

# Memorandum



**Date:** March 21, 2023

Agenda Item No. 2(B)(7)

**To:** Honorable Chairman Oliver G. Gilbert, III  
and Members, Board of County Commissioners

April 4, 2023

**From:** Daniella Levine Cava   
Mayor

**Subject:** Report on the Feasibility of Creating a Loan Program for Condominium Associations that are Found to be in Need of Emergency Structural Repairs – Directive No. 220903

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## Executive Summary

This report is in response to Resolution R-545-22, sponsored by Commissioner Danielle Cohen Higgins and adopted by the Board of County Commissioners (Board) on June 1, 2022. The Resolution directed the County Mayor or County Mayor's designee to explore the feasibility of creating a loan program, in collaboration with financial lending institutions, to provide financial assistance to condominium associations that are in need of **emergency** structural repairs. Emergency situations arise when a housing structure is deemed uninhabitable due to safety concerns.

Although research concludes that a formal lending program cannot be established at this time, it is appropriate for the County to continue to dialog with local lending institutions in the County about their willingness to provide such loans to condominium associations, and to maintain a list of contacts at various institutions that can be made available to condominium associations on request.

## Report

Since the original item was introduced, the state legislature enacted significant changes in the statutory framework governing the inspection of condominium buildings three stories or more in height. The legislature amended the framework governing the evaluation of required reserves for the structural maintenance of such buildings and requiring that the reserves so identified be better funded than previously. The expectation is that this new legislative framework will reduce the likelihood of future structural emergencies by mandating earlier and more thorough inspections. Furthermore, by requiring the actual funding of required reserves, and limiting deferrals that were previously allowed, associations are expected to be in stronger financial positions to meet both expected and unexpected financial needs to maintain the structural integrity of such buildings.

Earlier this year the Department of Public Housing and Community Development established a program to make direct loans to individual county residents, with incomes not greater than 140% of the median income, for the purpose of addressing special assessment requirements associated with rehabilitation/repairs as a result of applicable building integrity recertification requirements. These loans are on a first-come, first-served basis, and are made from available documentary surtax funds. See *Attachment 1* for information on this program.

To create a program that supports emergency loans to condominium associations, the County would have to appropriate an amount of funding to meet specific program objectives as established by the Board. Such an appropriation could set aside funds now, to be available in the future, under terms to be specified by the Board. This would limit the extent of the County's financial exposure. All potential funding sources that could be utilized have been appropriated for other services so, such an appropriation would require amending the current adopted budget to reprioritize existing services.

The Board would set up objective parameters to define an eligible lending institutions and eligible borrowing associations. Any bank that meets the pre-established objective criteria would be able to make such an emergency loan covered by the program. The easiest structure would be for the County-appropriated funds so set aside to reimburse a fraction of loan losses, up to a maximum percentage of the loan losses, e.g., 10% or 20%, and a maximum total amount per loan, e.g., \$500,000 or more. Once the funds initially appropriated are fully committed the fund would not be able to secure additional loans without further appropriation. Loans will be made on a first come first serve basis, up to the limits set by the program, in order to comply with existing legal constraints e.g., the State's constitutional prohibition against the lending of the county's credit.

Conversations with lending institutions (including Wells Fargo, Bank of America, and Dade County Federal Credit Union) indicate that there are institutions willing and able to make such loans on commercially reasonable terms. Commercial banks may make loans directly to the HOA, to be repaid from special assessments, while DCFCU would make loans to individual members to pay their individual special assessments. The County can coordinate the collection of information from lending institutions that might be interested in making such loans, from time to time, so that the information is readily available when an emergency arises. Banking regulations change from time to time, and the risk appetite and credit evaluations of lending institutions must change to reflect the regulatory framework, financial market conditions, and the financial condition of the institution. Typically, associations should expect to provide historical financial information, governance documents, engineering assessments, reserve studies, and contracts covering the required repairs. Lending institutions may require additional information to assess the creditworthiness of the association.

It is recommended that the County Finance Department establish a list of lending institutions that identify themselves as available to make such emergency loans and maintain current information of the primary point of contact for such institutions. That information can then be provided to associations in need so that they can select a lender that best suits their needs. Also, the Finance Department can develop examples of a preparedness checklist, akin to a hurricane preparedness checklist, that it can make available to associations across the County generally. Items on such a checklist can be developed with the input of the lending institutions, and should be reviewed annually to ensure current applicability.

Pursuant to Ordinance No. 14-65, this report will be placed on the next available Board meeting agenda. Should you require additional information, please contact James Scott, Senior Bond Analyst at [James.Scott@miamidade.gov](mailto:James.Scott@miamidade.gov) or (305) 375-5147 or Edward Marquez, Chief Financial Officer at [Edward.marquez@miamidade.gov](mailto:Edward.marquez@miamidade.gov) or (305) 375-1451.

