



# **OFFICE OF THE COMMISSION AUDITOR**

## **Update - Review of Property Conveyances under Miami-Dade County's Affordable Housing Programs**

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## **Purpose**

The Office of the Commission Auditor (OCA), in response to a request by Chairman Jose “Pepe” Diaz, District 12, and Commissioner Martinez, District 11, conducted a review of all Board-approved conveyances under the County’s affordable housing programs, primarily infill and workforce housing, to document the total number of parcels transferred and developers awarded including the addresses, conveyance date, timeframe for development, reverter date, and value per parcel.

## **Scope**

The scope of this initial review is limited to Board-approved conveyances to external parties for infill, affordable or workforce housing from calendar year 1997 to 2021, aligning with the inception of the programs.<sup>1</sup>

## **Methodology**

OCA reviewed over 80,000 unique records captured in Legistar, filtering those records to conform with the scope of the review. As part of its quality assurance process, OCA crosschecked the Legistar data with the following:

- About 3.5 million records from the Property Appraiser’s database.
- Over 6,000 records from the Internal Services Department Real Estate Development Division’s database.
- Nearly 120,000 records relating to Certificates of Occupancy extracted from the County’s Open Data Hub.
- Over 4.8 million records received from the Clerk of the Courts.

The goal of that review was to promote the accuracy of the data compilation, itemizing and reconciling all anomalies. It was determined that approximately 1,034 parcels have been conveyed under the County’s affordable, workforce or infill housing programs, of which the majority (approximately 80%) have been conveyed under the infill program.

## **Summary of Observations**

OCA’s conveyance review found the following:

1. An estimated 1,034 parcels have been conveyed under the County’s affordable housing programs. Table 1 below shows the total conveyances per district, excluding multiple conveyances for the same Folio No. such as where the parcel received an extension of the development period or reverts to the County. Note that the Commission district where the parcel is located may have changed since the original conveyance date based on redistricting requirements. The County’s last redistricting ordinance was adopted on December 6, 2011.<sup>2</sup> Figure 1 shows the total estimated conveyed folios by year.

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<sup>1</sup> The Infill Housing Program was created in 2001 via Ordinance No. 01-47, and the creation of the voluntary Workforce Housing Program was in 2007 via Ordinance No. 07-05.

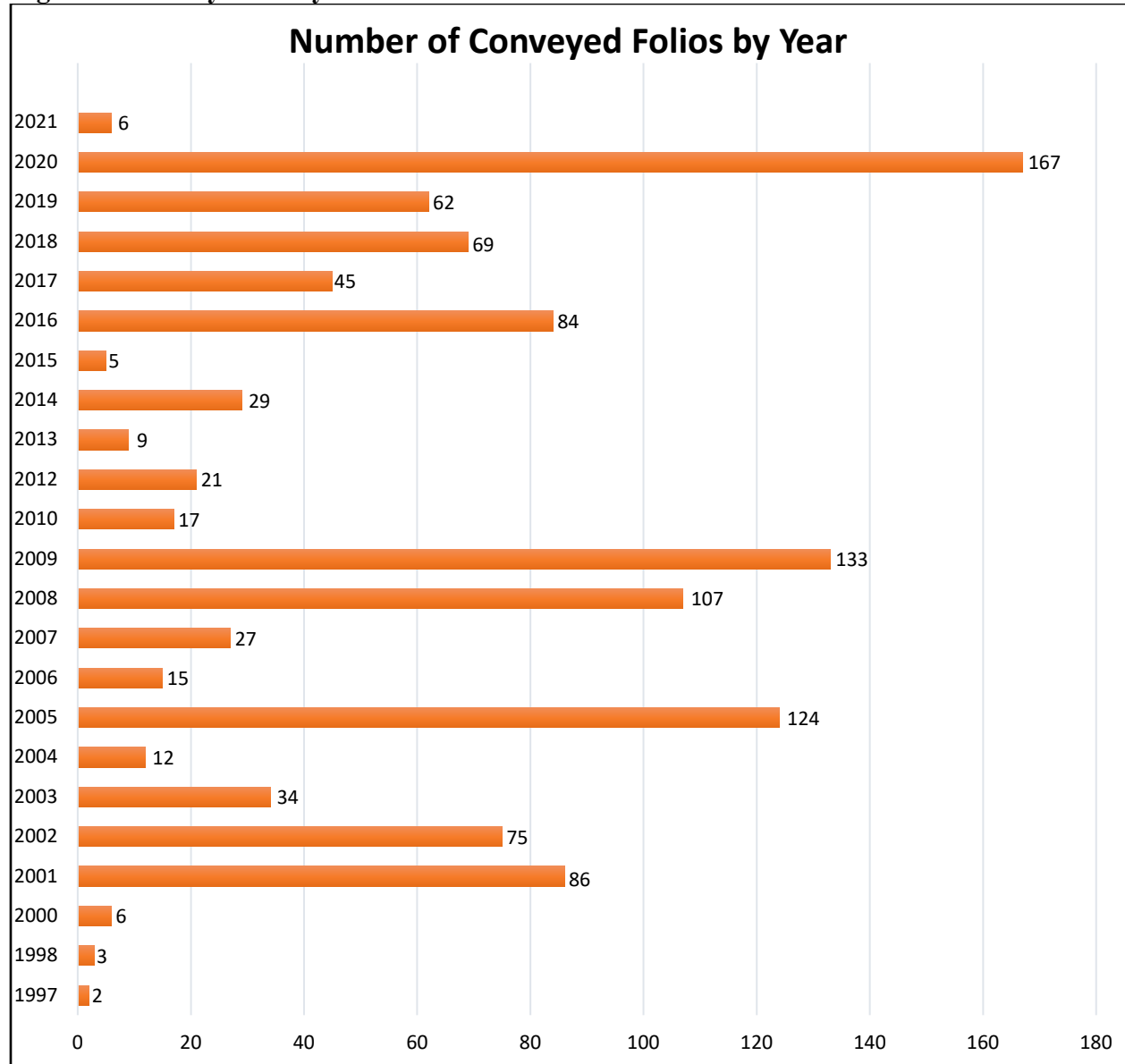
<sup>2</sup> Section 1.03(B) of the County’s Home Rule Charter prescribes that the BCC may by ordinance change the boundaries of the districts from time to time. Such boundaries shall be fixed on the basis of the character, population and geography of the districts. Resolution No. R-511-04 sets forth criteria and factors to be used in the decennial redistricting process, including a series of public workshops and a citizen’s advisory board to elicit recommendations

