Miami-Dade County's Discretionary Surtax Spending Decreased for Homeowner Loans

Report 22-04

June 2022

OPPAGA

Office of Program Policy Analysis and Government Accountability

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EXECUTIVE SUMMARY

Miami-Dade County received $206.7 million in discretionary surtax revenues for Fiscal Years 2016-17 through 2020-21. The county spent $162.2 million (78%) in surtax revenues on affordable housing programs during this period.

Participation in surtax programs, measured by loan closings, decreased since OPPAGA's last review due to market conditions and the suspension of the Housing Rehabilitation Program.[1]

The county met some of its statutory expenditure requirements, including that administrative costs were less than 10% of the total surtax revenues and more than 50% of surtax funds for housing assistance were provided to low-income families. However, the county did not meet the requirement to spend at least 35% of surtax revenue for its homeownership programs. The county also did not meet the statutory requirement for spending no more than 50% of surtax funds for new construction in three of the five fiscal years of the review period.

REPORT SCOPE

Florida law directs OPPAGA to review discretionary surtax programs operated by counties under s. 125.0167, *Florida Statutes*, and report to the Legislature by June 30, 2012, and every five years thereafter. This report is the third that OPPAGA has issued. Miami-Dade is the only county that assesses the surtax. The current review period is county Fiscal Years 2016-17 through 2020-21, which occur from October 1 to September 30.

OPPAGA found that most rental and homeownership development projects funded by surtax revenues during the review period are located in low-income, cost-burdened areas of the county. In addition, most surtax-funded rental units are also located in areas where at least 25% of renters are severely cost burdened at 50% or higher.

Loan collectability and forgiveness has improved since OPPAGA's last review. For some homeowner and developer loan programs, loan collectability improved by approximately 2%. For other programs, the number of loans written off decreased since the last review period.

The county made programmatic changes to encourage program participation and maximize surtax fund spending, especially for homeowners. Most changes became effective late in the review period and several have not been fully implemented. Additional time is needed to determine the effect on program participation.

[1] Section 125.0167(8), *F.S.,* directs OPPAGA's review. OPPAGA previously issued two reports on the program. *Miami-Dade's Discretionary Surtax Provides Benefits; Accountability Processes Should Be Improved*, Report 12-08, June 2012. *Miami-Dade's Discretionary Surtax Supports Affordable Housing for Low-Income Residents; Recent Changes Will Improve the Program*, Report 17-08, June 2017.

INTRODUCTION

Section 125.0167(1), *Florida Statutes,* authorizes counties to levy a discretionary surtax on documents to assist in financing housing for low-income and moderate-income families. The tax applies to deeds and other documents related to the transfer of real property in an amount not to exceed 45 cents per $100.[2] The surtax cannot be imposed on any document transferring or conveying a single-family residence.[3] Miami-Dade is the only Florida county that levies this discretionary surtax on such documents. Miami-Dade levies the maximum surtax allowed.

Florida law requires that the county use surtax revenues only to help finance the construction, rehabilitation, and purchasing of housing.[4] Authorized uses of surtax revenue include, but are not limited to, providing funds for first and second mortgages and acquiring property to form housing cooperatives. The county can also use surtax revenues to pay necessary costs of collection and enforcement of the surtax and to fund any local matching contributions required by federal law.

In addition, Florida law establishes requirements and limitations to the county's use of annual surtax revenues.

- No more than 10% may be used for administrative costs.[5]
- No more than 50% may be used to finance new construction.[6]
- No less than 35% shall be used to provide homeownership assistance for low-income and moderate-income families, and no less than 35% shall be used for construction, rehabilitation, and purchase of rental housing units after deductions for administrative costs.[7]
- None shall be used for rent subsidies or grants.[8]

Moreover, surtax revenues must be used to assist only low- and moderate-income families; in particular, Florida law requires that no less than 50% of the surtax revenue shall be for the benefit of low-income families.[9] Florida law defines a low-income family as one whose income does not exceed 80% of the area median income (AMI), and a moderate-income family's income cannot exceed 140% of AMI.[10] Miami-Dade County's median income for 2021 was $61,000. In addition, for homeownership assistance, a homebuyer's total income must meet income limits that vary by family size.

There is a large need for affordable housing in Miami-Dade County, Florida's most populous county. According to the University of Florida's Shimberg Center for Housing Studies, 48% of the county's 928,650 households were cost burdened in 2020, meaning these families were paying more than 30% of their incomes toward housing costs, including rent or mortgage and utilities. Sixty-three percent of the cost-burdened households were renters and 37% were homeowners. Renter households are also more

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[2] In Florida, a documentary stamp tax is levied statewide on deeds and other documents that transfer an interest in real property. The statewide documentary stamp tax is 70 cents per $100, except in Miami-Dade County, where it is 60 cents per $100.
[3] Section 125.0167(1), *F.S.*, states that a single-family residence may be a condominium unit, a unit held through stock ownership or membership representing a propriety interest in a corporation owning a fee or a leasehold initially in excess of 98 years, or a detached dwelling.
[4] Section 125.0167(1), *F.S.*
[5] Section 125.0167(4), *F.S.*
[6] Section 125.0167(3), *F.S.*
[7] Section 125.0167(5), *F.S.*, defines homeownership assistance as assisting low-income and moderate-income families in purchasing a home as their primary residence, including, but not limited to, reducing the cost of the home with below-market construction financing, the amount of down payment and closing costs paid by the borrower, or the mortgage payment to an affordable amount for the purchaser or using any other financial assistance measure set forth in s. 420.5088, *F.S.*
[8] Section 125.0167(3), *F.S.*
[9] Section 125.0167(3), *F.S.*
[10] Section 125.0167(1), *F.S.*

likely to be severely cost burdened, defined as paying over 50% of their income on housing costs. In 2020, 34% of renters were severely cost burdened, compared to 17% of homeowners. Low-income residents are more likely to be cost burdened. Of all county households, 34% (over 300,000) earn less than $35,000 per year. At this income, an estimated 77% of Miami-Dade households are cost burdened.

Housing prices in Miami-Dade County increased during the review period. In 2016, 19% of the single-family homes sold in Miami-Dade were under $200,000, while in 2020, this percentage was 3%. The median sales price of a single-family home increased from $305,000 in 2016 to $480,000 in 2021, an increase of over 40%.[11] Rent prices also increased during the review period. The Fair Market Rent determined by the U.S. Department of Housing and Urban Development for a two-bedroom unit in Miami-Dade was $1,250 in 2016 and $1,551 in 2021, an increase of 24%.

Two county entities receive and use discretionary surtax revenues to provide financial assistance to homeowners and developers. The two county entities are the Department of Public Housing and Community Development (PHCD) and the Miami-Dade Economic Advocacy Trust (MDEAT).[12]

Public Housing and Community Development Programs. During the review period, PHCD used surtax revenues to administer three programs: the Homebuyer Loan Program, Housing Rehabilitation Program, and Housing Development.[13]

PHCD's **Homebuyer Loan Program** provides mortgage assistance (i.e., second mortgage) to qualified individuals and families for the purchase of a primary residence as first-time homeowners.[14] The loan term is 30 years and interest rates and loan amounts are based on the location of the property.[15]

PHCD's **Housing Rehabilitation Program** provides for expansion and upgrades to owner-occupied single-family homes. PHCD had an interdepartmental agreement, which ended September 30, 2020, with the county's Community Action and Human Services Department (CAHSD) to jointly administer three loan programs.

- Rehabilitation loans may be made to eligible applicants to fully bring the property up to current building codes and/or to the make the home barrier-free for disabled persons.
- Beautification loans assist homeowners of single-family detached residences with exterior home painting and/or landscaping.
- Paint and Shutter loans assist low- to moderate-income homeowners with exterior home painting and/or the installation of hurricane impact shutters.

