Memorandum

MIAMI-DADE COUNTY

Date: October 6, 2009

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

Agenda Item No. 18(A)(3)

From: George M. Burgess
County Manager

Subject: Resolution Amending Local Housing Assistance Plan to Incorporate the Florida Homebuyer Opportunity Program (FL HOP)

Recommendation
It is recommended that the Board of County Commissioners (BCC) approve the attached resolution ratifying the County Mayor's action of amending Miami-Dade County's (County) Local Housing Assistance Plan (LHAP) to incorporate the Florida Homebuyer Opportunity Program (FL HOP) created during the State's 2009 regular legislative session, and further authorizes the County Mayor or the County Mayor's designee to accept all additional funds made available to carry out the conditions of the program pursuant to the Plan, and providing and effective date.

Scope
The impact of the amended LHAP is countywide.

Fiscal Impact
Approval of this item will not create a fiscal impact to the County. The State allocated $30 million statewide for this program of which Miami Dade County has been designated to receive $732,282.

Background
Under the American Recovery and Reinvestment Act (ARRA), qualified first-time homebuyers are eligible to receive a tax credit up to $8,000 upon filing of income tax returns. However, the FL HOP was created with the intent to allow for the up to $8,000 to be used in the beginning of the home buying process (as down payment assistance), and thereby making the purchase of a home available to more individuals. The FL HOP provides for 2009-2010 SHIP funding to be used to provide the up to $8,000 as a bridge loan for purchase assistance to homebuyers. The assistance is to be repaid by the applicant when they receive their federal tax refund.

Pursuant to the State, the FL HOP activity will be administered under the State Housing Initiatives Partnership (SHIP) program. As such, the Miami-Dade County Local Housing Assistance Plan (LHAP) must be amended to include the FL HOP as an activity funded by SHIP.

The up-front purchase assistance provided by the County through this year's SHIP allocation will be provided to qualified homebuyers on a first come, first serve basis. The money will be secured by a mortgage and will be repaid to the County by the applicant when they receive their federal tax refund. Pursuant to State regulations, the FL HOP will remain in effect through December 1, 2009, or any later date established by the Internal Revenue Service (IRS) for such purchases.

The strategy implementing the program must follow the federal guidelines and is attached as Exhibit 1 to this cover memorandum; however, the program highlights are as follows:

1. The time period for the FL HOP runs through December 1, 2009 or any later date established by the IRS

2. Income Categories to be served are consistent with the State and Federal guidelines:
   - Up to $75,000 for single taxpayers
   - Up to $150,000 for joint filers
3. Maximum award may not exceed 10 percent of the purchase price or $8,000, whichever is less.
4. The maximum purchase price will not exceed $205,000, consistent with County policy.
5. Terms, Recapture, and Default:
   - If repayment is made within 18 months after the closing date of the FL HOP award, all interest charges are waived.
   - Failure to repay the loan within 18 months may result in default, conversion to an amortized loan, or other appropriate action as consistent with the second mortgage program managed by the Office of Community and Economic Development (OCED). Any interest or penalties imposed for late repayment may not exceed ten percent of the award.

Upon approval by the BCC, the FL HOP program may commence. Approval by the State is not necessary as the implementing strategy has been pre-approved by the SHIP review committee.

Track Record/Monitoring

OCED, through its loan origination and servicing unit will monitor the use of these funds. All recipients of the bridge loan will sign a subordinate mortgage for a period of 18 months. At which point, the loan servicing unit will track the repayment for any outstanding loan as dictated in the mortgage agreement.

Attachment

Cynthia W. Curry
Senior Advisor to the County Manager

MEMORANDUM
(Revised)

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

DATE: October 6, 2009

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

SUBJECT: Agenda Item No. 18(A)(3)

Please note any items checked.

