

RESOLUTION No. 2008-221-909

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, SUPPORTING GOVERNOR CHARLIE CRIST'S EXECUTIVE ORDER 08-210; URGING THE FLORIDA HOUSING FINANCE CORPORATION TO USE ITS ALLOCATION OF FIVE HUNDRED SEVENTY ONE MILLION (\$571,000,000.00) FROM THE FEDERAL GOVERNMENT'S HOUSING AND ECONOMIC RECOVERY ACT OF 2008 TO PROVIDE LOWER INTEREST FIRST MORTGAGES TO FAMILIES ACROSS THE STATE AND SPECIFICALLY IN THE CITY OF MIAMI GARDENS, WHO ARE SUFFERING AS A RESULT OF THE RECENT MORTGAGE CRISIS AND TO PROVIDE PAYMENT ASSISTANCE TO FAMILIES WITH LOW AND MODERATE INCOMES; PROVIDING FOR INSTRUCTIONS TO THE CITY CLERK; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Congress recently passed the Housing and Economic Recovery Act of 2008, and

WHEREAS, the Housing and Economic Recovery Act has a number of provisions in it, including the Neighborhood Stabilization Program which will permit state and local governments to stabilize their neighborhoods as a result of foreclosures, and the Lender Participation Program which will permit lenders to write new FHA finance mortgages on better terms for homeowners, and

WHEREAS, in addition to the aforementioned programs, the Housing and Economic Act of 2008 also provides for an additional Eleven Billion Dollars (\$11,000,000,000.00) in federal tax exempt bonds to be issued in order to provide new mortgages to families and to provide for leverage for state-funded down payment assistance programs, and

WHEREAS, in Florida, it is expected that there will be an additional Five Hundred Seventy One Million Dollars (\$571,000,000.00) in tax exempt bonding capacity, a portion of which will be available to provide funding for lower interest first mortgage

loans to first time homebuyers with low to moderate incomes and for down payment assistance programs, and

WHEREAS, Governor Charlie Crist recently signed Executive Order 08-210 directing the Division of Bond Finance to allocate tax exempt bond capacity to the Florida Housing Finance Corporation and local housing agencies which will administer the Funds, and

WHEREAS, the City Council of the City of Miami Gardens would like to support Executive Order No. 08-210 and would urge the Florida Housing Finance Corporation to use its allocation of Five Hundred Seventy One Million (\$571,000,000.00) to provide new mortgages to families across the state and specifically in the City of Miami Gardens, who are suffering as a result of the recent mortgage crisis and to provide these families with down payment assistance, and

WHEREAS, the City Council of the City of Miami Gardens believes that if the State of Florida utilizes its portion of the tax exempt bonds in order to provide new mortgages and to provide down payment assistance, this will help with the preservation of neighborhoods and families by providing families with a place to live and raise their children,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AS FOLLOWS:

Section 1. ADOPTION OF REPRESENTATIONS: The foregoing Whereas paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. EXPRESSION OF SUPPORT: The City Council of the City of Miami Gardens hereby supports Executive Order 08-210 and urges the state of Florida, through the Florida Housing Finance Corporation, to use its share of bond monies allocated from the Housing Economic Recovery Act of 2008, to provide new mortgages to low to moderate income families in the City of Miami Gardens and across the State of Florida, and to provide leverage to state-funded down payment assistance programs, in accordance with the provisions of the Act.

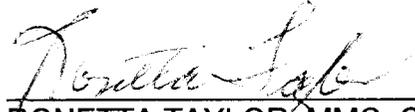
Section 3. INSTRUCTIONS TO THE CITY CLERK: The City Clerk is hereby instructed to provide a certified copy of this Resolution to the Florida Housing Finance Corporation.

Section 4. EFFECTIVE DATE: This Resolution shall take effect immediately upon its final passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS AT ITS REGULAR MEETING HELD ON NOVEMBER 12, 2008.


