

There is More Help for Home Ownership than You Might Think

Despite its glitz and glamour, Miami-Dade County remains relatively poor. For most people here without a lot of cash, buying a home is a challenge.

Our community remains stuck in a home ownership affordability crisis and grapples with foreclosures more than four times higher than the national rate and resulting eyesores in neighborhoods. This hurts our communities.

Fortunately, solutions exist. Unfortunately, most people do not know about them. The good news is most people can conceivably benefit from available homeowner assistance. It's not just for the poor. In fact, a vast majority of households can potentially qualify.

Why does this matter so much in Miami-Dade?

Let's start with five powerful comparisons:

Miami-Dade median home value: \$247,800; Florida: \$188,600

- Miami-Dade median household income: \$43,957; Florida: \$47,827
- Miami-Dade poverty rate: 17.9 percent; Florida: 14.7 percent
- Miami-Dade home ownership rate: 57.6 percent; Florida: 69 percent
- Miami-Dade May unemployment rate: 9.3 percent; Florida 7.1 percent.

While many people cannot afford to buy homes -- or believe they can't -- families are not always aware that local, state or federal programs are available to help with down payments and closing costs for households making as much as 140 percent of the median income, or \$94,350 a year for a family of four.

In Miami-Dade, that means 1.82 million people can potentially benefit.

Relatively few people know about this because they do not know how to search for funding sources. Various local, state and federal entities administer these programs and often fail to communicate the news to the public. The result: money set aside to help people buy homes goes unused and is returned to the federal and state governments, which uses the money for other things.

So, how can people learn about these programs and how they work?

You can start by Googling “Home Ownership Assistance Program Miami-Dade” and you’ll find the county’s assistance program, designed to help first-time buyers who have not owned a home in three years. The credit score does not need to be pristine – about 620 and up is usually enough. And the applicant should reside in Miami-Dade County. In addition, many cities in Miami-Dade offer their own housing initiatives, as do the state, through the SHIP (State Housing Initiatives Partnership), and federal governments, through the HOME Investors Partnership Program, among others.

Nonprofit builders are ready to help by working with governments to extensively rehabilitate decayed, foreclosed or abandoned houses or build new ones on vacant properties. It costs at least \$150,000 to build a modest 3/2 house. In some neighborhoods, prevailing property values of homes are less than that, so both the builder and buyer need incentives or grants to make up the difference for the rehabilitation for construction to make any economic sense.

Liens are a particular -- and sometimes intractable -- sore spot with distressed properties. Tens of thousands of dollars of county or city liens pile up on homes abandoned during foreclosure proceedings, which can drag on for years. That makes the property essentially worthless – unless the county or city offers a program of lien relief.

Lien waivers in Miami-Dade are restricted to certain targeted areas, such as Liberty City, Opa-Locka and Carol City, and are available only to buyers, but not developers or builders unless they sell the property to a qualified buyer. Even South Beach is included, yet vast swaths of the county are ignored, burying eyesore properties in liens, and stripping contractors of any incentive to build on these vacant or decayed properties in other needy areas.

Certainly, reforms are in order, and broadening the boundaries and conditions for countywide lien relief would be a huge help. But the first step for readers or prospective homebuyers is to do a little online prospecting for opportunities, and to pick up the phone. Chances are they will be pleasantly surprised.

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