PHCD staff processes, approves, and closes the loan, while CAHSD handles the program outreach, documents the necessary repairs and related costs, serves as the project's construction manager, and performs partial inspections.[16] Loan amounts and interest rates vary by program. For example, the single-

[11] The median sales price in 2016 is not adjusted for inflation, while the percentage of increase in median sales price during the review period uses values that are inflation adjusted to 2021 for a median sales price in 2016 of $344,904.
[12] MDEAT is an agency of Miami-Dade County and is governed by a 15-member Board of Trustees.
[13] PHCD officials also reported implementing a new program during the review period to assist condominium owners with rehabilitation and repairs. However, PHCD has not allotted any funding to this program.
[14] The Homebuyer Loan Program went into effect on May 24, 2021. A different mortgage program was in place for the majority of OPPAGA's review period. Differences between the two programs include a higher maximum loan amount of $100,000 (formerly $80,000) and lower interest rates. Current program interest rates vary between 1% and 2%, while interest rates for the former program ranged from 0% to 3% for low-income borrowers and 4% to 6% for moderate-income borrowers.
[15] The maximum loan is $100,000 at a 1% interest rate inside areas the county has identified as Vulnerability Ranked Eligible Block Group Areas based on cost burden and housing conditions. The maximum loan amount is $80,000 at a 2% interest rate outside these areas.
[16] PHCD did not offer CAHSD any funding after Fiscal Year 2014-15. CAHSD is concluding the existing homeowner rehabilitation program. PHCD and CAHSD are in the process of renegotiating a new interdepartmental agreement.

family rehabilitation loan program has a maximum loan amount of $40,000 with an interest rate that can vary from 0% to 3% for a 30-year loan term.[17]

PHCD's **Housing Development Program** provides loans to developers to defray the costs of new construction, rehabilitation, and/or other costs of developing single-family and multi-family housing. Developer loan terms are based on the proposed project type (multi-family, homeless, and public housing) and the entity seeking funds (not-for-profit or for-profit). For example, 30-year loan terms for multi-family rental applicants are 0% interest during the first two years of construction, 1% interest-only payments from development cash flow for years 3-17, and 0.5% principal and interest payments from development cash flow for years 18-30.

Allocations for discretionary surtax funds are made as part of a competitive request for applications process. The process involves a public meeting allowing county residents to comment on applications, funding requests, and recommendations. Documentary surtax funds loaned directly to homeowners by the county may be allocated without using a competitive process.

Miami-Dade Economic Advocacy Trust Program. MDEAT used surtax revenues to administer the **Homeownership Assistance Program** during the review period. This program provides down payment and/or closing cost assistance to first-time homebuyers through a 0% interest mortgage loan. The maximum assistance for very low- and low-income families is $12,250, while the maximum amount for moderate-income families is the lower of 4% of the property purchase price, or $4,750.

Loan repayment processes vary by program. PHCD's multi-family developer loans are deferred during construction after which payments are dependent on cash flow and the full principal is due at loan maturity. In contrast, PHCD's rehabilitation loans were deferrable and forgivable for most of the review period. MDEAT's Homeownership Assistance Program loans are forgiven if the borrower owns and occupies the property for 10 years without doing a cash-out refinance.[18]

Resources

Miami-Dade County received $206.7 million in discretionary surtax revenues from the Florida Department of Revenue (DOR) for Fiscal Years 2016-17 through 2020-21. The county allocated 92% of these surtax revenues ($190.1 million) to PHCD and 8% ($16.5 million) to MDEAT.[19] (See Exhibit 1.) During the review period, PHCD and MDEAT also received $92.7 million in revenue from non-surtax sources, including loan repayments, interest on investments, and fees.

[17] The maximum loan amount can exceed $40,000 and go up to $50,000 if the applicant is elderly, disabled, or has development disabilities, a disabling condition, or special needs.

[18] A cash-out refinancing is a mortgage refinancing option that allows the borrower to convert home equity into cash.

[19] While the total surtax revenue collected and distributed by DOR and received by PHCD and MDEAT during the review period was equivalent, the total surtax revenue reported by PHCD and MDEAT was not equivalent for Fiscal Years 2019-20 and 2020-21. After inquiring about the differences, the Miami-Dade Finance Department reported providing MDEAT an adjustment to its September collections for $568,767 in Fiscal Year 2020-21, which accounted for the variance.

Exhibit 1
Miami-Dade County Received $206.7 Million in Surtax Revenues in Fiscal Years 2016-17 Through 2020-21

Fiscal Year	Department of Public Housing and Community Development	Miami-Dade Economic Advocacy Trust	Total
2016-17	$36,592,641	$3,181,969	$39,774,610
2017-18	33,280,407	2,893,948	36,174,355
2018-19	36,888,921	3,207,732	40,096,653
2019-20	29,295,332	2,379,449	31,674,781
2020-21	54,089,436	4,871,400	58,980,836
Total	**$190,146,737**	**$16,534,498**	**$206,681,235**

Source: Department of Public Housing and Community Development and Miami-Dade Economic Advocacy Trust.

During the review period, PHCD and CAHSD had an average of 18.6 full-time employees and 4 full-time employees, respectively, paid with surtax revenues. MDEAT had between four and six employees paid by surtax revenues during the review period. Both PHCD and MDEAT used surtax and non-surtax revenues to supplement employees' salary expenses during the review period.

Expenditures

Miami-Dade County spent $162.2 million (78%) of the surtax revenues received during the review period.[20] (See Exhibit 2.) PHCD alone spent nearly $152 million, 80% of the surtax revenues it received on administrative and loan expenses during the review period; CAHSD also reported receiving $146,552 in revenue during the review period from PHCD, as reimbursement for its housing rehabilitation program expenses. During the review period, MDEAT spent $10.2 million, 62% of the surtax revenues it received on administrative, programmatic and loan expenses. Both entities used surtax and non-surtax revenues to supplement administrative expenses; in addition, MDEAT used multiple revenue sources for programmatic expenses.

Exhibit 2
Miami-Dade County Spent $162.2 Million in Surtax Revenues in Fiscal Years 2016-17 Through 2020-21

Fiscal Year	Administrative[1]	Programmatic	Loans[2]	Total
2016-17	$3,977,461	$318,998	$10,121,921	$14,418,380
2017-18	3,617,436	368,298	31,808,580	35,794,314
2018-19	3,984,246	426,891	15,812,863	20,224,000
2019-20	3,167,478	313,682	51,724,108	55,205,268
2020-21	5,629,295	355,632	30,543,309	36,528,236
Total[3]	**$20,375,916**	**$1,783,502**	**$140,010,781**	**$162,170,198**

[1] Administrative expenses do not include salaries and benefits for MDEAT employees. MDEAT categorizes these expenses as programmatic expenses.
[2] Amounts based on loan closings within the fiscal year.
[3] Totals may not sum due to rounding.

Source: Department of Public Housing and Community Development and Miami-Dade Economic Advocacy Trust. OPPAGA analysis of MDEAT Homeownership Assistance Program loan data.

[20] Section 125.0167(5), *F.S.*, states that any funds allocated for homeownership assistance or rental housing units that are not committed at the end of the fiscal year shall be reallocated in subsequent years consistent with the provisions of this subsection, in that no less than 35% shall be reallocated to provide homeownership assistance for low-income and moderate-income families, and no less than 35% shall be reallocated for construction, rehabilitation, and purchase of rental housing units. The remaining amount of uncommitted funds may be reallocated at the discretion of the county within any of the categories established in this subsection.

FINDINGS

Surtax program participation decreased since OPPAGA's last review due to market conditions and program suspension

During the review period, the county made 1,335 loan closings totaling over $140.0 million.[21] (See Exhibit 3.) Developers received $127.7 million (91%) of the surtax loan amount to fund new construction and rehabilitation but only accounted for 3% of loan closings (46 loan closings). Homeowner loans accounted for 97% of loan closings (1,289 loan closings) and 9% of closed loan amounts ($12.3 million).

