

# Memorandum



**Date:** September 16, 2008

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

**From:** George M. Burgess  
County Manager

**Subject:** United States Department of Housing and Urban Development Emergency Assistance  
for the Redevelopment of Abandoned and Foreclosed Homes Grant Funds

Agenda Item No. 14(A)(11)

## Recommendation

It is recommended that the Board of County Commissioners (Board) authorize the County Mayor or the Mayor's designee to: 1) apply for all United States Department of Housing and Urban Development (USHUD) grant funds, appropriated to Miami-Dade County either directly or via the State of Florida, from the Housing and Economic Recovery Act of 2008 (HERA or the Act); 2) receive grant funds and to execute such contracts, agreements, Memoranda of Understanding (MOU), and amendments, after approval by the County Attorney, as required by program guidelines; and 3) apply for and receive additional funds that may become available during the term of the grant; to file and execute any amendments to the application for and on behalf of Miami-Dade County, and to exercise amendments, modifications, renewal, cancellation, and termination clauses of any contracts and agreements, subject to the approval by the County Attorney's Office.

This Resolution is put forth at this time to avoid possible delays in applying for and receiving funds. Once USHUD releases its official notice of funding allocations and implementation rulings (Notice) in late September 2008 it is obligated to distribute the funds within 30 days. The grant has a limit of 18 months by which the County must use the funds. Because of the short time between the Notice, the distribution of funds, and the requirement to use the funds, it is recommended that the Board approve the attached resolution. After USHUD issues the Notice, staff will prepare a Resolution for Board action that will include input from the Board on policy and program recommendations.

## Scope

The special allocation of federal funds (Funds), that are subject to Community Development Block Grant (CDBG) guidelines except as otherwise provided in the legislation, enhance Miami-Dade County's capacity to mitigate the negative impact countywide of residential mortgage foreclosures on homeowners, residents, and neighborhoods.

## Fiscal Impact/Funding Source

Local governments receiving Title III Funds, including Miami-Dade County, will learn the precise amount of their allocation upon USHUD's release of its Notice, anticipated in late September 2008. USHUD will not require an in-kind or a cash match. A supplemental report to this item details what is known to date and outlines possible uses for these Funds.

### **Track Record/Monitor**

The Office of Community and Economic Development (OCED) has a long-standing history of successful implementation of USHUD and other federal housing grant programs. OCED will be responsible for the disbursement and expenditure of grant funds, and shall assume responsibility for managing programmatic and fiscal records in accordance with the project reporting and auditing procedures stipulated by USHUD.

### **Background**

President Bush signed HERA into law on July 31, 2008. Title III, Division "B" of HERA - *Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes* - provides a special allocation of \$3.92 billion in Funds which will enable states and units of general local government to redevelop abandoned and foreclosed upon homes and residential properties.

Title III explicitly provides for the following eligible uses of the allocations:

1. Financing the purchase and redevelopment of foreclosed upon homes and residential properties through soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers;
2. Purchasing and rehabilitating homes and residential properties that have been abandoned or foreclosed, in order to sell, rent or redevelop such properties;
3. Establishing land banks for homes that have been foreclosed;
4. Demolishing blighted structures; and,
5. Redeveloping demolished or vacant properties.

The upcoming USHUD Notice will detail whether or not funds will be allocated directly to local governments or sent to the States, the amount of each allocation, and the final rules on eligible uses for the funds. USHUD will allocate the funds according to a formula that takes into consideration the number and percentage of:

1. Home foreclosures in the State or local unit of government jurisdiction;
2. Homes financed by a subprime mortgage related loan; and,
3. Homes in default or delinquency.

Miami-Dade County may receive a considerable share of funding given the extent of its foreclosure problem. According to a data tabulation from Realty Trac, a real estate market intelligence company, Florida ranked second in the nation in the number of properties in some stage of foreclosure in July of 2008, and it ranked third in the nation in terms of foreclosures per households. Miami-Dade County led the State in the number of properties in foreclosure in July 2008.

Key restrictions with respect to Title III funds include the following:

- USHUD must distribute Title III funds no later than 30 days from the date of establishment of the funding formula
- HERA provides only 18 months for use of these funds
- Funds must be used with respect to individuals and families whose income does not exceed 120 percent of area median income (AMI), and that not less than 25 percent of such funds must be used to house individuals and families with incomes not exceeding 50 percent of AMI. (According to USHUD, Miami-Dade County's 120 percent income threshold for a family of four is \$72,360.)
- Local governments must give priority emphasis to areas with the "greatest need." Factors for determining areas of greatest need include areas with the greatest percentage of home foreclosures; the highest percentage of homes financed with subprime mortgage related loans; and the areas identified by local governments as likely to face a significant rise in the rate of home foreclosures

- Title III contains no language authorizing USHUD to waive regulatory requirements typically associated with CDBG funds (i.e. environmental clearances, 30-day public comment period, Davis-Bacon and other federal labor standards)

Even though the USHUD Notice will not be issued until late September, staff has prepared a report (included as a companion item to this resolution) detailing what is known to date and providing some preliminary recommendations regarding possible uses of these funds.

This resolution authorizes the County to accept Title III funding, and is being put forth so that the County can begin to access the funds as soon as they become available.

  
Cynthia W. Curry  
Senior Advisor to the County Manager



# MEMORANDUM

(Revised)

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

**DATE:** September 16, 2008

**FROM:**   
R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 14(A)(11)

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

Agenda Item No. 14(A)(11)

Veto \_\_\_\_\_

9-16-08

Override \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR THE MAYOR'S DESIGNEE TO APPLY FOR ALL AVAILABLE COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR EMERGENCY ASSISTANCE FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE REDEVELOPMENT OF ABANDONED AND FORECLOSED HOMES; RECEIVE AND EXECUTE SUCH CONTRACTS, AGREEMENTS, AND MEMORANDA OF UNDERSTANDING, AND AMENDMENTS AFTER APPROVAL BY THE COUNTY ATTORNEY; AUTHORIZING THE COUNTY MAYOR OR THE MAYOR'S DESIGNEE TO APPLY FOR AND RECEIVE ADDITIONAL FUNDS THAT MAY BECOME AVAILABLE

**WHEREAS**, this Board desires to accomplish the purpose outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board authorizes the County Mayor or the Mayor's designee to apply for all available federal funds for emergency assistance from the United States Department of Housing and Urban Development via the Housing and Economic Recovery Act of 2008, for the redevelopment of abandoned and foreclosed homes. It is further recommended that the Board authorize the County Mayor or the Mayor's designee to receive grant funds, and to execute such contracts, agreements, Memoranda of Understanding (MOU), and amendments, after approval by the County Attorney, as required by program guidelines. It is also recommended that the Board authorize the County Mayor or the Mayor's designee to apply for and receive additional funds that may become available during the term of the grant; to file and execute any amendments to the application, and to exercise

amendments, modifications, renewal, cancellation, and termination clauses of any contracts and agreements, subject to the approval by the County Attorney's Office.

The foregoing resolution was offered by Commissioner  
who moved its adoption. The motion was seconded by Commissioner  
and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	
Barbara J. Jordan, Vice-Chairwoman	
Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 16<sup>th</sup> day of September, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.



Shannon D. Summerset