

# MEMORANDUM

PHCSC  
Agenda Item No. 1(G)1

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

**DATE:** June 10, 2021

**FROM:** Geri Bonzon-Keenan  
County Attorney

**SUBJECT:** Ordinance relating to the maximum sales price of homes for all County affordable housing programs; setting a current maximum sales price and establishing a methodology for revising the maximum sales price; amending section 17-161 of the Code; removing maximum purchase price for homes purchased under the Homebuyer Loan Program; creating section 17-162, of the Code establishing a maximum sales price for homes sold under any County affordable housing program including, but not limited to the Homebuyer Loan Program, Infill Housing Program, and Down Payment Assistance Program; establishing a methodology for determining maximum sales price; authorizing the Mayor to amend the affordable housing Implementing Orders and the affordable housing programs and infill program guidelines to revise the maximum sales prices contained therein based on the above

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The accompanying ordinance was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Eileen Higgins.



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Geri Bonzon-Keenan  
County Attorney

GBK/smm



**MEMORANDUM**  
(Revised)

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

**DATE:** May 4, 2021

**FROM:**   
Gen Bonzon-Keenan  
County Attorney

**SUBJECT:** Agenda Item No. 4(C)

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. 4(C)

5-4-21

ORDINANCE NO. \_\_\_\_\_

ORDINANCE RELATING TO THE MAXIMUM SALES PRICE OF HOMES FOR ALL COUNTY AFFORDABLE HOUSING PROGRAMS; SETTING A CURRENT MAXIMUM SALES PRICE AND ESTABLISHING A METHODOLOGY FOR REVISING THE MAXIMUM SALES PRICE; AMENDING SECTION 17-161 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA; REMOVING MAXIMUM PURCHASE PRICE FOR HOMES PURCHASED UNDER THE HOMEBUYER LOAN PROGRAM; CREATING SECTION 17-162, OF THE CODE ESTABLISHING A MAXIMUM SALES PRICE FOR HOMES SOLD UNDER ANY COUNTY AFFORDABLE HOUSING PROGRAM INCLUDING, BUT NOT LIMITED TO THE HOMEBUYER LOAN PROGRAM, INFILL HOUSING PROGRAM, AND DOWN PAYMENT ASSISTANCE PROGRAM; ESTABLISHING A METHODOLOGY FOR DETERMINING MAXIMUM SALES PRICE; AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE TO AMEND THE AFFORDABLE HOUSING IMPLEMENTING ORDERS AND THE AFFORDABLE HOUSING PROGRAMS AND INFILL PROGRAM GUIDELINES TO REVISE THE MAXIMUM SALES PRICES CONTAINED THEREIN BASED ON THE ABOVE; AND PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

**WHEREAS**, the County has imposed a maximum sales price on certain affordable housing programs, including but not limited to the Infill Housing Program, of \$205,000.00 – or in the case of Infill where the unit was built on non-County conveyed land, a maximum of \$215,000.00; and

**WHEREAS**, the Homebuyer Loan Program provides for a Purchase Price Maximum, set at 90 percent of the median sales price in the area as provided by U.S. Department of Housing and Urban Development (HUD) as used in the HOME Investment Partnerships Program (HOME), although the methodology for HOME is set at 95 percent of the area median sales price; and

**WHEREAS**, Florida Statutes authorize assistance to families making up to 140 percent of Area Median Income (AMI) in both the State Housing Initiatives Partnership program (SHIP) and the Documentary Surtax programs; and

**WHEREAS**, the HUD table below provides estimates of what families at various income levels might be able to afford:

<b>Table 4 – Estimates of what families can afford</b>		
<b>Income Range</b>	<b>Family of 4</b>	
50 percent AMI -	\$45,700.00	Up to \$191,000.00
80 percent AMI -	\$73,100.00	Up to \$262,000.00
100 percent AMI -	\$91,400.00	Up to \$297,000.00
120 percent AMI -	\$109,680.00	Up to \$340,000.00
140 percent AMI -	\$127,960.00	Up to \$400,000.00