Exhibit 3

Miami-Dade County Had 1,335 Loan Closings for $140 Million in Surtax Revenues in the Last Five Fiscal Years

Loan Type (Program)	Loan Closings	Loan Amounts
Developer Loans (PHCD Housing Development)	**46**[1]	**$127,744,563**
Homeowner Loans		
Down Payment and Closing Cost Assistance (MDEAT Homeownership Assistance Program)	1,211	7,043,912
Second Mortgages (PHCD Homebuyer Loan Program)	60	3,799,000
Single-family Rehabilitation (PHCD Rehabilitation Program)	21	825,013
Paint and Shutter (PHCD Rehabilitation Program)	67	492,722
Beautification (PHCD Rehabilitation Program)	20	105,570
Sub-Total	**1,289**	**$12,266,217**
Total[2]	**1,335**	**$140,010,781**

[1] Some of these loan closings involved multiple loans. During the review period, there were 46 loan closings for 53 loans.

[2] Totals may not sum due to rounding.

Source: OPPAGA analysis of Department of Public Housing and Community Development and Miami-Dade Economic Advocacy Trust loan data.

To measure changes in program participation, OPPAGA compared the differences in the number of loan closings and loan closing amounts between the current review period and the prior review period (Fiscal Years 2011-12 through 2015-16). (See Exhibit 4.) The analysis includes loan data provided by PHCD and excludes down payment and closing cost assistance loan data for MDEAT's Homeownership Assistance Program. Homeownership Assistance Program loans are excluded from Exhibit 4 because MDEAT reported on funding requests for loans in the previous review period as opposed to loan closings. MDEAT reported $10.3 million in funding requests for its program in the previous review period and $7.3 million in funded loans during the current review period, a 42% decrease between periods.[22]

Overall, loan closings and loan amounts for all PHCD programs decreased by 65% and 6%, respectively, since the last review period. In addition, loan closings and loan amounts for PHCD homeowner loans decreased by 71%. Of these loans, PHCD's Homebuyer Loan Program experienced a 77% decrease in loan closings and a 75% decrease in loan closing amounts. Moreover, the number of beautification loans and associated loan amounts decreased by 92%. Loans to developers decreased by 2%, but loan amounts increased by 3% from the previous review period.

[21] Some loan closings involved multiple loans. For example, PHCD's Housing Development Program had 46 loan closings for 53 loans during the review period.

[22] The dollar amount difference between loans funded as reported by MDEAT and OPPAGA's analysis of loan closings during the review period is $216,288.

Exhibit 4
Loan Closings for Surtax Programs Decreased Since OPPAGA's Last Review[1]

Loan Type (Program)	Change From Prior Review Period: Loan Closings (Percent Change)	Change From Prior Review Period: Loan Amounts (Percent Change)
Developer Loans (PHCD Housing Development)	**-1 (-2%)**	**$4,091,257 (3%)**
Homeowner Loans		
Second Mortgages (PHCD Homebuyer Loan Program)	-205 (-77%)	-11,559,102 (-75%)
Beautification (PHCD Rehabilitation Program)	-232 (-92%)	-1,147,495 (-92%)
Single-Family Rehabilitation (PHCD Rehabilitation Program)	-12 (-36%)	-157,055 (-16%)
Paint and Shutter (PHCD Rehabilitation Program)	46 (219%)	366,409 (290%)
Sub-Total	**-403 (-71%)**	**-$12,497,243 (-71%)**
Total	**-404 (-65%)**	**-$8,405,985 (-6%)**

[1] This analysis excludes down payment and closing cost assistance loans under MDEAT's Homeownership Assistance Program due to differences in types of loan data reported between periods.

Source: OPPAGA analysis of Department of Public Housing and Community Development.

PHCD and MDEAT staff reported that the lack of affordably priced housing inventory in Miami-Dade contributed to the decreases in program participation. For homeownership loans, PHCD program staff reported that increases in home prices and the lack of affordably priced homes resulted in lower program participation. For example, the former mortgage assistance program had a maximum purchase price of $205,000, which limited the number of program participants due to the lack of properties within this price range. Similarly, MDEAT also reported that the decrease in loans for its Homeownership Assistance Program resulted from a lack of affordably priced housing inventory caused by escalated home prices beyond low- and moderate-income borrowers' ability to qualify.

OPPAGA's analysis of single-family home sales supports PHCD and MDEAT staff's explanation for the cause of homeownership loan decreases. OPPAGA analyzed Shimberg Center for Housing Studies data on single-family home sales by price from 2016 through 2020. The analysis found that 19% of single-family homes sold in Miami-Dade County in 2016 were sold for $200,000 or less; this percentage decreased to 3% in 2020.

In addition, PHCD staff also reported difficulties recruiting developers to participate in the developer loan program. Staff reported that developers chose not to participate in the program because building single-family homes within the surtax program's maximum purchase price limits developer profits.

PHCD and CAHSD program staff reported that a program suspension contributed to decreases in homeowner rehabilitation loans during the review period. The total number of loans for all PHCD's homeowner rehabilitation programs decreased from 26 loans in Fiscal Year 2016-17 to 1 loan in Fiscal Year 2020-21. PHCD's Housing Rehabilitation Program was last funded in Fiscal Year 2014-15. In January 2021, PHCD and CAHSD paused program operations for 18 months to consider and change the program's financing structure for rehabilitation loans from deferred and forgivable to due at sale or refinancing of the home. Meanwhile, PHCD and CAHSD used other affordable housing program funding that is forgivable to fund rehabilitation activities. The interdepartmental agreement between PHCD and CAHSD ended September 30, 2020. PHCD and CAHSD are renegotiating the interagency contract to extend the program and allocate additional surtax funds.

Surtax expenditures met some statutory requirements, but expenditure levels for homeownership fell short

Expenditure of surtax funds is subject to several requirements under s. 125.0167, *Florida Statutes*. OPPAGA analyzed the county's expenditure of surtax funds and determined whether the county met statutory requirements, including that

- no more than 10% of the revenue collected each year may be used for administrative costs;
- no more than 50% of the revenue collected each year may be used to finance new construction;
- no less than 35% of the revenue shall be used to provide homeownership assistance for low-income and moderate-income families, and no less than 35% revenue shall be for construction, rehabilitation, and purchase of rental housing units after deductions for administrative costs; and
- no less than 50% of the surtax revenue shall be for the benefit of low-income families.[23,24,25]

In addition, while the county is subject to the statutory expenditure requirements, OPPAGA also examined expenditures by funded entity (i.e., PHCD and MDEAT) in some cases.

The county met the statutory requirement that no more than 10% of surtax funds be used for administrative costs. During the review period, administrative costs comprised 10% of the total surtax revenues collected and distributed to the county by the Department of Revenue. (See Exhibit 5.)

Exhibit 5
Miami-Dade County's Administrative Costs Were 10% of Surtax Revenues

Fiscal Year	Surtax Revenue	Administrative Expenses[1]	Percentage of Total Surtax Revenues
2016-17	$39,774,609	$3,977,461	10%
2017-18	$36,174,355	3,617,436	10%
2018-19	$40,096,653	3,984,246	10%
2019-20	$31,842,752	3,167,478	10%
2020-21	$58,792,866	5,629,295	10%
Total	**$206,681,235**	**$20,375,916**	**10%**

[1] Administrative expenses do not include salaries and benefits for MDEAT employees. MDEAT categorizes these expenses as programmatic expenses.

Source: Department of Public Housing and Community Development and Miami-Dade Economic Advocacy Trust.

PHCD used no more than 10% of surtax revenues for administrative expenses, as did MDEAT; the entities reported administrative expenses of $19,014,674 and $1,361,242, respectively. However, unlike PHCD, MDEAT reported that it excludes employee salaries and benefits from its administrative costs. During the review period, MDEAT spent $1.8 million of surtax revenues for programmatic expenses. If MDEAT allocated some of their administrative staff salaries to administrative expenses, the county may not be in compliance with state law.