SHIRLEY GIBSON, MAYOR

ATTEST:


RONETTA TAYLOR, MMC, CITY CLERK

PREPARED BY: SONJA KNIGHTON DICKENS, ESQ.
City Attorney

SPONSORED BY: COUNCILMAN ANDRÉ WILLIAMS

Resolution No. 2008-221-909

MOVED BY: Vice Mayor Watson
SECOND BY: Councilman Gilbert

VOTE: 5-0

Mayor Shirley Gibson	<u> X </u> (Yes)	<u> </u> (No)
Vice Mayor Barbara Watson	<u> X </u> (Yes)	<u> </u> (No)
Councilman Melvin L. Bratton	<u> </u> (Yes)	<u> </u> (No) (out of town)
Councilman Aaron Campbell	<u> X </u> (Yes)	<u> </u> (No)
Councilman Oliver Gilbert, III	<u> X </u> (Yes)	<u> </u> (No)
Councilwoman Sharon Pritchett	<u> </u> (Yes)	<u> </u> (No) (out of town)
Councilman André Williams	<u> X </u> (Yes)	<u> </u> (No)

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City of Miami Gardens

1515 NW 167th Street
Bldg 5., Suite 200
Miami Gardens, Florida 33169



Mayor Shirley Gibson
Vice Mayor Barbara Watson
Councilman Melvin L. Bratton
Councilman Aaron Campbell Jr.
Councilman Oliver Gilbert III
Councilwoman Sharon Pritchett
Councilman André Williams

Agenda Cover Page

Date: November 12, 2008

Fiscal Impact: No Yes

(If yes, explain in Staff Summary)

Funding Source:

Contract/P.O. Requirement: Yes No

Sponsor Name/Department:

Councilman André Williams

Public hearing

Ordinance

1st Reading

Advertising requirement: Yes No

RFP/RFQ # _____

Quasi-Judicial

Resolution

2nd Reading

Yes No

Yes No

TITLE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, SUPPORTING GOVERNOR CHARLIE CRIST'S EXECUTIVE ORDER 08-210; URGING THE FLORIDA HOUSING FINANCE CORPORATION TO USE ITS ALLOCATION OF FIVE HUNDRED SEVENTY ONE MILLION (\$571,000,000.00) FROM THE FEDERAL GOVERNMENT'S HOUSING AND ECONOMIC RECOVERY ACT OF 2008 TO PROVIDE LOWER INTEREST FIRST MORTGAGES TO FAMILIES ACROSS THE STATE AND SPECIFICALLY IN THE CITY OF MIAMI GARDENS, WHO ARE SUFFERING AS A RESULT OF THE RECENT MORTGAGE CRISIS AND TO PROVIDE PAYMENT ASSISTANCE TO FAMILIES WITH LOW AND MODERATE INCOMES; PROVIDING FOR INSTRUCTIONS TO THE CITY CLERK; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

Staff Summary

This resolution supports Governor Charlie Crist's recently signed Executive Order 08-210 directing the Division of Bond Finance to allocate tax exempt bond capacity to the Florida Housing Finance Corporation and local housing agencies which will administer the Funds and the legislation also urges the Florida Housing Finance Corporation to use its allocation of Five Hundred Seventy One Million (\$571,000,000.00) from the federal government's Housing and Economic

Recovery Act of 2008 to provide new mortgages to families across the state and specifically in the City of Miami Gardens, who are suffering as a result of the recent mortgage crisis and to provide families with down payment assistance.

This much needed relief will provide a direct stimulation to the economy while assisting qualified buyers to move into their own home. With a low interest rate and down payment assistance, the dream of being a homeowner, is a step closer to reality. Homeownership is the American dream; your support is strongly encouraged.

Subtitle C—General Provisions**SEC. 3021. TEMPORARY LIBERALIZATION OF TAX-EXEMPT HOUSING BOND RULES.****(a) TEMPORARY INCREASE IN VOLUME CAP.—**

(1) IN GENERAL.—Subsection (d) of section 146 is amended by adding at the end the following new paragraph:

“(5) INCREASE AND SET ASIDE FOR HOUSING BONDS FOR 2008.—

“(A) INCREASE FOR 2008.—In the case of calendar year 2008, the State ceiling for each State shall be increased by an amount equal to \$11,000,000,000 multiplied by a fraction—

“(i) the numerator of which is the State ceiling applicable to the State for calendar year 2008, determined without regard to this paragraph, and

“(ii) the denominator of which is the sum of the State ceilings determined under clause (i) for all States.

“(B) SET ASIDE.—

“(i) IN GENERAL.—Any amount of the State ceiling for any State which is attributable to an increase under this paragraph shall be allocated solely for one or more qualified housing issues.

“(ii) QUALIFIED HOUSING ISSUE.—For purposes of this paragraph, the term ‘qualified housing issue’ means—

“(I) an issue described in section 142(a)(7) (relating to qualified residential rental projects), or

“(II) a qualified mortgage issue (determined by substituting ‘12-month period’ for ‘42-month period’ each place it appears in section 143(a)(2)(D)(i)).”

