17-102. Establishment of the Local Housing Assistance Program.

Miami-Dade County shall use any funds received from the State Housing Initiative Partnership Program (the >>"<<SHIP Program>>"<<) and other sources, to implement Miami-Dade County's Local Housing Assistance Program, which is hereby created and established. Assistance provided under this program to persons and families will be secured by a mortgage or a grant agreement. The Miami-Dade County Local Housing Assistance Program shall consist of the following components:

(a) *Housing Development Assistance.* The Housing Development Assistance component provides funding to defray the costs of land acquisition, site development, new construction, rehabilitation and/or other costs associated with the development of single-family homeownership and affordable rental housing units. It is the intent of this program to increase housing opportunities for very-low, low[[-]] and moderate-[[–]]income persons by encouraging the creation and rehabilitation of affordable housing units.

(b) *Down Payment Assistance.* The Down Payment Assistance component provides down payment, and closing costs assistance to qualified very-low, low and moderate-income persons to assist in the purchase of rehabilitated or newly constructed single-family homeownership affordable housing units.

(c) *Housing* [[~~*Acquisition/*~~]]*Rehabilitation.* [[~~Miami-Dade County's~~]]>>The<< Housing [[~~Acquisition/~~]]Rehabilitation component

provides >>financing to single-family homeowners to assist them in making necessary repairs to their home. The house must be owner-occupied as the homeowner's primary place of residence<<[[~~funds to very-low, low and moderate-income persons to acquire and or rehabilitate existing homeownership affordable housing units~~]].

(d) *Homeownership Assistance.* The Homeownership Assistance component provides funds to very-low, low and moderate-income persons to acquire newly-constructed >>and existing <<homeownership affordable housing units.

(e) *Home Buyer >>Education and<< Counseling*[[~~*and Technical Assistance*~~]]. The Home Buyer >>Education and <<Counseling [[~~and Technical Assistance~~]] component [[~~will~~]] provide>>s education and<< counseling [[~~and technical services~~]]to eligible persons regarding the purchase and financing of single-family affordable housing units. >>Homebuyer counseling is a requirement for homeownership assistance.<<

(f) *Other strategies/components.* Miami-Dade County will develop and implement other affordable housing strategies/components, inclusive of Surtax programs within Section 29-7 of the County Code that are in accordance with Sections 420.9070 through 420.9079 of the Florida Statutes, Chapter 9I-37 of the Florida Administrative Code, and other federal and local requirements. Such strategies/components will conform to the local housing assistance plan and shall be approved by the Board of County Commissioners.

Section 3. Section 17-103 of the Code of Miami-Dade County, Florida is hereby amended as follows:

Sec. 17-103. Administration and implementation of Miami-Dade County's Local Housing Assistance Program.

(a) The >>Housing Finance Authority of Miami-Dade County, <<[[~~Metro~~]] Miami-Dade Housing Agency (>>"<<MDHA>>"<<) or its successor department shall be responsible for implementation and administration of the Local Housing Assistance Program and will implement the Local Housing Assistance Program in conjunction with a Local Housing Partnership which is defined in Section 17-105 of this article. At a minimum, the >>Housing Finance Authority of Miami-Dade County, or<< [[~~Metro~~]] Miami-Dade Housing Agency shall be responsible for the following:

(1) Overseeing the receipt and expenditure of SHIP >>Program <<and other

housing program funds assigned by the County Manager in accordance with applicable guidelines including the State Housing Initiatives Partnership Act >>and the Miami-Dade County Affordable Housing Program Guidelines<<;

(2) [[~~C~~]]>>c<<oordinating with state agencies, municipalities within Miami-Dade County and other public and private entities to promote the construction and development of affordable housing[~~,~~]>>;<< and

(3) [[~~E~~]]>>e<<valuating the effectiveness of the County's Local Housing Assistance Program and providing recommendations to the County Manager on an annual basis as to the performance of the program.

(b) The cost of administering Miami-Dade County's Local Housing Assistance Program with SHIP [[~~p~~]]>>P<<rogram funds shall not exceed ten (10) percent of the local housing distribution of SHIP Program funds deposited into the Local Housing Assistance Trust Fund.

