Affordable Housing in Miami-Dade County

Review of the Data, Policies and Initiatives

The Office of the County Manager

May 2006

Table of Contents

Chapter 1: Introduction

Chapter 2: Demographic and Economic Trends: Overview

Chapter 3: Putting up the Walls

Chapter 4: The Boom in Home Sales

Chapter 5: Housing Affordability Gap

Chapter 6: Anticipating the Need

Chapter 7: Catching Up-Public Policy and the Housing Affordability Crisis

Appendix 1: Housing Element: Support Document, Department of Planning and Zoning.

Appendix 2: Housing Maps

Appendix 3: Housing Documents by Community Organizations

Appendix 4: Report on Affordable Housing Strategies

Appendix 5: Key State Affordable Housing Legislation (House Bill 1363)

EXECUTIVE SUMMARY

Chapter 1: Introduction

The County's resilient economic vitality generates tremendous challenges in the housing market. Home prices and rents are rising faster than incomes and this trend is threatening the economic and social vitality of the region. Miami-Dade County, like many metropolitan areas nation wide, is experiencing a housing affordability crisis. This crisis will threaten our economic development and the social fiber of our community if steps are not taken to reverse some of the forces driving the crisis.

The purpose of this report is to compile the existing information and generate some new insights into the nature of the crisis to assist the Housing Policy Working Group, and the various task forces under development with the mandate of addressing the community housing needs. As mentioned below, this is a work in progress. It raises questions as well as provides some answers. Working together, the County and its community partners will use this as a baseline document to build the knowledge base necessary to address this complex issue.

Defining Affordability

Housing affordability is generally defined as the capacity of households or families to afford housing without spending more than 30 percent of the household income on housing. This is the standard definition utilized by the United States Department of Housing and Urban Development and followed by most state programs administered through the State of Florida's Housing Finance Corporation (FHFC) and the Department of Community Affairs.

A Note on Methodology

Miami-Dade County consists of a wide variety of communities across 35 municipalities and an expansive unincorporated area. For most of the data presented here, we use the Major Statistical Areas as the units of analysis. These areas are, in turn, comprised of Minor Statistical Areas that are sometimes utilized to breakdown the variables further. The Miami-Dade Standard Metropolitan Statistical Area (SMSA) consists of seven Major Statistical Areas, each of which is comprised of smaller Minor Statistical Areas. Although the Commission Districts do not fall neatly along these dividing lines, the MSAs are useful in categorizing the general dynamics within Districts. Figure 1 shows how the Districts and the MSAs line up.

The report includes several Appendixes which are referenced where appropriate in the body of the study. These Appendixes contain essential documents produced by the County or community organizations on the theme of affordable housing. The Department of Planning & Zoning (DP & Z) issued a concise analysis of the housing dilemma in 2004. The report, entitled Housing Element: Support Document is included in Appendix 1 of this document and will be referenced when appropriate in the body of this report. The maps created by the DP&Z to visually present some of the data are also reproduced. Reports produced by The Beacon Council, The Human Services Coalition, The Research Institute on Social and Economic Policy of FIU, Miami Economic Associates, Inc, as well as the Office of the Miami-Dade County Manager, are included in the Appendixes. The affordable housing legislation approved by the State legislature is also included as an Appendix.

Chapter 2: Demographic and Economic Trends: Overview

Population Growth

For decades, Miami-Dade County has experienced rapid population growth. As shown in Table 2.1, projections placed the 2005 population over the 2.4 million mark, up

almost 150,000 from 2000. During the 2005-2015 decade, population growth is anticipated to average 33,000 per year and during the succeeding decade 32,000. The three million mark will be eclipsed by 2025.

- Between 1970 and 2000, more than half the growth occurred in just two MSAs, numbers 3 and 6 with number 5 a distant third. Together these three were the location for 70.1 percent of the gain.
- For the next 25 years, the expectations are that two of these MSAs, 3 and 6 will continue to lead the way with MSA number 7 gaining rapidly as well.
- Migration, and specifically international migration, drives the changes in population in our area.

Job Growth

- From 2001 to 2003, the number of private jobs in the County declined from 1,149,538 to 1,141,006, a slight decrease of approximately three-quarters of a percent.
- Government employment during the same period grew by almost three percent; from 155,599 to 159,841 employees (Table 2.3).
- Since private sector jobs form the basis of the local economy, these figures translate into a slight decrease of employment during these three years.
- Unemployment rates remained relatively low (Table 2.4).
- Average Annual Wages paid were the second highest in the State (Table 2.5).
- The County ranks in the lower quartile of wage growth and next to last in job creation among the 20 MSA in the State (Tables 2.6).
- From 2002 to 2004 the County created the second fewest number of jobs and ranked 15th out of 20 in wage growth among the State's MSAs (Table 2.7).
- While the County's per capita income and wages rank high among State MSAs, its growth ranks in the lower quartile.
- Wages increased from $36,565 in 2000 to $38,800 in 2004, a gain of 6.1 percent.
- The different income fates among the occupations is evident from Figure 2.6. The average hourly wage of computer and information systems managers, for example, rose over 19 percent from 1999 to 2004 while the hourly wage of police officers climbed less than half of that, 8.5 percent, over the same period.
- Table 2.9 shows the income profile of the county by occupation. We can assign these occupations into three categories: Low Wage Occupations, Moderate Wage Occupations, and High Wage Occupations.
- Eight occupational categories fall within the low paying category, another eight are considered high paying and five are of moderate wage levels.
- The higher wage categories employ fewer than 200,000 employees while the lower wage occupations employ over 500,000 employees. The wage disparities in our communities can present a formidable challenge when dealing with the housing problems facing the county.

Chapter 3: Putting up the Walls

Residential development is occurring in Miami-Dade County at a pace not seen since the 1970s. The total housing units authorized by building permits have increased steadily since 2003.

- From 2003 to 2005, an average of 10,808 units were authorized per year county wide.
- Figure 3.1 shows that in the past three years about 72,000 new housing units have been allowed.
- While in 2003 most units allotted permits were single family homes, by 2005, 64 percent of the units were multi-family structures.

- The building boom in the City of Miami accounted for 30 percent (22,000) of the units built during this period but the City of Homestead captured 12 percent (8,600 units) of the growth.
- Single-family dwellings dominated construction in Homestead and the Unincorporated areas of Miami-Dade County (Figure 3.2).
- The American Community Survey conducted by the Census Bureau reports 906,877 units of housing stock available in Miami-Dade County in 2004. This is a net increase of 135,589 from 2000, or 15 percent (Table 3.1).
- According to Census figures, vacant structures have increased significantly since 2000 after a decade of decline. It's unclear why this increase has occurred.
- More than 55.9 percent of the units have been built since 1970, thanks to an unprecedented boom in construction in the early 1970s (Figure 3.4) and close to three-fourths have been built since 1960.
- Overcrowding is persistent, although not as pervasive a problem as during the 1990s. In 2004, according to the American Community Survey, the number of over crowded units is 6.2 percent (Figure 3.5). While still a higher average than the State or the nation, it drops Miami-Dade into 20th place nationally (from first place during the 1990s).

Chapter 4: The Boom in Home Sales

The cost of housing in Miami-Dade is high and increasing. Between 2000 and 2004, average housing costs for both renter and owner occupied housing units were on the rise.

- Renters who paid an average of $647 in 2000 spent $130 more ($777) in 2004, while homeowners went from paying $1,206 each month to $1,336.
- From 2000 until 2004, sale prices for new single-family homes condominiums increased by 30 percent while the selling price for used single family homes and condominiums soared by over 70 percent (See Figures 6.1 and 6.2).
- In 2004, for the first time in five years, used single-family homes out-priced the sale of new single family units by $30,000, selling for $283,000. Used condominiums, on the other hand, continued to sell for less than new condominiums.
- These housing costs place Miami-Dade County among the top 100 most expensive home ownership markets, according to the data from the American Communities Survey, and the most expensive in the State, slightly ahead of the traditional leader, Palm Beach County.
- Analysts consider that most of the increase in cost of housing at the national level is due to the appreciation in the value of land, particularly in areas where residential development opportunities are limited. A recent Federal Reserve Board study concluded that the price of residential land nation wide has increased almost 250 percent over the past three decades while replacement cost of homes remain virtually unchanged after adjusting for inflation.
- The data was not collected, for this report, for a conclusive evaluation of the role played by land cost in the rising cost of housing in our community. What can be said is that in the Miami-Dade market, the hard cost of building a house, excluding the cost of land, has increased approximately 56 percent in the last six years. Table 4.4 shows a comparison of the hard costs of building a home.
- Incomes are not keeping up with this escalation. Average wages rose 6.1 percent between 2000 and 2004. Based on figures from the Appraisal and Real Estates Economics Associates (A.R.E.E.A.) the average home prices for used units increased 59 percent over the same period and new units increased by 32 percent.

Chapter 5: Housing Affordability Gap

- As of 2000, 45 percent of the County's families were low income by federal standards (with incomes below 80 percent of the area's median).
- Of these 29 percent (222,747 households) had very low incomes (below 50 percent of the county's median).
- In 2000, a median cost home was valued at $124,000, nearly 3.5 times the median yearly household income.
- Four years later, in 2004, a median home's value, of $193,906 was more than 5 times the household median yearly income of $37,025.
- In 2000, a first time buyer needed an income of $75,491 to afford an average priced new home. By 2005, that same first time buyer would need an income of $114,354 (54 percent higher) to buy an averaged priced new home.
- In 2000, a first time buyer would need an income $55,280 to buy the median price of a single-family home. That corresponds to 36 percent of the households in Miami-Dade County.
- By 2004, a first time buyer would need an income of $109,560 to buy the median price single-family home. Only 10 percent of households in 2004 could afford a median price home. In other words, a median income family can no longer afford a median price house.
- There have been periods in our history when housing values have had dramatic increases. Between 1970 and 1975 housing values increased by 160 percent. Yet that increase was accompanied by a proportional increase in wages. The increase in housing costs between 2000 and 2004 has been the largest without a corresponding raise in the median income level (Figure 5.1).
- As Figure 5.2 shows, a household supported by a full-time elementary school teacher would find the purchase of a home to be a risky financial proposition. The teacher could afford, by paying 30 percent of the income, a two bedroom apartment. Figure 5.3 shows how far below the ownership bar other occupations fall. It seems clear that the region's lower wage earning families are being squeezed out of the ownership market.
- Some analysts suggest that using a countywide median income, whether based on family or household or composite income measures, serves to hide the stratified nature of our "income" communities.
- Table 5.2 uses 2000 Census data to show how residents living in different areas of the county share divergent "median income" fates.
- The Median Family Income of residents in the Liberty City area, for example, is approximately 42 percent of the County median. The Carol City and Kendale Lakes areas approach the county median at 93 and 96 percent respectively.
- In 2004, 58 percent of Miami-Dade County renter and owner-occupied households paid 30 percent or more of their annual household income on housing. (Figure 5.4) This percentage is higher than the United States, the State of Florida and both Broward and Palm Beach Counties.
- A resident of Miami-Dade earning minimum wage in 2004 ($6.15) could afford a monthly rent of no more than $320. A two bedroom unit at the area's fair market value cost $929 at the time. Table 6.4 presents the most recent data on the affordability profile of the families in Miami-Dade County.
- Data provided by the County Property Appraiser to MEAI indicates that during 2004 and 2005 a total of 248 projects, containing approximately 25,500 units, were converted from rental to ownership structures. The projects are listed in Appendix 3.
- The 70 largest projects, each containing 100 units or more, accounted for 21,246 (83.4 percent) of the 25,500 units converted.

- The MEAI analysis concluded that none of them provided any significant number of units for households with incomes from 0 to 49.9 percent of Area Median Income (AMI). To the extent that they provided any, the units were efficiencies.
- The preponderance of the units in over one-third of the projects (25) were not affordable to households with incomes at or below 140 percent of AMI with remainder generally affordable only to households with income from 120 to 140 percent of AMI.
- Portions of the remainder of units in the 70 larger projects…were affordable in terms of rental rate to households with incomes from 50 to 79.9 percent of AMI. However, those affordable to the households in that group were generally the efficiency and 1-bedroom units. The larger units were generally only affordable to households with incomes from 80 to 140 percent of AMI (Appendix 3, p.4).
- Based on this analysis, MEAI concluded that the condominium conversions conducted during the last several years have had a negative impact on the supply of affordable/workforce housing.

Chapter 6: Anticipating the Need

- Very-Low income households will increase from 25.6 percent of all households in 2000 to 25.7 percent by 2025.
- At the same time, Upper-Middle and High-income households will decrease from 32.5 percent to 32.3 percent over the period.
- An overwhelming majority of new households (61.9 percent for the period between 2000-2015) will be concentrated in Major Statistical Areas 3, 6, and 7. For the period between 2015 and 2025, these three MSAs will account for 58.8 percent of all new households.
- In total, the projected demand for housing units with allowance for vacancy is 10,609 units per year through the year 2015 and 11,018 units per year during the 2015-2025 period.
- Very-Low and Low-income households will require 2,539 and 1,571 units a year through 2015 and 3,213 and 1,759 units a year from 2015 to 2025 in each of these groups, respectively. It is these households that will be the key to meeting the needs of that segment of the market not adequately served by the private sector.

Chapter 7: Catching Up-Public Policy and the Housing Affordability Crisis

- There is a keen recognition among the public officials in our County that some actions must be taken, by public and private concerns, to ameliorate the housing problems facing our residents.
- Housing has an impact on, and is affected by, economic conditions. Companies and employees look at the housing variable closely when considering relocation options. As The Beacon Council's report points out, "…economic growth is at high risk when population, income and job growth are not supported by an adequate and/or affordable housing supply."
- The housing crisis has an impact on families, children and education. Our best efforts to improve the quality of classroom education won't have the desired effect if school children don't have a place to sleep, study and eat meals with their parents and guardians.
- There are housing elements also linked to public health issues. The World Health Organization has linked overcrowding to physical and mental health issues, disease transmittal, and higher stress related problems; all public health concerns for our community.
- Affordable, decent and safe housing preserves and strengthens our neighborhoods.
- To deal with a countywide problem, there is need of a countywide vision and action plan developed and carried out by groups representing the many constituencies of

Miami-Dade County. With this in mind, the County Manager has revitalized the Housing Policy Work Group to work with government, business, housing industry and community groups, as well as work with a proposed task force under consideration by the County Commission.

- There are a number of internal County housing program reviews and realignments that must occur to properly address some of the challenges on the affordable housing.

Chapter 1: Introduction

By most accounts, Miami-Dade County is experiencing more than a decade of economic growth. Employment figures are impressive and the tourist industry's robust recovery from the near collapse following 9/11 has added fuel to the engine of economic vitality. Healthy population growth has revalidated the County as an attractive destination for workers with a variety of skills.

The County's resilient economic vitality generates tremendous challenges in the housing market. Home prices and rents are rising faster than incomes and this trend is threatening the economic and social vitality of the region. Miami-Dade County, like many metropolitan areas nationwide, is experiencing a housing affordability crisis. This crisis will threaten our economic development and the social fiber of our community if steps are not taken to reverse some of the forces driving the crisis.

The purpose of this report is to compile the existing information and generate discussion about the nature of the affordable housing crisis. The document is designed to assist the Housing Policy Working Group, and the various other task forces under development, in their work as they address the community housing needs.

In this section we will define the operational terms utilized throughout the report in analyzing the housing situation in Miami-Dade County as well as the general aspects of the methodology utilized in the analysis.

Defining Affordability

Housing affordability is generally defined as the capacity of households or families to afford housing without spending more than 30 percent of the household income on housing. This is the standard definition utilized by the United States Department of Housing and Urban Development and followed by most state programs administered through the State of Florida's Housing Finance Corporation (FHFC) and the Department of Community Affairs. Some analysts have criticized the definition for its inability to adjust to households which can afford to pay a higher portion of the income without suffering hardships as well as for those households who would be hard pressed to pay even 10 percent of their income without forgoing other basic necessities. Nevertheless, the definition is a standard measure of need.

In each of the following chapters we will present information gathered from a variety of reliable sources hoping to shed some light on the social and economic forces fueling the affordable housing challenges facing our community. Because of the nature of the existing data, the bulk of the analysis is conducted at the County level. (See Methodology).

Chapter 2: presents an overview of the economic trends and demographic conditions fueling the growth of Miami-Dade County since 1990.

Chapter 3: examines the impact of this growth on housing availability in the County and the condition of the available housing stock.

Chapter 4: focuses on the price spiral evident in the rising costs of housing, particularly housing designed for ownership in the County.

Chapter 5: presents how the increasing affordability gap is having an impact on residents of the County as they struggle with the rising prices of housing and the stagnant nature of incomes.

Chapter 6: reviews the housing needs projected by the County's Planning and Zoning Department and the Office of Community and Economic Development.

Chapter 7: reviews the County programs that are attempting to deal with these issues as well as the recommendations that have been made, and strategies that are being implemented.

Ultimately, this is a work in progress. To fully understand the social forces contributing to the housing crisis, a complete analysis of the forces and policies driving housing supply, housing demand and how public/private partnerships can be developed to address the issue is needed. This analysis has to be undertaken not at the aggregate level of the county but at the community and district level. Research indicates that Miami-Dade County is one of the most segregated metropolitan areas in the nation. Ethnic groups and often income groups live in relative isolation from each other. This segregation has an impact on housing policy as well, although to what degree is an empirical question that can not be answered here. The wheels are now in motion for community involvement in solving this issue. In this process, many answers to existing questions will be revealed.

A Note on Methodology

Miami-Dade County consists of a wide variety of communities across 35 municipalities and a sprawling unincorporated area. For most of the data presented here, we use the Major Statistical Areas as the units of analysis. These areas are, in turn, comprised of Minor Statistical Areas that are sometimes utilized to breakdown the variables further. The Miami-Dade

SMSA consists of seven Major Statistical Areas, each of which is comprised of smaller Minor Statistical Areas. Although the Commission Districts do not fall neatly along these dividing lines, the MSAs are useful in categorizing the general dynamics within Districts. Figure 1 shows how the Districts and the MSAs line up.

Much of the available data on housing affordability has been developed by the Department of Planning and Zoning (DP & Z) and is based on either the 2000 Census or the 2004 American Community Survey. These data have different limitations. The Census, although the most comprehensive data set available, is almost six years old. The housing crunch in our County started to gain momentum after the publication of the Census. Although DP&Z projections are respected for their accuracy, the Bureau of the Census specifically realized the need for local governments to develop more efficient planning tools by instituting the American Community Survey. The ACS is a yearly sampling of key metropolitan areas in the country and serves a much needed role in updating critical social, demographic, economic and housing data. Unfortunately the 2004 sample of the ACS is too small to break down into MSAs or Districts without losing significant accuracy. It can be used at the County level, with some confidence, however, and that is how you'll see the ACS data presented here. The 2005 ACS sample, to be released in August of this year, is considerably larger and will allow for more subtle manipulations. We will update this data as this and other information become available.

The report includes several Appendixes which are referenced where appropriate in the body of the study. These Appendixes contain essential documents produced by the County or community organizations on the theme of affordable housing. The DP&Z issued a concise analysis of the housing dilemma in 2004. The report, entitled Housing Element: Support Document is included in Appendix 1. The maps created by the DP&Z to visually present some of the data are also reproduced. Reports produced by The Beacon Council, The Human Services Coalition, The Research Institute on Social and Economic Policy of FIU, Miami Economic Associates, Inc, as well as the County Manager's office, are included in the Appendixes. The latest staff analysis of the affordable housing legislation approved by the State legislature is also included as an Appendix.

