

MEMORANDUM

Agenda Item No. 11(A)(5)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: April 20, 2021

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution directing the County Mayor to create a Homeownership Assistance program for public housing tenants and tenants impacted by the Rental Assistance Demonstration program to be known as the American Dream Act; directing the County Mayor to collaborate with Miami-Dade Economic Advocacy Trust and the Housing Finance Authority of Miami-Dade County to market the program and other affordable housing programs; and requiring a report

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Kionne L. McGhee.



Geri Bonzon-Keenan
County Attorney

GBK/jp



MEMORANDUM

(Revised)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

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Gen Bonzon-Keenan
County Attorney

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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 members County Attorney is ____, 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)(5)
4-20-21

RESOLUTION NO. _____

RESOLUTION DIRECTING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO CREATE A HOMEOWNERSHIP ASSISTANCE PROGRAM FOR PUBLIC HOUSING TENANTS AND TENANTS IMPACTED BY THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM TO BE KNOWN AS THE AMERICAN DREAM ACT; DIRECTING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO COLLABORATE WITH MIAMI-DADE ECONOMIC ADVOCACY TRUST AND THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY TO MARKET THE PROGRAM AND OTHER AFFORDABLE HOUSING PROGRAMS; AND REQUIRING A REPORT

WHEREAS, on June 16, 1933, President Franklin D. Roosevelt's New Deal, which is codified in Title II, section 202 of the National Industrial Recovery Act, directed the Public Works Administration to develop a program for the construction, reconstruction, alteration, or repair of low-cost housing and slum clearance projects; and

WHEREAS, one of the results of the New Deal was the passage of the Housing Act of 1937 (the "act"), which created the public housing program; and

WHEREAS, the goal of the act was and still is to improve unsafe and unsanitary housing conditions and to lessen the extreme shortage of decent housing for low-income families; and

WHEREAS, according to a 1939 report it was estimated that although the Federal Housing Administration ("FHA"), which was created with the passage of the act, helped 12 million people improve their housing conditions, this help was targeted to predominately white, middle-class, lower-middle-class families; and

WHEREAS, history has shown that the same housing benefits afforded to white, middle-class, lower-middle-class families, was out of reach for millions more Americans, including

African Americans, who were systematically discriminated against by discriminatory policies such as redlining, which required homes built by FHA loans to be sold only to white families; and

WHEREAS, today, American cities continue to struggle with the inter-generational impact of redlining, segregated neighborhoods, and discriminatory lending practices; and

WHEREAS, through the passage of certain civil rights legislation, such as the Fair Housing Act, housing opportunities have become more available to minority groups in the United States; and

WHEREAS, however, the dream of homeownership still remains out of reach for many Americans, including lower-income individuals and families; and

WHEREAS, further, there are very few incentives that are provided to lower-income families and individuals, particularly those living in public housing, to leave public housing much less to explore the possibilities of homeownership; and

WHEREAS, according to an October 2017 study conducted by the U.S. Department of Housing and Urban Development's ("HUD") Office of Policy Development and Research titled "Length of Stay in Assisted Housing," the typical household in assisted housing stays for about 6 years, with elderly households staying longer, about 9 years; and

WHEREAS, however, HUD's research also found that the length of stay in assisted housing has increased over time with an average increase of 1.6 years for those tenants residing in public housing, with participants in such programs as the Section 8 Housing Choice Voucher program ("Section 8 program") remaining longer in such programs; and

WHEREAS, HUD's research further found that there are a number of factors that impact whether tenants remain in public housing or leave, including change of household needs, eviction

for noncompliance with program or landlord rules, loss of income, or graduating out of need as income rises; and

WHEREAS, however, ironically, the research found that those tenants with more income appeared to remain longer in assisted housing as opposed to those tenants with less income; and

WHEREAS, the research further found that once admitted into one of the assisted housing programs, which have no set limits on how long a participant can remain in a program, more than 90 percent of all assisted households remain in that housing through the first year; and

WHEREAS, the research further found that participants' exits from the programs accelerate modestly after the first year, so that 70 to 80 percent of households remain through the second year, and, thereafter, the pace of leaving assisted housing gradually slows over time with about one-half of all assisted households leaving after four to six years after entry, and about 80 percent leaving by years nine to 11; and

WHEREAS, this Board believes tenants in public housing and those impacted by the conversion of public housing to Section 8 project-based through HUD's Rental Assistance Demonstration program ("RAD program") should be provided with incentives that encourage them to improve their lives and to eventually move out of public or RAD program housing; and

WHEREAS, for instance, HUD implemented the Turnkey III Homeownership Opportunities program and the Section 32 Homeownership programs, which make public housing dwelling units available for purchase by low-income families as their principal residence; and

WHEREAS, however, such programs encourage tenants to continue to reside in public housing and provide no incentives that would assist tenants to purchase homes outside of their present communities; and

WHEREAS, unlike the before-mentioned-programs, HUD has provided greater homeownership opportunities to participants in the Section 8 program; and

WHEREAS, for instance, HUD has implemented the Housing Choice Voucher Homeownership Program, which allows families that are assisted through the Section 8 program to use their voucher to buy a home of their choosing and receive monthly assistance in meeting homeownership expenses; and

