MEMORANDUM

Agenda Item No. 11(A)(32)

TO:	Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners	**DATE:**	January 26, 2012
FROM:	R. A. Cuevas, Jr. County Attorney	**SUBJECT:**	Resolution urging the Secretary of the United States Department of Housing and Urban Development to reconsider the proposed funding reductions for the 2012 Community Development Block Grant (CDBG) and the Home Investment Partnerships (HOME) Programs due to questionable census data and urging the Florida Congressional Delegation to advocate for such reconsiderations

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Dennis C. Moss.

R. A. Cuevas, Jr.
County Attorney

RAC/jls

MEMORANDUM

(Revised)

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

DATE: January 26, 2012

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

SUBJECT: Agenda Item No. 11(A)(32)

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)(32)
1-26-12

RESOLUTION NO. _____

RESOLUTION URGING THE SECRETARY OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO RECONSIDER THE PROPOSED FUNDING REDUCTIONS FOR THE 2012 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND THE HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAMS DUE TO QUESTIONABLE CENSUS DATA AND URGING THE FLORIDA CONGRESSIONAL DELEGATION TO ADVOCATE FOR SUCH RECONSIDERATION

WHEREAS, the United States Department of Housing and Urban Development ("US HUD") advised Miami-Dade County (the "County") of the proposed reduction to the County's Community Development Grant (CDBG) and Home Investment Partnerships (HOME) allocations of 34.8 and 44.2 percent, respectively; and

WHEREAS, the congressional conference agreement on H.R. 2112, which was signed into law by the President on November 18, 2011, includes only an 11 percent cut from the prior year's CDBG funding and a 37 percent cut to HOME on a nationwide basis; and

WHEREAS, federal legislation pertaining to CDBG specifies that funding be allocated based on the most recent data compiled by the United States Bureau of the Census demonstrating population, poverty, overcrowded housing, pre-1940 housing, and growth lag; and

WHEREAS, US HUD indicated that the most recent 2010 Census Bureau data, as well as the Census Bureau's American Community Survey (ACS) 2005-2009 Five Year Estimates, were used to determine allocations for CDBG and the data indicated a 50 percent reduction as it relates to overcrowding nationwide, as well as a 15 percent reduction in poverty, both of which

have resulted in a reduction in the County's allocation from $16.285 million to a projected $10.616; and

WHEREAS, a comparison of household size and rooms per housing unit between Miami-Dade County and the remainder of the United States shows statistically highly unlikely divergence between County census figures and national figures and this fact skews the analysis of overcrowding in Miami, which was a factor in the reduced allocations to Miami-Dade County; and

WHEREAS, Miami-Dade County's large (close to 70%) English as a Second Language (ESL) population may have had a different interpretation of the concept of overcrowding in reporting census information and in distinguishing any room from a bedroom, such that it would result in the collection of inaccurate census data relating to overcrowding; and

WHEREAS, the Census data used as a basis for allocation of CDBG and HOME funds has negatively impacted large entitlement communities locally and nationally,

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

Section 1. Urges the Secretary of US HUD to reconsider the proposed reductions to Miami-Dade County's 2012 CDBG and HOME allocations to determine whether the 2010 Census data and the ACS Five Year Averages upon which such allocations are based are correct, including but not limited to reviewing (1) whether language or interpretation issues lead to incorrect census data for purposes of determining the overcrowding factor in the census, and (2) the impact of foreclosed properties in relation to the overcrowding factor in the census data. If the Secretary determines that the Census data or the analysis of such data is incorrect, the Board urges the Secretary to increase the County's 2012 CDBG and HOME allocations. If the

Secretary determines that the Census data and analysis are accurate, the U.S. Congress is urged to phase-in any reductions in CDBG and HOME funding to communities, in light of the economic impact of the reduced allocations on communities, especially urban counties and cities.

Section 2. Urges the Florida Congressional Delegation to advocate for the reconsideration and action proposed by Section 1 of this resolution.

Section 3. Directs the Clerk of the Board to transmit a certified copy of this resolution to the members of the Florida Congressional Delegation and the United States Secretary of the Department of Housing and Urban Development.

Section 4. Directs the County's federal lobbyists to advocate for the actions set forth in Section 1 above and authorizes and directs the Office of Intergovernmental Affairs to include this item in the 2012 Federal Legislative Package.