- c: Geri Bonzon-Keenan, County Attorney
- Gerald Sanchez, First Assistant County Attorney
- Jess McCarty, Executive Assistant County Attorney
- Office of the Mayor Senior Staff
- Yinka Majekodunmi, Commission Auditor
- Jennifer Moon, Chief, Office of Policy and Budgetary Affairs
- Basia Pruna, Director, Clerk of the Board
- Eugene Love, Agenda Coordinator Officer

## Attachment 1

### Assistance for Condo Owners/Special Assessments per Use of Surtax Dollars

#### Summary

This Program will assist owner occupied condominium homeowners with limited finances, address special assessment requirements associated with rehabilitation/repairs as a result of applicable building integrity recertification requirements. Surtax funds will be in the form of a loan and the annual household median income may not exceed the maximum limit of 140% as indicated in the Miami-Dade County income limit chart. The loan terms will be structured as to mitigate the financial burden on families while recognizing the need to ensure compliance with the Surtax Program.

- Loans are only eligible for work associated with the applicable recertification requirement related to building and electrical system's integrity
- The Program will assist families and or/individual homeowners
- The Program will assist Condominium Properties throughout the County
- The homeowner must reside in the unit and it must be their primary residence and homestead; Investment owners are not eligible for program assistance
- The Program will provide loans up to \$50,000 with a repayment term of 40 years
- The monthly payment will be \$50 for low-income families with the remaining balance due at Maturity Date
- The monthly payment for moderate income families will be calculated at 0% interest rate for 40 years
- Any cash assets exceeding \$50,000 must be used for down payment up to 10% of the loan amount
- If the owner sells the property, cash out refinance or ceases to use the home as primary residence, the balance of the loan becomes due and payable.
- Upon death of owner, the loan shall become due and payable in full unless ownership of the property passes to the heirs of owner and they meet the following criteria: (a) live in the property, (b) earn no more than the maximum percentage AMI at the time of transfer, and (c) execute appropriate documents as required by Miami-Dade County
- One-time assessment per unit owner
- The rehabilitation funds will be paid directly to the Condominium Association
- The Condominium Budget and Condo Questionnaire will be required and reviewed
- Mortgage payments and HOA/Maintenance fees must be current
- A description of the work to be done and or the Scope of Work will be required to determine the loan assistance
- Semi-annual reports from the Condominium Association will be required

## Attachment 1



### MIAMI-DADE COUNTY PUBLIC HOUSING AND COMMUNITY DEVELOPMENT

#### CONDOMINIUM SPECIAL ASSESSMENTS PROGRAM PROGRAM OVERVIEW

This Program will assist owner occupied condominium homeowners with limited finances, address special assessment requirements associated with rehabilitation/repairs as a result of applicable building integrity recertification requirements. Surtax funds will be in the form of a loan and the annual household median income may not exceed the maximum limit of 140% as indicated in the Miami-Dade County income limit chart. Loan terms will be structured so as to mitigate the financial burden on families while recognizing the need to ensure compliance with the Surtax program. **A description of the work to be done and/or the Scope of Work will be required to determine the loan assistance.**

The applicants are selected on a first come, first served basis. Please complete the enclosed forms and return by mail or hand deliver; **e-mailed applications will not be accepted.**

**Please gather the documentation listed below but do not send your documentation with your application.**

#### REQUIRED DOCUMENTATION

1. Valid Florida driver's licenses or State ID card for adults
2. Warranty Deed, Quit Claim Deed or other evidence of ownership of the property
3. Last four paystubs, unemployment compensation, valid social security award letter and evidence of pensions, child support/alimony payments; if applicable
4. Copy of social security cards for applicant and co-applicant only
5. Proof of US citizenship or current permanent legal residency
6. Most current 3 months bank statements for all accounts; must reflect monthly balances
7. Mortgage payment must be current and provide copy of current mortgage statement. (No Coupons accepted) Copy of current HOA Fees
8. Birth certificates for all household members regardless of age. No birth cards accepted.
9. Last 2 years Federal Income Tax Returns including W-2s, all pages and schedules.
10. Current SSA-1099 form
11. Proof of hazard insurance, flood insurance; if applicable.
12. Copy of last utility bills (electric and water bill)
13. Copy of Discharged Bankruptcy including all schedules and pages; if applicable
14. Divorce Decree and/or Death Certificate; if applicable

For more information regarding the loan process and terms please contact PHCD, Shawn Topps at 786-469-2209.

