

MEMORANDUM

HCD
Agenda Item No. 2(C)

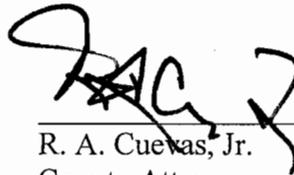
TO: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

DATE: March 11, 2009

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

SUBJECT: Resolution urging the Florida
Legislature and the State Board
of Administration to explore
investing some Florida Retirement
System funds in affordable
housing to the extent permitted
under federal law

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Audrey M. Edmonson.



R. A. Cuevas, Jr.
County Attorney

RAC/up



MEMORANDUM

(Revised)

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

DATE: April 7, 2009

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

SUBJECT: Agenda Item No.

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 Mayor'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 _____

Agenda Item No.
4-7-09

RESOLUTION NO. _____

RESOLUTION URGING THE FLORIDA LEGISLATURE AND THE STATE BOARD OF ADMINISTRATION TO EXPLORE INVESTING SOME FLORIDA RETIREMENT SYSTEM FUNDS IN AFFORDABLE HOUSING TO THE EXTENT PERMITTED UNDER FEDERAL LAW

WHEREAS, finding affordable housing continues to be difficult for low and moderate-income families in Miami-Dade County and across the State of Florida; and

WHEREAS, federal housing programs, especially those that typically serve individuals with the lowest incomes, have experienced significant budget reductions in recent years, placing increasing pressure on state and local governments to provide affordable housing assistance; and

WHEREAS, the State of Florida receives documentary stamp tax revenues on deeds and mortgages, a portion of which are deposited into the State Housing Trust Fund and the Local Government Housing Trust Fund for the purpose of funding affordable housing; and

WHEREAS, during the recently-concluded 2009 Special Session A, the Florida Legislature diverted \$190 million from affordable housing funds administered by the Florida Housing Finance Corporation (FHFC) to the state's general revenue fund to help close a \$2.3 billion budget gap; and

WHEREAS, housing expenditures are heavily leveraged with private sector equity, bank loans, and federal funds, bond allocation, and tax credits; and

WHEREAS, FHFC estimates that, on average, each \$1 million of state funding creates over \$6 million of housing, over \$10 million in total economic activity, and hundreds of jobs; and

WHEREAS, the Florida Legislature will return in March for the 2009 regular session, and current projections indicate that the Legislature will need to close another budget gap as high as \$5 billion; and

WHEREAS, there is still approximately \$100 million left in Florida's affordable housing trust funds after the recent \$190 million fund diversion, all or part of which is highly susceptible to being diverted by the Legislature during 2009 regular session; and

WHEREAS, it is imperative that new sources of revenue be found to fund affordable housing; and

WHEREAS, the Florida Retirement System (FRS) Pension Plan and FRS Investment Plan, which together represent approximately three-fourths of the \$124 billion in assets managed by the SBA as of October 31, 2008; and

WHEREAS, the State Board of Administration (SBA) has responsibility for the oversight of FRS, and consists of the Governor, the Chief Financial Officer and the Attorney General, and

WHEREAS, FRS receives employer contributions from approximately 950 employers, including the state, counties, school districts, universities, community colleges and some cities, with the state share of FRS totaling approximately 25 percent of total annual contributions and the remainder coming from other government sources; and

WHEREAS, investment decisions for the FRS Pension Plan are made by fiduciaries hired for that purpose by the state, while investment decisions for the investment plan are made by individual employees who may design their own portfolios based on participating offering companies; and

WHEREAS, the State of Florida has adopted federal fiduciary standards for management of the FRS funds, including the Employee Retirement Income Security Act of 1974 (ERISA), which is regulated by the U.S. Department of the Treasury and is the Florida standard for management of FRS funds; and

WHEREAS, the Trustees of the SBA and all fiduciaries who manage Florida FRS funds are bound by law to follow the standards established in ERISA, and the SBA investment managers are contractually bound to follow all applicable federal and state laws in performance of their services to the state; and

WHEREAS, if even a small part of the \$124 billion in assets managed by the SBA on behalf of Florida public sector employees is invested in affordable housing in Florida, a substantial number of affordable housing units could be built; and

WHEREAS, investing some of the funds managed by the SBA in affordable housing also could put these funds back into the communities where they are generated and create jobs and economic activity that could improve local economies in Florida,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Urges the Florida Legislature and the State Board of Administration to explore investing some Florida Retirement System funds in affordable housing to the extent permitted under federal law.

Section 2. Directs the Clerk of the Board to transmit certified copies of the resolution to the Governor, Attorney General, Chief Financial Officer, Senate President, House Speaker, Chair and Members of the Miami-Dade State Legislative Delegation and the Executive Director of the State Board of Administration.

Section 3. Directs the County's state lobbyists to advocate for the legislation set forth in section 1 above, and authorizes and directs that the 2009 and 2010 state legislative packages be amended to include this item.

The Prime Sponsor of the foregoing resolution is Commissioner Audrey M. Edmonson. It 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:

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

The Chairman thereupon declared the resolution duly passed and adopted this 7th day of April, 2009. 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.

JMM

Jess M. McCarty