


Memorandum



Date: July 15, 2022

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

From: Daniella Levine Cava
Mayor 

Subject: FY 2022-23 Proposed Budget

Pursuant to Section 2-1 Rules Of Procedure, Rule 9.01 (a), I am proud to officially submit the FY 2022-23 Proposed Budget to the Board of County Commissioners. You can read the Proposed Budget online here: <https://www.miamidade.gov/proposed-budget/>.

The proposed millage and budget come to this Board during an unprecedented moment in our County. Our economy is rebounding rapidly with unemployment at an all-time low – ranked by some metrics as the fastest-recovering local economy in the country – and property values are at a historic high. Yet Miami-Dade is the epicenter of the national affordability crisis, leaving hundreds of thousands of residents across our community suffering, unable to afford the escalating cost of housing.

To truly sustain economic growth and ensure Miami-Dade is a place where all residents can continue to live, work, and thrive, it’s critical that we invest all available resources to tackle this crisis head-on. And as we look to the budget year ahead, we owe it to residents struggling with the rising cost of living to provide immediate relief.

I’m grateful to the hard work of our budget team for putting forward a balanced, fiscally responsible, compassionate budget proposal for FY 22-23 that will cut property tax rates for property owners; maintain and strengthen critical services to our residents; and make strategic investments in housing affordability – providing relief and making housing more affordable for those who need it most. The budget also makes other key investments in our community’s priorities including enhancing public safety, preventing crime, expanding transit, including fully funding the SMART Plan, protecting the environment, and more.

Our proposed budget reduces the millage rate for the first time in a decade – a 1% reduction for all four taxing districts: Countywide, UMSA, library, and fire. Yet even with this reduction, the proposed millage rates will safeguard our community’s fiscal stability and maintain the essential services that our residents and visitors rely on, such as public safety, emergency response, roadways, and parks.

Further, this year we have the opportunity and responsibility to deploy funds above and beyond these critical services to address housing affordability for all our residents – including homeowners, renters, and working and low-income families – by funding targeted programs that will directly tackle the rising costs of housing.

The proposed budget includes \$48.7 million for two reserves: \$5 million to fund septic to sewer conversion, as directed by the Board, and the rest for a housing reserve that will be used to reinforce and expand proven successful programs that already provide relief to residents, along with an innovative new approach to reduce housing costs:

- **Expand the Emergency Rental Assistance Program (ERAP).** ERAP is an enormously successful program funded with federal dollars through which we have distributed over \$113 million since the start of the pandemic. ERAP helped over 20,000 households stay in their homes

and ensured landlords were made whole. We can use additional funds to benefit even more renters and landlords by expanding the income threshold.

- **Expand existing programs within the Community Action and Human Services Department** to provide urgent relief to homeowners who are behind on their mortgage so they can pay their bills.
- **Fund the Building Block Workforce Housing Incentive Program**, recently approved by the Board, which incentivizes owners to convert existing housing into affordable or workforce units. We recommend dedicating additional ad-valorem funds to support the first year of the program as we test this innovative approach and dedicate funding for years two and three in future budgets. Any funds not utilized toward the Incentive Program this year will be re-invested in other housing affordability efforts.

In total, our proposed budget invests over \$500 million through these and other programs – a historic number for our community – towards the retention and expansion of housing that residents can afford.

While we boldly address our short- and long-term challenges in this year’s budget, we must also secure funding for critical services now and in the future. Making a steep cut to the millage this year may force the County to either cut critical services, like public safety, or raise taxes on residents in future years. This would be fiscally irresponsible, especially as we may be headed toward a national recession with possible decline in property values. We need only look to recent history to understand the risk: In 2009 and 2010, Miami-Dade property values dropped significantly, leaving a huge hole in the County’s budget that caused massive disruption, cuts to services, layoffs, and hiring freezes, including in our police department.

To address these concerns, I believe we must target help for those who need it most. It’s important to note that the large majority of property tax rate reductions will not go to homeowners – only 25% of the County's taxable value comes from homesteaded residential properties. Steep millage cuts will instead benefit speculators like hedge funds that have aggressively bought up single-family homes nationwide, including in Miami-Dade, making homeownership unaffordable, raising rents, and forcing residents out of their homes during the pandemic.

This budget proposal offers immediate relief and takes on the most urgent crisis facing our residents – housing – while also safeguarding our County’s budget for the future, so we can continue to deliver critical public safety and other services that our vibrant, growing community relies upon.

I look forward to working closely with each of you in the weeks ahead as we finalize a FY 22-23 budget that will lay the foundation for an even stronger local economy and community.

c: Geri Bonzon-Keenan, County Attorney
 Gerald Sanchez, First Assistant County Attorney
 Jess McCarty, Executive Assistant County Attorney
 Office of the Mayor Senior Staff
 Department Directors
 Yinka Majekodunmi, Commission Auditor
 Jennifer Moon, Chief, Office of Policy and Budgetary Affairs
 Basia Pruna, Director, Clerk of the Board