The county still does not meet statutory expenditure requirements for homeownership programs. Florida law states that of the discretionary surtax revenues collected by the Department of Revenue

[23] Section 125.0167(4), *F.S.*
[24] Section 125.0167(3), *F.S.*
[25] Section 125.0167(5), *F.S.* Homeownership assistance means assisting low-income and moderate-income families in purchasing a home as their primary residence, including, but not limited to, reducing the cost of the home with below-market construction financing, the amount of down payment and closing costs paid by the borrower, or the mortgage payment to an affordable amount for the purchaser or using any other financial assistance measure set forth in s. 420.5088, *F.S.* (Florida Homeownership Assistance Program).

remaining after any deduction of administrative costs, no less than 35% of revenues shall be used to provide homeownership assistance for low-income and moderate-income families, and no less than 35% shall be used for the construction, rehabilitation, and purchase of rental housing. In OPPAGA's previous review, expenditure requirements for homeownership programs were not met.

OPPAGA's analysis of county compliance incorporates loan data from all surtax programs. The analysis for PHCD and MDEAT programs utilized the dollar amounts of loan closings in a single fiscal year rather than dollar amounts for closed loans based on the year loans were funded or committed. This approach was used because PHCD did not provide Rehabilitation Program data by year funded. However, the approach may overestimate the percentage of surtax revenues used, as multiple loans funded in previous years may close in the same year, which results in the appearance of spending over 100% of surtax revenues in a single year.

The analysis determined that the county did not meet the statutory requirement for homeownership assistance for surtax spending levels in the current review period. (See Exhibit 6.) Further, the county did not meet the statutory requirement for spending on construction and rehabilitation of rental housing in Fiscal Year 2016-17.

Exhibit 6
Miami-Dade Spent Less Than the Required 35% of Surtax Revenues on Homeownership During All Years of the Review Period and for Rental Housing in Fiscal Year 2016-17

Fiscal Year	Statutory Requirement[1]	Percentage of Surtax Revenue Spent on Homeownership Assistance	Percentage of Surtax Revenue Spent on Rental Housing[2]
2016-17	$12,529,002	12%	17%
2017-18	11,394,922	6%	91%
2018-19	12,639,342	6%	38%
2019-20	10,036,346	12%	164%
2020-21	18,607,250	4%	53%
Total	**$65,206,862**	**7%**	**67%**

[1] This represents 35% of the dollar amount of surtax revenues after deducting administrative expenses.
[2] Surtax revenue spent on rental housing includes funds used for rental rehabilitation and rental new construction.
Source: OPPAGA analysis of Department of Public Housing and Community Development and Miami-Dade Economic Advocacy Trust data.

PHCD officials reported that expenditures on homeownership were negatively affected by Miami-Dade County's market conditions. The department reported the single-family home median sales price in Miami-Dade County during the review period was $374,975 and the average median sales price for townhomes/condos was $252,750. In contrast, the former maximum sales price for the Homebuyer Loan Program was $205,000. Given market conditions and this program cap, PHCD experienced difficulty finding developers to build houses using surtax program funds.

The county met the statutory expenditure requirement that no less than 50% of surtax funds used for housing assistance be provided to low-income families.[26] Florida law states that no less than 50% of the funds used to provide housing assistance shall be for the benefit of low-income families. As noted earlier, the law defines a low-income family as a family whose income does not exceed 80% of median income for the area.[27] The county spent more than 50% of surtax program loan funds to assist low-income families in all fiscal years of the review period. (See Exhibit 7.)

[26] This percentage was calculated from funds used, which includes loan amounts that closed in the respective fiscal year that went towards low-income families in any program, divided by the surtax revenue from that year minus the administrative costs reported for that year.
[27] Section 125.0167(1), *F.S.*

Exhibit 7
Miami-Dade Spent More Than the Required 50% Minimum of Surtax Program Loan Funds to Benefit Low-Income Families

Loan Type (Program)	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21
Developer Loans (PHCD Housing Development)	58.8%	92.1%	75.8%	81.5%	80.2%
Second Mortgages (PHCD Homebuyer Loan Program)	0.0%	0.2%	0.0%	2.2%	3.4%
Down Payment and Closing Cost Assistance (MDEAT Homeownership Assistance Program)	11.0%	3.4%	6.7%	1.7%	2.2%
Single-family Rehabilitation (PHCD Rehabilitation Program)	2.0%	0.1%	1.4%	0.3%	0.0%
Paint and Shutter (PHCD Rehabilitation Program)	0.4%	0.4%	0.8%	0.1%	0.0%
Beautification (PHCD Rehabilitation Program)	0.0%	0.1%	0.0%	0.0%	0.0%
Total	**72.3%**	**96.3%**	**84.7%**	**85.7%**	**85.8%**

Source: OPPAGA analysis of Department of Public Housing and Community Development and Miami-Dade Economic Advocacy Trust data.

The county did not meet the statutory expenditure requirement for new construction projects in most years in the review period. Florida law states that no more than 50% of the revenues collected each year may be used to help finance new construction.[28] The county spent more than 50% on new construction in three of the five fiscal years of the review period. (See Exhibit 8.) OPPAGA's analysis included surtax loans for PHCD's Housing Development Program for new construction projects that were funded in each fiscal year during the review period and have since closed. Projects labeled as rehabilitation, and not as new construction, were excluded from this analysis. Of the 65 loans funded during the review period, 40 loans have closed.[29] Most new construction developer loans do not close in the year in which loans are funded. On average, these loans close approximately two years after being funded. Consequently, although the current analysis indicates that the county met its statutory requirement for Fiscal Years 2019-20 and 2020-21, it is likely that the county will not meet the statutory cap on expenditures for these years, as expenditures will increase once the remaining funded loans from these fiscal years close.[30]

Exhibit 8
Miami-Dade Spent More Than the Required 50% Maximum of Surtax Revenues Required on New Construction Projects in Three of Five Fiscal Years of the Review Period

Fiscal Year	Dollar Amount of New Construction Loans	Percentage of Surtax Revenues Spent on New Construction
2016-17	$35,611,973	90%
2017-18	$26,176,714	72%
2018-19	$20,760,815	52%
2019-20	$7,519,172	24%
2020-21	$2,800,000	5%
Total	**$92,868,673**	**45%**

Source: OPPAGA analysis of Department of Public Housing and Community Development data.

[28] Section 125.0167(3), *F.S.*
[29] Of the 40 closed loans, three loans funded in Fiscal Year 2019-20 closed in Fiscal Year 2021-22 and one loan funded in Fiscal Year 2020-21 closed in Fiscal Year 2021-22.
[30] Twenty-five loans funded during the review period have not yet closed. Of these, 11 loans totaling $42,275,460 were funded in Fiscal Year 2019-20 and 5 loans totaling $14,568,000 were funded in Fiscal Year 2020-21.

Most surtax-funded housing development projects during the review period are located in low-income, cost burdened areas of the county

As in a prior review, OPPAGA examined the location of rental rehabilitation and construction projects that used surtax revenues during the review period and the extent of low-income, cost-burdened populations in those areas.[31]

Most surtax-funded rental units are located in areas where a majority of households are low income and renters are cost burdened. Loans for 42 projects closed during the review period; 37 projects were new rental construction and 5 were for rehabilitating existing rental properties. Of the 42 rental projects, 75% (31), including all 5 rehabilitation projects, are in low-income, cost-burdened areas. (See Exhibits 9 and 10.) Surtax-funded rental projects are primarily clustered in two areas of the county: the City of Miami and the northwest adjacent communities of Brownsville and Gladeview (north cluster) and the southern part of the county in the community of Naranja, with a few developments around Goulds and South Miami Heights (south cluster). These six localities include 78% (32) of the projects. Other communities include Miami Lakes, Hialeah (north cluster adjacent) and West Perrine, Princeton and Leisure City (south cluster adjacent), and The Hammocks, located in the mid-western part of the county.

