

MEMORANDUM

Agenda Item No. 11(A)(16)

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

DATE: July 7, 2022

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution directing the County Mayor to create an affordable and workforce housing incentive program to be known as the Building Block Workforce Housing Incentive Program (“grant program”) to provide grants to incentivize owners to convert existing housing into affordable or workforce housing; directing the County Mayor to identify a funding source and to include sufficient funds in the County Mayor’s proposed fiscal year 2022-2023 County budget to fund the first year of the grant program; 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 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. 11(A)(16)
7-7-22

RESOLUTION NO. _____

RESOLUTION DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO CREATE AN AFFORDABLE AND WORKFORCE HOUSING INCENTIVE PROGRAM TO BE KNOWN AS THE BUILDING BLOCK WORKFORCE HOUSING INCENTIVE PROGRAM ("GRANT PROGRAM") TO PROVIDE GRANTS TO INCENTIVIZE OWNERS TO CONVERT EXISTING HOUSING INTO AFFORDABLE OR WORKFORCE HOUSING; DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO IDENTIFY A FUNDING SOURCE AND TO INCLUDE SUFFICIENT FUNDS IN THE COUNTY MAYOR'S PROPOSED FISCAL YEAR 2022-2023 COUNTY BUDGET TO FUND THE FIRST YEAR OF THE GRANT PROGRAM; AND REQUIRING A REPORT

WHEREAS, Miami-Dade County is experiencing a significant shortage of safe and stable affordable and workforce rental and homeownership units; and

WHEREAS, for buyers and renters alike, the Coronavirus Disease 2019 pandemic has made housing significantly more expensive; and

WHEREAS, over the last two years, median home prices and rents across the United States have risen much faster than median incomes; and

WHEREAS, according to data compiled by the real estate listing aggregator RealtyHop, Miami is now the least affordable housing market in the United States; and

WHEREAS, in February 2022, RealtyHop reported that the median asking price for a home in Miami reached \$589,000.00, a 13.5 percent increase from the previous year; and

WHEREAS, according to RealtyHop's analysis, a family in Miami earning the yearly median income of \$43,401.00 would need to spend nearly 80 percent of their household earnings on mortgage and property tax payments to afford the median home listed today; and

WHEREAS, according to another report from the real estate website Redfin, rents across the country increased by 14 percent at the end of 2021, which is the biggest jump in more than two years; and

WHEREAS, the Redfin report found that, in the past year, rents skyrocketed in South Florida and were the highest increases in the country; and

WHEREAS, according to Redfin, rents increased 36 percent in West Palm Beach, Fort Lauderdale, and Miami; and

WHEREAS, based on currently available information, Miami-Dade County's Department of Regulatory and Economic Resources, Planning Division, projects that the available capacity for new single-family type housing units inside the Urban Development Boundary will be depleted by 2026; and

WHEREAS, on April 8, 2022, the County Mayor declared an affordability crisis in Miami-Dade County and has deployed the County's resources to expedite the production of affordable and workforce housing; and

WHEREAS, to address the housing shortage in Miami-Dade County, this Board has implemented a number of housing programs that are designed to target households whose incomes do not exceed 140 percent of the area median income as published by the U.S. Department of Housing and Urban Development for Miami-Dade County, including the Infill Housing Initiative ("Infill Housing Program"), Workforce Housing Administration, Public Housing, Section 8 Housing Choice Voucher, Section 8 Moderate Rehabilitation, Documentary Stamp Surtax, State Housing Initiative Partnerships, HOME Investment Partnership, Community Development Block Grant, and Building Better Communities General Obligation Bond programs ("affordable housing programs"); and

WHEREAS, similar affordable housing programs are currently administered by various municipalities in Miami-Dade County; and

WHEREAS, the affordable housing programs have been instrumental in increasing the supply and production of affordable and workforce housing in Miami-Dade County; and

WHEREAS, nevertheless, this Board believes that more can be done to increase the supply of affordable and workforce housing in Miami-Dade County; and

WHEREAS, this Board believes that there is a compelling public interest and public purpose to ensure that sufficient affordable and workforce housing is produced to address the affordability crisis in Miami-Dade County; and

WHEREAS, this Board believes that one way to address the affordability crisis is to create an incentive program to encourage owners and developers of existing rental and homeownership housing to convert all or a portion thereof into affordable or workforce housing, and

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 County Mayor's designee to create an affordable and workforce housing incentive program to be known as the Building Block Workforce Housing Incentive Program ("grant program") to provide grants to incentivize owners to convert existing market rate housing into affordable or workforce housing. The program shall include, but is not limited to, the following minimum elements:

(a) *Term of grant.* The grant shall be for a term of three years to be paid in equal amounts annually.

(b) *Grant amount.* For each unit accepted into the program, the grant amount shall be \$2,000.00 annually for a total of \$6,000.00 over the three-year period.

- (c) *Number of grant program units.* No more than 9,000 units shall be accepted into the program within nine months of the date of the resolution. In the event less than 9,000 units are accepted into the grant program, the County Mayor or County Mayor's designee shall be authorized to utilize the remaining funds identified for the grant program for other affordable and workforce housing programs.
- (d) *Order of acceptance.* Applications shall be accepted and processed in the order they are received.
- (e) *Affordable and workforce housing.* For purposes of this resolution the terms "affordable and workforce housing" shall mean housing that targets households whose incomes do not exceed 140 percent of area median income as published by the United States Department of Housing Development ("HUD") or the Florida Housing Finance Corporation ("FHFC") for Miami-Dade County. Notwithstanding the foregoing, 50 percent of the grant funds shall be utilized to subsidize affordable and workforce housing that target households whose incomes do not exceed 110 percent of area median income.
- (f) *Set aside.* 25 percent of the grant funds shall be utilized to subsidize owners or landlords who own 20 or less dwelling units.
- (g) *Minimum Affordability Period:* The minimum affordability period shall be no less than three years.
- (h) *Maximum rental and sales price:* The maximum rental amount for each dwelling unit shall be based on those rents established by the County, HUD or FHFC for Miami-Dade County. The maximum sales price for a dwelling unit shall be that amount as determined by the County Mayor or County Mayor's designee in accordance with Ordinance No. 21-80.
- (i) *Grant documents.* All owners and developers shall be required to execute a grant agreement and a restrictive covenant in favor of the County that shall be recorded in the public records.

Section 3. This Board directs the County Mayor or County Mayor's designee to identify a funding source to create the grant program described in section 2 of this resolution and to include sufficient funds in the County Mayor's proposed fiscal year 2022-2023 County budget to fund the first year of the grant program.

Section 4. This Board further directs the County Mayor or County Mayor's designee to provide this Board with a written report describing the steps taken to comply with sections 2 and 3 of this resolution. The report shall include, but shall not be limited to, information concerning the funding source or funding sources that have been identified, and recommendations regarding any additional steps this Board may need to take to effectuate the purpose of this resolution. In the event the County Mayor or County Mayor's designee determines that it is not feasible to create the grant program described in section 2 of this resolution, then the County Mayor or County Mayor's designee shall submit a report that details the reasons it is not feasible. The report shall be completed within 90 days of the effective date of this resolution and placed on an agenda of this Board without the need for committee review in accordance with 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 7th day of July, 2022. 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
Dennis A. Kerbel
James Eddie Kirtley