



MEMORANDUM
COMMISSIONER XAVIER L. SUAREZ

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TO: Rebeca Sosa, Chair and
Miami-Dade County Board of County
Commissioners

DATE: September 18, 2014

CC: Mayor Carlos A. Gimenez

RE: Economic Development Plan

FROM: Xavier L. Suarez
Commissioner, District 7

When I came to county government just over three years ago, one of my priorities was to work closely with my fellow commissioners to elevate the large segment of our population that struggles each day to meet its basic needs. Miami-Dade County is one of the poorest communities in the nation, with a limited and unaffordable transportation system, a higher than average unemployment and poverty rate, and a critical need for affordable housing.

It is my belief that government, and in particular county government, should play a role in promoting solutions to the long-term disparity that is plaguing the nation as a whole and, more specifically, the community that we all share and love. For these reasons, I am putting forth herein an Economic Development Plan and its funding mechanism.

One of the major components of my Task Force Report follow-up, submitted to Chairwoman Sosa and the Board of County Commissioners on September 4, 2014, addressed the restructuring of Miami-Dade County's workforce. I came to the conclusion that to have a more efficient county government, we have to increase the span of control from 4.2 to 1 to a more practical ratio of seven field workers to each supervisor. Implementing such a ratio eliminates over 1,500 supervisory positions which, in turn, will yield savings of approximately \$270 million annually. I propose that we reinvest the \$270 million to take aggressive action in three major areas:

Transportation (\$100 Million)

Miami-Dade County has a limited heavy rail system and yet continues to reduce service miles for buses, replacing less profitable routes for more profitable routes. Furthermore, we compound the issue plaguing our system – high costs and low ridership.

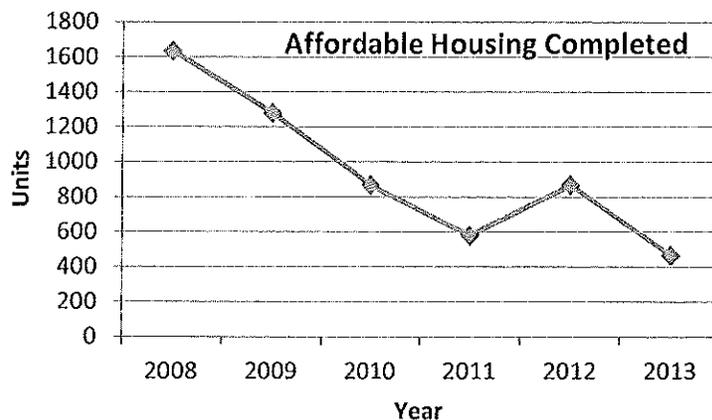
In October 2013, transit fares increased by 12.5% with the expectation of a proportional increase in revenue to support transit services. The focus on transit as a revenue-generator fails to satisfy the purpose of public transportation, which is to move people efficiently.

A solution to address the issue of rising costs is to encourage ridership by lowering fares (to \$1) with a \$50 million operating influx. The additional funding would help offset the decreased farebox revenue while spurring ridership.

Modeled after the popular municipal trolley system, partially funded by the People’s Transportation Plan (PTP) surtax, the existing system can be expanded to include minibuses and encourage the use of public transit. We can invest \$50 million in a revolving loan program that would fund 2,000 minibuses/trolleys. By giving loans of \$25,000 for five years (interest-free) to owner-operators, chosen in conjunction with the Transit Workers’ Union (TWU) and the existing taxi drivers, these privately maintained minibuses would circulate cities and provide reliable service to residents and visitors. In addition, this expansion of “rubberized mass transit” would create no less than 2,000 new permanent jobs.

Affordable Housing (\$90 million)

The completion of affordable housing projects has declined steadily over the last six years (see chart below). In 2013, the county completed a mere 466 rental units with \$12.3 million in funding — a 70% decrease from 2008. In the meantime, demand continues to grow, with over 70,000 families currently on the waiting list for rental units and homeowner assistance, and over half a million Miami-Dade residents living under the poverty line and qualifying for public housing.



