

# Testimonials



**Odette Guerra, 34, Patient Account Collector, Miami-Dade homeowner since 1998 thanks to the Surtax Program**

"I have six children; it's my husband, my brother, my mother and my six kids. It's hard for families like ours that yes, we work, but we don't have the amount of money to save. It would take years to save 12-15 thousand dollars for a down payment. We wouldn't be able to do it on our own, and no apartment, no rental would be enough in my particular case... It's amazing because we have our own house."



**Brenda Colston, 54, Public Records Specialist, Miami-Dade homeowner since 2003 thanks to the Surtax Program**

"It's been a blessing. Without the Surtax Program, I wouldn't have been able to even qualify for the home. Miami-Dade County made it possible for me to get a home and have my dream come true."



(Left to right) Ralph's Plaza II, Lakeview Villas and The Corinthian Apartments are all projects funded by the Surtax Program.

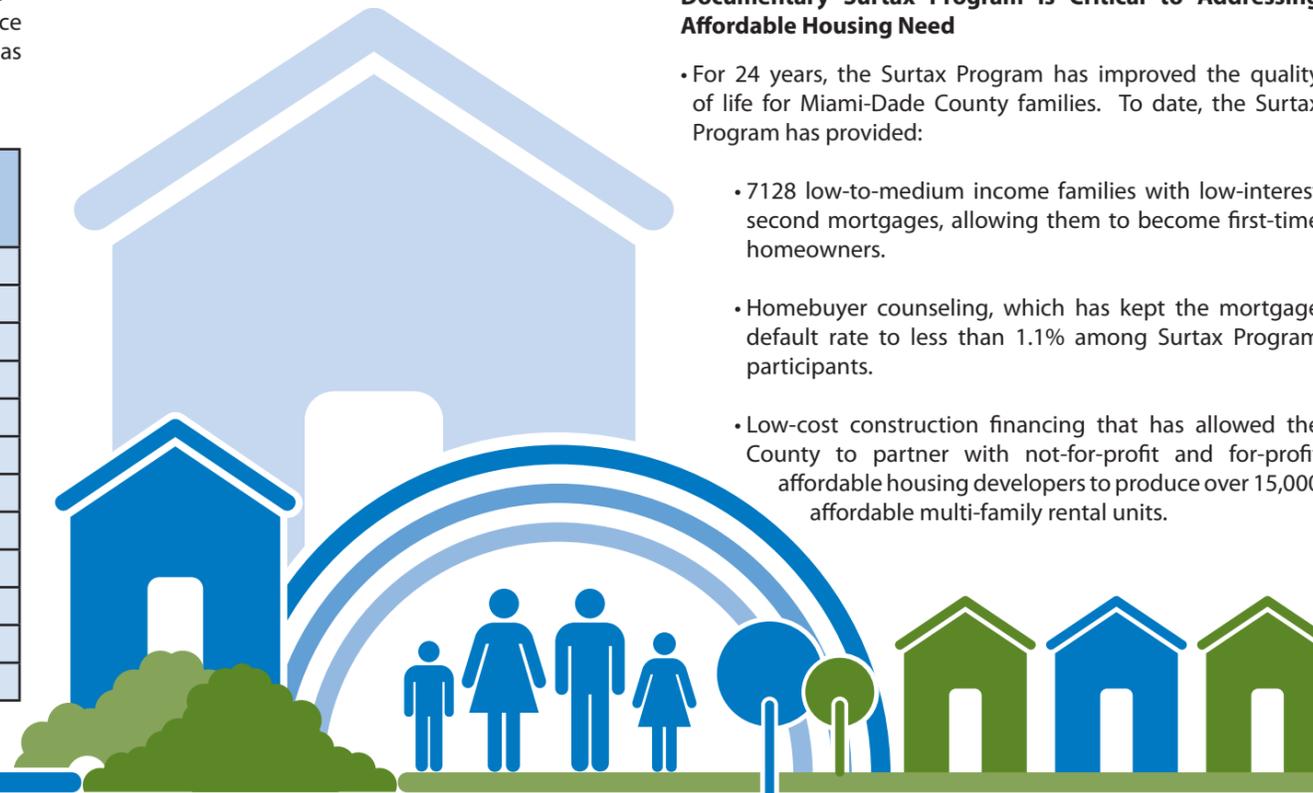
# Surtax Revenue History

Homeownership Second Mortgage Program
· 7,128 loans have been provided for homebuyer and homeowner assistance. 3,289 of these loans have been paid back while 3,819 are in the active portfolio and represent more than \$105 million.
Multi-Family Rental Units
· There are nearly 10,000 completed rental units in Miami-Dade County for low and very low-income residents.
Units Under Construction
· There are 5,750 rental units under construction for low and very low-income residents. The units have Surtax loans [or Surtax loans and other leveraged funds made possible by Surtax] of \$156,114,514 or \$27,150 per unit.