**Table I: Distinct Count of Folios Conveyed by District**

| District    | 1  | 2   | 3   | 4 | 5 | 6 | 7  | 8 | 9   | 10 | 11 | 12 | 13 | Grand Total |
|-------------|----|-----|-----|---|---|---|----|---|-----|----|----|----|----|-------------|
| Folio Count | 68 | 198 | 469 | 2 | 3 | - | 10 | 6 | 276 | -  | 1  | -  | 1  | 1,034       |

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**Figure 1: Conveyances by Year \***



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*\*The graph above of conveyed folios by year may contain instances of folios conveyed more than once in different periods due to extensions or reverts.*

prior to the BCC's redistricting decision. Ordinance No. 11-103 adopted on December 6, 2011 was the last time the Board approved new boundaries for Commission election districts. Prior to that, Ordinance No. 01-192 adopted on November 15, 2001, authorized new district boundaries.

Other specific observations that are being reviewed to be included in the final report are as follows:

2. Review instances where the County-awarded developer conveyed the property to a non-County party and assess if they complied with deed restrictions, e.g., the developer sold the property to qualified homebuyers.<sup>3</sup> The applicable statute of limitations will be examined as once expired the County loses its reversionary interests in the property.<sup>4</sup>
3. Review and report each parcel's current zoning designation (e.g., vacant, commercial, and residential) per information obtained from the Miami-Dade County Property Appraiser's database to determine the intended use under the affordable housing programs.
4. Under the Infill Program, a Certificate of Qualification or other document prepared by the Public Housing and Community Development Department (PHCD) is issued to establish that a household is qualified to purchase an eligible home. OCA will work with PHCD to review the issuance of the certificates to assess program compliance.
5. Verify that the assessed value of the affordable home reflects the deed restrictions; the Infill Program requires that the County submit a copy of the recorded covenant (i.e., Declaration of Restrictive Covenants) to the Property Appraiser's Office after closing, in order to document in the public records that the home is subject to affordable housing restrictions for a 20-year control period.
6. For some affordable housing conveyances, it was observed that no County Deed was found via the County Recorder's Official Record Search on the Clerk of the Courts' website. OCA is in the process of requesting and reviewing records that were unavailable.
7. Assess if any infill property was sold for an amount in excess of the program's maximum sales prices or where the awarded developer sold the infill parcel to another entity without Board authorization.
8. Review and identify any infill parcel that was later acquired by an individual or corporate entity via a tax deed sale.

These initial observations are part of OCA's ongoing large-scale comprehensive review of affordable housing conveyances. The final results of this exercise will be documented in a Property Conveyance Fact Sheet Report, capturing various metrics, including but not limited to, the list of all conveyed folios, awarded developers, current ownership, lot size, conveyance date, extension, and reverter dates, as well as the final disposition of the parcels. Once completed, that Fact Sheet, memorializing this review and OCA's findings will be shared with the County Commission.

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<sup>3</sup> Ordinance No. 21-80, adopted on July 20, 2021, sets the maximum sales price for homes under the County's affordable housing programs by using both the HUD and the U.S. Treasury methodologies, establishing the maximum sales price at the lower of the two values.

<sup>4</sup> In the state of Florida, the statute of limitations on enforcement of restrictive covenants, such as reverter rights, for recovery of real property is seven years per Sections 95.12, 95.14 and 95.16 of the Florida Statutes.

### **CONTRIBUTORS**

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### **The Office of the Commission Auditor, Miami-Dade Board of County Commissioners**

The Office of the Commission Auditor (OCA) was established in September 2002 by Ordinance 03-2 to provide support and professional analysis of the policy, service, budgetary and operational issues before the Miami-Dade Board of County Commissioners. The Commission Auditor's duties include reporting to the Board of County Commissioners on the fiscal operations of County departments, as well as whether the fiscal and legislative policy directions of the Commission are being efficiently and effectively implemented

This report, prepared in collaboration with the Miami Dade County departments as subject matter experts, is substantially less detailed in scope than an audit in accordance with the Generally Accepted Auditing Standards (GAAS). The OCA plans and performs the review to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its objectives; accordingly, the OCA does not express an opinion on the data gathered by the subject matter expert(s).