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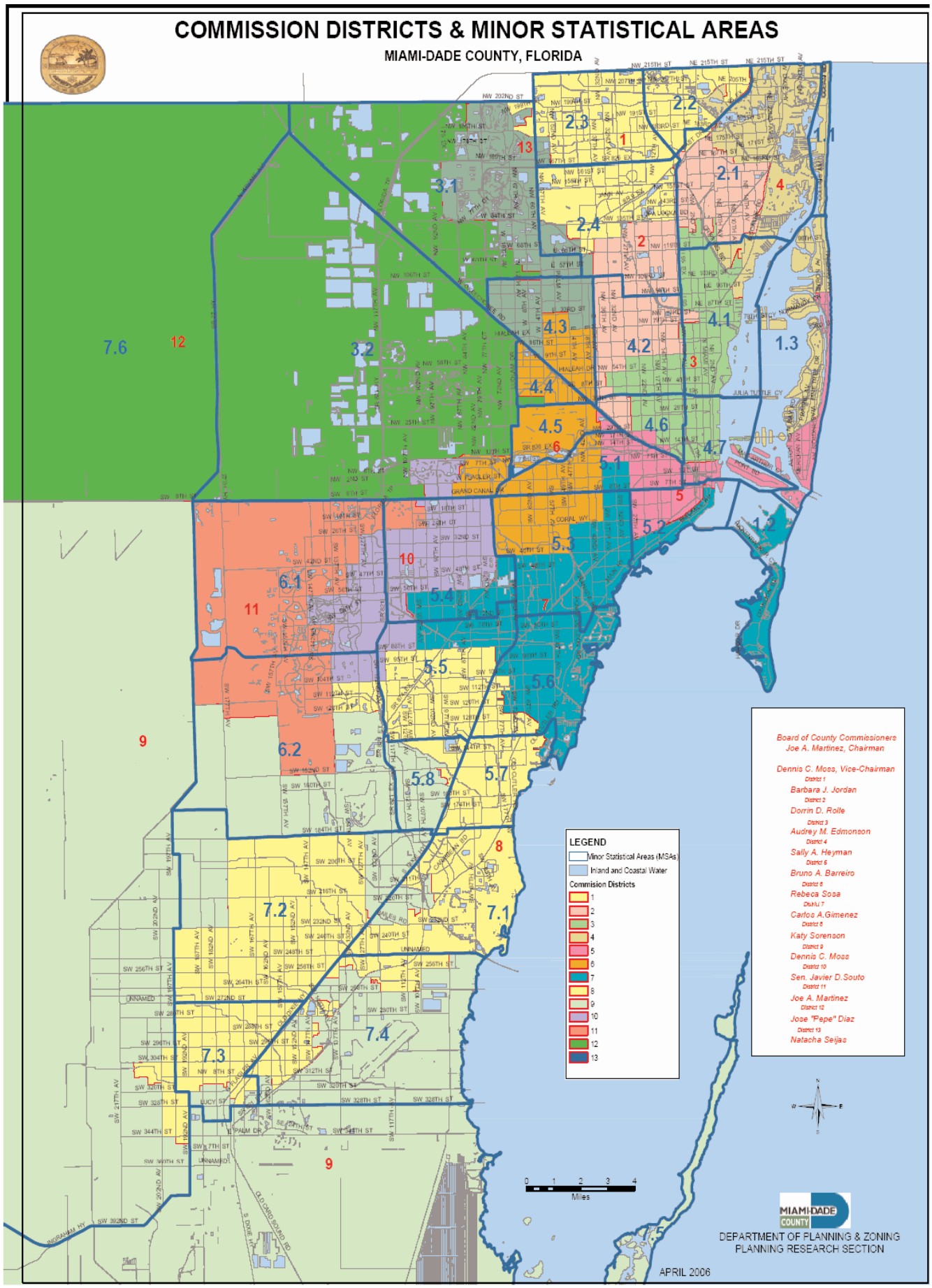
The Beacon Council
- Jaap Donath, Ph. D.

The Human Services Coalition
- Daniella Levine

Figure 1. 1


COMMISSION DISTRICTS & MINOR STATISTICAL AREAS
MIAMI-DADE COUNTY, FLORIDA
LEGEND
Minor Statistical Areas (MSAs)
Inland and Coastal Water
Commision Districts
1
2
3
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11
12
13
Board of County Commissioners
Joe A. Martinez, Chairman
Dennis C. Moss, Vice-Chairman
District 1
Barbara J. Jordan
District 2
Dorrin D. Rolle
District 3
Audrey M. Edmonson
District 4
Sally A. Heyman
District 5
Bruno A. Barreiro
District 6
Rebeca Sosa
District 7
Carlos A.Gimenez
District 8
Katy Sorenson
District 9
Dennis C. Moss
District 10
Sen. Javier D.Souto
District 11
Joe A. Martinez
District 12
Jose "Pepe" Diaz
District 13
Natacha Seijas
Miles
MIAMI-DADE COUNTY
DEPARTMENT OF PLANNING & ZONING
PLANNING RESEARCH SECTION
APRIL 2006

Chapter 2: Demographic and Economic Trends: Overview

Population Growth

For decades, Miami-Dade County has experienced rapid population growth. From 1910 to 1960, the population nearly doubled in size every ten years. The 1960s saw a 36 percent increase and an additional 333,000 people residing here. The pace picked up between 1970 and 1980 as an average of 36,000 people annually was added with the total reaching 1,626,000 in 1980. Growth slowed in the '80s, averaging 31,000 a year, but still pushing the total resident population close to the two million mark. That level was reached around mid 1993, but Hurricane Andrew arrived soon after and caused close to 60,000 people to move elsewhere. After a relatively rapid recovery, most people returned to their homes and normal growth resumed.

As shown in Table 2.1, projections placed the 2005 population over the 2.4 million mark, up almost 150,000 from 2000. During the 2005-2015 decade, population growth is anticipated to average 33,000 per year and during the succeeding decade 32,000. The three million mark will be eclipsed by 2025. The trend line, as shown in Figure 2.1, is relentless.

Table 2.1

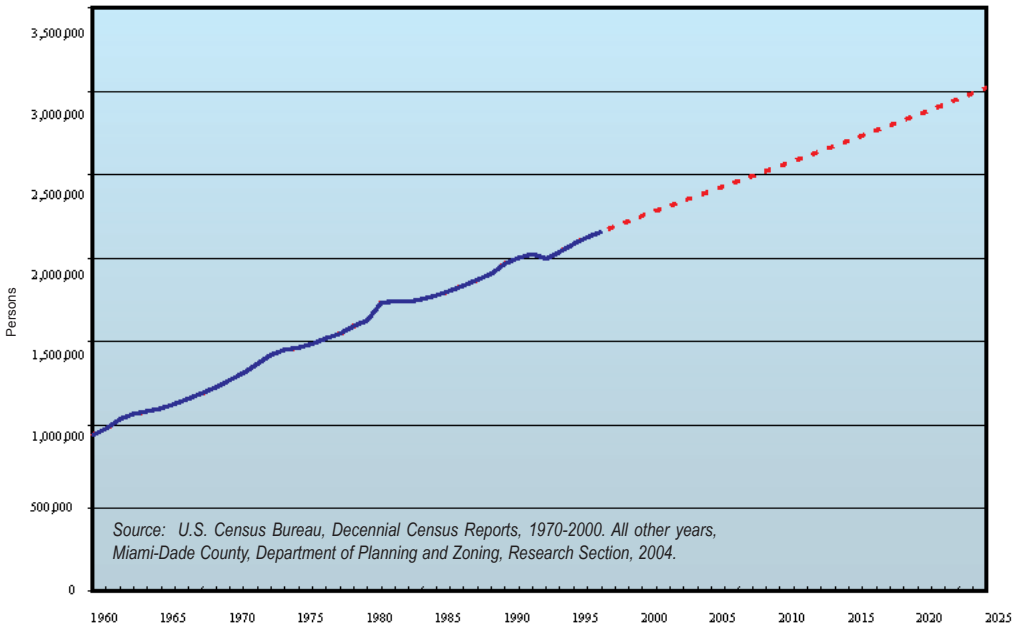
Resident Population Growth
Miami-Dade County, Florida, 1950-2025

Year	Total	Annual Average Change
1950	495,084	---------
1960	935,047	43,996
1970	1,267,691	33,264
1975	1,437,993	34,060
1980	1,625,781	37,558
1985	1,781,526	31,149
1990	1,937,275	31,150
1995	2,095,310	31,607
2000	2,253,362	31,610
2005	2,402,105	29,749
2010	2,551,284	29,836
2015	2,703,117	30,367
2020	2,858,184	31,013
2025	3,019,787	32,321

Source: U.S. Census Bureau, Decennial Census Reports, 1950-2000. All other years, Miami-Dade County, Department of Planning and Zoning, Research Section, 2004.

Figure 2.1

Population Projections Miami-Dade County, 1960 - 2025



•Between 1970 and 2000, more than half the growth occurred in just two MSAs, numbers 3 and 6 with number 5 a distant third. Together these three were the location for 70.1 percent of the gain.

•For the next 25 years, the expectations are that two of these MSAs, 3 and 6 will continue to lead the way with MSA number 7 gaining rapidly as well. These "big three frontier" MSAs are expected to accept 77.5 of the population growth over this period. These "frontier" MSAs border the county to the west and south and, as can be seen from Figure 2.3, will grow with some dynamism.

•The rank order of the size of the seven areas does not change much over the projection period. MSA 5 remains the largest, number 3 vaults from fourth to third, while number 2 moves from third to fourth. MSA 4, the Kendall area (MSA 6), and MSA 7 remain second, fifth, and sixth, respectively, with MSA 1 remaining the smallest.

As has always been the case, all seven Major Statistical Areas (MSA) will benefit from this growth, as seen in Table 2.2 but not equally.

Table 2.2

Population Growth Major Statistical Areas
1970 to 2000 with Projections to 2025

MSA	1970	1980	1990	2000	2005	2010	2015	2020	2025
1	110,461	132,787	131,526	135,317	137,745	139,725	153,179	154,599	156,695
2	226,422	292,354	324,634	371,484	388,316	404,785	414,075	425,819	426,817
3	50,584	113,467	213,759	324,351	369,860	410,307	429,194	432,051	432,051
4	357,103	364,658	378,676	384,186	390,869	399,701	426,872	450,775	479,062
5	426,414	512,558	547,787	574,115	587,808	603,134	628,356	655,789	680,398
6	13,065	72,020	178,410	282,452	330,866	373,638	389,184	397,679	397,679
7	83,642	137,937	162,483	181,457	196,641	219,994	262,257	341,472	447,085
Total	1,267,691	1,625,781	1,937,275	2,253,362	2,402,105	2,551,284	2,703,117	2,858,184	3,019,787

Source: U.S. Census Bureau, Decennial Census Reports, 1970-2000. All other years, Miami-Dade County, Department of Planning and Zoning, Research Section, 2004.

Figure 2.2

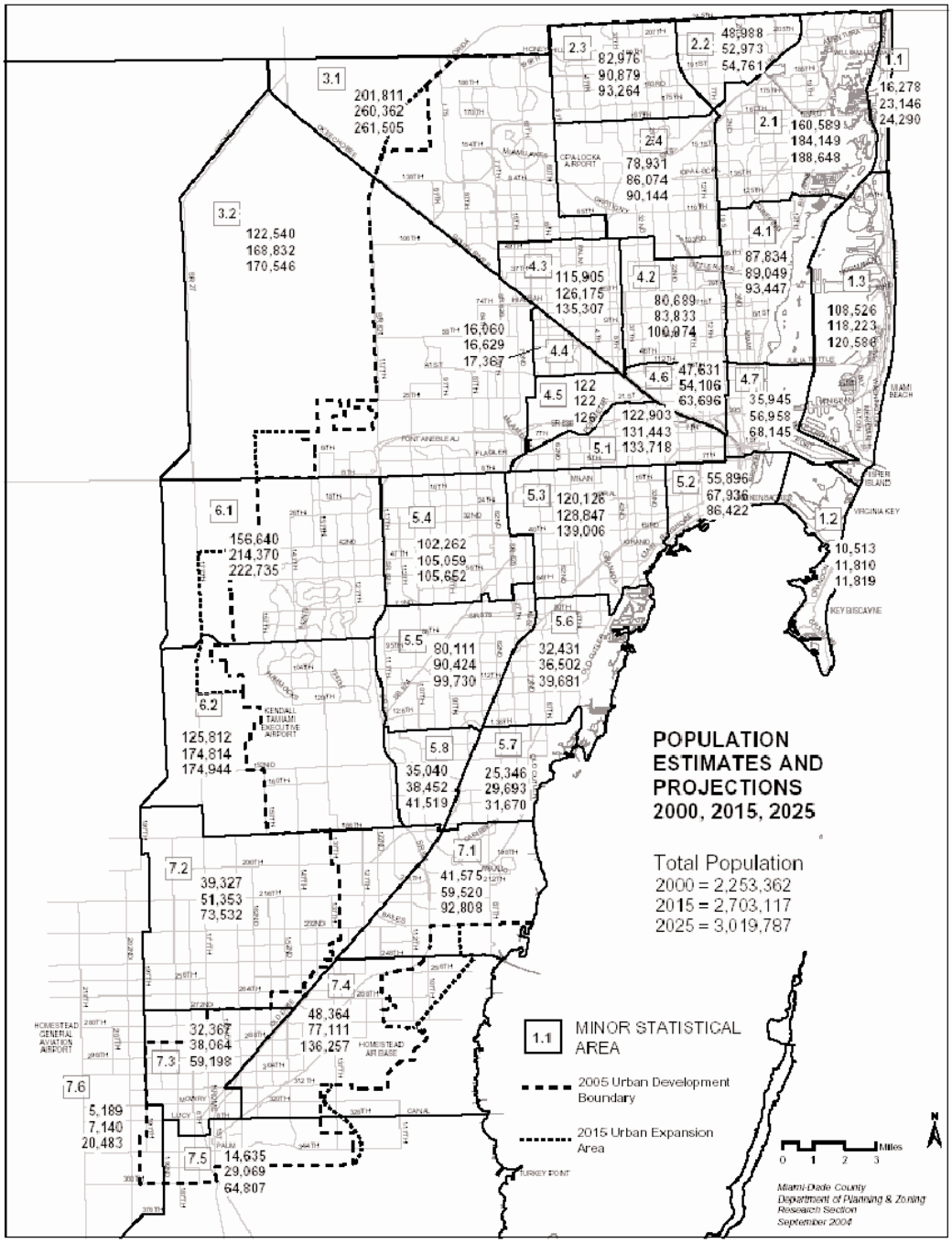
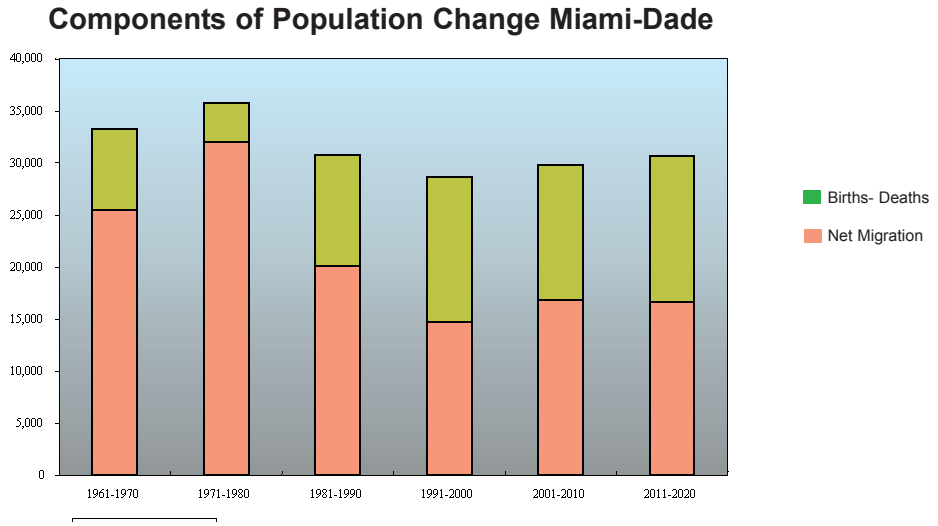


Figure 2.3 briefly touches on a theme of many books and articles: the growth by migration of Miami-Dade County. Migration, and specifically international migration, drives the changes in population in our area. While the most recent Census report emphasizes the rebirth of internal migration as a factor for growth in the region, international migration is expected to continue its contribution to the demographic profile of our community.

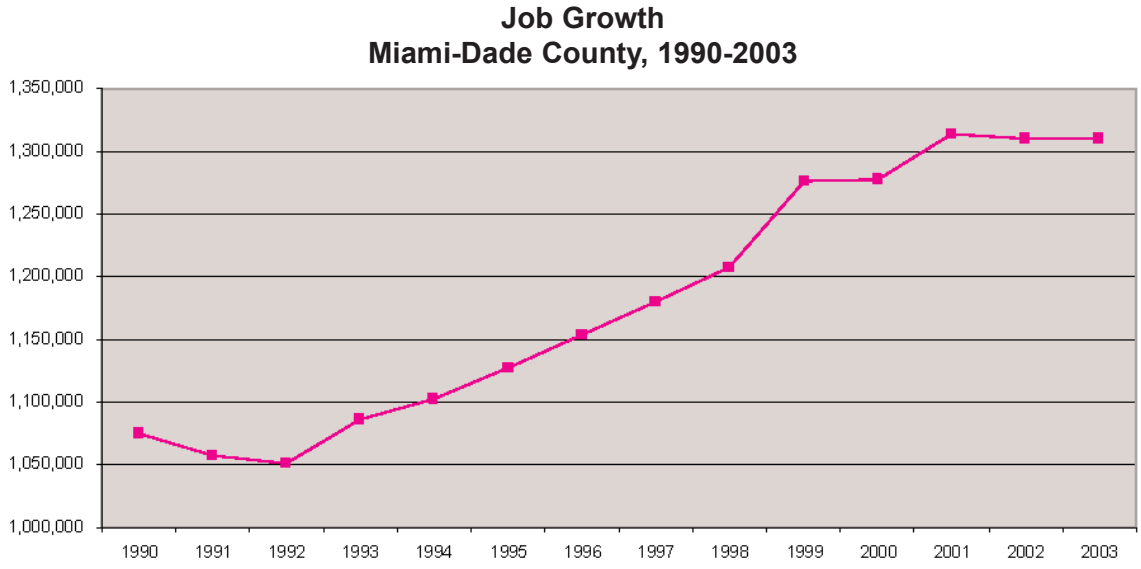
Figure 2.3



Job Growth

Housing markets are driven by economic and demographic trends. Since 1990, the economy of Miami-Dade has been in an unequivocal upward turn (Figure 2.4). Employment growth progressed steadily though the 1990s and into the new century. The unemployment figure, given the population growth of the county, signals a fairly resilient job structure. From 2001 to 2003, the number of private jobs in the County declined from 1,149,538 to 1,141,006, a slight decrease of approximately three-quarters of a percent. Government employment during the same period grew by almost three percent; from 155,599 to 159,841 employees (Table 2.3). Since private sector jobs form the basis of the local economy, these figures translate into a slight decrease of employment during these three years.

Figure 2.4



Source: U.S. Department of Commerce, Economics and Statistics Administration, BEA
Miami-Dade County, Department of Planning and Zoning, Research Section, 2006.

Table 2.3

Employment Miami-Dade County 2001-2003

Year	Private Employment	Government Employment	Non-Farm Employment
2001	1,149,538	155,599	1,305,137
2002	1,142,158	158,819	1,300,977
2003	1,141,006	159,841	1,300,847

Source: U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis/Regional Economic Information System. Miami-Dade, Department of Planning and Zoning, Research Section 2006. Non-Farm Employment figures.

Over the last two years, however, the economic picture presented by the data is an ambiguous one for Miami-Dade County. The County is among the strongest as well as among the weakest in the State.

- Unemployment rates remained relatively low (Table 2.4).
- Average Annual Wages paid were the second highest in the State (Table 2.5).
- Yet, the County ranks in the lower quartile of wage growth and next to last in job creation among the 20 MSA in the State (Tables 2.6).
- From 2002 to 2004 created the second fewest number of jobs and ranked 15th out of 20 in wage growth among the State's MSAs (Tables 2.7 - 2.8).
- This apparent economic slow down is occurring as housing prices continue to rise and population continues to increase.

Table 2.4

Unemployment Rates (2000 - 2006)

Area		2000	2001	2002	2003	2004	2005	2006 *
Miami-Dade		5.1	6.1	6.6	5.9	5.4	4.3	3.6

** Annual Average through March 2006*
Source: Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.
Miami-Dade County, Department of Planning and Zoning, Research Section.