(c) The revised affordable housing program will operate in conjunction with and as an integral part of the housing plans and strategies contained in the new Consolidated Plan required to receive and expend funds from Community Development block Grant, HOME Investment Partnership, >>and<<Emergency Shelter Grant[[~~ and Housing Opportunities for Persons with AIDS Programs~~]] from the United States Department of Housing and Urban Development.

Section 4. Section 17-105 of the Code of Miami-Dade County, Florida is hereby amended as follows:

Sec. 17-105. Local housing partnership.

The >>Housing Finance Authority of Miami-Dade County,<< [[~~Metro~~]]Miami-Dade Housing Agency or its successor department [[~~shall~~]]>>may<< develop a local housing partnership so that the implementation of the local housing assistance program involves other appropriate County agencies, local governments, lending institutions, housing developers, community based housing and service organizations, providers of professional services relating to affordable housing and any other persons or entities who can assist in providing housing or related support services. The partnership should encourage the use of combined resources to reduce housing costs for the targeted population.

Section 5. Section 17-106 of the Code of Miami-Dade County, Florida is hereby amended as follows:

Sec. 17-106. Affordable Housing Advisory Board powers and duties.

* * *

(c) *Composition.* The voting membership shall be ethnically, racially, geographically and gender balanced and shall be composed of the following members:

(1) The Board of County Commissioners shall appoint thirteen (13) members:

i. One (1) citizen actively engaged in the residential home building industry in connection with affordable housing as required by 420.9076(2), Florida Statutes.

ii. One (1) citizen actively engaged in the banking or mortgage banking industry in connection with affordable housing as required by 420.9076(2), Florida Statutes.

iii. One citizen representative of the areas of labor actively engaged in home building in connection with affordable housing as required by 420.9076(2), Florida Statutes.

iv. One citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing as required by 420.9076(2), Florida Statutes.

v. One citizen who is actively engaged as a for-profit provider of affordable housing as required by Section 420.9076(2), Florida Statutes.

vi. One (1) citizen who is actively engaged as a not-for profit provider of affordable housing as required by 420.9076(2), Florida Statutes.

vii. One (1) citizen who is actively engaged as a real estate professional in connection with affordable housing as required by 420.9076(2), Florida Statutes.

viii. One (1) citizen who actively serves on the local planning agency pursuant to Section 163.3174, Florida Statutes as required by Section 420.9076(2), Florida Statutes.

ix. One (1) citizen who resides within the jurisdiction of the local governing body making the appointments as required by Section 420.9076(2), Florida Statutes.

x. For the remaining four (4) member positions, the Board of County Commissioners may consider the appointment of a member of the construction industry, a local community development corporation, attorney, architect, engineer, or planning professionals.

(2) The Mayor shall appoint one (1) member who is a member of the construction industry, local community development corporation, attorney, architect, engineer, planning professional.

(3) The Overall Tenant Advisory Council (>>"<<OTAC>>"<<) shall appoint one (1) of its members.

(d) *Terms of office, tenure and removal of members.* All members shall serve staggered terms of four (4) years. Provided, however, that the original board members shall serve staggered terms in the following manner: three (3) members shall serve an initial term of one (1) year; four (4) member>>s<< shall serve an initial term of two (2) years; four (4) members shall serve a term of four (4) years. No member shall serve more than two (2) terms of four (4) years each. Members may be removed in accordance with the provisions of Chapter 2-11.38 of the Code of [[~~Metropolitan~~]]Miami-Dade County. Vacancies of the Board shall be filled in the same manner by which the Board members were appointed.

* * *

Section 6. The Housing Finance Authority of Miami-Dade County, will receive, administer, and distribute the documentary surtax and SHIP Program funds for only the County's single-family homeownership and rehabilitation programs.

Section 7. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 8. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention,

and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 9. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as to form and legal sufficiency: Gmay

Prepared by: dsh

David Stephen Hope

Sponsored by Vice-Chairwoman Barbara J. Jordan