The Prime Sponsor of the foregoing resolution is Commissioner Dennis C. Moss. 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	

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The Chairperson thereupon declared the resolution duly passed and adopted this 26th day of January, 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. CJS by PAR

Cynthia Johnson-Stacks

HUD Releases FY 2012 Preliminary Estimates for CDBG and HOME

In a December 9th communication to the chief elected official of metropolitan cities and urban counties HUD Assistant Secretary for Community Planning and Development, Mercedes Marquez, announced HUD's FY 2012 estimates for the Community Development Block Grant (CDBG) and HOME formula grant programs. She said that they are preliminary and could change, but a HUD official told NALHFA that changes are highly unlikely. Under the FY 2012 HUD Appropriations Act, HUD must officially notify grantees of their CDBG, HOMW, ESG and HOPWA allocations within 60-days of enactment, i.e. by January 18th. A HUD official confirmed that that date will be met.

The FY 2012 allocations, which use for the first time data from the 2012 Census population counts and the Census Bureau's annual data source, the American Community Survey (ACS). According to Secretary Marquez, "... [m]oving to the ACS will have the effect of a more gradual year-to-year adjustments as data elements based on a 5-year rolling average instead of being recalculated only once every 10 years." However, the use of this new data source and the sharp reduction in appropriations for FY 2012 will result in huge cuts for some grantees. (See the attached chart showing the impact on metropolitan cities, urban counties and states). Cuts range from 0.14% for Colorado Springs to 100% in the case of Pontiac, MI and Richardson, TX, both of whom will not receive grants in FY 2012. They are followed by Hammonton, NJ whose grant is cut by 45.61% followed by Hialeah, FL whose grant was reduced by 47.29% and Miami Beach, FL whose grant is reduced by 42.12 %.

The communities that are winners have increases ranging from 0.02% increase over FY 2011 (Rockford, IL) to a high of 49.56% (Elk Grove, IL) followed by Nampa, ID (42.40%) and Missouri City, TX (35.85%).. States with significant winners include Michigan, Colorado and Texas, while the states with significant losers include New York, New Jersey, Pennsylvania (where all but one entitlement city has a reduction) and Massachusetts (where every entitlement city losses funding).

Among major cities, Boston loses 8.75% in CDBG funds in FY 2012, New York City loses 8.11%, Philadelphia loses 16.73%, Chicago loses 4.93%, San Francisco loses 12.60% and Los Angeles loses 18.39%.
Excluding consortia, every metropolitan city and urban county loses HOME funds in FY 2012 from a high of 58.02% for North Miami, FL, 54.01% for Alexandria, VA, 53.52% for Arlington County, VA to a low of 1.63% for La Crosse, WI, 4.17% for Ithaca, NY and 8.15% for Gwinnett County, GA.

A study by HUD's Office of Policy Development and Research, "The Re-distributional Effect of Introducing 2010 Census Data and the 2005-2009 ACS Data into the CDBG Formula [based on the higher FY 2011 appropriation] (December 2011)," found the following:

- Principal cities and urban counties received more funds (0.2% and 1.2% respectively), while satellite cities lose 3.1%. These changes are driven largely by increasing shares of poverty in urban counties, decreasing shares of over-crowing in satellite cities and increasing shares of – Pre 1940 housing in principal cities.
- The Rocky Mountain, Great Plains and Midwest regions have the largest increase in average grant amount at 9.7%, 6.9% and 5.2%, respectively.
- The largest grantees (cities with more 1 million people or more) experienced a slight decrease in average funding (-0.9%). The smallest grantees (cities with a population of 50,000 to 99,999 and under 50,000) see their average grant go up 1.5% but, due to population growth, their per capita grant remains constant.

"Other changes that are noteworthy with the introduction of new data are an increase in pre-1940 housing units, a dramatic drop in overcrowded housing units, and changes in population between the 2009 population estimates and the 2010 Census population counts." According to the Report, the ACS data collection methods are likely to result in more accurate estimates of the number of rooms in a housing unit and the age of the structure than the methods employed by the decennial census. The decennial census relied more heavily on the mail-in survey responses, whereas ACS interviewers have better opportunities to explain the survey questions and to verify responses. "The ACS 5-year estimates will be updated every year, and HUD intends to use the annual updates for the CCBG allocation formula. These annual data will provide up-to-date estimates of conditions in CDBG communities across the country, and have the added benefit of stability from year to year," said the Report.