Table 2.5

Average Wage in Each of Florida's Metropolitan Statistical Areas, 2004; and Ranking Relative to Others

Area	Average Annual Wage 2004	Ranking	% of Florida
Florida	**$35,110**	**N/A**	**N/A**
West Palm Beach - Boca Raton MSA	**$38,806**	**1**	**110.50%**
Miami MSA	**$38,758**	**2**	**110.40%**
Fort Lauderdale MSA	**$37,858**	**3**	**107.80%**
Melbourne- Titusville-Palm Bay MSA	**$37,004**	**4**	**105.40%**
Jacksonville MSA	**$36,941**	**5**	**105.20%**
Tampa - St Petersburg - Clearwater MSA	**$35,316**	**6**	**100.60%**
Orlando MSA	$35,040	7	99.80%
Naples MSA	$34,874	8	99.30%
Fort Myers - Cape Coral MSA	$33,937	9	96.70%
Tallahassee MSA	$32,938	10	93.80%
Sarasota - Bradenton MSA	$32,108	11	91.40%
Ft. Pierce - Port St. Lucie MSA	$31,645	12	90.10%
Fort Walton Beach MSA	$31,179	13	88.80%
Lakeland - Winter Haven MSA	$31,163	14	88.80%
Pensacola MSA	$30,355	15	86.50%
Panama City MSA	$30,273	16	86.20%
Gainesville MSA	$30,130	17	85.80%
Punta Gorda MSA	$29,999	18	85.40%
Ocala MSA	$29,001	20	82.60%

Source: Analysis of Quarterly Census of Employment & Wages (QCEW) Annual NAICS Files

Table 2.6

Rankings of Florida's 20 Metropolitan Areas in 2004 Average Wage, Average Wage Percentage Growth 2002-2004, and Job Growth 2002-2004

Area	Ranking in Average Wage, 2004	Ranking in % Avg. Wage Growth, 2002-2004	Ranking in % Job Growth, 2002-2004
Florida	**N/A**	**N/A**	**N/A**
West Palm Beach - Boca Raton	**1**	19	11
Miami	**2**	**15**	**19**
Fort Lauderdale	**3**	**7**	13
Melbourne- Titusville-Palm Bay	**4**	**10**	**7**
Jacksonville	**5**	**9**	14
Tampa - St Petersburg – Clearwater	**6**	**13**	15
Orlando	7	16	**6**
Naples	8	**5**	**8**
Fort Myers - Cape Coral	9	**3**	**1**
Tallahassee	10	18	16
Sarasota - Bradenton	11	**4**	10
Ft. Pierce - Port St. Lucie	12	**14**	**4**
Fort Walton Beach	13	**2**	17
Lakeland - Winter Haven	14	20	18
Pensacola	15	17	**9**
Panama City	16	**6**	**3**
Gainesville	17	**12**	12
Punta Gorda	18	**1**	20
Ocala	20	**11**	**2**

Source: Analysis of Quarterly Census of Employment & Wages (QCEW) Annual NAICS Files

Table 2.7

Number of Jobs, Percent Growth, and Job Growth Rankings for Florida and Florida Metropolitan Statistical Areas, 2002-2004 (all industries)

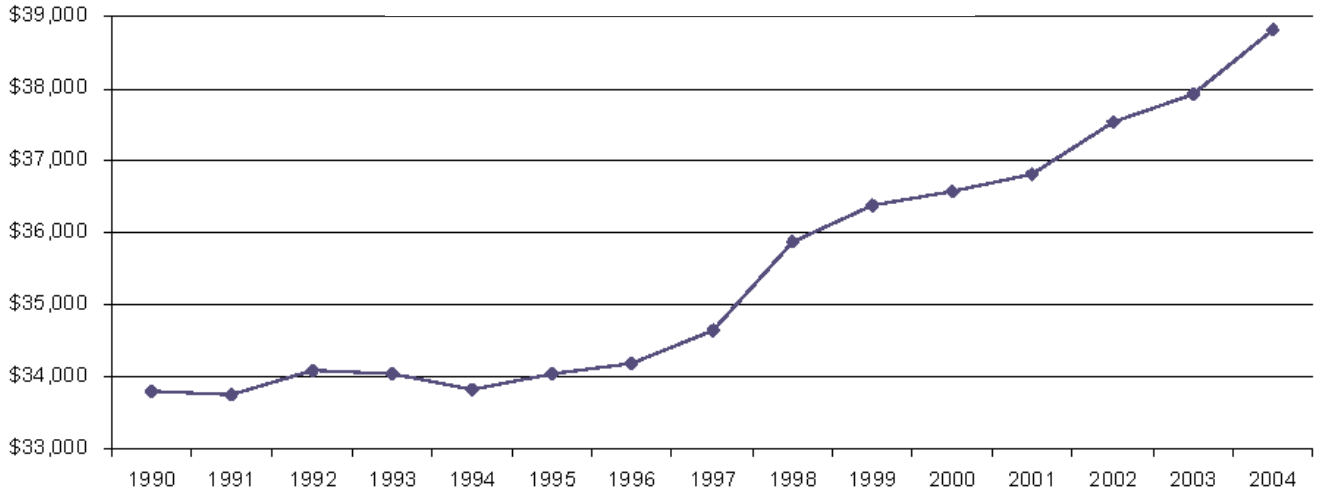
Number of Jobs, Percent Growth, and Job Growth Rankings for Florida and Florida Metropolitan Statistical Areas, 2002-2004 (all industries)

Area	Average Monthly Number of Jobs 2002	Average Monthly Number of Jobs 2004	Percent Growth 2002-2004	Ranking in Percent Growth
Florida	**7,163,458**	**7,469,629**	**4.3%**	**N/A**
Miami MSA	**979,388**	**982,818**	**0.4%**	**19**
Fort Lauderdale MSA	673,373	693,167	2.9%	13
Fort Myers - Cape Coral MSA	176,726	197,185	11.6%	1
Ft. Pierce - Port St. Lucie MSA	107,088	116,607	8.9%	4
Fort Walton Beach MSA	77,343	79,092	2.3%	17
Gainesville MSA	119,987	123,651	3.1%	12
Jacksonville MSA	523,788	538,834	2.9%	14
Lakeland - Winter Haven MSA	187,030	190,366	1.8%	18
Melbourne- Titusville-Palm Bay MSA	183,467	194,324	5.9%	7
Naples MSA	114,497	121,148	5.8%	8
Ocala MSA	83,334	91,187	9.4%	2
Orlando MSA	861,715	917,500	6.5%	6
Panama City MSA	61,982	67,566	9.0%	3
Pensacola MSA	146,203	153,762	5.2%	9
Punta Gorda MSA	42,053	38,297	-8.9%	20
Sarasota - Bradenton MSA	264,041	274,165	3.8%	10
Tallahassee MSA	155,307	158,983	2.4%	16
Tampa - St Petersburg - Clearwater MSA	1,137,216	1,164,507	2.4%	15
West Palm Beach - Boca Raton MSA	503,574	520,705	3.4%	11

Source: Analysis of Quarterly Census of Employment & Wages (QCEW) Annual NAICS Files

Figure 2.5

Average Annual Wages
Miami-Dade County, 1990 - 2004 (in 2004 dollars)



Source: Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics.
Miami-Dade County, Department of Planning and Zoning, Research Section, 2006.

Income Inequality on the Rise

While the County's per capita income and wages rank high among State MSAs, its growth ranks in the lower quartile. Wages increased from $36,565 in 2000 to $38,800 in 2004, a gain of 6.1 percent.

The different income fates among the occupations is evident from Figure 2.6. The average hourly wage of Computer and Information Systems Managers, for example, rose over 19 percent from 1999 to 2004 while the hourly wage of police officers climbed less than half of that, 8.5 percent, over the same period. The over all effect of this gap on income becomes clearer when we look at the top earning professions compared to the lowest earning professions. The top five earners take in over $140,000 per year while the bottom five survive on less than $20,000 per year.

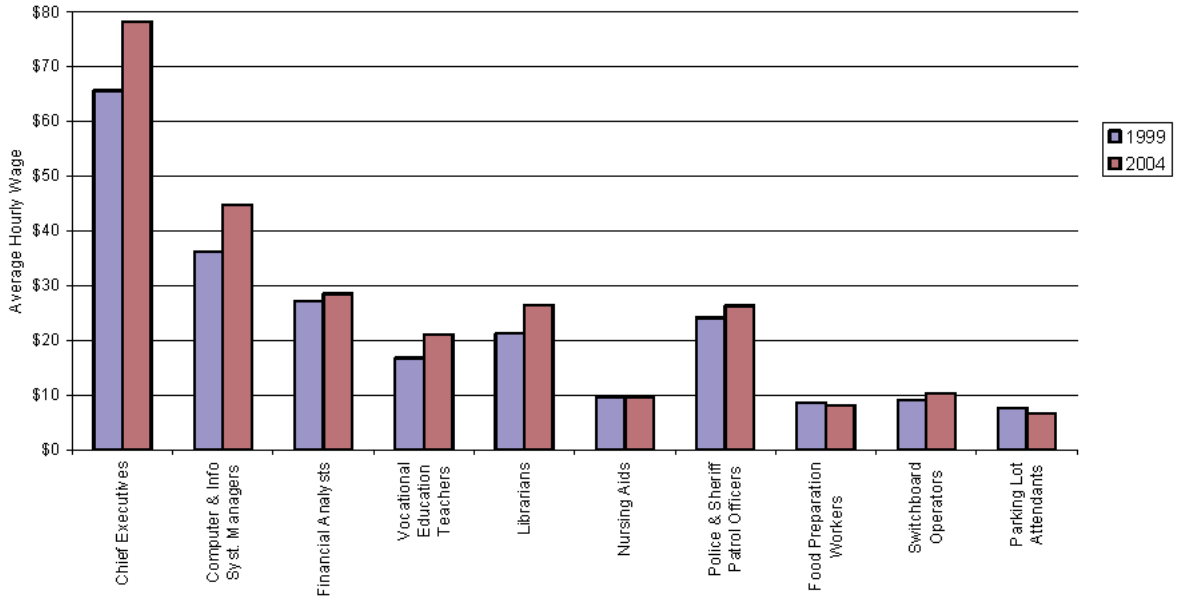
Table 2.9 shows the income profile of the county by occupation. Using the yardstick utilized in Table 2.8 as a guide, we can assign these occupations into three categories: Low Wage Occupations, Moderate Wage Occupations, and High Wage Occupations. Using this criterion, eight occupational categories fall within the low paying category, another 8 are considered high paying and five are of moderate wage levels. It is worth noting that the wage levels of the five moderate wage occupations are much closer to the lower wage levels than the higher side of the continuum. Moreover, the higher wage categories employ fewer than 200,000 employees while the lower wage occupations employ over 500,000 employees. All this by way of stating that the wage disparities in our communities can present a formidable challenge when dealing with the housing problems facing the county.

Wage trends across occupations, however, show considerable variation. Figure 2.6 presents the average hourly wage for some selected occupations. Using a wider view, the statewide data shows that while salary increases are measurable for most occupations, the Miami-Dade workers fared relatively poorly, compared to the State overall. (Table 2.8).

Although the period of low inflation has assisted those with the lowest increases over the last few years, the current disparity is a serious concern. Poverty and near poverty conditions remain persistent. County wide, poverty rates remained in the double digits, 18 percent. Municipalities vary widely in this measure as do Commission Districts. The persistence of poverty and income inequality is troubling. We know that many families with incomes above the poverty line are having a hard time making ends meet. The following chapters will explore how rising housing costs are complicating matters for low and moderate income households trying to make it in today's economy.

Figure 2.6

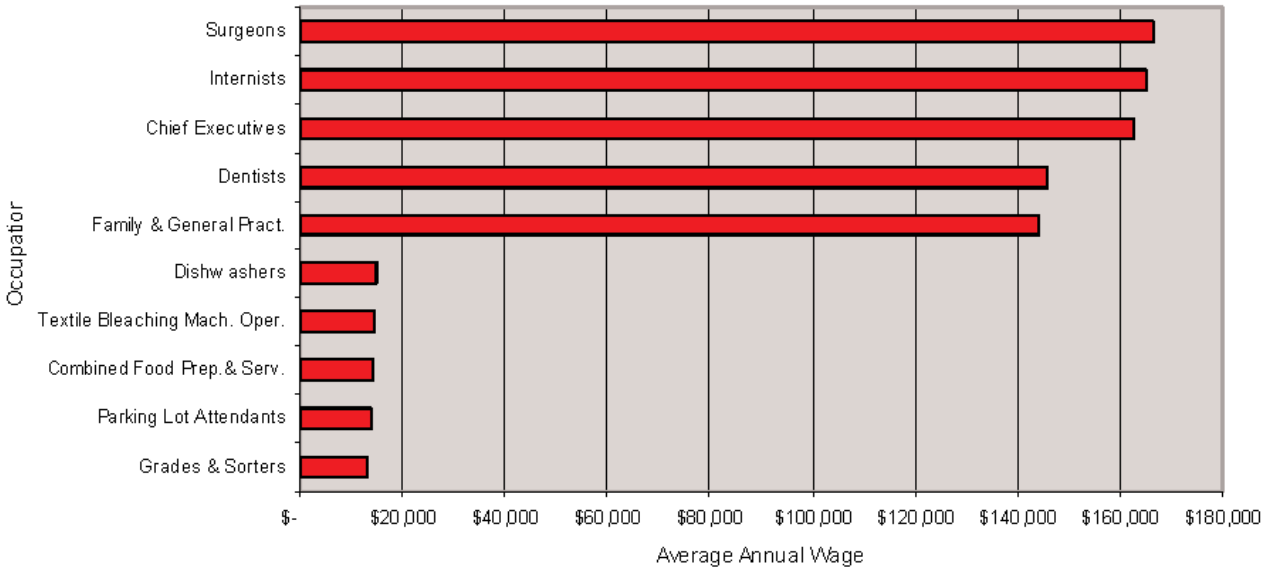
Gap in Miami-Dade County's Wages (in 2004 dollars)
Selected Occupations



Source: Miami-Dade County, Department of Planning and Zoning, Research Section.

Figure 2.7

Top Five and Lowest Five Earning Occupations
Miami-Dade County, 2004



Source: Miami-Dade County, Department of Planning and Zoning, Research Section,

Table 2.8

Percent Growth in Total Annual Wages in High and Low Paying Industries for Florida and Florida Metropolitan Statistical Areas, 2002-2004

Area	Percent Growth in High Wage* Industires	Percent Growth in Low Wage** Industires	Percent Surplus or Deficit from State for High Wage Industries	Percent Surplus or Deficit from State for Low Wage Industries
Florida	**10.4%**	**12.0%**	**N/A**	**N/A**
Daytona Beach MSA	14.0%	14.5%	**3.6%**	2.5%
Fort Lauderdale MSA	14.0%	6.0%	**3.5%**	-6.1%
Fort Myers - Cape Coral MSA	19.8%	27.5%	**9.4%**	15.5%
Ft. Pierce - Port St. Lucie MSA	14.2%	13.6%	**3.7%**	1.6%
Fort Walton Beach MSA	25.5%	7.9%	**15.0%**	-4.2%
Gainesville MSA	9.5%	6.5%	-0.9%	-5.5%
Jacksonville MSA	9.8%	10.8%	-0.6%	-1.2%
Lakeland - Winter Haven MSA	9.6%	5.5%	-0.8%	-6.5%
Melbourne- Titusville-Palm Bay MSA	13.8%	15.4%	**3.4%**	3.3%
Miami MSA	6.5%	10.3%	-3.9%	-1.7%
Naples MSA	18.4%	15.8%	**7.9%**	3.8%
Ocala MSA	16.0%	15.8%	**5.6%**	3.7%
Orlando MSA	12.2%	13.7%	**1.8%**	1.7%
Panama City MSA	25.4%	12.5%	**15.0%**	0.5%
Pensacola MSA	9.9%	15.9%	-0.6%	3.9%
Punta Gorda MSA	21.6%	19.1%	**11.2%**	7.1%
Sarasota - Bradenton MSA	10.9%	13.9%	**0.5%**	1.9%
Tallahassee MSA	8.2%	7.7%	-2.2%	-4.3%
Tampa - St Petersburg - Clearwater MSA	9.5%	10.6%	-1.0%	-1.4%
West Palm Beach - Boca Raton MSA	9.6%	8.8%	-0.8%	-3.3%

Source: Analysis of Quarterly Census of Employment & Wages (QCEW) Annual NAICS Files

**High Wage refers to jobs that pay more than 10% above the 2004 average wage for all industries ($38,621). Those industries are (in ascending wage order) Transportation and Warehousing ($40, 225); Manufacturing ($42,454); Public Administration ($43,034); Mining ($46,885); Financial Activities ($49,487); Wholesale Trade ($50,366); Information ($50,760): Professional, Scientific and Technical Services ($53,089) Finance and Insurance ($56,104); Utilities ($63,818) and Management of Companies and Enterprises ($71,269).*

***Low Wage refers to less than the wage that is 10% below the 2004 average annual wage for all industries ($31,599). Those industries are (in ascending wage order: Accommodation and Food Services ($15,936); Leisure and Hospitality ($18,485); Agriculture, Forestry, Fishing and Hunting ($20,573); Natural Resources and Mining ($21,930); Other Services (except public administration) ($24,718); Retail Trade ($24,813); Administration & Support & Waste Management and Remediation Service ($25,715); Art, Entertainment, and Recreation ($28,826); and Unclassified ($29,027).*

Table 2.9 Occupational Employment and Wage Estimates Miami, Florida PMSA, 2004

Occupation Title	Employment	Median Hourly	Mean Hourly	Mean Annual	Mean RSE
All Occupations	994,660	$12.83	$17.25	$35,870	0.017
Management	**32,090**	**$38.74**	**$45.52**	**$94,670**	**0.015**
Business and Financial Operations	**42,550**	**$23.61**	**$27.09**	**$56,350**	**0.019**
Computer and Mathematical	**18,570**	**$26.93**	**$28.14**	**$58,540**	**0.025**
Architecture and Engineering	**12,430**	**$24.91**	**$27.11**	**$56,380**	**0.028**
Life, Physical, and Social Science	**5,780**	**$24.73**	**$27.27**	**$56,710**	**0.031**
Community and Social Services	12,770	$15.94	$17.42	$36,230	0.048
Legal	**12,160**	**$30.67**	**$40.94**	**$85,160**	**0.09**
Education, Training, and Library	--------	--------	--------	--------	--------
Arts, Design, Entertainment, Sports, and Media	**15,450**	**$19.20**	**$21.85**	**$45,440**	**0.026**
Healthcare Practitioner and Technical	**53,880**	**$23.86**	**$27.90**	**$58,030**	**0.037**
Healthcare Support	*20,320*	*$9.83*	*$10.51*	*$21,860*	*0.019*
Protective Service	38,730	$13.11	$16.86	$35,060	0.101
Food Preparation and Serving Related	*74,970*	*$7.61*	*$8.52*	*$17,710*	*0.015*
Building and Grounds Cleaning and Maintenance	*36,210*	*$8.13*	*$8.78*	*$18,260*	*0.017*
Personal Care and Service	*27,770*	*$8.87*	*$12.16*	*$25,290*	*0.124*
Sales and Related	124,580	$11.40	$16.71	$34,750	0.026
Office and Administrative Support	*210,930*	*$12.03*	*$13.19*	*$27,440*	*0.016*
Farming, Fishing, and Forestry	*-7*	*$6.57*	*$7.42*	*$15,430*	*0.028*
Construction and Extraction	34,520	$14.65	$16.09	$33,470	0.02
Installation, Maintenance, and Repair	35,140	$15.84	$16.76	$34,870	0.021
Production	*46,350*	*$10.05*	*$11.50*	*$23,920*	*0.017*
Transportation and Material Moving	*83,200*	*$9.99*	*$13.55*	*$28,180*	*0.082*

Note: Estimates were not released for Education, Training, and Library Occupations, or for Farming, Fishing, and Forestry Occupations Employment
Note: The relative standard error (RSE) is a measure of the reliability of a survey statistic. The smaller the relative standard error, the more precise the estimate
Source: U.S. Department of Labor, Bureau of Labor Statistics

High Wage Occupations (in bold**) fall within those occupational categories which pay more than 10% above the 2004 average annual wage for all occupations (=above $39,457)). Those are Management ($94,670), Business and Financial Operations ($56,350), Computer and Mathematical ($58,540), Architecture and Engineering ($56,380), Life, Physical and Social Science ($56,710), Legal ($85,160), Arts, Design, Entertainment, Sports, and Media ($45,440) and Healthcare Practitioner and Technical ($58,030).*
**Low Wage Occupations (in italics) fall within those occupational categories which pay less than 10% below the 2004 average annual wage for all occupations (=below $32,283). Those are Transportation and Material Moving ($28,180), Production ($23,920), Farming, Fishing and Forestry ($15,430), Office and Administrative Support ($27,440), Personal Care and Service ($25,290), Building and Grounds Cleaning and Maintenance ($18,260), Food Preparation and Serving ($17,710), and Healthcare Support ($21,860).*

Chapter 3: Putting up the Walls

The housing market has responded to the rapid population and economic growth. Residential development is occurring in Miami-Dade County at a pace not seen since the 1970s. A recent report from the City of Miami shows 87,592 residential units recently completed, under construction or in the pipeline.[1] This boom in construction in the City of Miami reverses two decades of extremely slow residential construction activity. The 1990s saw only 400 units erected in the City of Miami and the City actually lost units (-200 a year) in the 1980s.

Impact fee data shows that this increase in activity is a county-wide phenomenon. The total housing units authorized by building permits have increased steadily since 2003.

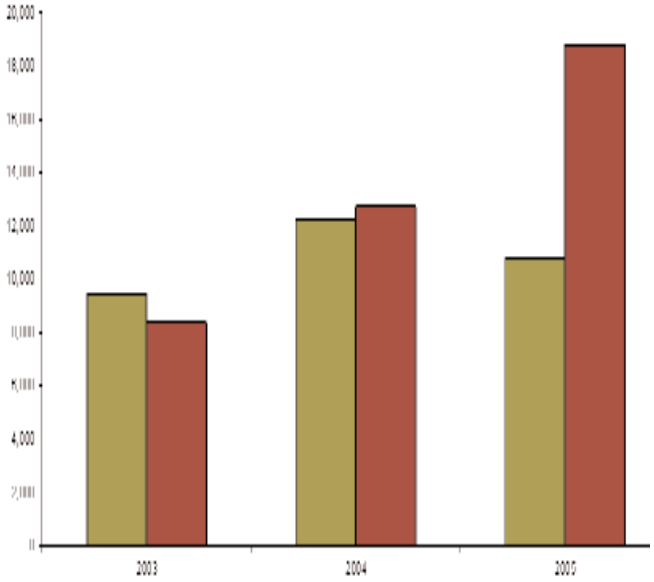
- From 2003 to 2005, an average of 10,808 units were authorized per year county wide.
- Figure 3.1 shows that in the past three years about 72,000 new housing units have been allowed.
- While in 2003 most units allotted permits were single family homes, by 2005 64 percent of the units were multi-family structures.
- The building boom in the City of Miami accounted for 30 percent (22,000) of the units built during this period but the City of Homestead captured 13 percent (8,600 units) of the growth.
- Single-family dwellings dominated construction in Homestead and the Unincorporated areas of Miami-Dade County (Figure 3.2).

Impact fee data is of no use when we try to estimate how much of this construction is affordable and to whom. It is safe to assume, however, that the cranes spanning the skyline along the Metrorail route south to Dadeland or in Aventura are not putting up workforce housing. We will take a closer look at the data from the Property Appraiser's office in Chapter 5, when we present the affordability gap in our community.