# Attachment 1

## INCOME AND MORTGAGE LIMITS Adjusted for Family Size

FAMILY SIZE	30%	50%	80%	Median 100%	120%	140%
	< E. LOW	<- V. LOW	<-LOW/MOD >			
1	\$20,500.00	\$34,150.00	<b>\$54,600.00</b>	<b>\$68,300.00</b>	\$81,960.00	\$95,620.00
2	\$23,400.00	\$39,000.00	<b>\$62,400.00</b>	<b>\$78,000.00</b>	\$93,600.00	\$109,200.00
3	\$26,350.00	\$43,900.00	<b>\$70,200.00</b>	<b>\$87,800.00</b>	\$105,360.00	\$122,920.00
4	\$29,250.00	\$48,750.00	<b>\$78,000.00</b>	<b>\$97,500.00</b>	\$117,000.00	\$136,500.00
5	\$32,470.00	\$52,650.00	<b>\$84,250.00</b>	<b>\$105,300.00</b>	\$126,360.00	\$147,420.00
6	\$37,190.00	\$56,550.00	<b>\$90,500.00</b>	<b>\$113,100.00</b>	\$135,720.00	\$158,340.00
7	\$41,910.00	\$60,450.00	<b>\$96,750.00</b>	<b>\$120,900.00</b>	\$145,080.00	\$169,260.00
8	\$46,630.00	\$64,350.00	<b>\$103,000.00</b>	<b>\$128,700.00</b>	\$154,440.00	\$180,180.00

**(MEDIAN INCOME IS \$68,300.00 FOR MIAMI-DADE COUNTY)**

**SHIP/SURTAX limited to 140 %**(Subject to periodic revisions by US HUD Effective **(May 11<sup>th</sup>, 2022)**  
(Income and Mortgage Limits REVISED **(May 11<sup>th</sup>, 2022)**)

**Attachment 1**



Miami-Dade County Public  
Housing and Community  
Development  
701 NW 1<sup>st</sup> Court, 14<sup>th</sup> Floor  
Miami, Florida 33136  
Phone: 786-469-2245  
Fax: 786-469-2230

**MIAMI-DADE COUNTY PUBLIC HOUSING AND COMMUNITY DEVELOPMENT**  
**CONDOMINIUM SPECIAL ASSESSMENTS APPLICATION**

**Applicant Information:**

NOTE: THE HOMEOWNER IS CONSIDERED THE APPLICANT

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_

Co- Applicant's Full Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Alternate Phone: \_\_\_\_\_

**Household Size:**

Total # of people living in the home including yourself, list every household member living in the home.

Name	Birth Date	Age	Relationship	Last 4 Digit of SS#

## Attachment 1

**Marital Status:**  Married  Unmarried  Separated

**Sex:**  Female  Male

**Demographic Information:** (Check as many of the following as pertains to your situation)

American Indian

Hispanic

Alaskan Native

White

Asian or Pacific Islander

Other (Specify): \_\_\_\_\_

African American

### Applicant/Co-Applicant employment information:

Employee Name:	Employer Name:
Position:	
Address/Phone:	Time Employed:
Pay Rate:	Pay Frequency:
Annual Income (gross salary, overtime, tips, bonuses, etc.): \$	

Employee Name:	Employer Name:
Position:	
Address/Phone:	Time Employed:
Pay Rate:	Pay Frequency:
Annual Income (gross salary, overtime, tips, bonuses, etc.): \$	

**Note: Attach additional Sheets as necessary for all household members 18 years and over. If less than 2 years provide information on previous employments.**

Employee Name:	Employer Name:
Position:	
Address/Phone:	Time Employed:
Pay Rate:	Pay Frequency:
Annual Income (gross salary, overtime, tips, bonuses, etc.): \$	

## Attachment 1

### Household Income:

Including yourself, list every person in the household employed and/or receiving income.

**Other Sources of Income (For ALL Household Members 18 and Over, List Business or Rental Net Income, Child Support, Alimony, Social Security, Pensions, Unemployment or Workers Compensation, Welfare Payments, etc.)**

Name	Type of Income	Gross Annual Amount
1		
2		
3		
4		
		<b>Total</b> \$ _____

**Assets and Asset Income (For ALL Household Members, Including Minors, List Checking and Savings Accounts, IRA, CD, Bonds, Stocks, Equity in Properties, etc.)**

Type of Asset	Asset Value	Bank/Account #	Annual Asset Income
1			
2			
3			
4			
<b>Total</b> \$ _____			<b>Total</b> \$ _____

**Liabilities (For ALL Household Members 18 and Over, List Credit Card Debt, and Auto, real Estate and Mortgage Loans, etc.)**

Type Credit/ Loan	Creditors Name	Balance Owed	Monthly Payment
1			
2			
3			
4			
			Total Annual Payments: \$ _____





Miami-Dade County Public Housing and Community Development

AUTHORIZATION FOR RELEASE OF INFORMATION

This document is to authorize release of information regarding your home rehabilitation application with, the Miami-Dade County Public Housing and Community Development Department, for the purposes of verifying information supplied in your application.