We can allocate an additional \$70 million in funding and significantly increase construction of new units. By leveraging these funds with tax credits and coupling with existing grant programs, the county's affordable housing program would exceed 2008 levels, with at least 1,650 new units. Ultimately, this is a tenth of the number of projects we should be completing annually.

An additional \$20 million can be committed to the rehabilitation of existing public and affordable housing facilities with an increased investment in energy efficiency, maximized with sustainability incentives (such as PACE¹ financing). All construction on facilities going forward should make use of green technology to reduce costs in the long run.

Administratively, the county needs to expedite the process of allocating, funding, and breaking ground on new projects. It takes an average of two and a half years to complete a project once the funding has been allocated and makes it impossible to keep pace with demand.

Job Creation (\$80 million)

A. Summer Jobs

Academic success is often hampered by youth unemployment, significantly higher in low-income populations. Miami-Dade should replicate and extend the summer youth jobs program successfully launched by The City of Miami². With \$5 million, plus the previously pledged \$1 million from The Children's Trust, the county can hire 1,300 youths (ages 16-18) living in low-to-moderate income neighborhoods. The funds would cover salaries and training for the nine-week program which would put the young residents to work within the county or with select business partners. Each commission district would be assigned 100 interns and would be responsible for the selection and placement of candidates.

B. Miami-Dade Service Corps

Miami-Dade is facing a high unemployment rate as well as a need for mass labor to revitalize parks, increase conservation efforts, and extend library services.

The county can commit \$75 million to create and maintain the Miami-Dade Service Corps — an independent agency of “at-will” labor reporting to the Mayor. The Corps would be a mobile workforce of around 2,000 full-time workers between the ages of 18-25. Projects to improve quality of life (transforming the Underline, cleaning up beaches, etc.) would be identified, and a team of corps members would be trained and supervised by the relevant department until the completion of the project.

The goal of this program would be to target unemployment in blighted areas and not only create jobs but help the corps members acquire experience for long-term economic success.

¹ Property Assessed Clean Energy (PACE): 100% financing for energy efficiency upgrades, repaid through property tax assessments <http://pacenow.org>

² The City of Miami. *The City of Miami Successfully Completes Its First Summer Youth Employment and Financial Empowerment Program*. N.p., 22 Aug. 2014.

Conclusion

The purpose of this Economic Plan has been to propose plausible solutions to three major areas of concern in Miami-Dade County. To summarize,

Transportation

- ✦ Invest \$100 million.
- ✦ Reduce fares to one dollar to encourage ridership.
- ✦ Expand “rubberized mass transit” by funding 2,000 minibuses/trolleys, and thereby create 2,000 new jobs.

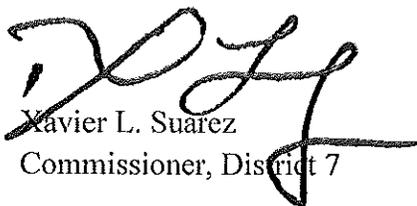
Affordable Housing

- ✦ Invest \$90 million.
- ✦ Use tax credits and existing grant programs to stimulate new construction.
- ✦ Rehabilitate existing public and affordable housing facilities, using green technology.
- ✦ Make the process from beginning to end more user-friendly.

Job Creation

- ✦ Invest \$80 million.
- ✦ Create summer jobs program, assigning 100 interns to each district.
- ✦ Initiate Miami-Dade Service Corps, consisting of 2,000 full-time workers, to realize projects that improve the quality of life within the county.

These initiatives are designed to address the immediate needs of our populace. This plan, however, is only the beginning, and there is much more work to be done. As a county blessed with every attraction imaginable, we have a responsibility to do our best to bring prosperity to all our residents.



Xavier L. Suarez
Commissioner, District 7