; and

**WHEREAS**, the methodology for determining the maximum sales price for a HUD HOME (HOME Methodology) funds is 95 percent of the area median sales price as provided by the Federal Housing Administration (FHA), which is currently \$299,000.00; and

**WHEREAS**, the methodology for determining the maximum sales price for State of Florida SHIP funds is 90 percent of the area median sales price as provided by U.S. Treasury (U.S. Treasury Methodology), which is currently \$331,000.00; and

**WHEREAS**, the County will calculate the maximum sales price using both the HOME Methodology and the U.S. Treasury Methodology and set the maximum sales price for its housing programs at whichever maximum sales price is lower; and

**WHEREAS**, using the lower of the two values will allow the County to have one maximum sales price for all of its affordable housing programs while maintaining compliance with federal and state maximum sales price requirements; and

**WHEREAS**, Miami-Dade County is a high-cost market where the Miami Realtors Association reported in March 2021 a median sales price of \$450,000.00 for a single family detached home, up from \$370,000.00 a year ago; and

**WHEREAS**, the Miami Realtors Association in that same report showed that the median sales price for condominium units was \$300,000.00, up from \$255,000.00 a year ago; and

**WHEREAS**, Federal Housing Finance Authority’s Housing Price Index (HPI) has increased annually since 2012, and

**WHEREAS**, construction costs continue to rise and surveying local builders found that cost per unit ranged from approximately \$224,000.00 to \$281,000.00; and

**WHEREAS**, examples of those costs for single family homes are illustrated below:

<b>Table 1 – Single Family Homes</b>				
<b>Developer</b>	<b>Project Name</b>	<b>Unit Cost</b>	<b>Unit Sq. Ft.</b>	<b>Unit Cost/Sq. Ft.</b>
PHCD	NSP Single-Family	\$285,348.00	1,659	\$172.00
PHCD	NSP Single-Family	\$258,172.00	1,501	\$172.00
Cazo Construction	Infill Lot – 3095 NW 29 St	\$253,713.00	1,759	\$144.00
Cazo Construction	Infill Lot – 11085 SW 219 St	\$233,339.00	1,759	\$133.00
Cazo Construction	Infill Lot – 11841 SW 220 St	\$232,593.00	1,567	\$148.00
Cazo Construction	Infill Lot – 21765 SW 111 Ave	\$228,441.00	1,567	\$146.00
Cazo Construction	Infill Lot – 12065 SW 213 St	\$224,049.00	1,567	\$143.00
	<b>Average</b>	<b>\$245,094.00</b>	<b>1,626</b>	<b>\$151.00</b>

; and

**WHEREAS**, during the period of March 1, 2018 to February 28, 2021, only 65 homes annually were funded through the County’s affordable housing second mortgage program due to the lack of homes selling at below the current maximum sales price; and

WHEREAS, an increase in the maximum sales price is needed in order to ensure that those making above 50 percent of AMI but below 140 percent of AMI and whom the SHIP, Documentary Surtax, and other programs were intended to benefit, have a meaningful opportunity to purchase affordable homes,

**BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:**

**Section 1.** The foregoing recitals are incorporated as if set forth herein and are approved.

**Section 2.** Section 17-161 of the Code of Miami-Dade County, Florida is hereby amended to read as follows:<sup>1</sup>

**Sec. 17-161. – Administration of the Homebuyer Loan Program.**

\* \* \*

(E) The loans provide through the Homebuyer Loan Program (the “Homebuyer Loan”) shall include the following terms.