[1] *City of Miami Planning Department, "City of Miami Large Scale Development Report, 1995-Present, "October 2005. See the Miami-Dade Housing Data Clearing House Quarterly Bulletin #2 for more details.*

Figure 3.1

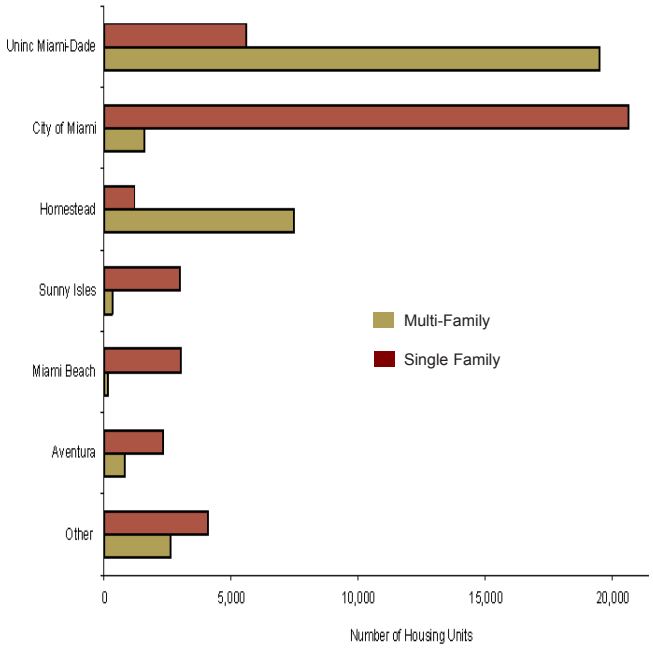
Housing Units on which Impact Fees have been paid by Type
Miami-Dade County 2003 - 2005



Source: Miami-Dade County Department of Planning and Zoning, 2006.

Figure 3.2

Housing Units on which Impact Fees have been paid by Type
Miami-Dade County by Municipality 2003 - 2005

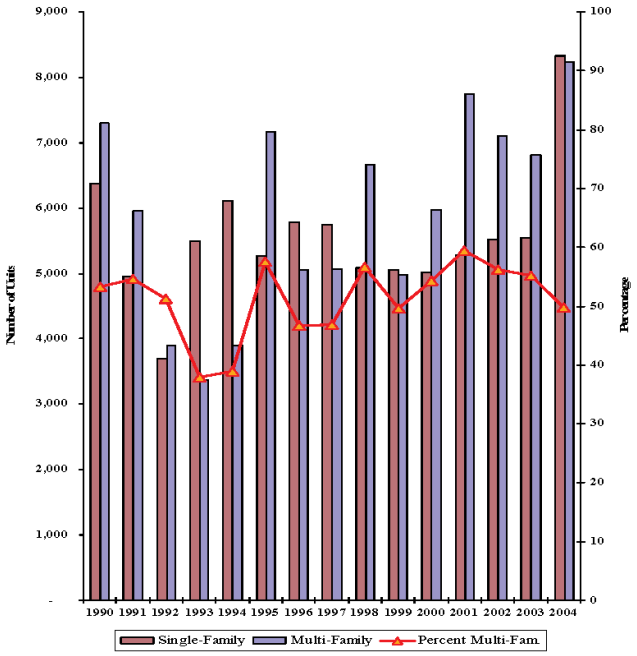


Source: Miami-Dade County Department of Planning and Zoning, 2006.

What is of interest here are the type of units being built. The available data also shows a marked variation in the construction of multi-family dwellings since 1990. In six of the fourteen years construction of multiple family structures have comprised less than half of the residential construction during that year. In 2004 multi-family structures made up 49.7 percent of the total housing units built (Figure 3.3).

Figure 3.3

Housing Units by Type and Year Built
Miami-Dade County, 1990-2004



Source: Miami-Dade County Department of Planning and Zoning, 2006.

One might expect to see a more moderate increase in the housing construction given that the economic picture during the last six years was not as robust as in the late 1990s; but these have been unique years in the housing market nationally as well as in Miami-Dade County. Low interest rates, a stable economy and increased population contributed to 2005 being a banner year for home building nation wide; 1.7 million starts were recorded nationally, a new annual record.[2]

Housing units in Miami-Dade County continue to increase. The American Community Survey conducted by the Census Bureau reports 906,877 units of housing stock available in Miami-Dade County in 2004. This is a net increase of 135,589 from 2000, or 15 percent (Table 3.1). While this growth in the housing stock has, apparently, kept up with the population growth (of approximately 9 percent during the same period), there is a disquieting trend emerging:

- According to Census figures, vacant structures have increased significantly since 2000 after a decade of decline. It's unclear why this increase has occurred but it merits further thorough investigation.

Table 3.1

Selected Housing Unit Characteristics
Miami-Dade County, Florida
1990, 2000 & 2004

	1990	2000	2004
Total Housing Units	771,288	852,278	906,877
Occupied	692,355	776,774	798,807
Owner occupied	375,912	449,325	477,590
Renter occupied	316,443	327,449	321,217
Vacant	78,933	75,504	108,070
For rent	31,611	19,866	29,401
For sale only	11,007	9,855	10,907
Rented or sold, not occupied	8,383	5,022	14,217
For seasonal, recreational, or occasional use	19,062	29,587	39,255
For migrant workers	191	59	0
Other vacant	8,679	11,115	14,290

Note: For information on accuracy of the 2004 data, please visit: http://www.census.gov/acs/www/Downloads/ACS/accuracy2004.pdf
Source: U.S. Census Bureau; 1990 Census Summary Tape File 1, Census 2000 Summary File 1, 2004 American Community Survey. Miami-Dade County Department of Planning and Zoning, Research Section, 2006.

Table 3.2 shows the age of the housing stock in Miami-Dade County as recorded in the 2000 census. More than 55.9 percent of the units have been built since 1970, thanks to an unprecedented boom in construction in the early 1970s (Figure 3.4) and close to three-fourths have been built since 1960.

[2] *The State of the Nation's Housing 2005. Joint Center for Housing Studies of Harvard University.*

Table 3.2

Age of Housing
Miami-Dade County and U.S. 2000

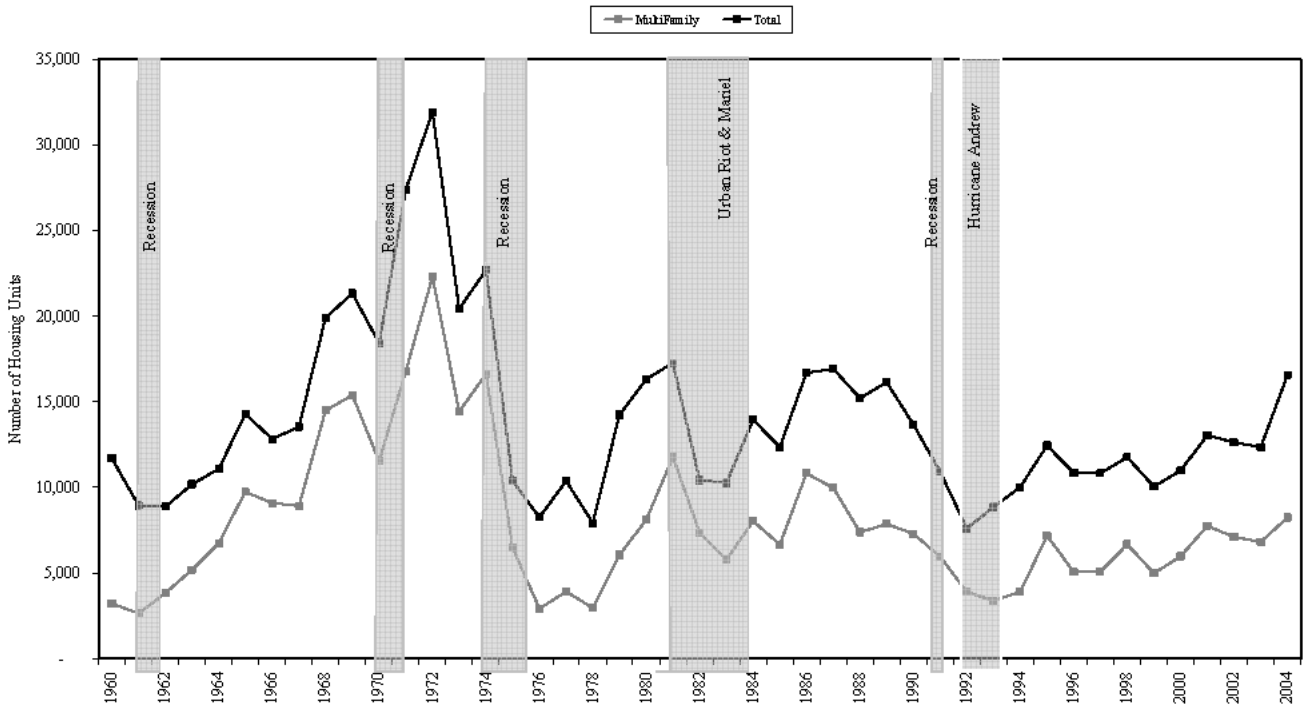
	Miami-Dade County		United States	
Total Units	852,278	100.0%	115,904,641	100.0%
1999 or Later	14,019	1.6	2,755,075	2.4
1990 to 1998	115,491	13.5	16,945,983	14.6
1980 to 1989	155,186	18.2	18,326,847	15.8
1970 to 1979	191,906	22.5	21,438,863	18.5
1960 to 1969	142,827	16.8	15,911,903	13.7
1950 to 1959	140,635	16.5	14,710,149	12.7
1940 to 1949	56,783	6.7	8,435,768	7.3
1939 or earlier	35,431	4.2	17,380,053	15.0

Source: U.S Census Bureau, Census 2000, Summary File 3. Miami-Dade County, Department of Planning and Zoning, Research Section, 2004.

The situation in the U.S. overall shows a different pattern with only 51 percent built since 1970 and less than 66 percent since 1960. The largest difference is in the year category 1939 or earlier with Miami-Dade and U.S. at 4.2 and 15 percent, respectively. These data reflect the rapid growth of the Miami area over the past four decades. Age and associated deterioration should not be a major concerns in assessing the quality of housing in Miami-Dade County (Table 3.2). However, because of the proliferation of housing units over the last 10 years, the monitoring of the quality of construction of new units is imperative.

Figure 3.4

Number of Housing Units Built by Type and Year Built
Miami-Dade County, 1960 - 2005



Source: Miami-Dade County, Department of Planning and Zoning, Research Section.

The Department of Planning and Zoning issued a report in November 2004 which analyzes the condition of housing stock in Miami-Dade County along a variety of dimensions. This report is included in Appendix 1. Some elements of this analysis merit summarizing here.

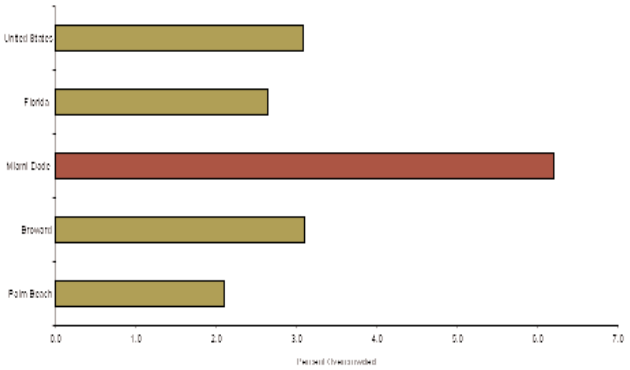
- About 58 percent are owner occupied versus 54 percent in 1990. Statewide, about 70 percent of all occupied units are owner occupied, which is slightly up from 67 percent in 1990.
- Within the County, the owner-renter mix varies considerably from area to area. The highest owner percentage is in the recently developed west Miami-Dade portion (MSA 6), while the lowest is found in MSA 7.
- MSA 2 which includes Opa-Locka, North Miami, North Miami Beach and a large section of unincorporated Miami-Dade has the second highest owner rate at 66 percent.
- Every MSA but number 7 showed slight increases in ownership rates since 1990.
- MSAs 3 and 6 have the highest proportions of newly built housing. In MSA 3, 83.5 percent built since 1970 and in MSA 6, 94.4 percent since that date.
- In contrast, MSAs 1, 2, and 4 standout as having the oldest housing. These areas also have higher ratios of renter occupied housing, except MSA 2.
- In 2000, single-family units, attached and detached, accounted for about 53 percent of all occupied units in the County. Approximately 83 percent of these are detached units.
- Among multi-family units, 91 percent are in structures having more than five units and these constitute 39 percent of all units. This is quite atypical and is a statistical testimony to the large number of high-rise residential structures in the County especially along the shoreline.
- In the more suburban locations (MSAs 5, 6, and 7) single-family type housing predominates with ratios above 60 percent.
- An insignificant number of mobile homes (2 percent) are in the Miami-Dade housing stock and they are not increasing as a share.
- Few housing units in Miami-Dade lack complete plumbing (7,948) or a complete kitchen (8,095); but given the recent stock of the housing, even these low figures might be cause for concern.

Overcrowding is another matter. Overcrowding is used by the U.S. Department of Housing as a measure to determine the funding allocations to housing agencies nationwide. According to the Census, an overcrowded housing unit is defined as one containing more than one person per room. The residents of Miami-Dade were victims of overcrowding in Olympian fashion during the 1990s, according to the Census. In 2000, approximately 20 percent of occupied housing units in Miami-Dade were overcrowded. This number was greater than any county in Florida or the United States. The good news is that this condition has been remedied to a great degree. In 2004, according to the American Community Survey, the number of over crowded units is 6.2 percent (Figure 3.5). While still a higher average than the State or the nation, it drops Miami-Dade into 20th place nationally.

Overcrowding is also measured by counting the number of "subfamilies" in a housing unit. Subfamilies are families that "double up" occupancy by living in a housing unit that belongs to a related member of the family. While this situation can cause financial hardships to low income households, it's often a way for new arrivals or fledgling families to cut housing costs.[3] Miami-Dade's subfamily population seems to be on the increase. In 2000, 4.4 percent of the units had subfamilies while the 2004 estimates hover around the 5.5 percent figure (Figure 3.6)

Figure 3.5

Percent of Overcrowded Units
United States, Florida, and South East Florida Tri-County Area 2004



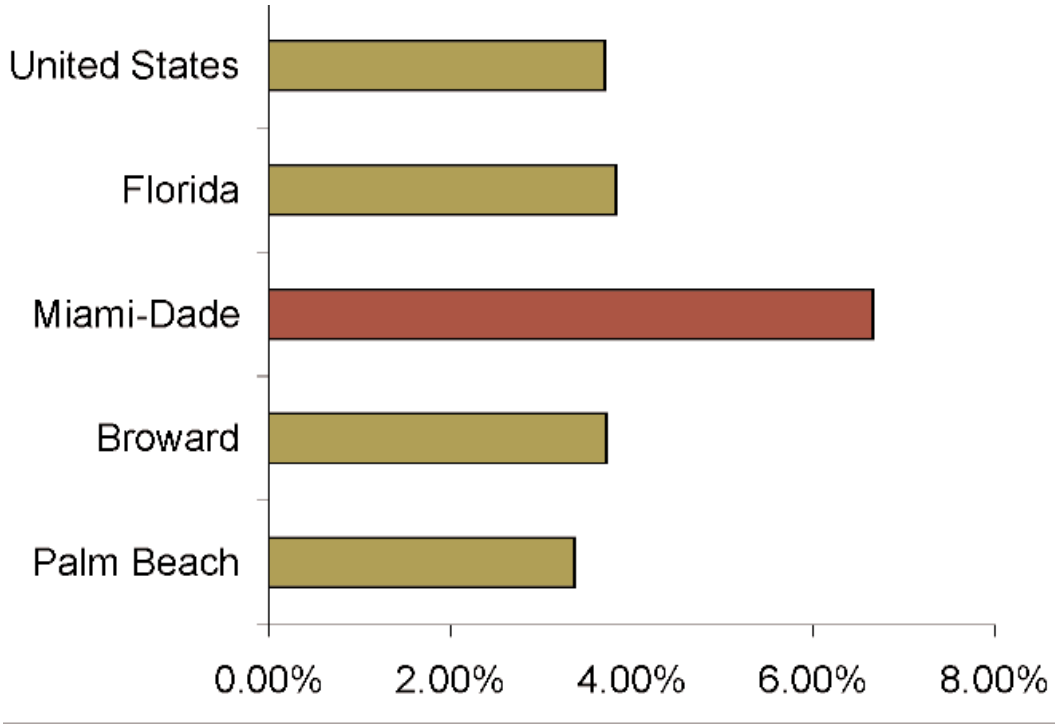
Source: U.S. Census Bureau, American Community Survey, 2004

[3] *Virginia Polytechnic Institute and State University, "A Review of Worst Case Housing Needs Measures," http://www.arch.vet.edu/caus/research/vchr/pdfreports/WCHN%20final-report.pdf, in Miami-Dade Housing Data Clearinghouse Bulletin #2 2006 1st quarter.*

Figure 3.6

Percent of Subfamilies Out of all Family Units
United States, Florida, South East Florida Tri-County Area

Source: U.S. Census Bureau, American Community Survey, 2004



Chapter 4: The Boom in Home Sales

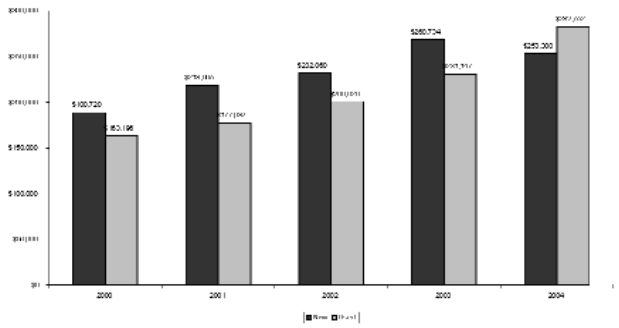
Over the last decade, Miami-Dade County has mirrored development in other parts of the country in at least one area: rising housing prices. While there has been an increase in homeownership, prices have climbed so high so rapidly that incomes are not keeping up, resulting in limited choices for low- and moderate-income families looking to purchase a home. Some affordable housing options remain in some districts but demographic and economic trends are working to rapidly diminish the options that are left.

The cost of housing in Miami-Dade is high and increasing. Between 2000 and 2004, average housing costs for both renter and owner occupied housing units were on the rise.

- Renters who paid an average of $647 in 2000 spent $130 more ($777) in 2004, while homeowners went from paying $1,206 each month to $1,336.
- From 2000 until 2004, sale prices for new single-family homes condominiums increased by 30 percent while the selling price for used single family homes and condominiums soared by over 70 percent (See Figures 4.1 , 4.2 and 4.3).
- In 2004, for the first time in five years, used single-family homes out-priced the sale of new single family units by $30,000, selling for $283,000. Used condominiums, on the other hand, continued to sell for less than new condominiums (Table 4.1).

Figure 4.2

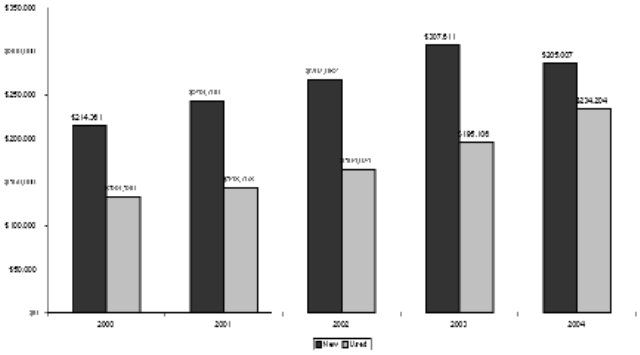
Average New and Used Single Family Home Sales Price 2000-2004



Source: Courthouse records as compiled by Appraisal and Real Estate Economics Associates, Inc., (A.R.E.E.A) Miami, Florida, 2005.

Figure 4.3

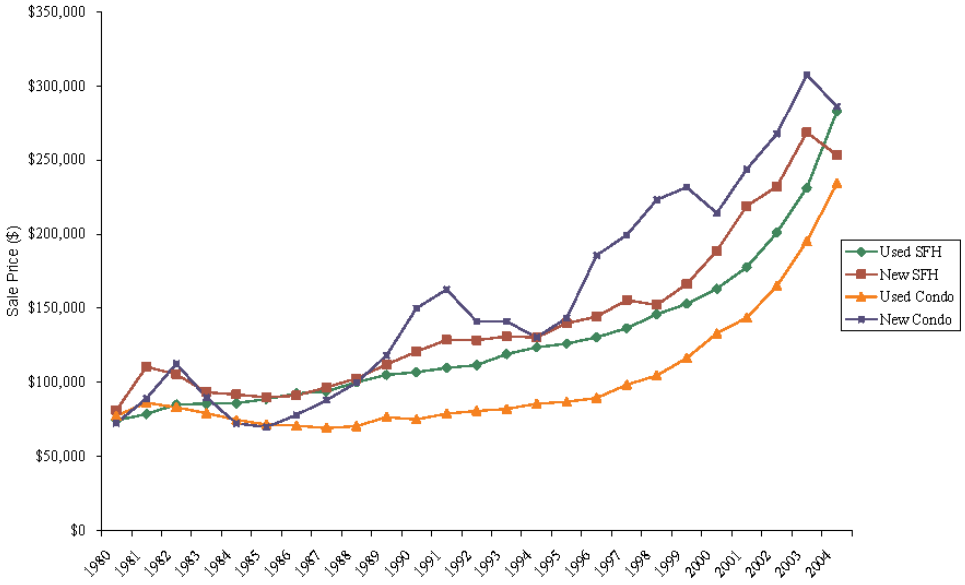
Average New and Used Condominium Sale Price 2000-2004



Source: Courthouse records as compiled by Appraisal and Real Estate Economics Associates, Inc., (A.R.E.E.A) Miami, Florida, 2005.

