

Memorandum



Date: May 6, 2013

To: Honorable Rebeca Sosa, Chairwoman and Members
Board of County Commissioners

Carlos A. Gimenez
Mayor 

Subject: Rent-to-Own Program Opportunities

This memorandum is in response to Commissioner Jean Monestime's request at the October 17, 2012, Economic Development and Social Services Committee meeting, directing the County Mayor or the County Mayor's designee to incorporate rent-to-own opportunities for low and moderate income persons in current and future housing programs.

The Miami-Dade County Housing Finance Authority (HFA) launched the Southern Anchor Home Ownership Program in 2011 for first-time homebuyers. The property is a former U.S. Coast Guard housing development site located at 12300 SW 152 Street, adjacent to Zoo Miami. The County plans to eventually redevelop this 39 acre parcel. However, until that time, this short-term program allows families to reside on the property and pay eighty percent (80%) of the present Fair Market Rent, of which forty percent (40%) of the rent is set aside in a savings account to help families save money for down payment and closing costs. Additionally, HUD-certified housing counselors work with each family to resolve credit issues, develop a savings plan, and guide them through the homeownership process of becoming successful homeowners. At the end of the lease, residents are expected to purchase their first home.

HFA's Southern Anchor program is the only known rent-to-own program in Miami-Dade County that is incorporated into any housing programs or stands alone. Funding provided to developers by the County is usually allocated for the development of affordable housing units to be either rented or sold to low-and moderate-income persons. Because the majority of affordable housing units developed with County resources are usually part of a larger, multifamily project, it is recommended that the Infill Housing Initiative (the "Infill Program") be explored as a viable option for implementation of a rent-to-own program.

The purposes of the Infill Program are to increase the availability of affordable homes for low and moderate income persons, maintain a stock of affordable housing, redevelop urban neighborhoods by eliminating the blight of vacant lots and dilapidated or abandoned properties, and equitably distribute homeownership opportunities within the Infill Target Areas.

Over the past several years, due to market conditions, developers participating in the Infill Program have been afforded the opportunity to rent eligible homes on a temporary basis if they could demonstrate that every effort has been made to sell the home(s). If the developer is unable to sell the home(s) within a reasonable timeframe, federal/county regulation imposes the rental of those homes to eligible participants. The same criteria could be applied to a rent-to-own program also utilizing homes available through the Infill Program.

Implementation of a rent-to-own program would require revisions to the Infill Program guidelines. The Public Housing and Community Development Department (PHCD) believes it would be beneficial that prior to implementing guideline changes to include rent-to-own opportunities, PHCD would need to reach out to developers and other interested program participants to work out a viable process, and listen to suggestions and ideas to implement the rent-to-own process to maximize its opportunity for success. After these discussions and meeting(s), PHCD will add the rent-to-own option to the rental section of the Infill Housing Program Guidelines.

If you have further questions regarding this response, please contact Gregg Fortner at 786-469-4106.

c: Robert A. Cuevas, Jr., County Attorney
Russell Benford, Deputy Mayor
Gregg Fortner, Executive Director, PHCD
Jennifer Moon, Director, OMB
Charles Anderson, Commission Auditor