I \_\_\_\_\_ hereby grant permission to Miami-Dade County, a political subdivision of the state of Florida through its Public Housing and Community Development Department to verify information provided in this application.

I hereby state that I have read and fully understand the above statements as it applies to me and do herein express my consent to disclosure of information for the purpose of determining eligibility.

A photographic copy or facsimile of this authorization may be deemed equivalent to an original and may be used as a duplicate original.

\_\_\_\_\_  
(Lender Name)

\_\_\_\_\_  
Loan #

\_\_\_\_\_  
Primary Borrower's Name

\_\_\_\_\_  
Social Security #

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Secondary Borrower's Name

\_\_\_\_\_  
Social Security #

\_\_\_\_\_  
Signature

Property Address:

\_\_\_\_\_  
\_\_\_\_\_

**Attachment 1**



**Media Release Form**

I understand that information regarding the services I receive from Miami-Dade Public Housing and Community Development (herein after referred to as "PHCD") maybe used by agents, employees or representatives of PHCD to promote, market and educate the community about its programs and services.

I hereby authorize PHCD to copy, exhibit, publish or distribute any and all such information including images and audio of me or wherein I appear, including composite or artistic forms and media, forms and media, for purposes of publicizing PHCD programs and services or for any lawful purpose. In addition, I waive any right to inspect or approve the finished product, including written copy, wherein my information or likeness appears.

I hereby hold harmless and release and forever discharge PHCD and Miami-Dade County from all claims, demands and causes of action which I, my heirs, representatives, executors, administrators or any other persons acting on my behalf or on behalf of my estate have or may have be reason of this authorization

\_\_\_\_\_ (Signature) \_\_\_\_\_ (Date)

\_\_\_\_\_ (Print Name) \_\_\_\_\_ (Street address)

\_\_\_\_\_ (City, State, Zip code)

(If individual signing is under 18 years of age, there should be consent by parent or guardian, as follows) I hereby certify that I am the parent or guardian of \_\_\_\_\_, the minor named above, and do hereby give my consent without reservation to the foregoing on behalf of this person.

\_\_\_\_\_ (Parent/ Guardian's Signature) \_\_\_\_\_ (Date)

\_\_\_\_\_ (Parent/ Guardian's Signature)

Attachment 1



Re: Policy on Collection of Social Security Information

Dear Borrower (s):

The Miami-Dade Department of Public Housing and Community Development of Miami-Dade County, Florida requires your Social Security Number for the following purposes: Identification and verification; credit worthiness; and data collection (which includes requesting credit reports from the three credit bureaus). This notification is in compliance with Section 119.071(5), Florida Statutes.

I (We) hereby acknowledge that we have been informed about the use of my (our) social security information for the purposes noted above.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

**Attachment 1**



**MIAMI-DADE COUNTY, FLORIDA  
DEPARTMENT OF PUBLIC HOUSING & COMMUNITY DEVELOPMENT  
701 NW 1<sup>st</sup> COURT, 14<sup>th</sup> FLOOR  
MIAMI, FLORIDA 33136**

**PERJURY STATEMENT**

This is to certify, under penalty of perjury, that the Financial Statement / Federal Tax Returns bearing my signature are a true and accurate accounting of financial information provided, or to be provided, to the Internal Revenue Service for income tax reporting purpose.

WARNING: Section 1010 of Title 13 W.S.C. Federal Housing Administration transactions provides the following: “Whoever for the purpose of influencing in any way the action of such administration...to be false...shall be fined not more than \$5,000.00 or imprisoned not more than two years or both.

\_\_\_\_\_  
BORROWER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CO-BORROWER

\_\_\_\_\_  
DATE



Miami-Dade County Public Housing and Community  
Development

**ACKNOWLEDGEMENT OF RECEIPT  
OF THE LEAD-BASED PAINT HAZARDS**

By signing the form, you acknowledge that Miami-Dade Public Housing and Community Development has provided you with a copy of the "Renovate Right" brochure, which explains the potential risk of the lead hazard exposure from renovation activity to be performed in my dwelling unit. I received this pamphlet before the work began.

\_\_\_\_\_  
Homeowner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name