Figure 4.1

Average New and Used Single Family Home and Condominium Sale Price



Source: Miami-Dade County, Department of Planning and Zoning, Research Section.

Table 4.1

Average Sale Price for New and Used Single Family Homes and Condominiums
Miami-Dade County, Florida 1990-2004

Single Family Homes 1990-2004*

Year	Number of Used Units Sold	% Change in Number of Units	Average Price	% Change in Average Price	Number of New Units Sold	% Change in Number of Units	Average Price	% Change in Average Price
1990	20,482	-11	$106,966	2	6,128	-22	$120,699	8
1991	18,922	-8	$109,708	3	4,557	-26	$128,700	7
1992	19,912	5	$111,639	2	3,697	-19	$128,474	0
1993	24,947	25	$119,133	7	4,688	27	$131,061	2
1994	23,448	-6	$123,551	4	5,404	15	$130,295	-1
1995	21,779	-7	$126,115	2	4,448	-18	$139,910	7
1996	22,465	3	$130,427	3	4,967	12	$144,444	3
1997	22,996	2	$136,637	5	5,034	1	$155,544	8
1998	24,868	8	$145,933	7	4,752	-6	$152,181	-2
1999	27,967	12	$153,139	5	4,565	-4	$166,410	9
2000	30,338	8	$163,196	7	4,262	-7	$188,728	13
2001	31,791	5	$177,687	9	4,472	5	$218,965	16
2002	33,756	6	$200,920	13	4,395	-2	$232,068	6
2003	35,392	5	$231,147	15	4,200	-4	$268,734	16
2004	**21,708**	-39	**$282,752**	22	**3,595**	**-14**	**$253,300**	-6

Condominiums 1990-2004*

Year	Number of Used Units Sold	% Change in Number of Units	Average Price	% Change in Average Price	Number of New Units Sold	% Change in Number of Units	Average Price	% Change in Average Price
1990	9,674	-1	$75,054	-2	4,240	0	$149,982	27
1991	9,800	1	$78,908	5	3,325	-22	$162,752	9
1992	10,142	3	$80,787	2	2,770	-17	$141,052	-13
1993	13,099	29	$82,057	2	3,204	16	$141,069	0
1994	13,322	2	$85,587	4	3,333	4	$130,545	-7
1995	11,856	-11	$86,939	2	4,504	35	$143,427	10
1996	12,334	4	$89,562	3	4,718	5	$185,780	30
1997	12,356	0	$98,396	10	4,460	-5	$199,332	7
1998	13,570	10	$104,649	6	4,493	1	$223,200	12
1999	15,205	12	$116,394	11	4,767	6	$231,670	4
2000	16,746	10	$133,136	14	4,737	-1	$214,361	-7
2001	17,705	6	$143,753	8	5,974	26	$243,769	14
2002	19,474	10	$164,974	15	5,681	-5	$267,682	10
2003	20,271	4	$195,186	18	7,210	27	$307,611	15
2004	**13,851**	-32	**$234,204**	20	**4,887**	-32	**$285,887**	-7

Note: 2004 Home Sales and Condominium Counts are for sales from January through the month of June. For more information contact Laura or Bruno at A.R.E.E.A. at 305-670-0001
Source: Courthouse records as compiled by Appraisal and Real Estate Economics Associates, Inc., (A.R.E.E.A) Miami, Florida, 2005.

Along with this increase in average sales prices, the County has experienced a sharp drop in the share of single family homes sold in moderate price ranges. About 1.5 out of 10 single family homes sold for under $150,000 in 2004. At the higher end of the market, the share of single family homes priced above $250,000 were 5 out of 10. The affluent continue to enjoy more housing options. Moderate and lower income families have fewer (Table 4.2).

Table 4.2

Number and Value of Single Family Units Sold for Specified Amounts Miami-Dade County and The City of Miami, 2004

	Under $150,000	$150,000-$249,999	$250,000-$399,999	$400,000 or More	Total
Miami-Dade County	3137	6242	5293	3889	18561
City of Miami	438	507	601	401	1947
Balance of County	2699	5735	4692	3488	16614
		Percent			
Miami-Dade County	16.9	33.6	28.5	21.0	100.0
City of Miami	22.5	26.0	30.9	20.6	100.0
Balance of County	16.2	34.5	28.2	21.0	100.0

Source: Miami-Dade County Tax File. Miami-Dade County Department of Planning and Zoning, Research Section, 2006.

These housing costs place Miami-Dade County among the top 100 most expensive home ownership markets, according to the data from the American Communities Survey, and the most expensive in the State, slightly ahead of the traditional leader, Palm Beach County (Table 4.3).

Table 4.3

Median Housing Value of Owner-Occupied Housing Units 2004 Top Ten Nationwide and Florida Counties

Rank	County	Median	Lower Bound	Upper Bound
1	San Mateo County, CA	$678,433	$660,541	$696,325
2	San Francisco County, CA	$661,904	$652,428	$671,380
3	Santa Clara County, CA	$602,727	$592,144	$613,310
4	New York County, NY	$600,250	$568,263	$632,237
5	Santa Cruz County, CA	$577,139	$551,695	$602,583
6	Orange County, CA	$512,208	$499,300	$525,116
7	Monterey County, CA	$500,161	$463,669	$536,653
8	Sonoma County, CA	$498,990	$469,213	$528,767
9	Alameda County, CA	$498,227	$484,195	$512,259
10	Santa Barbara County, CA	$493,969	$455,995	$531,943
97	**Miami-Dade County, FL**	$193,906	$188,273	$199,539
98	Palm Beach County, FL	$192,957	$185,583	$200,331
112	Broward County, FL	$182,065	$179,422	$184,708

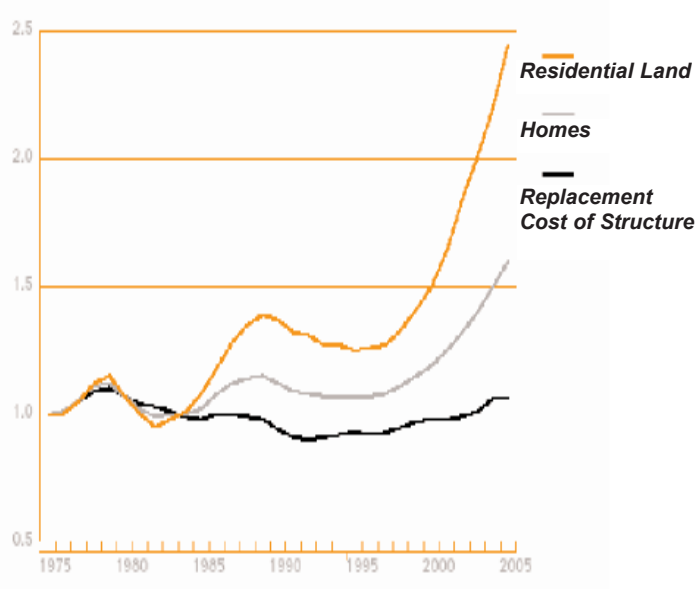
Note: The ranking tables were created by the ACS to provide a quick visual representation of comparative data on key issues for the top 236 counties nationwide. Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a confidence interval. The interval shown here is a 90 percent confidence interval. The stated range can be interpreted roughly as providing a 90 percent probability that the interval defined by the lower and upper bounds contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Source: U.S. Census Bureau, 2004 American Community Survey. Miami-Dade County Department of Planning and Zoning, Research Section, 2006.

Analysts consider that most of the increase in cost of housing at the national level is due to the appreciation in the value of land, particularly in areas where residential development opportunities are limited. A recent Federal Reserve Board study concluded that the price of residential land nation wide has increased almost 250 percent over the past three decades while replacement cost of homes remain virtually unchanged after adjusting for inflation (Figure 4.4).

Figure 4.4

Rising Land Prices Are Largely Responsible for Higher House Prices
Index (1975 = 1.0), adjusted for inflation



Source: Davis, Morris A., and Jonathan Heathcote. "The Price and Quantity of Residential Land in the United States." Federal Reserve Board of Governors and Georgetown University, 2004. http://www.federalreserve.gov/pubs/feds/2004/200437/200437pap.pdf.

The data was not collected, for this report, for a conclusive evaluation of the role played by land costs in the rising cost of housing in our community. What can be said is that in the Miami-Dade market, the hard cost of building a house, excluding the cost of land, has increased approximately 56 percent in the last six years. Table 4.4 shows a comparison of the hard costs of building a home.

Table 4.4

Comparative Building Cost Analysis
(3 bdrm/2 bath, 1,500 sq.ft. residence) 2001/2006 costs

#	ITEM	2001 Costs	2001 Cost per SQ. Feet	2006 Costs	2006 Cost per SQ. Feet
1	Air Conditioning	3,125.00	2.08	$4,650.00	$3.10
2	Appliances	1,300.00	0.87	$1,800.00	$1.20
3	Cabinets	900.00	0.60	$1,100.00	$0.73
4	Millwork & doors	1,500.00	1.00	$1,750.00	$1.17
5	Carpet	800.00	0.53	$1,000.00	$0.67
6	Driveway/approach	900.00	0.60	$1,100.00	$0.73
7	Drywall	4,450.00	2.97	$5,925.00	$3.95
8	Electrical	3,600.00	2.40	$4,350.00	$2.90
9	Garage door	400.00	0.27	$600.00	$0.40
10	House cleaning	175.00	0.12	$175.00	$0.12
11	Insulation	900.00	0.60	$1,500.00	$1.00
12	Landscaping	1,100.00	0.73	$1,900.00	$1.27
13	Lighting fixtures	150.00	0.10	$215.00	$0.14
14	Marbelite tops	400.00	0.27	$900.00	$0.60
15	Paint	1,500.00	1.00	$2,675.00	$1.78
16	Plaster	2,120.00	1.41	$3,145.00	$2.10
17	Plumbing inc fixtures	3,500.00	2.33	$4,175.00	$2.78
18	Roofing	3,750.00	2.50	$6,000.00	$4.00
19	Shell Material & Labor	13,500.00	9.00	$22,500.00	$15.00
20	Shelves-mirrors	250.00	0.17	$350.00	$0.23
21	Shutters	500.00	0.33	$750.00	$0.50
22	Tiles	1,100.00	0.73	$1,800.00	$1.20
23	Trash removal	400.00	0.27	$600.00	$0.40
24	Trusses	3,200.00	2.13	$5,300.00	$3.53
25	Windows	1,150.00	0.77	$5,125.00	$3.42
26	Fences	$1,600.00	$1.07	$2,300.00	$1.53
	SUB TOTAL	**$52,270.00**	**$34.85**	**$81,685.00**	**$54.45**

Source: Miami Dade Building Department, 2006

The indirect costs associated with construction remain somewhat fixed in comparison to the costs of labor and raw materials (Table 4.5). When these costs are added to the mix, including a healthy 15 percent overhead and profit margin, the total hard cost associated with getting the walls up under a roof of a three bedroom home have increased approximately 50 percent from 2001 to 2006. As mentioned in note number 4 below, the price will vary according to the number of bedrooms, whether a septic tank is used and the financing cost. In addition, given the available data reported in Table 4.1, it is difficult to ascertain what size homes were sold in calculating the average price increases tabulated. All this by way of saying that the role of rising land costs in the increasing price of housing in our county requires further investigation.

Table 4.5

Indirect Costs Associated with Construction (3 brd/2 bath, 1,500 sq.ft. residence) 2001/2006

	2001	2006
Overhead and Profit (15%)	$7,840.00	$12,253.00
Architect and Engineers Fees	$5,000.00	$8,000.00
Water & Sewer connection charges	$2,446.00	$2,446.00
Impact Fees	$5,000.00	$5,000.00
Permit Fees	$1,200.00	$1,500.00
SUB TOTAL	**$21,486.00**	**$29,199.00**
	$14.32/sq ft	**$19.46/sq ft**
GRAND TOTAL	**$73,756.00**	**$110,884.00**
	49.17/sq.ft	**$73.92/sq ft**

Source: Miami Dade Building Department, 2006.
Notes: 1) Lot filled to grade; 2) County Sewer Service Assumed; add $2,100/2001, $3,500/2006 for septic tank; 3) Financing costs estimated at 10percent ($5,227/2001, $8,168/2006; 4) For each 10ft x 10ft bedroom add or subtract $3,176/2001 and $4,776/2006.

Regardless of the reasons for the increases, incomes are not keeping up with this escalation. As discussed in Chapter 2, average wages rose 6.1 percent between 2000 and 2004. But based on figures from the Appraisal and Real Estates Economics Associates (A.R.E.E.A.) the average home prices for used units increased 59 percent over the same period and new units increased by 32 percent. Current home owners feel the pinch as they watch assessments and taxes rise on their properties but the impact is most felt among first time potential buyers. In 2000, a first time buyer needed an income of $75,491 to afford an average priced new home. By 2005, that same first time buyer would need an income of $114,354 (54 percent higher) to buy an averaged priced new home.

Chapter 5: Housing Affordability Gap

The housing crisis that is developing in Miami-Dade County is not just an issue affecting those with incomes large enough to buy a home. Renters are more vulnerable than homeowners to the shifting economic tides. Housing costs in Miami-Dade County have been steadily increasing for both groups and the issue of affordability has become a public policy debate. The generally accepted standard of affordability is that housing costs should not exceed 30 percent of a household's income although some analysts use 35 percent, as was the case in the 1990 Census analysis by the Department of Planning and Zoning.

- As of 2000, 45 percent of the County's families were low income by federal standards (with incomes below 80 percent of the area's median).
- Of these 29 percent (222,747 households) had very low incomes (below 50 percent of the county's median).

The issue of affordability, however, is not a simple effect of the "invisible hand" of the market working on land and construction prices. It is a much broader economic development issue that spotlights the disparity between wages and access to decent housing. In other words, affordability would not be a public policy issue if incomes were increasing at a rate comparable to that of housing prices. This has not been happening.

- In 2000, a median cost home was valued at $124,000, nearly 3.5 times the median yearly household income.
- Four years later, in 2004, a median home's value, $193,906 was more than 5 times the household median yearly income of $37,025.
- In 2000, a first time buyer would need an income of $55,280 to buy the median price of a single-family home.[1] That corresponds to 36 percent of the households in Miami-Dade County. [2]
- By 2004, a first time buyer would need an income of $109,560 to buy the median price single-family home.[3] Only 10 percent of households in 2004 could afford a median price home.[4]
- It has been a while since a median income family could afford a median income house in Miami-Dade County.

[1]*Source: Florida Association of Realtors (FAR): we took the median sale price and divided by 2.5 to determine the income level needed to afford a home at that price.*

[2]*To determine the number of households that could afford a median priced home in 2000, we accessed Census 2000 household income distribution data and applied an income range break formula (interpolation), using 2.5 the 2000 FAR median selling price as the break point.*

[3]*Source: Florida Association of Realtors (took the median sale price and divided by 2.5 to determine the income level needed to afford a home at that price).*

[4]*To deermine the number of households that could afford a median priced home in 2004, we accessed 2004 American Community Survey household income distribution data and applied an income range break formula (interpolation), using 2.5 the 2004 FAR median selling price as the break point.*

Table 5.1

Definitions of Income Categories
Miami-Dade County, Florida, 2006

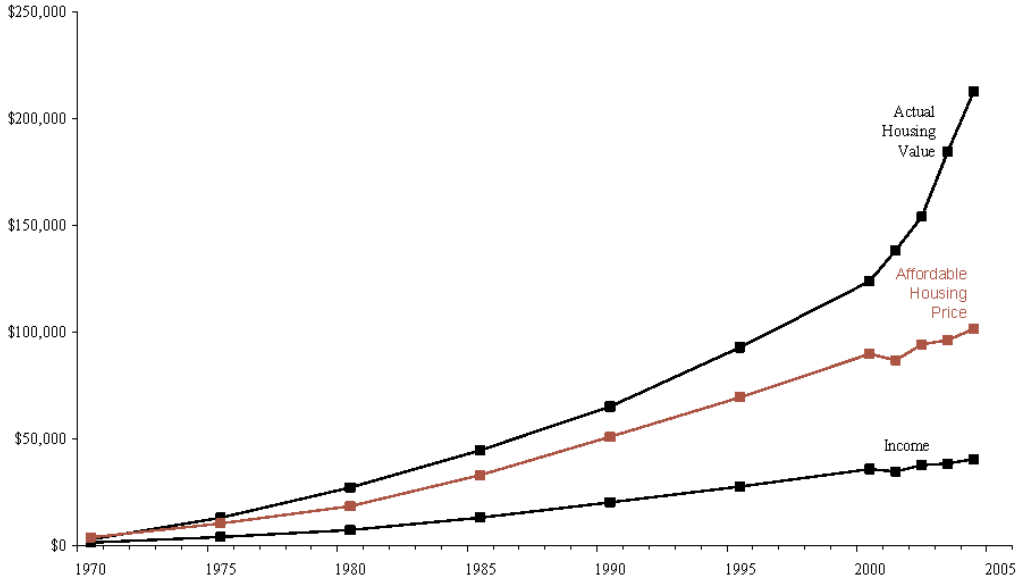
Income Group	Ratio to Median Family Income *	Income Limits
Extremely Low	Less than 30%	Less than $16,770
Very Low	30% to 49.9%	$16,770 - $27,894
Low	50% to 79.9%	$27,894 - $44,664
Moderate	80% to 119.9%	$44,664 - $67,024
Middle	119.9% to 149.9 %	$67,024 - $83,941
Upper-Middle to High	Greater than 150%	More than $83,941

**Median Income for Miami-Dade County in 2006=$55,900.*
Source: U.S. HUD Income Limits, MFI for Miami-Dade County, Fiscal Year 2006.

Between 2000 and 2004, the median value of housing in the County increased by over 56 percent; wages, during the same period, increased by only 6.1 percent. There have been periods in our history when housing values have had dramatic increases. Between 1970 and 1975 housing values increased by 160 percent. Yet that increase was accompanied by a proportional increase in wages. The increase in housing costs between 2000 and 2004 has been the largest without a corresponding raise in the median income level (Figure 5.1).

Figure 5.1

"Housing Affordability Gap"
Median Income v. Median Housing Value 1970 - 2004
(Adjusted to 2000 Constant Dollars)

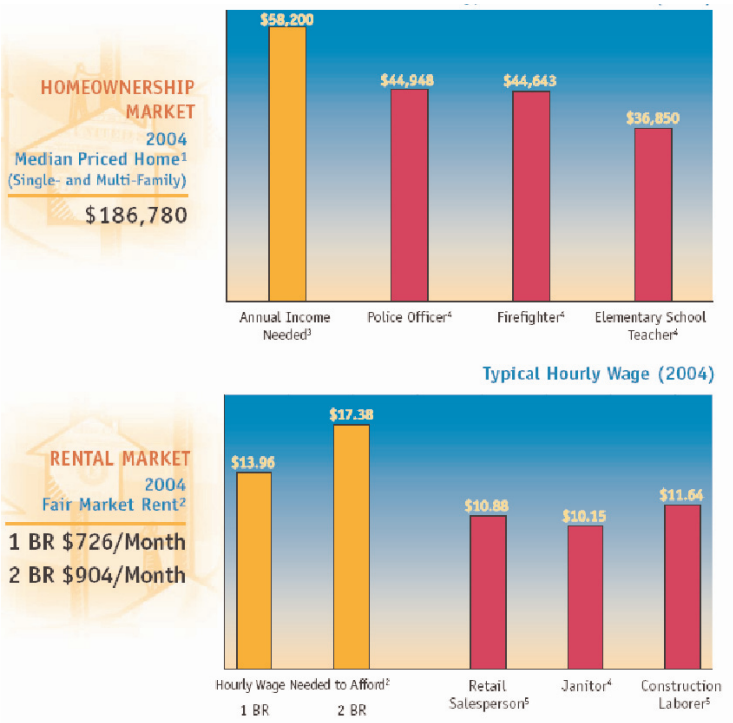


Miami-Dade County, Department of Planning and Zoning, Research Section, 2006.

As Figure 5.2 shows, a household supported by a full-time elementary school teacher would find the purchase of a home to be a risky financial proposition. The teacher could afford, by paying 30 percent of the income, a two bedroom apartment. Figure 5.3 shows how far below the ownership bar other occupations fall. It seems clear that the region's lower wage earning families are being squeezed out of the ownership market.

Figure 5.2

Wages and the Cost of Housing in Miami-Dade
(Miami, FL Metropolitan Area)



[1]Median Home Price was calculated using the median value of single-family and multi-family owner-occupied homes as reported in the 2000 Census for the county. This value was inflated to the beginning of 2004 using the Conventional Mortgage Home Price Index produced by Freddie Mac.