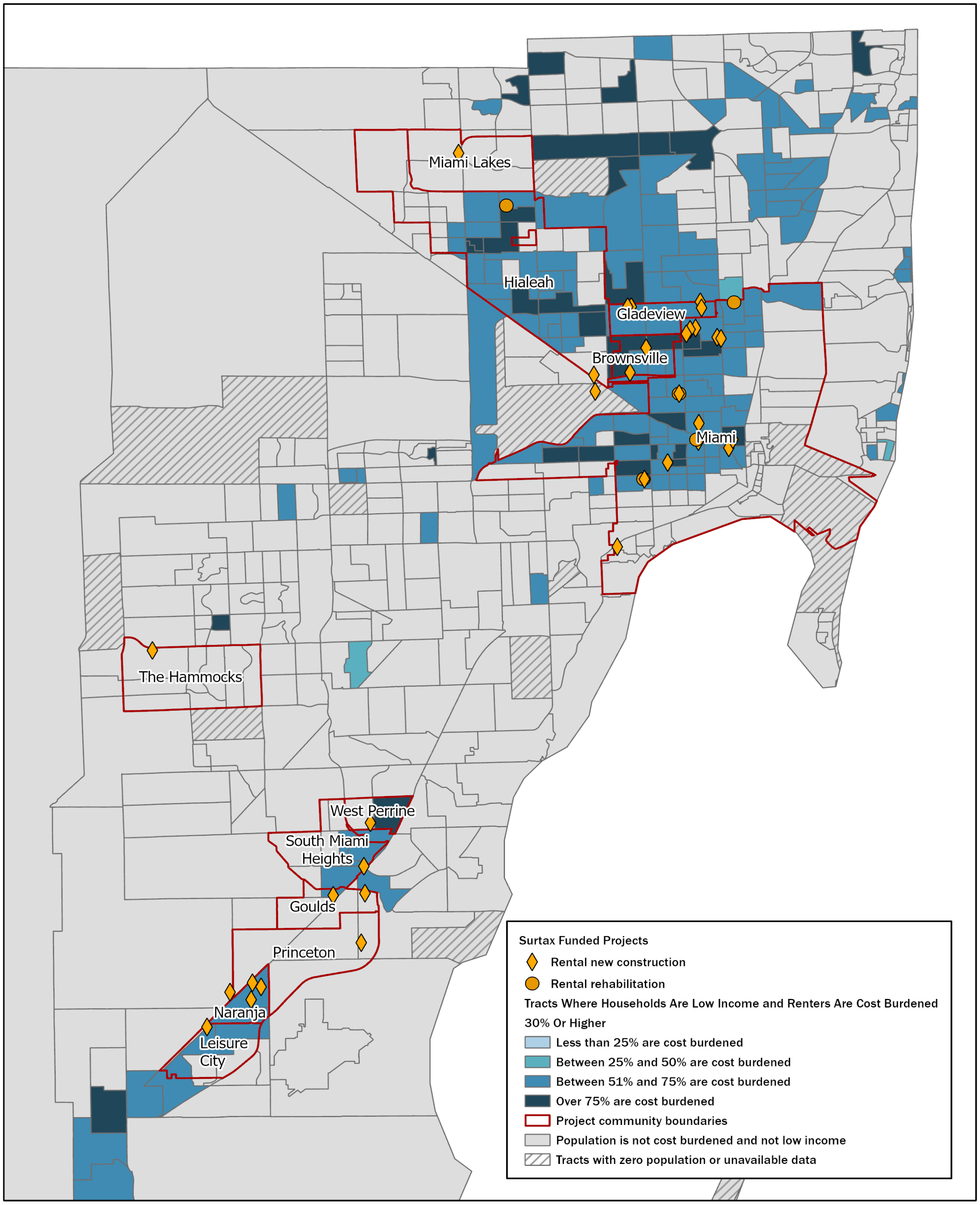
Most surtax-funded new homeownership units are also in areas where households are low income and homeowners are cost burdened. A developer received a loan to construct 27 new homeownership units during the review period.[32] Just over 74% (20) of these homes are in areas where households are low income and homeowners are cost burdened at 30% or higher. (See Exhibit 11.) Like the rental projects, surtax-funded, new single-family housing units are also clustered. These new construction homes are clustered in two areas: the City of Miami and northwest adjacent communities of Brownsville, Pinewood, and West Little River, and in the southern part of the county in the communities of Goulds, West Perrine, and Naranja.

[31] Low-income areas are defined as U.S. Census tracts where median household income is less than or equal to 80% of the AMI of Miami-Dade County, based on American Community Survey 2015-2019, 5-years estimate, (in 2019 inflation-adjusted dollars). A cost-burdened household is characterized by having monthly housing costs (including utilities) exceeding 30% of their monthly income and severely cost burdened when exceeding 50% of their monthly income. Low-income and cost-burdened areas are defined as low-income tracts where the majority of the households are cost burdened (over 50%). ACS data are based on a sample and are subject to sampling variability.

[32] At the time of OPPAGA's analysis, units' stages of completion varied from vacant property, to ongoing construction, to homes completed and sold.

Exhibit 9

Most Surtax-Funded Rental Units Are Located in Areas Where a Majority of Households Are Low Income and Renters Are Cost Burdened at 30% or Higher



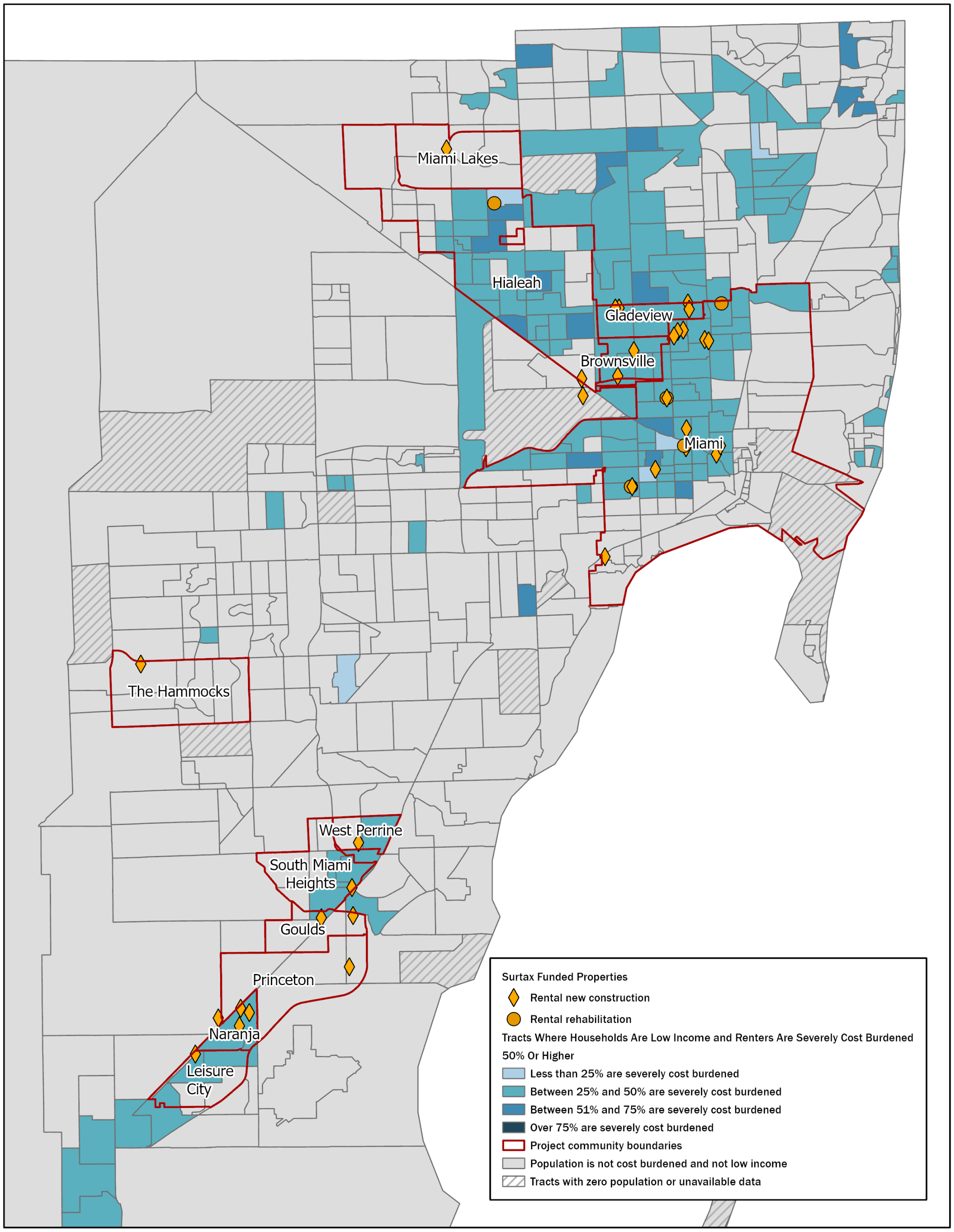
[1] One rental project received two closing loans, making 41 distinct developments instead of 42.