As shown in the chart below, the Surtax program began in 1984 and totaled \$461 million – an average of \$18 million a year. But it has suffered three consecutive years of decrease since 2005. As of today – including a review of October and November 2008, the decrease has reached 50%.

Fiscal Year	Total Surtax Revenue	Annual Change
1984	6,078,440	—
1985	11,786,488	94%
1986	9,562,123	-19%
1987	11,063,867	16%
1988	11,162,155	1%
1989	12,423,939	11%
1990	9,165,008	-26%
1991	7,108,978	-22%
1992	8,287,468	17%
1993	8,386,699	1%
1994	12,090,759	44%
1995	11,644,544	-4%
1996	9,893,262	-15%

Fiscal Year	Total Surtax Revenue	Annual Change
1997	13,005,035	31%
1998	18,619,986	43%
1999	17,361,573	-7%
2000	18,588,608	7%
2001	16,339,215	-12%
2002	20,784,013	27%
2003	24,737,808	19%
2004	36,971,150	49%
2005	50,121,805	36%
2006	47,599,559	-5%
2007	35,688,043	-25%
2008	22,806,716	-36%



# Surtax Facts

Under Section 201.02, Florida Statutes, certain counties are authorized to levy a surtax on documents that transfer interest in Florida real property. Transfers of interest in single-family residences are exempt from this documentary surtax.

In 1984, Miami-Dade County exercised this authority, established a Housing Assistance Loan Trust Fund and implemented the Documentary Surtax Program ("Surtax Program"). This program benefits very low- to moderate-income families. Very low-income families have incomes of 50% or less than the median area income. Low-income families are those households with incomes of 80% or less of median area income. Moderate-income families have incomes greater than 80%, but less than 140% of median area income.

**Documentary Surtax Program is Critical to Addressing Affordable Housing Need**

- For 24 years, the Surtax Program has improved the quality of life for Miami-Dade County families. To date, the Surtax Program has provided:
  - 7128 low-to-medium income families with low-interest second mortgages, allowing them to become first-time homeowners.
  - Homebuyer counseling, which has kept the mortgage default rate to less than 1.1% among Surtax Program participants.
  - Low-cost construction financing that has allowed the County to partner with not-for-profit and for-profit affordable housing developers to produce over 15,000 affordable multi-family rental units.

- At least 50% of Surtax funds have benefitted low-income families.
- Statutory authority to levy this surtax is subject to sunset in 2011, eliminating the County's primary source of funds to address the affordable housing needs of its residents. In light of dwindling resources for production of affordable housing, the need to renew counties' authority to levy a local documentary surtax for affordable housing cannot be overstated.

**Surtax Program Sunset will Increase Taxes on Miami-Dade Single Family Home Purchases**

- If the Surtax is allowed to sunset, the tax on residential sales would increase more than 16%. Without the Surtax program, under which residential sales in Miami-Dade County are taxed at 60 cents per \$100 of value, the County would revert to the state's residential standard of 70 cents.
- Sunset of the Surtax Program will detrimentally impact all families who purchase single-family homes in Miami-Dade County.

**Miami-Dade County Supports Legislative Response to Florida Supreme Court's Crescent Miami Center Decision**

- Miami-Dade County urges the State Legislature to address the 2005 Florida Supreme Court case of Crescent Miami Center, LLC v. Department of Revenue, in which the court held that transfer of real property from a grantor to a wholly owned grantee is not subject to documentary stamp taxation. This decision opens the door to real estate transactions designed to avoid payment of documentary stamp taxes through the use of artificial legal entities.
- During the 2008 legislative session, a proposed bill to address the Crescent Miami decision was determined to have an estimated positive annualized impact of \$50.2 million.

**For more information, go to [www.miamidade.gov/ced](http://www.miamidade.gov/ced).**