

MEMORANDUM

Agenda Item No. 11(A)(7)

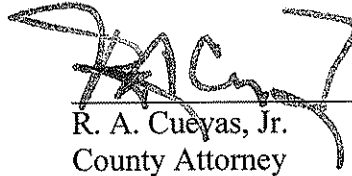
TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: February 7, 2012

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

SUBJECT: Resolution directing the
County Mayor to study the
concept of using NSP-2 or other
available funds to buy out or buy
down first mortgage loans by
banks on homes that were also
financed by County second
mortgages loans

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Jean Monestime.



R. A. Cuevas, Jr.
County Attorney

RAC/jls



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: February 7, 2012

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County Attorney

SUBJECT: Agenda Item No. 11(A)(7)

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. 11(A)(7)
2-7-12

RESOLUTION NO. _____

RESOLUTION DIRECTING THE MAYOR OR THE MAYOR'S
DESIGNEE TO STUDY THE CONCEPT OF USING NSP-2 OR
OTHER AVAILABLE FUNDS TO BUY OUT OR BUY DOWN
FIRST MORTGAGE LOANS BY BANKS ON HOMES THAT
WERE ALSO FINANCED BY COUNTY SECOND
MORTGAGES LOANS

WHEREAS, as of 2011, there were 12,792 foreclosure filings in Miami-Dade County (the "County"), following 34,400 foreclosure filings in 2010; and

WHEREAS, Miami-Dade County has made numerous second mortgage loans to very-low, low and moderate income homeowners who have participated in County second mortgage programs, such as the Documentary Surtax program ("County VLMI Homeowners"); and

WHEREAS, due to the economic downtown, many County VLMI Homeowners are unable to make their first mortgage payments to banks who have given these homeowners first mortgage loans ("County VLMI First Mortgage Lenders") and such lenders have filed or are about to file foreclosure actions against the County VLMI Homeowners; and

WHEREAS, a foreclosure of these first mortgages not only would foreclose and wipe out the County's second mortgages, it would impact vulnerable people and families; further increase such individuals' dependence on safety net assistance provided by the County and other governments; and result in abandoned homes affecting the value of real property in the County and consequently, the County's tax base; and

WHEREAS, the Mayor reported in a memo dated November 9, 2011, that since 2006, there have been 229 foreclosure actions against County VLMI Homeowners; and

WHEREAS, the County should use its best effort to determine what steps can be taken to prevent County VLMI Homeowners from having their home loans foreclosed by County

VLMI First Mortgage Lenders, including studying whether there are funds available to buy out or buy down such first mortgages, thus preventing or forestalling a foreclosure; and

WHEREAS, \$89,375,000 of Neighborhood Stabilization Funds II (NSP-2) funds were provided to the Neighborhood Housing Services of South Florida, Inc. – the Miami-Dade NSP Consortium (the “Consortium”), which is comprised of six nonprofit developers and the City of North Miami, according to <http://miamidadensp.org> for purposes which include foreclosure prevention; and

WHEREAS, NSP-2 funds were awarded by the US Department of Housing and Urban Development with a tight timeline for expenditure, and may be subject to recapture if funds are not expended by the deadlines provided in the program; and

WHEREAS, any alternative plans to keep funds dedicated to helping Miami-Dade homeowners, instead of being recaptured and made unavailable to the Consortium or the County, should be examined; and

WHEREAS, the County should work with the Consortium to explore opportunities to use NSP2 funds which are not yet expended or committed by the Consortium or other funding sources to buy out or buy down County VLMI First Mortgage Lenders; and

WHEREAS, such a program would achieve the goals of the NSP program while protecting the County’s investment in these properties,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that the Board of County Commissioners directs the Mayor or the Mayor’s designee to engage the Consortium awarded the NSP-2 grant to determine the potential for leveraging NSP-2 and other funding to buy out or buy down first mortgage loans made by County VLMI First Mortgage Lenders entering or under foreclosure and report the findings to the Board of County Commissioners; such report shall be

submitted in writing to the members of the Board no later than 60 days from the effective date of this resolution and shall set forth the Mayor's recommendations as to how to establish the program contemplated by this resolution and a proposed timeline during which such program could be implemented.

The Prime Sponsor of the foregoing resolution is Commissioner Jean Monestime. 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:

| | |
|-------------------------------------|----------------------|
| Joe A. Martinez, Chairman | |
| Audrey M. Edmonson, Vice Chairwoman | |
| Bruno A. Barreiro | Lynda Bell |
| Esteban L. Bovo, Jr. | Jose "Pepe" Diaz |
| Sally A. Heyman | Barbara J. Jordan |
| Jean Monestime | Dennis C. Moss |
| Rebeca Sosa | Sen. Javier D. Souto |
| Xavier L. Suarez | |

The Chairperson thereupon declared the resolution duly passed and adopted this 7th day of February, 2012. 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.



Cynthia Johnson-Stacks

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