\* \* \*

~~(4)[*Purchase Price Maximum.* The maximum purchase price For borrowers to purchase a home with a Homebuyer Loan Shall be 90 percent of the area median purchase price, as Determined using purchase price limits established by U.S.HUD for the HOME Investment Partnerships (“HOME”) Program (the “Maximum Purchase Price”). The Maximum Purchase Price shall be established using the most current Data as of the execution of the contract for purchase and sale. With respect to the issuance of a Homebuyer Loan, the Maximum Purchase Price set forth in this ordinance shall supersede any other maximum purchase price set~~

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<sup>1</sup> Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

~~forth in any County resolution or ordinance. However, the Maximum Purchase Price established by other County Programs and legislation, such as the Infill Housing Initiative Program, Workforce Housing Development Program, or the sale of County owned properties, shall not be affected by this ordinance.~~

~~(5)]~~ *Loan Servicing.* The Department, or successor department or other department as designated by the County Mayor or County Mayor's designee, shall serve as the loan servicer on all Homebuyer Loans.

~~[(6)]~~>>(5)<<*Borrower Eligibility.* Borrowers shall be "First Time Homebuyers," as defined by the HOME program at 24 C.F.R. § 92.2, with household incomes not greater than the 140 percent of area median income, as established by U.S. HUD. Further eligibility requirements shall be set forth in the Homebuyer Loan Program Guidelines, established by the Department, which shall be consistent with Section 125.0167 of the Florida Statutes and Section 29-7 of the Miami-Dade County Code of Ordinances.

~~[(7)]~~>>(6)<<*Inspections Required.* Prior to loan closing, borrowers must obtain an inspection by a qualified home inspector of the home they intend to purchase. The breadth of the home inspection shall be sufficient to alert homebuyers to significant defects in the home, including structural problems, and identify whether the home is in compliance with the Miami-Dade County Building Code.

~~[(8)]~~>>(7)<<*Use of Repaid Loan Funds and Program Income.* The Homebuyer Loan Program shall operate as a "revolving" loan fund. All repaid Homebuyer Loan funds or program income received through administration of the Homebuyer Loan Program shall be reallocated by the County back into the Homebuyer Loan Program to be used for additional Homebuyer Loans. The Department shall incorporate this policy into its action plans, Local Housing Assistance Plans, legislative items, and policy documents governing the County's use of Documentary Surtax funds.

**Section 3.** Section 17-162 of the Code of Miami-Dade County, Florida, is hereby created to read as follows:

>>**ARTICLE XIII. – AFFORDABLE HOUSING MAXIMUM SALES PRICE**

**Sec. 17-162. – Maximum Sales Price for all Homes Sold Under County Affordable Housing Programs.**

- (A) The maximum sales price for borrowers to purchase a home under Miami-Dade County’s Affordable Housing Programs shall be the lesser of 95 percent of the area median purchase price, as determined using purchase price limits established by the United States Department of Housing and Urban Development (HUD) for the HOME Investment Partnerships (“HOME”) Program or 90 percent of the area median purchase price for homes as provided by the U.S. Department of the Treasury (U.S. Treasury) used for the State Housing Initiatives Partnership Program (SHIP) (the “Maximum Sales Price”), using the lesser of the two amounts. The Maximum Sales Price shall be established using the most current data as of the date of execution of the contract for purchase and sale. The Maximum Sales Price set forth in this ordinance shall supersede any other maximum sales or purchase price set forth in any County resolution or ordinance. This Maximum Sales Price shall apply to all County Affordable Housing programs including, but not limited to, the Infill Housing Initiative Program, Workforce Housing Development Program, and the sale of homes on County-owned land. The County Mayor and/or the County Mayor’s designee may update the Maximum Sales Price based on data from U.S. HUD or U.S. Treasury using the methodologies set forth herein. The County Mayor or the County Mayor’s designee shall update program guidelines and/or Implementing Orders to effectuate the provisions of this ordinance.<<

**Section 4.** If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

**Section 5.** It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be re-numbered or relettered to accomplish such intention, and the word “ordinance” may be to “section”, “article”, or other appropriate word.

**Section 6.** This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as  
to form and legal sufficiency:



Prepared by:



Shannon D. Summerset-Williams  
Brenda Kuhns Neuman

Prime Sponsor: Commissioner Eileen Higgins