(2) CARRYFORWARD OF UNUSED LIMITATIONS.—Subsection (f) of section 146 is amended by adding at the end the following new paragraph:

“(6) SPECIAL RULES FOR INCREASED VOLUME CAP UNDER SUBSECTION (d)(5).—No amount which is attributable to the increase under subsection (d)(5) may be used—

“(A) for any issue other than a qualified housing issue (as defined in subsection (d)(5)), or

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“(B) to issue any bond after calendar year 2010.”

(b) TEMPORARY RULE FOR USE OF QUALIFIED MORTGAGE BONDS PROCEEDS FOR SUBPRIME REFINANCING LOANS.—

(1) IN GENERAL.—Section 143(k) (relating to other definitions and special rules) is amended by adding at the end the following new paragraph:

“(12) SPECIAL RULES FOR SUBPRIME REFINANCINGS.—

“(A) IN GENERAL.—Notwithstanding the requirements of subsection (i)(1), the proceeds of a qualified mortgage issue may be used to refinance a mortgage on a residence which was originally financed by the mortgagor through a qualified subprime loan.

“(B) SPECIAL RULES.—In applying subparagraph (A) to any refinancing—

“(i) subsection (a)(2)(D)(i) shall be applied by substituting

'12-month period' for '42-month period' each place it appears,

“(ii) subsection (d) (relating to 3-year requirement) shall not apply, and

“(iii) subsection (e) (relating to purchase price requirement) shall be applied by using the market value of the residence at the time of refinancing in lieu of the acquisition cost.

“(C) QUALIFIED SUBPRIME LOAN.—The term ‘qualified subprime loan’ means an adjustable rate single-family residential mortgage loan made after December 31, 2001, and before January 1, 2008, that the bond issuer determines would be reasonably likely to cause financial hardship to the borrower if not refinanced.

“(D) TERMINATION.—This paragraph shall not apply to any bonds issued after December 31, 2010.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