WHEREAS, however, in order to participate in this homeownership program, the program must be offered by the public housing agency, and families must (1) be admitted to the Section 8 program; (2) meet specific income and employment requirements, except those who are elderly or disabled; (3) be a first-time homeowner; (4) attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by the public housing agency; and (6) meet any additional eligibility requirements set by the public housing agency; and

WHEREAS, Miami-Dade County (“County”), which is one of several public housing agencies in the County, is the owner and operator of public housing funded by HUD in accordance with the act and the federal regulations promulgated by HUD; and

WHEREAS, the County is also in the process of converting 7,718 public housing units to Section 8 project-based through the RAD program; and

WHEREAS, although the County has a Housing Choice Voucher homeownership program and this Board has previously approved the use of the Section 32 Homeownership program for certain public housing developments such as Heritage Village I, these programs are not available to all public housing tenants and tenants who are impacted by the RAD program; and

WHEREAS, the County has a number of affordable housing programs that can be utilized to assist current public housing tenants and those tenants impacted by the RAD program who wish

to purchase homes, including, but limited to, the homeownership loan program and Infill Housing Initiative Program (“infill program”) administered by the Public Housing and Community Development Department, the first-time homeownership program administered by the Housing Finance Authority of Miami-Dade County, and the down payment and closing costs assistance program administered by the Miami-Dade Economic Advocacy Trust; and

WHEREAS, this Board believes that a homeownership program designed specifically for public housing tenants and those tenants impacted by the RAD program should be created to assist such tenants with the purchase of homes through the infill program or other affordable housing programs offered by the County,

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

Section 1. The foregoing recitals are incorporated in this resolution and are approved.

Section 2. This Board directs the County Mayor or the County Mayor’s designee to create a homeownership program for public housing tenants and those tenants impacted by the Rental Assistance Demonstration program (“RAD program”), which such program, shall be known as the American Dream Act (the “program”). The program shall include, but is not limited to, the following elements:

1. The County will be required to set up interest bearing savings accounts for each of the participating public housing tenants and those tenants impacted by the RAD program (“participating tenants”), who participate in the program;
2. The County will be required to set aside 50 percent of the rents collected by the Miami-Dade Public Housing and Community Development Department (“PHCD”) or other entities from participating tenants and will deposit such rents into the savings accounts;
3. Each participating tenant will be required to participate in the program for a period of no more than five years;

4. Each participating tenant shall be required to complete a first-time homeownership/homebuyer counseling program offered by the County or a County-approved agency;
5. The County shall ensure that for each participating tenant that completes the five year period participation requirement, the monies and accrued interests deposited into the savings accounts will be used to assist the participating tenant with the down payment on a home constructed through the County's Infill Housing Initiative Program or other affordable homeownership program offered by the County;
6. In the event a participating tenant drops out of the program prior to the expiration five year period, then the County shall ensure that the monies deposited into the savings account shall revert back to the County and shall be used by PHCD for public housing purposes, such as operation and maintenance of public housing;
7. In the event a participating tenant is eligible to purchase a home prior to the expiration of the five-year period, then such tenant shall be entitled to the monies and accrued interests deposited into the savings account for use as a down payment towards the purchase of the home;
8. In the event a participating tenant fails to use the monies deposited into the savings account for down payment assistance or within a specified time as determined by the County Mayor or the County Mayor's designee, then the County Mayor or the County Mayor's designee shall take all necessary steps to collect such money from the saving account, if required, return such money to PHCD, and ensure that such money is used by PHCD for public housing purposes; and
9. The County may provide any additional assistance that may be needed by participating tenants, including, but not limited to, additional down payment assistance and loan assistance, through the County's homeownership programs administered by PHCD, the Miami-Dade Economic Advocacy Trust ("MDEAT"), and the Miami-Dade Housing Finance Authority ("HFA").

Section 3. This Board further directs the County Mayor or the County Mayor's designee, MDEAT and HFA to develop a plan to market the program, PHCD's homeownership loan and infill housing programs, MDEAT's down payment and closing costs assistance program and HFA's first-time homeownership program to all public housing tenants, particularly those living within the targeted urban areas as more fully described in Ordinance No. 11-05.

Section 4. This Board directs the County Mayor or the County Mayor's designee to provide this Board with a written report outlining the steps taken to create the program described

in section 2 of this resolution. This Board further directs the County Mayor or the County Mayor's designee to identify in the report a funding source to cover any costs associated with the program. The report shall be completed within 30 days of the effective date of this resolution and placed on an agenda of this Board pursuant to Ordinance 14-65.

The Prime Sponsor of the foregoing resolution is Commissioner Kionne L. McGhee. 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:

Jose "Pepe" Diaz, Chairman	
Oliver G. Gilbert, III, Vice-Chairman	
Sen. René García	Keon Hardemon
Sally A. Heyman	Danielle Cohen Higgins
Eileen Higgins	Joe A. Martinez
Kionne L. McGhee	Jean Monestime
Raquel A. Regalado	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared this resolution duly passed and adopted this 20th day of April, 2021. 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.



Terrence A. Smith