

MEMORANDUM

Amended
Agenda Item No. 11(A)(17)

TO: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

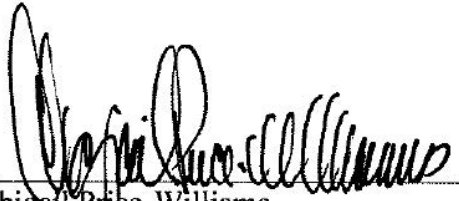
DATE: May 19, 2020

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution urging the United States Congress to enact S. 3495, the "Home Advantage for American Families Act," or similar legislation that would reduce illicit foreign investment in the urban real estate market and increase investment in affordable housing

Resolution No. R-518-20

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Esteban L. Bovo, Jr., and Co-Sponsors Chairwoman Audrey M. Edmonson and Commissioner Barbara J. Jordan.


Abigail Price-Williams
County Attorney

APW/smm



MEMORANDUM

(Revised)

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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	Amended
Veto	_____		Agenda Item No. 11(A)(17)
Override	_____		5-19-20

RESOLUTION NO. **R-518-20**

RESOLUTION URGING THE UNITED STATES CONGRESS
TO ENACT S. 3495, THE “HOME ADVANTAGE FOR
AMERICAN FAMILIES ACT,” OR SIMILAR LEGISLATION
THAT WOULD REDUCE ILLICIT FOREIGN INVESTMENT IN
THE URBAN REAL ESTATE MARKET AND INCREASE
INVESTMENT IN AFFORDABLE HOUSING

WHEREAS, increasing foreign real estate investment in U.S. metropolitan areas has caused abnormal increases in urban housing prices and shifted the composition of new construction away from single-family housing; and

WHEREAS, as a result, local developers are building more and more luxury homes and condominiums to appeal to wealthy foreign investors, driving up construction and land costs, and making it difficult to produce homes at more affordable price points; and

WHEREAS, the difficulty of finding affordable housing in Miami-Dade County is even greater than in expensive cities like New York and Boston, because although in these cities home prices are higher, so is the average income; and

WHEREAS, according to a recent report from the Miami Association of Realtors, from August 2017 to July 2018 foreign buyer purchases consisted of 33 percent of closed residential property sales in Miami-Dade, Broward and Palm Beach counties, with a total value of \$8.7 billion from 14,300 foreign sales; and

WHEREAS, additionally, the report found that foreign investment in residential real estate in the tri-county area in 2018 represented 54 percent of all international sales in Florida, which ranks as the top state for such investment; and

WHEREAS, the report further found that South Florida represents about 9.5 percent of all U.S. international home sales, with 63 percent of such foreign buyers being non-residents, compared to 39 percent nationally; and

WHEREAS, given the mix of buyers and the overall increase in U.S. home prices, the median purchase price among South Florida's foreign buyers rose to \$373,000, up from \$339,300 in 2017; and

WHEREAS, moreover, a significant portion of foreign investment in luxury real estate in urban centers is connected to foreign illicit activity, such as money laundering and tax evasion; and

WHEREAS, U.S. Senator Marco Rubio (R–Florida) has filed S. 3495, a bill entitled the “Home Advantage for American Families Act”, for consideration during the 116th United States Congress; and

WHEREAS, if enacted, S. 3495 would, among other things:

- authorize the U.S. Treasury Department to issue reports on behalf of the Financial Crimes Enforcement Network for residential real estate transactions within the 15 highest populated Metropolitan Statistical Areas (MSAs), which would include Miami-Dade County, to identify the natural identities of foreign buyers;
- increase the Foreign Investment in Real Property Act of 1980 withholding tax on residential real estate from 15 percent to 30 percent for both foreign corporations and foreign individuals; and
- provide an additional 10 percent of base-funding set-aside of the Low-Income Housing Tax Credit for single family home construction within Qualified Census Tracts to help states create more affordable housing opportunities that can accommodate a family; and

WHEREAS, with respect to S. 3495, Senator Rubio has stated, “[a]s billions of dollars pour into South Florida real estate, much of it is connected to foreign illicit activity, causing families in our communities to face an ever-increasing challenge of finding affordable housing”; and

WHEREAS, Senator Rubio continued, “[c]ombating illicit finance in foreign real estate investment and increasing affordable housing investment in South Florida are key to tackling this problem confronting so many Floridians, and this bill would do exactly that”; and

WHEREAS, reducing foreign investment in urban real estate and increasing investment in affordable housing is essential to restoring equilibrium in housing markets to serve local communities, so residents may have the stability to raise families in their own homes; and

WHEREAS, this Board would like to express its support for S. 3495, or similar legislation,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Urges the United States Congress to enact S. 3495, the “Home Advantage for American Families Act”, or similar legislation that would reduce illicit foreign investment in the urban real estate market and increase investment in affordable housing.

Section 2. Directs the Clerk of the Board to transmit a certified copy of this resolution to Senator Marco Rubio and the remaining members of the Florida Congressional Delegation.

Section 3. Directs the County’s federal lobbyists to advocate for the legislation described in section 1 above, and authorizes and directs the Office of Intergovernmental Affairs to amend the 2020 Federal Legislative Package to include this item.

The Prime Sponsor of the foregoing resolution is Commissioner Esteban L. Bovo, Jr., and the Co-Sponsors are Chairwoman Audrey M. Edmonson and Commissioner Barbara J. Jordan. It was offered by Commissioner **Esteban L. Bovo, Jr.**, who moved its adoption. The motion was seconded by Commissioner **Rebeca Sosa** and upon being put to a vote, the vote was as follows:

Audrey M. Edmonson, Chairwoman	aye		
Rebeca Sosa, Vice Chairwoman	aye		
Esteban L. Bovo, Jr.	aye	Daniella Levine Cava	aye
Jose "Pepe" Diaz	aye	Sally A. Heyman	aye
Eileen Higgins	aye	Barbara J. Jordan	aye
Joe A. Martinez	aye	Jean Monestime	aye
Dennis C. Moss	aye	Sen. Javier D. Souto	aye
Xavier L. Suarez	aye		

The Chairperson thereupon declared the resolution duly passed and adopted this 19th day of May, 2020. 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

Melissa Adames

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

MSM

Michael J. Mastrucci