[2]Fair Market Rents (FMRs) are determined by the U.S. Department of Housing and Urban Development and are based on a survey of recently occupied units. In 2004, the FMRs for Miami-Dade County were set at the 50 percentile of prevailing rents. The Hourly Wage Needed to Afford is the hourly wage that must be earned so that this rent does not exceed 30 percent of income, a standard measure of affordability. The concept of the Housing Wage was developed by the National Low Income Housing Coalition.

[3]Annual Income Needed to Qualify for a Mortgage was calculated using the average interest rate prevailing in 2003, assumes a 10 percent downpayment and the use of private mortgage insurance, and includes estimated principal, interest, taxes and insurance.

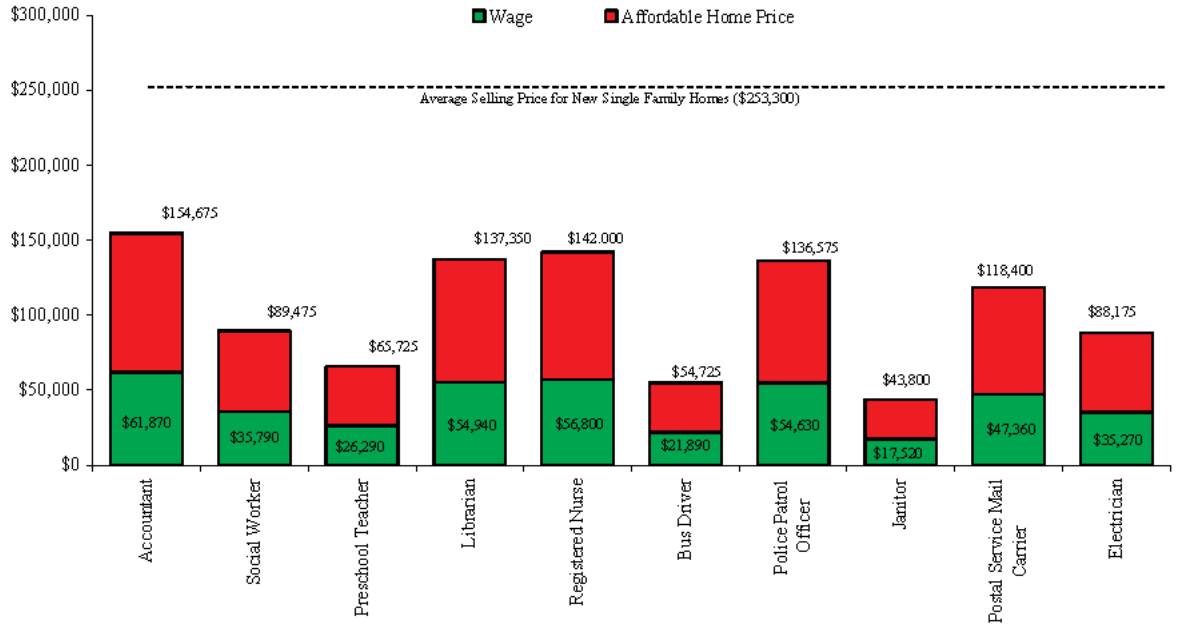
[4]NACo Typical Wage Rates were obtained from the NACo and Center for Housing Policy County Survey of Affordable Housing for Working Families conducted in April, 2004.

[5]Salary.com Typical Wage Rates are as of May, 2004 and were obtained from a proprietary database of salary information by geographic location maintained by Salary.com.

Source: Paycheck to Paycheck: Wages and the Cost of Housing in the Counties. Center for Housing Policy. National Association of Counties. 2004. p. 18.

Figure 5.3

2004 Wage and Affordable Home Price for Specified Occupations Qualifying for Workforce Housing Miami-Dade County, 2004



To complicate matters, some analysts suggest that using a countywide median income, whether based on family or household or composite income measures, serves to hide the stratified nature of our "income" communities. Table 5.2 below uses 2000 Census data to show how residents living in different areas of the county share divergent "median income" fates. The Median Family Income of residents in the Liberty City area, for example, is approximately 42 percent of the County median. The Carol City and Kendale Lakes areas approach the county median at 93 and 96 percent respectively. The median county measures tend to simplify and homogenize our perception of the housing problem while the reality of local, area conditions complicate our planning tasks.

Table 5.2

Selected Geographic Areas and Family Incomes at 65, 80, 100 and 140 Percent of the Median Family Income (MFI) in Each Area

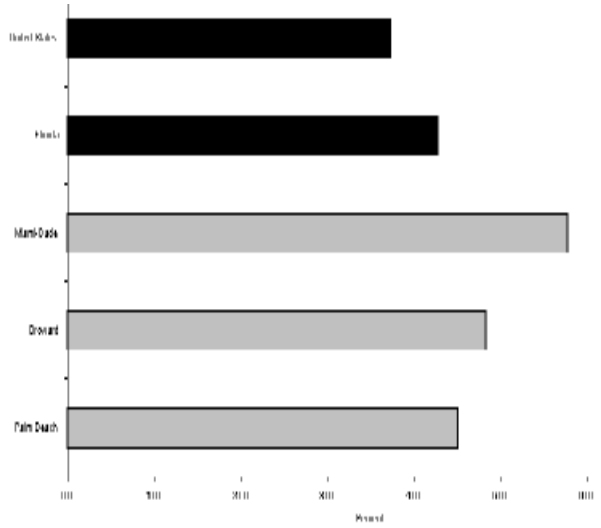
	65% of Area[(i)] MFI	80 % of Area[(i)] MFI	Median Family Income[(ii)]	140% of Area[(i)] MFI	Area[(i)] MFI as a Percentage of County MFI
Unincorporated Miami-Dade County	$32,748	$40,305	$50,381	$70,534	102%
Miami-Dade County	$32,151	$39,571	$49,463	$69,249	100%
Westchester	$31,920	$39,286	$49,108	$68,751	99%
Kendale Lakes	$30,709	$37,796	$47,245	$66,143	96%
Carol City	$29,879	$36,775	$45,968	$64,356	93%
South Miami Heights	$28,836	$35,490	$44,363	$62,108	90%
Flagler Westside	$24,498	$30,152	$37,690	$52,765	76%
Little River	$21,674	$26,676	$33,345	$46,683	67%
Goulds	$17,599	$21,660	$27,075	$37,905	55%
West Liberty City	$13,557	$16,685	$20,856	$29,199	42%

Source: U.S. Census Bureau, 2000; Presented in "Workforce Housing and Miami's Affordable Housing Needs: Issues and Policy Options, p.3.
(i) "Area" refers to geographic area specified in the far left column and is calculated as a percentage of the median family income for each geographic area/neighborhood.
(ii) The median family income for each area was adjusted to reflect inflation from 1999 to 2004.

Renters as well as owners are feeling the pinch. In 2004, 58 percent of Miami-Dade County renter and owner-occupied households paid 30 percent or more of their annual household income on housing (Figure 5.4). This percentage is higher than the United States, the State of Florida and both Broward and Palm Beach Counties.

Figure 5.4

Percent Renter & Owner-Occupied Housing Units Paying 30 Percent or More of Income for Housing U.S., Florida and South East Tri-County Area 2004



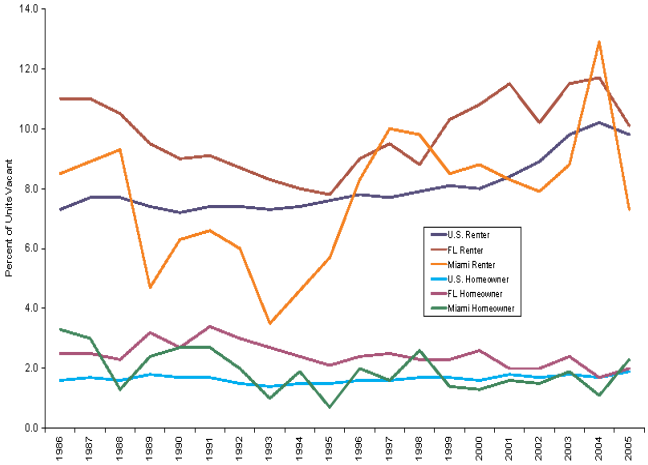
Miami-Dade County, Department of Planning and Zoning, Research Section, 2006.

The Department of Planning and Zoning's document Housing Element: Support Component included in Appendix 1 highlights the plight of renters in our County. Some of the analysis is worth summarizing here.

- Over 50 percent of the residents in the mid range income category in 2000 ($20,000-34,999) paid over 30 percent of their income on rental housing. An overwhelming 75 percent of the poorest renters ($10,000 - 19,999) spend more than 30 percent and 85 percent of those below $10,000 are so burdened.
- The monthly median gross rent in Miami-Dade in 2000 was $647. The Florida renter households paying less than that were 52 percent, slightly lower than the 1990 level.
- Only 33 and 36 percent of Broward and Palm Beach renters, respectively, were in units with rents at or below the Miami-Dade median rent.
- While rents in Palm Beach and Broward escalated greatly, the incomes of renter households in these locations matched or exceeded these increases.
- For rental housing, the County average rent was $572 in 2000, a 30 percent increase from 1990. Table 6.3 in the Appendix fine tunes the rental and ownership data for the county by breaking down by MSA.

Figure 5.5

Renter and Homeowner Vacancy Rates Miami PMSA, Florida and United States 1986 - 2005



Source: Department of Planning and Zoning, 2006.

Another significant income indicator used in determining the severity of the affordability gap is the number of household earning 80 percent or less than the median income. Households earning in this range are designated as low-income by the Department of Housing and Urban Development and are eligible for housing assistance.

- In 2004, 80 percent of the median household income in Miami-Dade County was $29,620. Approximately 319,931 households earned at or below this level. This was 40 percent of total households.

Minimum wage data is another income indicator that can be used to analyze the forces contributing to the affordability gap. A resident of Miami-Dade earning minimum wage in 2004 ($6.15) could afford a monthly rent of no more than $320. A two bedroom unit at the area's fair market value cost $929 at the time. Table 5.3 presents the most recent data on the affordability profile of the families in Miami-Dade County.

Table 5.3

Family Income Categories, Number and Percent of Families and Affordable Housing Costs

Family Income Categories	Percent of Median Family Income	Number of Families	Percent Of Families Earning Less than Top of this Bracket	Maximum Affordable Monthly Housing Cost
Less than $10,000	24.4%	40,641	7.3%	**$ 250**
$10,000 to $14,999	36.6%	40,344	14.5%	**$ 375**
$15,000 to $19,999	48.9%	37,650	21.3%	**$ 500**
$20,000 to $24,999	61.1%	40,797	28.6%	**$ 625**
$25,000 to $29,999	73.30%	38,303	35.5%	**$ 750**
$30,000 to $34,999	85.5%	41,785	43.0%	**$ 875**
$35,000 to $39,999	97.7%	32,556	48.8%	**$ 1,000**
$40,000 to $44,999	109.9%	32,957	54.7%	**$ 1,125**
$45,000 to $49,999	122.2%	22,999	58.8%	**$ 1,250**
$50,000 to $59,999	146.6%	43,877	66.7%	**$ 1,500**
$60,000 to $74,999	183.3%	52,689	76.2%	**$ 1,875**
$75,000 to $99,999	244.3%	53,128	85.7%	**$ 2,500**
$100,000 to $124,999	305.40%	29,631	91.0%	**$ 3,125**
$125,000 to $149,999	366.5%	15,335	93.8%	**$ 3,750**
$150,000 to $199,999	488.8%	16,538	96.8%	**$ 5,000**
$200,000 or more	488.8%	17,817	100%	
Total:		557,047	100%	

Source: American Community Survey, 2004

Given this situation, even households with two income earners have a rough time. The Research Institute on Social and Economic Policy at FIU compiled income profiles of hypothetical two earner households. Although one can not generalize from this presentation, Table 5.4 suggests some of the hardships that a considerable portion of our residents undergo when dealing with housing. The Miami-Dade occupational structure, as shown in Chapter 2 is heavily weighed towards low income jobs so, perhaps, these hypothetical scenarios approach the conditions of many in our county.

Table 5.4

Hypothetical Single and Dual Earner Households and Affordable Housing Costs

Household Member Occupation(s)	Experience Level(ii)	Annual Income	Affordable Housing Cost	Percent of AMI(i)
Family Social Worker and	Entry	$26,000		70%
Secondary School Teacher	Entry	$37,184		100%
Combined Household Income		**$63,184**	**$1,580**	**171%**
Food Service Manager	Entry	$38,251		103%
and Waitress	Median	$14,102		38%
Combined Household Income		**$52,353**	**$1,309**	**141%**
Registered Nurse	Entry	**$43,430**	**$1,086**	**117%**
Fire Fighter	Entry	**$43,014**	**$1,075**	**116%**
Electrician and	Entry	$23,733		64%
Massage Therapist	Entry	$17,306		47%
Combined Household Income		**$41,039**	**$1,026**	**111%**
Police Officer	Entry	**$40,768**	**$1,019**	**110%**
Financial Analyst	Entry	**$40,747**	**$1,019**	**110%**
Retail Salesperson and	Entry	$14,373		39%
Administrative Assistant	Entry	$25,293		68%
Combined Household Income		**$39,666**	**$992**	**107%**
Office Clerk and	Experienced	$26,042		70%
Parking Lot Attendant	Entry	**$12,230**		33%
Combined Household Income		**$38,272**	**$957**	**103%**
Public Transit Bus Driver and	Median	$21,195		57%
Cruise Ship Attendant	Median	$15,995		43%
Combined Household Income		**$37,190**	**$930**	**100%**
Biomedical Engineer	Entry	**$35,672**	**$892**	**96%**
Janitor and	Median	$16,598		45%
Housekeeper	Median	$15,267		41%
Combined Household Income		**$31,865**	**$797**	**86%**
Pipelayer	Entry	**$23,462**	**$587**	**63%**
Pharmacy Technicians	Median	**$22,152**	**$554**	**60%**
Security Guard	Median	**$18,491**	**$474**	**50%**
Child Care Worker	Median	**$15,413**	**$385**	**42%**

Source: Miami MSA Occupational Employment and Wages, 2004; Presented in "Workforce Housing and Miami's Affordable Housing Needs: Issues and Policy Options, p.4.

(i) Percentage of median household income for Miami-Dade County (ACS, 2004).
(ii) An entry wage is the wage an entry-level worker might expect to make. It is defined as the average (mean) wage earned by the lowest third of all workers in a given occupation. An experienced wage represents what an experienced worker might expect to make. It is defined as the average (mean) wage earned by the upper two-thirds of all workers in a given occupation.

The difficulties faced by working families in affording a decent and safe place to live, either in rental or ownership tenure, has provoked a concern for the development of affordable workforce housing. This concern has its roots at least as far back as 2001 when on July 24, the Miami-Dade Board of County Commissioners passed Resolution R-870-01 directing the County Manager to develop a plan for a new affordable housing program based on the concept of inclusionary zoning as well as directing the Department of Planning and Zoning to prepare a plan for a housing data clearinghouse. This concern mirrored national awareness that the income of working families, particularly the category of workers considered to be "first responders," i.e. fire personnel, police officers, teachers, were not keeping up with the housing necessities of these families. Workforce housing initiatives were launched at the national level and among many metropolitan areas feeling the crunch. Miami-Dade County now has the issue of workforce housing high on the priority list of housing needs as Commissioners and community groups, such as The Beacon Council and the Human Services Coalition, try to devise methods with which to deal with the growing disparity between incomes and housing prices. In our context, the underserved population identified as the "workforce" in need of assistance, are those families with an income from 65 percent to 140 percent of the County median ($55,900 in 2006).

A current analysis by Miami Economic Associates, Inc. (MEAI) gives us the most recent estimates of the affordable/workforce housing picture in Miami-Dade County.

- The term "Affordable/Workforce Housing" refers to housing that a household with an income from 0 to 140 of Average Median Income of the area can afford without spending more than 30 percent of the income in mortgage or rental payments. The “workforce" housing population is included in this continuum but so are the lower wage workers whose needs are also underserved in the current housing environment.

Miami Economics Associates has recently developed a profile of recent construction activity in the county as the impact of this construction activity on the segment of the population with workforce housing needs. We include the complete text of the analysis in Appendix 3 and summarize the key findings below.

Table 5.5 shows the amount of rent that a household within the affordable/workforce housing range would need. The MEAI analysis also shows the price of the affordable homes that can be purchased within a specific range, given today's mortgage rate and tax structures.

Table 5.5

Affordable Housing Threshold Amounts

Income as Percent of AMI	Income	Monthly Rent	Home Price
0% to 49.9%	$0 – 27,949	</= $655	</+ 81,048
50% to 79.9%	$27,950 – 44,719	$656 – 1,060	$81,049 – 126,489
80% to 119.9%	$44,720 – 67,079	$1,061 – 1,590	$126,490 – 187,112
120% to 140%	$67,080 – 78,260	$1,590 – 1,870	$187,113 – 217,424

Source: Miami Economic Associates, Inc.

The next table shows the proportion of the 326,833 rental units reported in the 2000 Census that are affordable today, assuming that they exist and are still rental properties. The prices were adjusted to reflect a 3 percent compounded increase in rental values.

Table 5.6

Distribution of Rental Units
Miami-Dade County, 2005

Gross Rent	Number	Percent	Cumulative Percent[1]
Affordable/Workforce			
0% - 49.9% of AMI	109,117	33.4	34.3
50% - 79.9% of AMI	150,851	46.2	81.8
80% - 119.9% of AMI	43,144	13.2	95.4
120% - 140% of AMI	6,682	2.0	97.5
Subtotal	309,793	94.8	
Non-affordable/Workforce	7,897	2.4	100.0
No cash rent	9,143	2.8	
Total	**326,833**	**100.0**	

Source: U.S. Census, 2000; Miami Economic Associates, Inc.

According to the authors, it is probable that Table 5.6 overstates the number of 2000 Census rental units that still exist in the county since there has been a considerable amount of activity in converting rental units to ownership based condominiums. Data provided by the County Property Appraiser to MEAI indicates that during 2004 and 2005 a total of 248 projects, containing approximately 25,500, were converted from rental to ownership structures. The projects are listed in Appendix 3.

The 70 largest projects, each containing 100 units or more, accounted for 21,246 (83.4 percent) of the 25,500 units converted. The conclusions reached by MEAI after analyzing the data available on these 70 mega projects is worth quoting. MEAI concluded the following about the impact of the 70 projects on County housing needs:

- None of them provided any significant number of units for households with incomes from 0 to 49.9 percent of AMI. To the extent that they provided any, the units were efficiencies.
- The preponderance of the units in over one-third of the projects (25) were not affordable to households with incomes at or below 140 percent of AMI. The remainder is affordable only to households with income from 120 to 140 percent of AMI.
- Portions of the remainder of units in the 70 larger projects were affordable in terms of rental rate to households with incomes from 50 to 79.9 percent of AMI. However, those affordable to the households in that group were generally the efficiency and 1-bedroom units. The larger units were generally only affordable to households with incomes from 80 to 140 percent of AMI (Appendix 3, p.4).

Based on this analysis, MEAI concluded that the condominium conversions conducted during the last several years have had a negative impact on the supply of affordable/workforce housing. "The primary impact has been to reduce the already relatively small supply of rental units affordable to households with incomes form 80 to 140 percent of AMI. There has been no impact on households with incomes form 0 to 49.9 percent of AMI and only a modest impact on households with incomes from 50 to 79.9 percent of AMI." (Appendix 3, p. 4).

[1] *Does not include units for which no cash rent is paid.*

Ownership

MEAI estimated the current inventory of housing priced affordably for households with incomes from 0 to 140 of AMI by using data from the 2005 tax roll.

- To account for the frequent discrepancy between the value of assessment of property and its market value, MEAI developed an adjustment factor, based on actual home sales during the past six months, and used this factor to upgrade the assessment value reported by the Property Appraiser records.
- The adjustment factors, which differed by property type and by price range, were in the range of 1.51 to 2.49.
- To illustrate, a single family home that was shown to have a market value on the tax rolls of $95,000 in 2005 would actually command a market sale price of $181,000, using the adjustment factor of 1.91. This means that while the tax roll value would make this property theoretically affordable to a household with an income in the range of 50 to 79.9 percent of AMI, the real market value of the home would knock these buyers out of the running and would make the house affordable to incomes 119 percent of AMI and above.

Table 5.7 show the result of the MEAI analysis of the affordability of ownership units based on the 2005 tax rolls. For a full discussion of the methodology and findings, refer to Appendix 3.

Table 5.7

Distribution of Owner-occupied Units
Miami-Dade County, 2005

Value	Single Family	Town-house	Condo/ Coop	Total	Percent
Affordable/Workforce					
0% - 49.9% of AMI	69	6	667	742	0.1
50% - 79.9% of AMI	2,154	1,131	13,821	17,106	2.7
80% - 119.9% of AMI	21,330	4,338	56,308	81,976	13.2
120% - 140% of AMI	20,186	5,022	33,321	58,529	9.4
Subtotal	43,739	10,497	104,117	158,353	25.4
Non-Affordable/Workforce	318,247	27,345	118,178	463,770	74.6
Total	**361,986**	**37,842**	**222,295**	**622,123**	**100.0**

Source; 2005 tax rolls, Miami-Dade County Property Appraiser; Miami Economic Associates, Inc.