[2] Low-income and cost-burdened areas are defined as the low-income U.S. Census tracts where the majority of the households are cost burdened (over 50% of households have rental monthly housing costs, including utilities, exceeding 30% of their monthly income). ACS data are based on a sample and are subject to sampling variability.

[3] The low-income classification of U.S. Census tracts during the review period, as 80% of the AMI, comes from calculations utilizing ACS data. This analysis may differ from AMI definitions used by the U.S. Department of Housing and Urban Development.

Source: OPPAGA analysis of American Community Survey 2015-2019 estimates and surtax-funded developments in Miami-Dade County from the Department of Public Housing and Community Development for Fiscal Years 2016-17 through 2020-21.

Exhibit 10
Most Surtax-Funded Rental Units Are Also Located in Areas Where a Majority of Households Are Low Income and at Least 25% of Renters Are Severely Cost Burdened at 50% or Higher



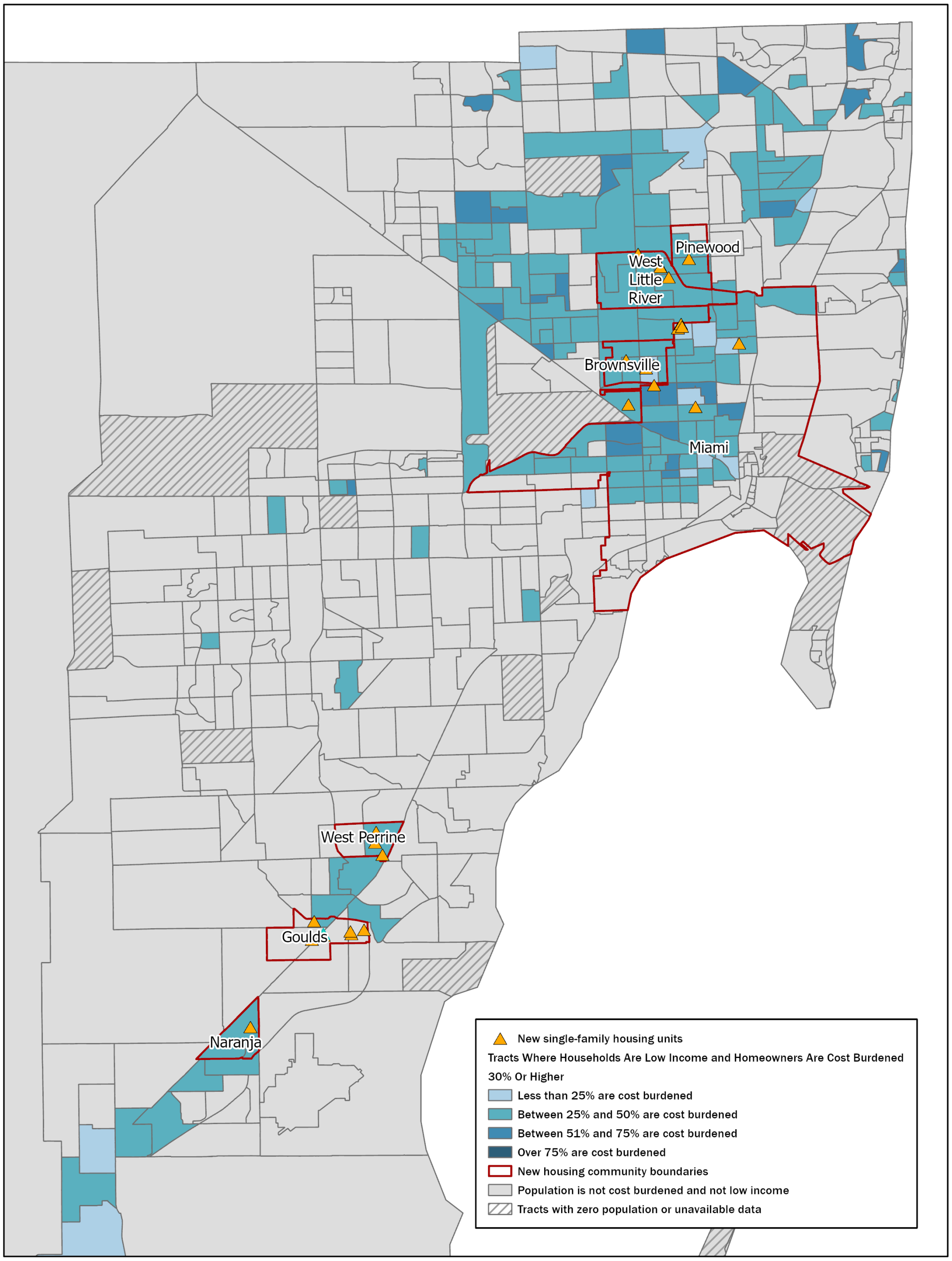
[1] One rental project received two closing loans, making 41distinct developments instead of 42.

[2] Low-income areas are U.S. Census tracts where the American Community Survey 2019 5-year estimate of median household income in the past 12 months (in 2019 inflation-adjusted dollars) of the tract is less than or equal to 80% of the AMI of Miami-Dade County (given by the 5-year period 2015-2019 according the ACS 2019 5-year estimates). U.S. Census tracts are shaded according to the percentage of households that are severely cost burdened (households that have rental monthly housing costs, including utilities, exceeding 50% of their monthly income). ACS data are based on a sample and are subject to sampling variability.

[3] The low-income classification of U.S. Census tracts during the review period, as 80% of the AMI, comes from calculations utilizing ACS data. This analysis may differ from AMI calculations used by the U.S. Department of Housing and Urban Development.

Source: OPPAGA analysis of American Community Survey 2015-2019 estimates and surtax funded developments in Miami-Dade County from the Department of Public Housing and Community Development for Fiscal Years 2016-17 through 2020-21.

Exhibit 11
Most New Homeownership Units Are Located in Areas Where Homeowners Are Also Cost Burdened at 30% or Higher



[1] These 27 home projects were funded by three closing loans.

[2] Low-income and cost-burden areas are defined as U.S. Census tracts where the majority of the households are cost burdened (over 50% of households have owner monthly housing costs exceeding 30% of their monthly income) and the American Community Survey 2019 5-year estimates of median household income in the past 12 months (in 2019 inflation-adjusted dollars) of the tract is less than or equal to 80% of the AMI of Miami-Dade County (given by the 5-year period 2015-2019 according the ACS 2019 5-year estimates). ACS data are based on a sample and are subject to sampling variability. Monthly owner costs are the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property (including payments for the first mortgage, second mortgage, home equity loans, and other junior mortgages); real estate taxes; fire, hazard, and flood insurance on the property; utilities (electricity, gas, and water and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, the monthly condominium fee for condominiums and mobile home costs (personal property taxes, site rent, registration fees, and license fees).

