

# MEMORANDUM

Agenda Item No. 11(A)(17)

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**TO:** Honorable Chairwoman Audrey M. Edmonson  
and Members, Board of County Commissioners

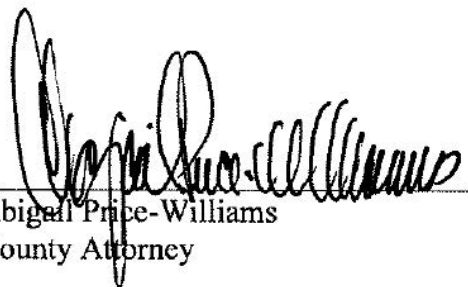
**DATE:** May 19, 2020

**FROM:** Abigail Price-Williams  
County Attorney

**SUBJECT:** Resolution urging the United States Congress to enact S. 3495, the "Home Advantage for American Families Act," or similar legislation that would reduce foreign investment in the urban real estate market and increase investment in affordable housing

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The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Esteban L. Bovo, Jr.

  
Abigail Price-Williams  
County Attorney

APW/smm



**MEMORANDUM**  
(Revised)

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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
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's present \_\_\_\_, 2/3 membership \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) \_\_\_\_, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) \_\_\_\_, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) \_\_\_\_) 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)(17)

5-19-20

RESOLUTION NO. \_\_\_\_\_

RESOLUTION URGING THE UNITED STATES CONGRESS  
TO ENACT S. 3495, THE “HOME ADVANTAGE FOR  
AMERICAN FAMILIES ACT,” OR SIMILAR LEGISLATION  
THAT WOULD REDUCE FOREIGN INVESTMENT IN THE  
URBAN REAL ESTATE MARKET AND INCREASE  
INVESTMENT IN AFFORDABLE HOUSING

**WHEREAS**, increasing foreign real estate investment in U.S. metropolitan areas has caused abnormal increases in urban housing prices and shifted the composition of new construction away from single-family housing; and

**WHEREAS**, as a result, local developers are building more and more luxury homes and condominiums to appeal to wealthy foreign investors, driving up construction and land costs, and making it difficult to produce homes at more affordable price points; and

**WHEREAS**, the difficulty of finding affordable housing in Miami-Dade County is even greater than in expensive cities like New York and Boston, because although in these cities home prices are higher, so is the average income; and

**WHEREAS**, according to a recent report from the Miami Association of Realtors, from August 2017 to July 2018 foreign buyer purchases consisted of 33 percent of closed residential property sales in Miami-Dade, Broward and Palm Beach counties, with a total value of \$8.7 billion from 14,300 foreign sales; and

**WHEREAS**, additionally, the report found that foreign investment in residential real estate in the tri-county area in 2018 represented 54 percent of all international sales in Florida, which ranks as the top state for such investment; and

**WHEREAS**, the report further found that South Florida represents about 9.5 percent of all U.S. international home sales, with 63 percent of such foreign buyers being non-residents, compared to 39 percent nationally; and

**WHEREAS**, given the mix of buyers and the overall increase in U.S. home prices, the median purchase price among South Florida’s foreign buyers rose to \$373,000, up from \$339,300 in 2017; and

**WHEREAS**, moreover, a significant portion of foreign investment in luxury real estate in urban centers is connected to foreign illicit activity, such as money laundering and tax evasion; and

**WHEREAS**, U.S. Senator Marco Rubio (R–Florida) has filed S. 3495, a bill entitled the “Home Advantage for American Families Act”, for consideration during the 116th United States Congress; and

**WHEREAS**, if enacted, S. 3495 would, among other things:

- authorize the U.S. Treasury Department to issue reports on behalf of the Financial Crimes Enforcement Network for residential real estate transactions within the 15 highest populated Metropolitan Statistical Areas (MSAs), which would include Miami-Dade County, to identify the natural identities of foreign buyers;
- increase the Foreign Investment in Real Property Act of 1980 withholding tax on residential real estate from 15 percent to 30 percent for both foreign corporations and foreign individuals; and
- provide an additional 10 percent of base-funding set-aside of the Low-Income Housing Tax Credit for single family home construction within Qualified Census Tracts to help states create more affordable housing opportunities that can accommodate a family; and

**WHEREAS**, with respect to S. 3495, Senator Rubio has stated, “[a]s billions of dollars pour into South Florida real estate, much of it is connected to foreign illicit activity, causing families in our communities to face an ever-increasing challenge of finding affordable housing”; and

**WHEREAS**, Senator Rubio continued, “[c]ombating illicit finance in foreign real estate investment and increasing affordable housing investment in South Florida are key to tackling this problem confronting so many Floridians, and this bill would do exactly that”; and

**WHEREAS**, reducing foreign investment in urban real estate and increasing investment in affordable housing is essential to restoring equilibrium in housing markets to serve local communities, so residents may have the stability to raise families in their own homes; and

**WHEREAS**, this Board would like to express its support for S. 3495, or similar legislation,

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

**Section 1.** Urges the United States Congress to enact S. 3495, the “Home Advantage for American Families Act”, or similar legislation that would reduce foreign investment in the urban real estate market and increase investment in affordable housing.

**Section 2.** Directs the Clerk of the Board to transmit a certified copy of this resolution to Senator Marco Rubio and the remaining members of the Florida Congressional Delegation.

**Section 3.** Directs the County’s federal lobbyists to advocate for the legislation described in section 1 above, and authorizes and directs the Office of Intergovernmental Affairs to amend the 2020 Federal Legislative Package to include this item.

The Prime Sponsor of the foregoing resolution is Commissioner Esteban L. Bovo, Jr. 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:

Audrey M. Edmonson, Chairwoman	
Rebeca Sosa, Vice Chairwoman	
Esteban L. Bovo, Jr.	Daniella Levine Cava
Jose "Pepe" Diaz	Sally A. Heyman
Eileen Higgins	Barbara J. Jordan
Joe A. Martinez	Jean Monestime
Dennis C. Moss	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 19<sup>th</sup> day of May, 2020. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the 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.

MJM

Michael J. Mastrucci