Summary of Renter and Ownership Analysis

The MEAI analysis presents an overview of the ownership/rental picture in Miami-Dade County based on Property Appraiser records and changing market values. Table 5.8 presents a summary of the MEAI analysis of the current inventory of housing units in Miami-Dade County and its affordability by households within the 0 to 140 percent of AMI income range.

Table 5.8

Affordable/Workforce Housing Units
Miami-Dade County, 2005

Value	Rental [3]	Ownership	Total	Percent
Affordable/Workforce				
0% - 49.9% of AMI	109,117	742	109,859	11.7
50% - 79.9% of AMI	150,851	17,106	167,957	17.9
80% - 119.9% of AMI	43,144	81,976	125,120	13.3
120% - 140% of AMI	6,682	58,529	65,221	6.9
Subtotal	309,793	158,353	468,146	49.8
Non-Affordable/Workforce	7,897	463,770	471,667	50.2
Total	**317,690**	**622,123**	**939,823**	**100.0**

There are some limitations to the conclusions that one can draw from these data.

- On one hand, the MEAI analysts acknowledge that the data presented in the Table "potentially overstates the proportion of affordable/workforce units to a modest degree" since its difficult to account for all of the condominium conversion activity of the last few years (Appendix 3, p. 5). Nevertheless, most of this activity would have the greatest impact on households with incomes from 80 to 140 percent of AMI.
- On the other hand, there is a potential that the data modestly understates the proportion of affordable/workforce units available to the 0 to 140 percent range for two reasons: the difficulty in fully accounting for duplex/triplex units in ownership tenure and the possibility that that second homes account for a significant portion of the units identified as vacant in the Census figures.

[3] *Does not include units for which cash rent is not paid.*

Chapter 6: Anticipating the Need

The Housing Element: Support Component document included in Appendix 1 projects the County's Housing needs for the next decade based on the 2000 Census figures. For a complete presentation of the method and data, refer to Appendix 1. In that report, the number of county households and families are distributed according to income ranges used in the federal housing programs, countywide as well as by Major Statistical Area. This distribution is projected from the 2000 census to 2015 and 2025. Based on these projections, the DP&Z analysts conclude that:

- Countywide, there is a slight increase of the bottom-income range and a slight decrease of the top income range over time. Very-Low income households increased from 25.6 percent of all households in 2000 to 25.7 percent by 2025. At the same time, Upper-Middle and High-income households decreased from 32.5 percent to 32.3 percent over the period.
- A significant number of new households will be created during the next 20 years and they will drive the demand for new housing.
- An overwhelming majority of new households (61.9 percent for the period between 2000-2015) will be concentrated in Major Statistical Areas 3, 6, and 7. For the period between 2015 and 2025, these three MSAs will account for 58.8 percent of all new households.
- Housing lost through demolition, removal, conversions, etc., have historically averaged around 5,300 units a year. This number includes units that will be lost through fire and the demolition of substandard units, as well as conversions of housing units to other uses for the same period.
- In total, the projected demand for housing units with allowance for vacancy is 10,609 units per year through the year 2015 and 11,018 units per year during the 2015-2025 period.
- Very-Low and Low-Income households will require 2,539 and 1,571 units a year through 2015 and 3,213 and 1,759 units a year from 2015 to 2025 in each of these groups, respectively. It is these households that will be the key to meeting the needs of that segment of the market not adequately served by the private sector.
- The number of housing units projected for 2015 and 2025 will not only have to be supplied at a variety of price ranges, to make it affordable to all segments of the population, but an adequate amount will have to be supplied to accommodate the number of projected units without producing undue strains to our quality of life or increasing construction costs exorbitantly.

The Appendix includes the complete breakdown by MSA.

Office of Community and Economic Development Need Assessment

The projections made by the DP&Z serve as the foundation for the CED analysis of need in its FY 2003-2007 Consolidated Plan and as well as the Department's 2003 Action Plan. The CED activities specifically target the needs of the lower income residents. Table 6-1 presents the 2003 housing unit count for the Metro jurisdiction on which the CED established its planning objectives.

- Over the preceding twelve years (1990 to 2002), this count has increased from 424,069 to 513,235 units, an increase of 21 percent.
- These units are divided into 68.4 percent owner- and 31.6 percent renter-occupied.
- By income category, these proportions are 43 and 57 percent in the lowest income groups (below 30 percent of median family income or MFI) for owners and renters, respectively.
- For the next income category (between 31 to 50 percent of MFI) the corresponding percentages for owners and renters are (53.1 and 46.9).
- Among very-low income households a majority are renters.
- Among all renter households in the Metro area, (a total of 162,126 households), the number of very-low income renters is higher than for owners.
- About a third of the renter households are in the very-low income (below 50 percent of MFI).
- A little more than a quarter (29.3 percent) of owners are low income (below 80 percent of the MFI). For renters, this figure is 57.8 percent. The magnitude of these numbers highlights very-low income renters being the group likely to have substantial housing needs.

As documented in Table 6.1, it is estimated that there are 102,198 Very-Low Income housing units in the Metro area with some type of housing problem.

- The largest number of the units in need are those of renter households (53,847). These households make up 70.9 percent of the total.
- The balance is derived from ownership households (48,351).
- Likewise, the current overall need for housing in the Other Low-Income category is estimated at 50,793 units.

Table 6.1

Current Housing Needs

Name of Jurisdiction: Metropolitan Miami-Dade County						Date is current as of the following date: 2003		Five year Period: FY: 2003 Through FY: 2007	
	Renters					Owners			
Household by Type, Income, & Housing Problem	Elderly 1&2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly (F)	All Other Owners (G)	Total Owners (H)	Total Households (I)
1. Very Low Income (0 to 50% MFI)*	16,096	23,271	9,714	12,812	61,893	25,339	30,471	55,810	117,702
2. 0 to 30% MFI*	10,957	13,337	5,375	8,174	37,843	13,665	14,934	28,599	66,442
3. % with any Housing Problems	72%	97%	99%	76%	87%	90%	94%	92%	90%
4. % Cost Burden > 30%	72%	97%	99%	76%	87%	90%	94%	92%	90%
5. % Cost Burden > 50%	47%	69%	72%	62%	62%	61%	70%	66%	64%
6. 31 to 50% MFI*	5,139	9,934	4,339	4,368	24,050	11,674	15,536	27,210	51,260
7. % with any Housing Problems	76%	90%	94%	87%	87%	64%	94%	81%	84%
8. % Cost Burden > 30%	76%	90%	94%	87%	87%	64%	94%	81%	84%
9. % Cost Burden > 50%	48%	54%	47%	55%	52%	33%	60%	48%	50%
10. Other Low-Income (51 to 80% MFI)*	4,266	14,518	5,367	7,697	31,848	14,819	32,222	47,041	78,889
11. % with any Housing Problem	59%	60%	68%	62%	62%	38%	80%	66%	64%
12. % Cost Burden > 30%	59%	60%	68%	62%	62%	38%	80%	66%	64%
13. % Cost Burden > 50%	45%	23%	15%	30%	25%	21%	40%	34%	29%
14. Moderate Income (81 to 95% MFI)*	1,423	5,506	1,771	3,602	12,302	5,987	17,006	22,993	35,295
15. % with any Housing Problems	18%	18%	27%	18%	19%	20%	56%	47%	33%
16. % Cost Burden > 30%	18%	18%	27%	18%	19%	20%	56%	47%	33%
17. % Cost Burden > 50%	4%	1%	1%	1%	1%	8%	21%	16%	9%
18. Total Households**	27,192	79,880	19,806	35,248	162,126	101,347	249,762	351,109	513,235
19. % with any Housing Problems	40%	39%	58%	32%	40%	23%	27%	26%	33%

**Or, based upon HUD adjusted income limits, if applicable.*
***Includes all income groups - including those above 95% MFI.*
Source: Miami-Dade County, Department of Planning and Zoning, Research Section, October 2002.

Table 6.2

Increment Needs (2003 - 2007)

Name of Jurisdiction: Metropolitan Miami-Dade County						Date is current as of the following date: 2003		Five year Period: FY: 2003 Through FY: 2007	
	Renters					Owners			
Household by Type, Income, & Housing Problem	Elderly 1&2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly (F)	All Other Owners (G)	Total Owners (H)	Total Households (I)
1. Very Low Income (0 to 50% MFI)*	607	911	385	492	2,395	373	460	832	3,227
2. 0 to 30% MFI*	334	404	163	248	1,149	137	149	286	1,434
3. % with any Housing Problems	72%	97%	99%	76%	87%	90%	94%	92%	90%
4. % Cost Burden > 30%	72%	97%	99%	76%	87%	90%	94%	92%	90%
5. % Cost Burden > 50%	47%	69%	72%	62%	62%	61%	70%	66%	64%
6. 31 to 50% MFI*	273	507	222	244	1,246	236	311	547	1,793
7. % with any Housing Problems	76%	90%	94%	87%	87%	64%	94%	81%	84%
8. % Cost Burden > 30%	76%	90%	94%	87%	87%	64%	94%	81%	84%
9. % Cost Burden > 50%	48%	54%	47%	55%	52%	33%	60%	48%	50%
10. Other Low-Income (51 to 80% MFI)*	268	912	337	483	2,000	458	996	1,454	3,454
11. % with any Housing Problem	59%	60%	68%	62%	62%	38%	80%	66%	64%
12. % Cost Burden > 30%	59%	60%	68%	62%	62%	38%	80%	66%	64%
13. % Cost Burden > 50%	45%	23%	15%	30%	25%	21%	40%	34%	29%
14. Moderate Income (81 to 95% MFI)*	135	520	168	341	1,164	342	971	1,313	2,476
15. % with any Housing Problems	18%	18%	27%	18%	19%	20%	56%	47%	33%
16. % Cost Burden > 30%	18%	18%	27%	18%	19%	20%	56%	47%	33%
17. % Cost Burden > 50%	4%	1%	1%	1%	1%	8%	21%	16%	9%
18. Total Households**	1,274	5,340	1,194	1,965	9,773	11,595	1,769	13,364	23,147
19. % with any Housing Problems	40%	39%	58%	32%	40%	23%	27%	26%	33%

**Or, based upon HUD adjusted income limits, if applicable.*
***Includes all income groups - including those above 95% MFI.*
Source: Miami-Dade County, Department of Planning and Zoning, Research Section, October 2002.

Projections : 2003-2007

Table 6.2 presents CED's household needs projections through the year 2007.

- As shown, the housing unit count for the Metro area is projected to expand by 23,147 units by the year 2007. This represents an increase of 4.5 percent from the current level. There is an anticipated future need for an additional 3,227 Very-Low Income (0 to 50percent of MFI) housing units in the jurisdiction over the projections horizon. More than two thirds, (74.2 percent), of those units will be needed by renters with the remaining 25.8 percent by owners. Similarly, it is projected that the need for Other Low-Income households (51 to 80 percent of MFI) will increase by 3,454 units during the five-year planning period.
- Among the lowest income category (below 30 percent of MFI), there is a high incidence of housing problems, primarily overcrowding and cost burden, for the related households. These conditions exist for the next higher income category (31 to 50 percent of MFI) also.
- If we take these categories together, we account for the largest absolute number of households with needs. Of the 61,893 Very-Low Income renters, 58.1 percent of those with Housing Problems are found in the Related type households.
- All Other Households in the 31 to 50 percent MFI-bracket is also at the 87 percent mark for both Housing Problems and Cost Burden. This category totals close to 4,650 households. Elderly households in the same income category have rather high measures for the problem items.
- The very-lowest income category of Owners has a profile similar to low income renters and there's not much difference between Elderly and All Other Owners.
- In the next higher income class (31 to 50 percent MFI), a lower number of households are found in the Elderly type and the problem percentages drop off slightly, and are considerably below those for renters.
- Generally speaking, for the Very-Low Income Owner Households the needs indicators are somewhat above those for renters. The All Other Owners in the 31 to 50 percent MFI category show the highest percentages of Housing problems and Cost Burden.
- In the Metro area in 2003 there are an estimated 78,889 households (15.4 percent of all households), which are considered to be Other Low-income households (51 to 80 percent of MFI).
- About 40.4 percent of the households are renter-occupied. Of this total of 31,848, close to half are found in the Small Related households type; most likely younger couples with or without a first child.
- Almost 60 percent have some kind of housing problem, but the degree of Cost Burden has declined from the levels observed in the lower income classes. The second largest housing type is All Other Households and they also have a high percentage of housing problems. Taken as a whole, it appears this income group may be experiencing overcrowding as a serious deficiency along with a high level of Cost Burden.
- Only 13.4 percent of all Owner Households are in the Other Low-Income group, but constitute 47,041 households. Almost a third (31.5 percent) are Elderly. The extent of problems for this group of households is seen to be much lower than for renters or owners with lower incomes. The existing housing needs for this income group are projected to reach 82,343 in 2007. This represents an increment of 3,454 during the five-year period.
- The moderate income-category includes those households with incomes just below the median family income for the County. Consequently, the incidence of housing difficulties is much less evident. Within this group (35,295 households), a majority is owner-occupied with 65.1 percent of the total. Only about 6.5 percent of the Jurisdiction's Owner Households are Moderate Income; 22,993 households. About 26 percent of them are Elderly. For this income class the incidence of problems among owners is generally somewhat higher than it is for renters and no extremes stand out.
- Among the renter-occupied households who make up this income group (12,302 households), the highest percentage for housing with any problems is found in the Large Related households. Again this is almost certainly overcrowding. Cost Burden has dropped significantly and is almost non-existent at the 50 percent level (Severe Cost Burden). It is projected that the existing housing needs in this class will reach 37,771 in 2007. This represents 2,476 additional housing units during the next five years.

Needs Summary

- The data show the affordability problems to be most serious among the Very-Low-Income Renter, Related Households and to a lesser extent owner, other than Elderly, in this same income class.
- At least 31,270 renters and 28,642 owner households can be identified using the criteria cited. That is certainly not the full extent of the needs. There are high percentages of housing problems throughout the Very-Low-Income category and for that matter, among the Other Low-Income and Moderate Income groups as well, especially for larger families.
- By 1990 the County had added about 316,000 more people. About a third is from natural increase and two-thirds immigration, mostly foreign. Although no comprehensive detailed data on housing needs are available on the new arrivals, what is known suggests they will add considerably to the existing housing problems. They will likely have a demand for low cost rental housing for the most part, at least initially. Since this type of housing is already in short supply, these new households will exacerbate the cost burden and overcrowding problems.
- Between 2003-2007, Miami-Dade County is expected to grow by another 150,000 people. The implications for housing needs, in all probability, are as outlined above. The demographics and economic characteristics of the most recent immigrants are such that the bulk of market priced housing is not within their reach, at least for many years.

Chapter 7: Catching Up-Public Policy and the Housing Affordability Crisis

Perhaps the word crisis might be considered too strong in some circles. Other cities and regions have it worse, some might say. Yet, there is a deep recognition among the public officials in our County that some actions must be taken, by public and private concerns, to ameliorate the housing problems facing our residents. The housing problems facing this community can not be seen or addressed in isolation from other social, economic, political and social processes.

Housing has an impact on, and is affected by, economic conditions. Companies and employees look at the housing variable closely when considering relocation options. As The Beacon Council's report points out, "…economic growth is at high risk when population, income and job growth are not supported by an adequate and/or affordable housing supply."[1] According to the Beacon Council, "our current housing scenario is keeping us from attracting valuable talent or worse yet, retaining those (sic) we have."[2] Corroborating this is a George Mason University Study of the metropolitan Washington D.C. area which found that the region's economy loses nearly $9 billion a year in lost income and reduced consumer spending because of the lack of affordable housing in the area. For us, this means that the greater the disparity in affordability between Miami-Dade County and our neighboring counties will have repercussions not only in settlement but in economic development patterns.

The housing crisis has an impact on families, children and education. Financial burdens and overcrowded conditions impose enormous pressures on mothers and fathers to provide their children with nurturing environments and some of the other necessities of life. The quality of our education and our educational reforms are equally undermined by inadequate housing. Our best efforts to improve the quality of classroom education won't have the desired effect if school children don't have a place to sleep, study and eat meals with their parents and guardians. It's simply asking too much of children to fulfill their potential in school while living in stressful conditions at home, whether that stress comes from financial burdens or overcrowded housing. In addition, the lack of affordable housing makes it more difficult to attract qualified teachers to our area during a time of great need. The importance of education for our overall economic and social development can not be overstated.

There are housing elements also linked to public health issues. In recognition of the detrimental effects that inadequate housing can have on a community, U.S. Department of Housing and Urban Development uses overcrowding as a measure to determine funding allocations to housing agencies nationwide. The World Health Organization has linked overcrowding to physical and mental health issues, disease transmittal, and higher stress related problems; all public health concerns for our community.[3]

Affordable, decent and safe housing preserves and strengthens our neighborhoods. While the housing stock of Miami-Dade County is of relatively recent build, conditions of deterioration and needs for maintaining existing structures must be monitored. Stabilizing existing stock is as important as increasing units when dealing with the affordability crisis. While it's hard to generalize from any analysis of the New York City housing crisis, one Fannie Mae Foundation report found that neighborhood with the most housing starts during a 10 year period (1986-1996) reduced their violent crime rate by 17.5 percent and property crime by 28.5 percent.[4] This experience supports the idea that decent housing strengthens neighborhoods.

To deal with a County-wide problem, there is a need of a county-wide vision and action plan developed and carried out by groups representing the many constituencies of Miami-Dade County. With this in mind, the County Manager has revitalized the Housing Policy Work Group to work with community groups and the various task forces being established by the County Commission, in developing and guiding the affordable housing initiatives. The Manager has also added to his team Senior Advisor Cynthia Curry, who will guide the development of County programs addressing the housing needs. Advisor Curry will also work closely with the County's community partners in designing workable plans and establishing achievable public policy goals in the area of housing.

Government plays a critical role in coordinating the solutions to the County's housing crisis. Not only will public investment be needed to deal with our housing future, but the expertise and experience of our County administrators, together with our community partners, will be needed to focus resources on the issues and solutions identified.

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[1] *Andrades, Shirley, Can Our Workforce Afford Housing in Miami-Dade County: An Economic Development Approach. January, 2006:2. Included in Appendix 3.*

[2] *Ibid*

[3] *World Health Organization: Water Sanitation and Health; Healthy Villages: a Guide for Communities and Community Health. www.who.int/ev/.*

[4] *Schwartz, Alex. "New York City and Subsidized Housing: Impacts and Lessons of the City's $5 billion Capital Budget Housing Plan," Housing Policy Debate. Vo. 10, Issue 4 (199), p. 841.*

County Programs Addressing the Affordable Housing Crisis

The Department of Planning and Zoning document included in Appendix 1 presents an analytical overview the County's housing programs and how they address the needs identified by the 2000 Census and its projections. A summary of that analysis here will establish the foundation for the initiatives that will allow us to catch up to the affordability problem.

Subsidized Housing Developments

Available Programs

- The U.S. Department of Housing and Urban Development (HUD) funds numerous programs for the construction and rehabilitation of rental housing. Local governments manage conventional public housing built with federal funds. Federal government assistance is also available in the form of financed subsidies for private developers, non-profit community development organizations, and direct rent subsidies to tenants.
- Subsidized housing may also be produced under HUD's general community assistance programs such as Community Development Block Grants (CDBG), Urban Development Action Grants (UDAG), the HOME Investment Partnership Program, and Housing Opportunities for People Everywhere (HOPE) Programs. In addition to HUD's programs, the Farmers Home Administration of the Department of Agriculture funds other Federal subsidy programs.
- Local community development corporations offer technical assistance and small interest-free loans to non-profit community development groups to start housing projects.

Government-Assisted Housing

- The Miami-Dade Housing Agency, (formerly Little HUD), presently operates public housing and other housing assistance programs throughout the County. The cities of Hialeah, Miami Beach, and Homestead have their own housing authorities, and operate a smaller number of public housing projects in their respective cities.
- In Miami-Dade County, there are over 82,000 units of government-assisted housing. These units are funded through various agencies as units for rent, homeownership, or congregate living. (See Table 22 in Appendix 1 for a breakdown by MSA.)

Section 8 Rental Housing

- This program includes both projects and voucher/certificates. The former have a fixed location, the latter do not; the recipient of a voucher can choose a unit virtually anywhere.
- Section 8 rentals numbered 18,622 units: about 26 percent are located in Major Statistical Area (MSA) 5 and almost 20 percent in both MSA 2 and 4. Nearly 32 percent of all Section 8 recipients reside in Unincorporated Miami-Dade County, 28 percent in the City of Miami, 11 percent in the City of Miami Beach, and a little more than 10 percent in Hialeah.

Other Rental

- This category consists of multiple programs, including public housing and rental projects funded by the Miami-Dade Housing Finance Authority (HFA), U.S. HUD, the Office of Community and Economic Development (OCED), the Florida Housing Finance Corporation (FHFC), as well as individual municipalities. Programs include HUD administered Section 202 (Elderly) and Section 811 (Disabled) programs, OCED administered CDBG and HOME projects, as well as Miami-Dade Housing Agency administered SHIP and Surtax programs.
- Assisted rentals numbered 43,238 units: about 32 percent located in MSA 4 (with more than 63 percent in the City of Miami), about 17 percent in Unincorporated Miami-Dade (in MSA 2), and over 15 percent is located in south Miami-Dade County (in both MSA 5 and 7). Nearly 37 percent are administered through HUD and over 28 percent by Miami-Dade Housing Agency. The Housing Finance Authority's Multi-Family Rental Program provides almost 23 percent with more than 54 percent of those located in unincorporated Miami-Dade.