[3] For the purpose of the low-income classification of U.S. Census tracts during the review period, the 80% of AMI threshold comes from calculations utilizing ACS data. This analysis may differ from AMI calculations used by the U.S. Department of Housing and Urban Development.

Source: OPPAGA analysis of American Community Survey 2015-2019 estimates and surtax-funded developments in Miami-Dade County from the Department of Public Housing and Community Development for Fiscal Years 2016-17 through 2020-21.

Loan collectability and forgiveness improved during the review period

The county reported receiving $76.7 million of loan repayments during the review period. PHCD and MDEAT reported $73.4 and $3.3 million, respectively, in repayment revenue during the review period.

PHCD's overall loan collectability improved by approximately 2%; developers hold the highest value of loans deemed to be uncollectable. PHCD's estimates for uncollectable loans include delinquent loans, currently deferred loans, and loans that will be forgiven. In the previous review, department officials estimated that 75% of loans may never be repaid. As of September 2021, this percentage decreased to an estimated 73% of loans. (See Exhibit 12.) Deferred multi-family developer loans account for 82% of the loans currently estimated to be uncollectable. These deferred multi-family developer loans represent 70% of the total current loan value for multi-family developer loans.

Exhibit 12
As of September 2021, Department Officials Estimated That 73% of Loans May Never Be Repaid

Loan Type	Loan Amount	Allowance for Collectability	Percentage Estimated Uncollectable
Multi-Family Developer	$362,194,439	$281,321,553	78%
Homeownership Assistance	51,517,157	19,180,704	37%
Rehabilitation	7,482,679	6,416,591	86%
Paint and Shutter	683,000	683,000	100%
Total	**$421,952,390**	**$307,676,962**	**73%**

Source: OPPAGA analysis of Department of Public Housing and Community Development data.

During the current review period, the value of loans written off by PHCD as uncollectable was 69% less than in the previous review period, when PHCD wrote off more than $4.9 million in loans as uncollectable. During the current review period, the amount of loans PHCD wrote off as uncollectable decreased to $1.5 million. PHCD reported that these loans were written off due to foreclosures or bankruptcies on the properties. During the review period, no developer loans were written off.

PHCD made programmatic changes that may affect future collectability. In January 2021, PHCD changed the financing structure for homeowner rehabilitation loans. Subsequent to this change, rehabilitation loans that use surtax funds are no longer forgivable. While these loans may still be deferred, the loan balance will be due at the time of sale or refinancing of the home. In the current review period, forgiven rehabilitation loans account for 2% of the total value of estimated uncollectable loans.

The number of loans MDEAT forgave decreased after Fiscal Year 2018-19. During the review period, MDEAT forgave 265 loans and wrote off an additional 14 loans due to short sales (6) and foreclosures (8). (See Exhibit 13.) MDEAT's board is authorized to write off the balances of forgiven and uncollectable loans for accounting purposes. Homeownership Assistance Program loans may be forgiven at the end of a 10-year term if all terms have been met. Loans that are forgiven must have owner occupancy verified through a borrower-executed affidavit. Loans may also be written off as uncollectable if the property is sold as a short sale or foreclosure.

Exhibit 13
Total Number of Loans MDEAT Wrote Off Decreased After Fiscal Year 2018-19

	Forgiven		Short Sale		Foreclosed		Total	
Fiscal Year	Total Write-Off Amount	Total Number of Loans	Total Write-Off Amount	Total Number of Loans	Total Write-Off Amount	Total Number of Loans	Total Write-Off Amount	Total Number of Loans
2016-17	$369,145	58	$15,244	4	$0	0	$384,389	62
2017-18	472,059	51	3,500	1	38,955	6	514,514	58
2018-19	469,285	82	11,510	1	171,827	2	652,622	85
2019-20	361,001	53	0	0	0	0	361,001	53
2020-21	165,962	21	0	0	0	0	165,692	21
Total	**$1,837,452**	**265**	**$30,254**	**6**	**$210,782**	**8**	**$2,078,218**	**279**

Source: OPPAGA analysis of Miami-Dade Economic Advocacy Trust data.

In Fiscal Years 2019-20 and 2020-21, a state and national moratorium on evictions and foreclosures affected the number of loans MDEAT wrote off. In March 2020, the Coronavirus Aid, Relief, and Economic Security Act provided for a moratorium on federally backed mortgage loans. In Florida, this was followed by an executive order to suspend any statute or time frames providing for a mortgage foreclosure, which was extended through September 2020. As a result, MDEAT wrote off zero loans due to foreclosure during Fiscal Years 2019-2020 and 2020-21.

Increasing housing prices have also led to a decrease in short sale payoffs. MDEAT reported zero loans written off due to short sales during Fiscal Years 2019-20 and 2020-21. The highest number of loan write-offs due to short sale during the review period occurred in Fiscal Year 2016-17. The total value of loan write-offs due to short sale in Fiscal Year 2016-17 was approximately $1,300 less than the write-off amount from the previous fiscal year. MDEAT reported that increased housing prices have generated more Homeownership Assistance Program loan payoffs than short sale transactions.

The county made programmatic changes late in the review period to encourage program participation and maximize surtax fund spending; impacts of these changes are uncertain

The amount of surtax funds unspent by the Department of Public Housing and Community Development and Miami-Dade Economic Advocacy Trust in the review period was $44.5 million. In addition, PHCD's Fiscal Year 2021-22 adopted budget shows a total carryover in surtax funds of $195.9 million. Both PHCD and MDEAT reported making programmatic changes to increase program participation and help better utilize these funds for affordable housing assistance. Most changes became effective late in OPPAGA's review period and have not been fully implemented. Additional time is needed to determine the actual effect on program participation. The program modifications included

- changing the method of calculating the maximum purchase price for the PHCD Homebuyer Loan Program;
- using county-certified loan officers and an income certification company for the PHCD Homebuyer Loan Program;
- providing exceptions to the county's competitive process for PHCD to spend surtax revenues;

- initiating a new PHCD rehabilitation program for owner-occupied condominium homeowners;
- increasing the amount of down payment assistance funds provided to low-income households as part of MDEAT's Homeownership Assistance Program; and
- developing other programs, special initiatives, and enhancements to MDEAT's Homeownership Assistance Program to encourage program participation.

The Miami-Dade County Board of County Commissioners approved an ordinance in July 2021 that changed the method of calculating the maximum purchase price for a home eligible for the PHCD Homebuyer Loan Program.[33] The new method resulted in an increase in the maximum purchase price for homes from $205,000 to $318,000. This change is expected to increase the number of homes for sale that would qualify for the Homebuyer Loan Program. OPPAGA's analysis of data on single-family home sales prices from 2016 through 2020 found that in 2020, 14% of single-family home sales in Miami-Dade County ranged from $200,000 to $300,000, and only 3% of single-family homes sold for $200,000 or less. Thus, increasing the program's maximum purchase price may increase the availability of affordably priced homes for moderate-income program participants.

Additionally, the county made another change to the PHCD Homebuyer Loan Program to close more surtax loans. Currently, county-certified loan officers, once trained, can approve participants for first and second mortgages for Homebuyer Loan Program participants. The related ordinance was amended in March 2021 to allow an income certification company, rather than certified loan officers, to perform the income certification of program applicants. PHCD staff reported that the required training of loan officers and selection of the income certification company were made through a Request for Proposal process, and a contract was awarded in March 2022. PHCD reported that, once implemented, these changes will help the department close more loans.