_____ "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

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

✓ No committee review

_____ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve

_____ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 18(A)(3)
10-6-09

RESOLUTION NO. _____

RESOLUTION RATIFYING THE COUNTY MAYOR'S ACTION OF AMENDING THE LOCAL HOUSING ASSISTANCE PLAN AS REQUIRED BY THE STATE HOUSING INITIATIVE PARTNERSHIP PROGRAM ACT, SUBSECTIONS 420.907-420.9079, FLORIDA STATUTES; AND RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; TO IMPLEMENT THE FLORIDA HOMEBUYER OPPORTUNITY PROGRAM (FL HOP); AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE TO ACCEPT ALL ADDITIONAL FUNDS MADE AVAILABLE TO CARRY OUT THE CONDITIONS OF THE PROGRAM PURSUANT TO THE PLAN, AND PROVIDING AN EFFECTIVE DATE; THE MAYOR OR THE MAYOR'S DESIGNEE, IN ACCORDANCE WITH RESOLUTION R-974-09, SHALL RECORD IN THE PUBLIC RECORD ALL EXECUTED DEEDS, MORTGAGES, COVENANTS OR ANY DOCUMENTS CREATING OR RESERVING A REAL PROPERTY INTEREST IN FAVOR OF THE COUNTY PURSUANT TO RESOLUTION R-974-09 INCLUDING PROVIDING COPIES OF ALL RECORDED DOCUMENTS TO THE CLERK OF THE BOARD WITHIN THIRTY DAYS OF EXECUTION; AND DIRECTING THE CLERK OF THE BOARD TO ATTACH AND PERMANENTLY STORE A RECORDED COPY OF ANY INSTRUMENT PROVIDED IN ACCORDANCE HEREWITH TOGETHER WITH THIS RESOLUTION

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

WHEREAS, this Board has adopted Resolution No. R-900-09, authorizing the County Mayor or the County Mayor's designee to administer County business during the Board of County Commissioners' 2009 summer recess as provided therein, and has directed that all actions taken pursuant to such authority be submitted to this Board for ratification at its October 6, 2009 meeting,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board ratifies the County Mayor's action of amending the Local Housing Assistance Plan to implement the Florida Homebuyer Opportunity Program (FL HOP) and further authorize the County Mayor or the County Mayor's designee to accept all additional funds made available to carry out the conditions of the program pursuant to the Plan, and providing an effective date. Furthermore, the County Mayor or the County Mayor's designee, pursuant to Resolution No. R-974-09, shall record in the public record all deeds, covenants, reverters and mortgages creating or reserving a real property interest in favor of the County and to provide a copy of such recorded instruments to the Clerk of the Board within thirty (30) days of execution and final acceptance. The Board directs the Clerk of the Board, pursuant to Resolution No. R-974-09, to attach and permanently store a recorded copy of any instrument provided in accordance herewith together with this resolution.

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:

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	

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The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of October, 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.

Brenda Kuhns Neuman

EXHIBIT 1

LHAP HOUSING STRATEGY
For 2009-2010

7. Name of the Strategy: **Florida Homebuyer Opportunity Program**

a. Summary of the Strategy: This strategy is designed in response to the legislative proviso requiring SHIP local governments to expend 2009-2010 funds to ensure that residents of the state derive the maximum possible economic benefit from the federal First Time Homebuyer Tax Credit created through The American Recovery and Reinvestment Act of 2009 by providing subordinate down payment assistance loans to first time homebuyers for owner occupied primary residences that can be repaid by the income tax refund the homebuyer is entitled to under the First Time Homebuyer Credit. The state program shall be called the "The Florida Homebuyer Opportunity Program."

b. Fiscal Years Covered: 2009/2010 until expiration of the Florida Homebuyer Opportunity Program Tax Credit.

c. Income Categories to be served: Up to $75,000 for single taxpayers or $150,000 for joint filers. There is no requirement to reserve 30 percent of the funds for awards to very-low-income persons or 30 percent of the funds for awards to low-income persons; and there is no requirement to expend 75% of funds for construction, rehabilitation or emergency repair.

d. Maximum award is the principal balance of the loans provided shall not exceed 10% of the purchase price or $8,000 whichever is less.

e. Terms, Recapture and Default: If the county or eligible municipality receives repayment from the homebuyer within 18 months after the closing date of the loan, the county or eligible municipality shall waive all interest charges. A homebuyer who fails to fully repay the loan within 18 months shall be subject to repayment terms provided in an appropriate strategy in the local housing assistance plan. All funds repaid to a county or eligible municipality shall be considered 'program income" as defined in s.420.9071 (24).

f. Recipient Selection Criteria: Recipients must meet the requirements of the following: The maximum income limit shall be Adjusted Gross Income of $75,000 for single taxpayer households or $150,000 for joint-filing taxpayer households which are equal to that permitted by the American Recovery and Reinvestment Act of 2009.