

Memorandum



Date: April 7, 2009

Agenda Item No. 12(B)3

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "Burgess", written over the printed name of the sender.

Subject: Report on the Status of the Implementation of the Affordable Housing Master Plan

The following report is being placed on the agenda to provide the Board of County Commissioners (BCC) with an update on the status of the Affordable Housing Master Plan (Master Housing Plan).

Background

Under R-161-07, sponsored by Commissioner Barbara J. Jordan, staff was instructed to develop a Master Housing Plan with specific production goals, accomplishment dates, and directed that public hearings and community meetings be held prior to the BCC's adoption of such Master Housing Plan. On March 4, 2008, the BCC amended Section 17-149 of the County Code, which established the Community Affordable Housing Strategies Alliance (CAHSA) as a permanent advisory board. CAHSA was charged to work with staff and its consultant in the development of the Master Housing Plan.

CAHSA held its first meeting in July 2008 and at that time a draft of the Master Housing Plan was submitted for review and comments. The Master Housing Plan includes housing strategies and goals; an analysis of funding resources; timeframes and milestones for meeting the goals; and incorporation of monitoring requirements. The CAHSA Board has since been fully engaged with County staff in refining the Master Housing Plan over the course of six meetings and one workshop. The CAHSA Board had intended to adopt the final "draft" version of the Master Housing Plan for community input at its January 2009 meeting. Upon adoption, staff, with the involvement of CAHSA members, would seek input from the community on the Plan.

At its January 30 meeting, CAHSA members were briefed on a series of recent developments related to federal, state and local funding sources that will impact housing goals set forth in the draft Master Housing Plan. Based on deliberations that followed, the CAHSA Board recommends that the Master Housing Plan be tabled until staff and CAHSA members are able to re-evaluate resources available to implement the Master Housing Plan's strategies and to develop more reasonable goals under current economic conditions. Much of the uncertainty surrounding state and local funding sources will not be resolved until the end of the state legislative session in May. The roll-out of the American Recovery and Reinvestment Act (Recovery Act) also will have a significant impact on resource planning.

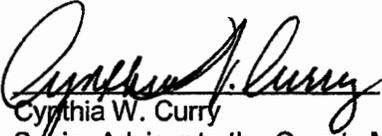
In brief, these funding developments are as follows:

- **Documentary Surtax:** Local Documentary Surtax revenue has significantly declined. Staff is tracking collections and revising budget projections. Miami-Dade County's statutory authority to levy the documentary surtax is subject to sunset in 2011. House and Senate bills to extend authority to levy the surtax have been filed for this legislative session.
- **State Affordable Housing Trust Funds – Recapture of SAIL and CWHIP Awards:** During the 2009 Special Session A, the Florida Legislature directed the Florida Housing Finance Authority (FHFC) to return to the state treasury \$190 million in unexpended affordable housing trust funds to help close a \$2.3 billion state budget gap. This mandate will require that the FHFC recapture SAIL

and CWHIP awards for which it made preliminary commitments and a number of affordable housing units in Miami-Dade may be at jeopardy of losing SAIL and CWHIP funds. The FHFC is in the process of developing emergency rules in response to Senate Bill 2A. A final emergency rule will be brought before the FHFC Board for adoption in March and a final list of SAIL awards to be recaptured will come before the Board for approval in April. Florida's receipt of federal funds under the Recovery Act may offset the current state budget gap, allowing some or all of the \$190 million in housing trust funds to be returned to the FHFC at the discretion of the Legislature.

- **Affordable Housing Tax Credit Market Crisis/Relief under Recovery Act** - A majority of pipeline projects under the Master Housing Plan have been awarded low income housing tax credits (LIHTC) through the FHFC. Current economic conditions are having an adverse impact on these projects as they are experiencing severe difficulty securing investors on the equity side. Tax credit pricing remains uncertain, resulting in larger financing gaps and issues with financial feasibility. The Recovery Act includes two measures to mitigate the crisis in the tax credit investor market. As the state's LIHTC allocating agency, FHFC is expected to receive an allocation of HOME funds to fill financing gaps in tax credit projects. FHFC will be required to award these funds on a competitive basis. The second measure allows for an exchange of tax credit allocations for direct government grants. FHFC will be responsible for administering this program for Florida tax credit projects.
- **Recovery Act** - In addition to funds targeting tax credit projects, the Recovery Act includes other resources directed at housing and homeless prevention activities that staff anticipates will become available through direct allocation to entitlement communities or indirectly through the state. Staff will work with CAHSA to incorporate these resources into the Plan as may be appropriate.

Staff will continue to advise the BCC as to the status of the Master Housing Plan.


Cynthia W. Curry
Senior Advisor to the County Manager