The county also made exceptions to its competitive process to expedite surtax revenue spending, particularly for homeownership affordable housing. The county's code requires that no allocations of documentary surtax shall be made except as part of a competitive Request for Application process.[34] However, a 2019 county ordinance allowed PHCD to administer an open and rolling application process for county land and Naturally Occurring Affordable Housing (NOAH) developments.[35] This change was intended to expedite projects where the developer had been selected through the county's competitive process for the right to lease and develop county-owned land but had not gone through the specific Request for Application process. The change was also intended to make the process more accessible, accelerated, and inviting for NOAH property owners. PHCD officials reported accepting applications for county land and NOAH developments but did not make a loan award during the review period. In May 2022, the county adopted an ordinance expanding the open and rolling application process for all homeownership developments. The county expects these changes to expedite affordable housing development projects.

[33] The current maximum sales price for borrowers to purchase a home under the county's Affordable Housing Programs is the lesser of 95% of the area median purchase price, as determined using purchase price limits established by the U.S. Department of Housing and Urban Development (U.S. HUD) for the HOME Investment Partnership Program, or 90% of the area median purchase price for homes as provided by the U.S. Department of the Treasury used for the State Housing Initiatives Partnership Program. The prior maximum purchase prices were based on 90% of the area median purchase price.

[34] Section 29-7, Code of Miami-Dade County.

[35] The County Owned/County Conveyed Land Homeownership Program targets homeownership that may include rehabilitation, redevelopment, and new construction with or without the acquisition for projects using county-owned or county-conveyed land. The Naturally Occurring Affordable Housing Preservation Program provides resources for moderate rehabilitation to owners of existing single-family homes, duplexes, and small or midsize rental housing in Miami-Dade County for the purposes moderate rehabilitation. NOAH refers to unsubsidized privately owned residential properties that are lower in cost because they are older and usually poorly maintained.

Further, during the review period, PHCD officials reported initiating a new rehabilitation program to be supported with surtax funds. The program will assist owner-occupied condominium homeowners with limited finances to make necessary structural repairs to help guarantee safety. The program will provide loans up to $50,000 with a repayment term of 40 years. The monthly payment will be $50 for low-income families with the remaining balance due at maturity date. The monthly payment for moderate-income families will be calculated at a 0.00% interest rate for 40 years. PHCD officials reported that they are in the process of finalizing the application for this program.

MDEAT officials reported increasing the amount of down payment assistance funds provided to low-income households as part of its Homeownership Assistance Program during the review period. On March 1, 2021, the maximum assistance increased from the lower of 10% of the property purchase price, or $7,250 to $12,250, with a combined loan-to-value ratio that may not exceed 105%.[36] The change is intended to make it easier and more affordable for low-income households to purchase a home from a cash to close and down payment standpoint.

MDEAT officials also reported that they are working to develop other programs, special initiatives, and enhancements to the Homeownership Assistance Program to encourage program participation and maximize surtax fund spending. MDEAT anticipates announcing details of these changes once approved by MDEAT's board later in 2022.

[36] The combined-loan-to-value is based on the lower of purchase prices versus appraised value.

AGENCY RESPONSE

In accordance with the provisions of s. 11.51(2), *Florida Statutes*, OPPAGA submitted a draft of this report to Miami-Dade County for review and response. The county's written response is in Appendix A.

APPENDIX A

AGENCY RESPONSE

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June 28, 2022

Ms. PK Jameson
OPPAGA Coordinator
The Office of Program Policy Analysis and Government Accountability (OPPAGA)
111 West Madison Street, Room 312
Tallahassee, Florida 32399-1475

RE: PHCD Formal Responses to OPPAGA 2022 Review of Miami-Dade Discretionary Surtax

Thank you for the opportunity to provide a response to the Office of Policy Analysis and Government Accountability's (OPPAGA) review of Miami-Dade discretionary surtax for Fiscal Year 2016-2017 through Fiscal Year 2020-2021.

PHCD's expenditures on homeownership were largely affected by Miami-Dade County's market conditions. OPPAGA's own analysis of single-family home sales in Miami-Dade County supports PHCD and Miami-Dade Economic Advocacy Trust's (MDEAT's) explanation for the cause of homeownership loan decreases for the review period. According to recent reports, Miami-Dade County is the least affordable place to live in the country. The affordability crisis in Miami-Dade County has reached unprecedented levels whereby, as reported by OPPAGA, the median sales price of a single-family home increased from $305,000 in 2016 to $480,000 in 2021, an increase of over 40 percent. According to the Miami Association of Realtors, the average median sales price for a single-family home in Miami-Dade County during the review period was $374,975.00. Further, the average median sales price for townhomes/condos was $252,750.00.[1] OPPAGA's analysis of data on single-family home sales prices from 2016 through 2020 further uncovered that in 2020, 14 percent of single-family home sales in Miami-Dade County ranged from $200,000.00 to $300,000.00, and only three percent of single-family homes were sold for $200,000.00 or less. This accelerated rise of median sales prices created extraordinary barriers for developers to build houses using Surtax program funds because the County's Second Mortgage Program was capped at $205,000.00 for a number of years until the Miami-Dade County Board of County Commissioners adopted an ordinance to increase the maximum sales price to be more in line with market conditions.[2] Prior to the adoption of the ordinance, the sales price cap largely halted new production and led to the decrease of Miami-Dade County's Surtax program's spending for homeowner loans.

Miami-Dade County's expenditures on new construction were widely affected by the affordable housing crisis and our responsibility to address the local demand and needs. OPPAGA's 2022 Surtax review report shows that PHCD met the statutory requirements when averaging the percentage of surtax revenues spent on new construction in the 5-year review period. Many projects that may be viewed as "new construction" may in fact be a form of rehabilitation and preservation in cases where the cost of refurbishing units may be higher than constructing new units, and where the "new" development is in fact replacing units on a one-for-one basis that are on the existing property, as well as adding net additional units to our affordable and workforce housing inventory. PHCD posits that these projects need to be broken down into component parts in order to accurately deal with the issue of what is considered "new" and what is not, as further explained below.

The data utilized to determine that the County spent more than 50 percent on new construction in three of the five fiscal years may include projects that can be considered rehabilitation as noted

[1] The Miami Association of Realtors: Miami-Dade and Broward Detail Statistical Reports, 2017-2021.
[2] See, Ordinance No. 21-80.

previously. Therefore, OPPAGA's 2022 Surtax program review report does not fully depict the revenues used to help finance new construction and rehabilitation. The County must be responsive to a basic supply and demand challenge in attempting to meet the purpose of the Surtax fund. We must be able to build responsively and in a timely fashion, when and where possible.

The County has relied on previous OPPAGA reports and guidance to measure progress and create policies that will effectuate the most prudent use of surtax funds to finance affordable rental housing projects, including new construction and rehabilitation, in low-income and cost-burdened areas of Miami-Dade County. In 2017, for example, OPPAGA's analysis found that PHCD successfully utilized Surtax funds to finance affordable rental housing projects in areas of Miami-Dade County where much of the renter population is low income and cost burdened. PHCD was able to meet these requirements by providing new construction of affordable rental housing projects in cost-burdened and severely cost-burdened communities in the County. PHCD utilized OPPAGA's previous analysis to continue efforts to ensure that it made similar progress providing rental housing in low-income areas that showed populations that were cost-burdened or severely cost burdened during the Fiscal Year 2016-2017 through Fiscal Year 2020-2021 review period. In fact, in OPPAGA's 2022 Surtax review report, OPPAGA found that most rental and homeownership development projects funded by Surtax revenues during the review period continued to be in low-income, cost-burdened areas of the County. These efforts, that include both new construction and rehabilitation, have been undertaken in response to previous OPPAGA reports, and administered to address the unique local needs and affordability challenges of Miami-Dade County.

PHCD looks forward to the continued cooperation with your office and will continue to keep you apprised of the evolving market conditions and local needs of Miami-Dade County.

Sincerely,

Michael Liu

Michael Liu, Director
Public Housing and Community Development

cc: Daniella Levine Cava, Mayor
Morris Copeland, Chief Community Services Officer
Geri Bonzon-Keenan, County Attorney
Gerald Sanchez, First Assistant County Attorney
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OPPAGA

Office of Program Policy Analysis and Government Accountability

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