GOVERNOR CRIST COMMENDS \$1 BILLION IN FEDERAL SUPPORT FOR HOUSING MARKET AND CONFIRMATION OF FLORIDA'S "AAA" BOND RATING

~~~Standard & Poor's confirms Florida's strong and conservative fiscal management~~~

October 2, 2008

Contact:

GOVERNOR'S PRESS OFFICE  
850-488-5394

TALLAHASSEE – Governor Charlie Crist today praised more than \$1 billion in federal support for Florida's housing market, made possible by the federal Housing and Economic Recovery Act of 2008 passed by Congress this summer. He also announced that Standard & Poor's has affirmed a "AAA" rating with a stable outlook to Florida's general obligation bonds.

"I commend Florida's Congressional delegation for fighting for Florida's fair share of funding and support. Local communities will receive cash to purchase foreclosed homes. Developers of affordable housing will have increased capacity to sell tax-exempt bonds to finance these ventures, and first time home buyers will have increased resources available to them," Governor Crist said. "In addition, yesterday's S&P bond rating confirms that we have been managing prudently and responsibly by taking timely and appropriate action to balance the state budget. All three are good news for Florida's economy."

The federal support for Florida's housing market comes in two forms. First, an additional \$571 million in tax-exempt bond capacity will allow developers to acquire or rehabilitate affordable housing. The bonds will also make funds available for lower interest first-mortgage loans to first-time home buyers with low and moderate incomes, and will leverage state-funded down payment assistance programs. To make the bonds available, Governor Crist signed Executive Order 08-210 directing the Division of Bond Finance to allocate the tax-exempt bond capacity to the Florida Housing Finance Corporation and local housing agencies, which will administer the programs.

The second form of federal support provides funds to assist Florida communities hardest hit by the national housing crisis. Announced earlier this week, \$541 million in federal Community Development Block Grant (CDBG) funds will be used within local communities to purchase foreclosed homes at a discount, to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values, and to promote other community stabilizing activities. The Florida Department of Community Affairs is the lead agency responsible for administering the CDBG program.

Additionally, Standard & Poor's (S&P) confirmed Florida's "AAA" rating with a stable outlook and gave the State of Florida high marks for its financial management. The annual review stated that Florida's economy maintains a strong and competitive position in the Southeast. The S&P "AAA" rating demonstrates that the State of Florida remains financially sound despite the challenges presented by the real estate market and the economy.

Joining Governor Crist at the Mansion for today's announcement were Secretary Tom Pelham of the Department of Community Affairs; Steve Auger, executive director of the Florida Housing Finance Corporation; General Bob Milligan, interim executive director of the State Board of Administration; and Ben Watkins, director of the Division of Bond Finance.

**STATE OF FLORIDA**  
**OFFICE OF THE GOVERNOR**  
**EXECUTIVE ORDER NUMBER 08-210**

WHEREAS, the United States Congress, through passage of the Housing and Economic Recovery Act of 2008, Public Law 110-289, has temporarily increased the private activity bond volume cap for qualified housing bonds under section 146 of the Internal Revenue Code of 1986, as amended; and

WHEREAS, Public Law 110-289 does not specify the manner in which the temporary increase in private activity bond volume cap is to be allocated to issuers of qualified housing bonds within each state; and

WHEREAS, the Florida Private Activity Bond Allocation Act, Chapter 159, Part VI, Florida Statutes, as amended (the "State Allocation Act"), which governs the allocation of the private activity bond volume cap in the State of Florida, was not designed to address a temporary increase in private activity bond volume cap; and

WHEREAS, the issuance of private activity bonds for qualified housing is of great importance to the State of Florida, its agencies and its local governments;

NOW, THEREFORE, I, CHARLIE CRIST, as Governor of the State of Florida and by virtue of the authority vested in me by the Constitution and Laws of the State of Florida, more specifically section 159.813, Florida Statutes, as amended, and consistent with the provisions of section 146(e)(2) of the Internal Revenue Code of 1986, as amended, do hereby promulgate this Executive Order:

Section 1.

The purpose of this Executive Order shall be to allocate the temporary increase in statewide private activity bond volume cap for qualified housing bonds ("Florida's 2008 Supplemental Volume Cap") authorized by Public Law 110-289.

The provisions of the State Allocation Act governing the allocation of private activity bond volume cap and the procedural rules promulgated thereunder (Chapter 19A-4, Florida Administrative Code), to the extent not inconsistent herewith, shall govern the allocation of Florida's 2008 Supplemental Volume Cap.

Section 2.

The Division of Bond Finance shall administer the provisions of this Executive Order. The Director of the Division of Bond Finance shall have the authority to take all actions necessary to comply with the provisions of this Executive Order.

Section 3.

The Division of Bond Finance shall determine the amount of Florida's 2008 Supplemental Volume Cap in accordance with Public Law 110-289 and the Internal Revenue Code of 1986, as amended, and shall make such information available upon request.

Section 4.

(A) When granting applications for private activity bond volume cap for qualified residential rental projects, as such term is defined in the Internal Revenue Code of 1986, as amended, the Division of Bond Finance shall first utilize Florida's 2008 Supplemental Volume Cap, if available.

(B) (1) Applicants for private activity bond volume cap for qualified mortgage bonds shall elect whether to receive an allocation of volume cap from the state allocation pool pursuant to Section 159.807, Florida Statutes, or from Florida's 2008 Supplemental Volume Cap. Such

election may not be revised unless the application is cancelled and a new application is submitted.

(2) The ten percent limitation on supplemental applications found in section 159.805(7), Florida Statutes, shall not apply to applications for Florida's 2008 Supplemental Volume Cap for the purpose of issuing qualified mortgage bonds.

Section 5.

Florida's 2008 Supplemental Volume Cap shall be allocated as follows:

(A) (1) Such private activity bond volume cap shall first be allocated to the issuers of qualified housing bonds, including the Florida Housing Finance Corporation, which have previously applied to the Division of Bond Finance for private activity bond volume cap under the State Allocation Act but for which no private activity bond volume cap is available, in the order established by the State Allocation Act and the rules of the Division of Bond Finance.

(2) Issuers of qualified mortgage bonds which have previously applied to the Division of Bond Finance for private activity bond volume cap under the State Allocation Act, but for which no private activity bond volume cap is available, shall make the election set forth in and pursuant to the provisions of paragraph 4(B)(1) of this Executive Order. If no such election is made within five business days of the effective date of this Executive Order, the Division of Bond Finance shall utilize the state allocation pool to provide the requested volume cap, when and if available.

(B) The remainder of such private activity bond volume cap shall be divided and allocated as follows:

(1) Thirty-three and one-third percent (33 $\frac{1}{3}$ %) shall be allocated to the Florida Housing Finance Corporation for use in connection with the issuance of qualified housing bonds of the Florida Housing Finance Corporation. The Florida Housing Finance Corporation need not

apply to the Division of Bond Finance for an allocation of private activity bond volume cap granted under this paragraph for bonds it issues on or before December 29, 2008.

(2) (a) Sixty-six and two-thirds percent (66⅔%) shall be divided among the regions established pursuant to Section 159.804(2)(b), Florida Statutes, in the manner provided for in such section, for use by all agencies within each region on a first-come, first-served basis, as generally provided for in section 159.805(1), Florida Statutes.

(b) Applications for Florida's 2008 Supplemental Volume Cap shall be made on the form currently used by the Division of Bond Finance for the allocation of private activity bond volume cap. The election required by paragraph 4(B)(1) of this Executive Order may be indicated on the form or in a cover letter accompanying the form.

(c) Applications for Florida's 2008 Supplemental Volume Cap will only be accepted by the Division of Bond Finance on or after the effective date of this Executive Order.

(d) Bonds utilizing private activity bond volume cap granted pursuant to sub-paragraph 5(B)(2)(a) of this Executive Order must be issued on or before December 15, 2008, or the Division of Bond Finance must have received a request to carryforward such private activity bond volume cap for use in calendar years 2009 or 2010, which requests will be accepted by the Division of Bond Finance at any time on or before December 15, 2008.

(e) (i) On December 16, 2008, any private activity bond volume cap granted pursuant to sub-paragraph 5(B)(2)(a) of this Executive Order which has not been used to issue bonds, as evidenced by the receipt by the Division of Bond Finance of an issuance report, or for which a carryforward request to the Division of Bond Finance has not been made, shall be reallocated to issuers of qualified housing bonds, other than the Florida Housing Finance Corporation, and except for issuers who elected pursuant to paragraph 4(B)(1) of this Executive

Order not to receive an allocation from Florida's 2008 Supplemental Volume Cap, which have previously applied to the Division of Bond Finance for an allocation of private activity bond volume cap for qualified housing bonds, but which did not receive such private activity bond volume cap, on a first-come, first-served basis. No such reallocation shall be made unless the Division of Bond Finance has received a carryforward request for such allocation.

(ii) If there is any such private activity bond volume cap remaining after such reallocation, it shall then be reallocated to the Florida Housing Finance Corporation.

(C) (1) On or before December 29, 2008, the Florida Housing Finance Corporation must request carryforward from the Division of Bond Finance for any private activity bond volume cap granted to it pursuant to this Executive Order that it wishes to utilize to issue bonds in calendar years 2009 or 2010.

(2) On December 30, 2008, any private activity bond volume cap granted to the Florida Housing Finance Corporation pursuant to this Executive Order which has not been used by it to issue bonds, as evidenced by the receipt by the Division of Bond Finance of an issuance report, or for which the Division of Bond Finance has not received a carryforward request, shall be reallocated to issuers of qualified housing bonds, except for issuers who elected pursuant to paragraph 4(B)(1) of this Executive Order not to receive an allocation from Florida's 2008 Supplemental Volume Cap, which have previously applied to the Division of Bond Finance for an allocation of private activity bond volume cap for qualified housing bonds, but which did not receive such private activity bond volume cap, on a first-come, first-served basis.

#### Section 6.

Private activity bond volume cap granted pursuant to this Executive Order may, to the extent permitted by federal law, be combined with the State's original 2008 private activity bond

volume cap, or with carryforward private activity bond volume cap, to issue qualified housing bonds.

Section 7.

The State's original 2008 private activity bond volume cap shall be allocated and administered by the Division of Bond Finance pursuant to the State Allocation Act without regard to this Executive Order, except as specifically provided herein.

Section 8.

This Executive Order shall take effect immediately and will remain in effect until the earlier to occur of (A) the issuance of a superceding or amendatory Executive Order, or (B) the effective date of superceding legislation enacted to govern the allocation of Florida's 2008 Supplemental Volume Cap.

IN TESTIMONY WHEREOF, I have hereunto set my hand and have caused the Great Seal of the State of Florida to be affixed, at Tallahassee, the Capitol, this 2nd day of October, 2008.

\_\_\_\_\_  
GOVERNOR

ATTEST:

\_\_\_\_\_  
SECRETARY OF STATE