Homeownership

- The County's affordable housing program began in 1983 with the creation of the County's local Documentary Surtax which generates .45 per $100 value on the recording of commercial real estate transactions. As administered by the Miami-Dade Housing Agency (MDHA), the County provides low interest loans in the form of second mortgages.
- Loan interest rates range from 0 to 6percent and is determined based on the families total housing expenses to income ratio, which may not exceed 35%.

- The Miami-Dade Housing Agency (MDHA) provides second mortgage subsidies ranging from $50,000 to $80,000 for low income families under 80 percent of the area median income (AMI); and from $30,000 to $50,000 for moderate-income families over 80percent up to 140 percent of the AMI.
- The County provides a second mortgage for a minimum of 20 percent of the net sales price (minus down payment) in order to facilitate private lenders approval of the first mortgage and to avoid the need of private mortgage insurance as a cost burden to low income homeowners.
- During Fiscal Years 2001 thru 2005, MDHA's the homeownership program provided a total of 1,363 second mortgages for $52,102,693. The typical County subsidy ranged from an average of $36,655 to $40,733 at closing of FY 2005. During the first quarter of FY 2006 the average county subsidy has increased to $44,823 as a result of the high cost of residential property in the Miami-Dade County.
- MDHA also makes funding available for existing homeowners to maintain their homes by providing low interest and deferred loans for owner-occupied units. In conjunction with the Community Action Agency, MDHA provides loans for housing rehabilitation and replacement of windows and the installation of hurricane shutters.

Infill Program

- In 1998 the County introduced the Infill Housing Initiative as an incentive to housing developers to build affordable houses on the large number of vacant lots within the county's urban core neighborhoods.
- Typically, infill lots are found within established neighborhoods, where they have become eyesores; plagued with illegal dumping, overgrown grass, and vermin. Most of these lots are large enough for a single-family detached house and have ready access to utilities. Often these vacant properties are owned by the County's Real Estate Office (REO) as a result of tax and other liens.
- The Miami Dade Board of County Commissioners approved the creation of a process to identify these lots, assist in clearing County liens and code enforcement issues, and make them available to for profit developers through a competitive bid process. Not-for-profit developers may obtain the lots at nominal costs, generally the cost of recording the transaction.
- Since the program's inception, the County has conveyed and bid hundreds of lots to not-for-profit and for-profit developers. Whether through conveyance or bid, all infill lots record a restrictive covenant requiring the developer to offer affordable price housing for an established time frame of ten years. This program is under review and changes are pending.

Rental and Construction Lending Program

- As part of the County's Annual Consolidated Planning requirements, MDHA utilizes this competitive process as its mechanism for allocating housing funds to developers.
- On average, more than $30 million is allocated annually through this process by the Board of County Commissioners.
- Low-interest loans are provided to developers of Low Income Housing Tax Credit rental properties, new construction of condominium/townhouse units, rehabilitation of existing rental properties and those housing units recommended by the Homeless Trust.
- As part of the construction loan closing process, the developer records a rental regulatory agreement to assure the long term affordability of the units. MDHA conducts annual compliance monitoring for all funded rental properties.

Homebuyer Counseling and Education

- MDHA has provided funding for community development corporations and other non-profits throughout the County to provide both pre- and post-homebuyer counseling to residents countywide.

Other County Homeownership Programs

- The **Metro-Miami Action Plan (MMAP)** was formed following a period of civil unrest in Miami in the early 1980's. During this time, the U.S. Civil Rights Commission confirmed that local disparities within the criminal justice system, economic development, housing, education, employment, and health and human services, were the primary causes of outbursts of displaced aggression and frustration. The City of Miami and Miami-Dade County recognized their roles and collaborated to create a solution to the underlying despair and faltering hope that were devastating the local African-American community. MMAP emerged in 1983 as a solution to such socioeconomic disparities and currently represents the local government's commitment to stimulating community vitality - a commitment supported by

African-American, Hispanic, and Anglo leaders to alleviate local disparities.

- Approximately eight percent of the County's Documentary Surtax revenue is allocated to this department to provide down payment and closing cost assistance. MMAP's housing program provides down payment and closing costs assistance with Surtax funds up to a maximum of 6 percent of the sales price. This program works in coordination with the MDHA second mortgage program, enhancing the homeownership opportunities for the County's low-to-moderate income population.
- MMAP's latest initiative will utilize a lottery process to offer first time very low and low income homebuyers up to seventy five percent of the purchase price in the form of a forgivable, zero percent interest, non amortized, second mortgage. The MMAP mortgage is forgiven after the borrower has owned and occupied the property for 20 years.
- MMAP's Housing Development initiative provides construction financing to assist with the development of newly constructed affordable housing units developed by not-for-profit developers and private developers. To-date $3,650,000 in Documentary Surtax dollars has been allocated to developers.
- The **Miami-Dade Housing Finance Authority and the Affordable Housing Foundation** provides down payment assistance of up to 6 percent of the sales price or $10,000 maximum for homebuyers under 80 percent of the area median income. The Foundation also provides second mortgage assistance to homebuyers utilizing federal HOME funds. The assistance can be combined with MDHA and MMAP.
- The Housing Finance Authority (HFA) of Miami-Dade County, Florida (the "Authority") is a public-corporate body created under the laws of the State of Florida. The Authority was created to alleviate the shortage of housing in Miami-Dade County by stimulating the construction and rehabilitation of multifamily rental housing and the creation of home ownership opportunities. Through the issuance of single family mortgage bonds, HFA provides affordable mortgage financing in conjunction with local banks and supports community and economic development in the areas of affordable housing, through the issuance of multi-family revenue bonds.
- Both HFA and the Miami-Dade Affordable Housing Foundation has received Surtax funding allocations for specific initiatives from the Board of County Commissioners. Examples include the Deep Subsidy Program, Homesavers and the HOPE VI Program for new housing in the redevelopment area. The Authority also provides a comprehensive home buying process training program in conjunction with MDHA and MMAP.
- Since its inception, the Authority has generated over $1.2 billion through the sale of non-taxable bonds on the New York Stock Exchange for the creation of affordable housing. The effective use of these funds, has resulted in the financing of over 10,000 new or rehabilitated rental units, and over 10,000 new or existing owner occupied single family homes. The creation of these additional units has had a positive impact on our community by stimulating the construction industry while increasing the availability of affordable housing for our low and moderate income residents.

State Tax Credits

- The Florida Housing Finance Corporation (FHFC) was established over 20 years ago to help ensure that low-income families have access to safe, affordable housing by maintaining partnerships with local governments, developers, and nonprofit organizations. Through a variety of programs, FHFC provides either dollar-for-dollar reduction in federal tax liability, low interest loans, loan guarantees, bonds or funds to local governments and developers as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. These programs include: the State Apartment Incentive Loan Program (SAIL), the Housing Credits Program (HC), the Florida Affordable Housing Guarantee Program (Guarantee Program), the HOME Investment Partnerships (HOME) program, and the Multifamily Mortgage Revenue Bond program.
- Of the reported 15,943 tax credit units, nearly 40 percent are located in MSA 7 with 38 percent in Unincorporated Miami-Dade and 16 percent in the City of Homestead and Florida City.

Group Homes

- In 1994, there were 685 group homes with a capacity of 10,846 while in 2004 the County has listed only 394 group homes with a capacity of 2,505. A good part of this change has to do with definitional modifications made by the Florida Department of Health and Rehabilitative Services, which are less inclusive with respect to Community Residential Homes (CRHs). (See Table 23 in Appendix 1 for a breakdown by MSA.)

Recommendations from the County Manager's Office

With the recognition that the County has a strong record of commitment and engagement to solve the housing problems facing our residents, and the awareness that affordable housing has become a dominant public policy issue, the County Manager issued a series of recommendations last year designed to focus the resources of the County Manager's office on the affordable housing crisis (Appendix 4). Also included in Appendix 4 is a summary of the current Miami-Dade County housing programs, the target populations that they serve, the number of units available prior to 2006 and those currently in the pipeline. In addition, Appendix 4 presents a summary of housing program revenues and funding sources. It is important to note that these figures are being updated as a part of the 2006-2007 budget review process. The Manager's recommendations include the following:

- Implement an **Inclusionary Zoning Policy** to provide incentives and density bonuses to require the development of workforce housing units. It is conservatively estimated that an inclusionary zoning policy that would be applicable to the unincorporated area of the County could result in approximately 800 units annually of workforce housing targeted to families at 65-140 percent of MFI.
- Create a **Community Land Trust** to provide a mechanism to mitigate the ever increasing cost of land and its impact on the cost of affordable housing. Through the acquisition and provision of land for development a trust could provide some assurance that as affordable housing is developed it will remain affordable for the long term.
- Implement the affordable housing portion of the **Building Better Communities GOB Program** that includes $194.997 million to construct and improve affordable housing for elderly and families, and to encourage homeownership through the acquisition, construction and renovation of residential units. This total funding allocation is projected to produce up to 1,291 units of affordable housing for the elderly and families.
- Recommend **CDMP amendments** to allow greater density in neighborhoods to provide affordable housing. Upon adoption these CDMP amendments will provide policies for (a) implementation of an Inclusionary Zoning Policy, (b) the development of strategic areas (along major roadway corridors and at certain major roadway intersections) with higher density residential development, and (c) the development of lots in infill neighborhoods, where previously such lots had been considered too small.
- Develop legislation for the Board's consideration of a **Housing Linkage Program** which would require applicable commercial and industrial projects that generate a need for affordable housing to make a monetary contribution to a housing fund to offset the affordable housing impacts created by their workforce. The fund will be managed by the County and utilized to provide affordable and workforce housing units.
- Maximize **Joint Development Opportunities** with the private sector to develop affordable housing in conjunction with the development of County-owned property.
- Expand the scope of the County's **Infill Housing Program** to include the compilation of a comprehensive list of all vacant lots within the County that are publicly and privately owned. Such a list should be used to identify land that could be acquired for development through foreclosure due to delinquent taxes and/or liens.
- Re-evaluate the performance of agencies involved in the in-fill program and revise procedures to expedite the conveyance of land to organizations that are performing and producing affordable infill housing units on a timely basis.
- Engage the banking and financial community in ongoing discussions with the Miami-Dade Housing Agency and Miami-Dade Housing Finance Authority relative to underwriting and credit standards, technology solutions, as well as the development of financial products in an effort to maximize the financing options available to potential first-time homebuyers through conventional and other lenders.
- Provide tax relief for providing affordable housing. Such relief that includes reduced property tax valuations will be pursued through the use of land covenants and/or parcel specific deed restrictions between the County and property owners who would pledge to keep existing or new rental units in the affordable or workforce targeted income ranges for a specified number of years.

As Table 7.1 shows, many of these recommendations are working their way through the system.

In addition to these specific recommendations, the County Manager has assigned Senior Advisor Cynthia Curry the task of reviewing, evaluating and prioritizing the tasks of the agencies currently involved in administering the various housing activities of the County. In this process, the Office of the Senior Advisor has undertaken the following initiatives to focus county resources on the affordable housing crisis.

- Expand and diversify the Miami-Dade Housing Data Clearinghouse. Created by the Board of County Commissioners in Resolution R-870-01, passed on July 24, 2001 the Clearinghouse has been a product of the Planning and Zoning Department. It currently provides residents with the latest information on the status of housing and the population in Miami-Dade County. Within the next few months the Clearinghouse will be expanded to serve as a One-Stop Information Center for developers, potential owner and renters as they explore what housing opportunities are provided by the County.
- Move quickly to develop a comprehensive data base of available properties in the County for the development of affordable housing as well as a policy guiding the conveyance of these parcels to capable for-profit and not-for-profit corporations.
- Review opportunities for housing program realignment within the County structure and implement recommended changes for improved and enhanced service delivery.
- Develop through benchmarking and focus group discussions affordable housing policy and program recommendations under the umbrella of the Housing Policy Work Group, and provide support to the proposed Comprehensive Affordable Housing Strategy Alliance (a proposed task force) which is currently pending approval by the BCC.
- Monitor the development of Statewide legislative initiatives to gauge the local impact of their provisions. (See Appendix 6 for current State legislative initiatives)
- In conjunction with the MDHA interim Management Team, provide a review with follow-up recommendations in several critical areas: construction of Hope VI-Scott Carver Housing Program; transition of Infill Housing Initiative; financial review of Documentary Surtax Program; implementation of the housing component of the Building Better Communities General Obligation Bond Program; inspection of Section 8 housing and other areas as required.

With these initiatives, the County Manager's office has institutionalized the mechanisms necessary to understand and engage the challenges facing the County in the affordable housing arena. It will take the experience and resources of County government and all of its community partners to successfully address this problem. The cooperation between County government and other government agencies , business and community agencies will increase the significance and rewards of our efforts.

Together we can make a difference.

Table 7.1

Affordable Housing Strategies - Implementation Schedule
Status Update as of May 3, 2006

Action Item	Lead Department(s) (Lead Department indicated in Bold print)	Current Status	Action(s) Needed/Pending	Comments
(1) Implement an Inclusionary Zoning Ordinance to provide incentives and density bonuses to require the development of workforce housing units. An ordinance is currently being finalized by staff for the ILUC Committee's consideration on May 16, 2006. It is conservatively estimated that an inclusionary zoning policy that would be applicable to the unincorporated area of the County could result in approximately 400 units annually of workforce housing targeted to families at 65-140% of MFI. A comprehensive package of legislation and related actions is being prepared that includes the following items: 1. An ordinance for an Inclusionary Zoning Program for Workforce Housing 2. A resolution requiring an annual report to BCC to gauge success of program: would include report of all Community Councils and BCC on zoning hearing applications involving workforce housing, permit applications/timeframes for review, etc.; would also include timeframes for the various processes: building permit, zoning hearing etc. and performance indicators. 3. A resolution/ordinance to establish a Housing Trust Fund 4. An ordinance and A.O. on Workforce Housing Administration Procedure 5. A resolution and A.O. to require Expedited Building Permit Process 6. A resolution urging municipalities to adopt workforce housing ordinances 7. A resolution to authorize the creation of a Community Affordable Housing Strategies Alliance (CASA) Taskforce	Planning & Zoning/MDHA Status Update	1st Reading on the proposed inclusionary Zoning Program for Workforce Housing Ordinance was held during the BCC meeting on 11/15/05. Workshops were held on March 8, 2006 & April 3, 2006 to present the program to the BCC and to receive public comment and participation.	The County Attorney's Office is working with P&Z and MDHA to finalize the proposed Ordinance and the other related legislative items. The entire legislative package needs to be completed for review and submission to the BCC's ILUC Committee. The Ordinance had been scheduled for the ILUC Committee for consideration on May 16, 2006. This resolution was approved at the April 10, 2006 CEER Committee and scheduled for BCC consideration May 9, 2006	The date for the consideration of the legislative package by the ILUC Committee has been scheduled for May 16, 2006 due to ongoing consultation with the industry, County staff and Commissioner Jordan and a professional consultant. It is expected that item will be considered by BCC in June 2006.
(2) Create a Community Land Trust to provide a mechanism to mitigate the ever increasing cost of land and its impact on the cost of affordable housing. Through the acquisition and provision of land for development a trust could provide some assurance that as affordable housing is developed it will remain affordable for the long term. Pursuant to the adoption of Resolution No. 306-03 the Miami-Dade Housing Agency conducted research and is preparing legislation for the implementation of a Community Land Trust. In accordance with the resolution, the proposed legislation will address recommendations for the implementation of a Community Land Trust including but not limited to the following matters: a. the appropriate steps to establish a countywide Community Land Trust and/or community-based community land trusts, including but not limited to establishing or collaborating with an established non-profit organization engaged in the business of developing affordable housing in Miami-Dade County; b. the appropriate steps to determine the availability of land and to acquire land, including appropriate timelines; c. the appropriate financing and funding mechanisms available through local, state and federal agencies and programs to provide a revenue stream for community land trust organizations; as well as the leveraging of County funds (GOB, Surtax, etc.) as the source of revenue to acquire land for the development of new housing; d. the available financing mechanisms available through local, state and federal agencies to finance development, acquisition or rehabilitation of existing properties, and the clearing of all liens including, but not limited to, bond financing, tax credits, incremental property tax recapture and general fund commitment; e. the advantages/disadvantages of homeownership versus rental-type community land trusts; f. the ordinance changes, if any, that the County needs to implement to establish community land trusts; and g. the other relevant matters that shall be considered for the development and implementation of community land trusts.	MDHA Status Update	MDHA has drafted an agenda item regarding the feasibility of a Community Land Trust.	MDHA needs to prepare proposed legislation for the implementation of a Community Land Trust. MDHA needs to convene a meeting with all relevant County departments to discuss the proposed implementation of a Community Land Trust. The legislation once completed needs to be prepared for submission to the appropriate BCC Committee for consideration.	In terms of implementation strategy, the County via a Community Land Trust or another entity could participate in tax deed sales and the foreclosure market in order to competitively seek out available lands for development at below market prices. In the same regard, the purchase of tax certificates in order to prevent liens on properties identified for affordable housing should also be considered.

Table 7.1

Affordable Housing Strategies - Implementation Schedule
Status Update as of May 3, 2006

Action Item	Lead Department(s) (Lead Department indicated in Bold print)	Current Status	Action(s) Needed/Pending	Comments
(3) Implement the affordable housing portion of the Building Better Communities GOB Program that includes $194.997 million to construct and improve affordable housing for elderly and families, and to encourage homeownership through the acquisition, construction and renovation of residential units. This total funding allocation is projected to produce up to 1,291 units of affordable housing for the elderly and families. Of this total amount, $137.7 million is allocated for the preservation of affordable housing units and the expansion of homeownership. It is projected that this $137.7 million allocation will increase the number of affordable housing units in the County by 375-400 units and provide 400-500 first and second mortgage loans to low and moderate income families as a means to expand homeownership opportunities. The balance of the total funding allocation is projected to result in the construction of 281 units of new public and affordable elderly housing, and the construction of 60 units of new public and affordable family housing. At the present time MDHA provides an average of $50,000 - $80,000 in the form of a 2nd Mortgage to first-time homebuyers. This 2nd mortgage requires full repayment upon a sale of the purchased home prior to the applicable affordability or loan forgiveness period. As a supplement to existing MDHA resources and programs, the allocation of $137.7 million for this effort to preserve affordable housing units and expand homeownership could be used to achieve results similar to the concept of an "equity sharing mortgage program" that has been suggested by Mayor Alvarez. In this regard MDHA will explore the opportunity to implement an equity sharing requirement in its mortgage subsidy program. Through such equity sharing requirement the County could share in the appreciation in value of assisted units along with the homebuyer and therefore share in the profit realized at the sale of the unit above the mortgage pay-off amount on a proportionate basis. In addition, the opportunity to implement a similar equity sharing requirement in the mortgage subsidy program of the Housing Finance Authority will also be reviewed. Currently the HFA provides an average 2nd mortgage for the home purchase of nearly $69,000 and an average 3rd mortgage for down-payment/closing cost assistance of nearly $2,300. The 2nd and 3rd mortgages are deferred loans that are forgiven over time. In addition to the foregoing, strategies for the use of GOB housing funds will be reviewed to examine the feasibility of using some of the funds for the purchase of existing multi-unit rental apartment buildings as a means of preserving the existing stock of affordable rental units and for the possible use of some of the funds for the direct or leveraged purchase of vacant tracts of land for the future development of affordable housing units.	MDHA Status Update		The County is presently engaged in an evaluation of the most effective means of utilizing the banking industry to assist with the development of a model program to ensure maximum participation for the financing and the construction of new housing under the Building Better Communities GOB Program. This initiative is also being tracked by the MDHA Housing Policy Workgroup	
(4) Recommend CDMP amendments to allow greater density in neighborhoods to provide affordable housing approved for final action by the Board in December 2005. Upon adoption these CDMP amendments will provide policies for (a) implementation of an Inclusionary Zoning Policy, (b) the development of strategic areas (along major roadway corridors and at certain major roadway intersections) with higher density residential development, and (c) the development of lots in infill neighborhoods, where previously such lots had been considered too small.	Planning & Zoning This task has been completed.	The BCC adopted the recommended CDMP amendments in December 2005.		
(5) Developed resolution for the Board's consideration of a Housing Linkage Program which would require applicable commercial and industrial projects that generate a need for affordable housing to make a monetary contribution to a housing fund to offset the affordable housing impacts created by their workforce. The fund will be managed by the County and utilized to provide affordable and workforce housing units.	MDHA/Planning & Zoning Status Update	A resolution supporting the concept of a housing linkage program was prepared and is a part of the legislative package for the Inclusionary Zoning Policy. The resolution was heard by Workshop committee in March 8, 2006 and in April 3, 2006.	If resolution is approved, MDHA and P&Z need to convene a task force required by the resolution in order to prepare proposed legislation to implement a housing linkage program. The Resolution will be considered by the ILUC in May 2006 and the BCC in June 2006. It also requires the task force to complete its work by December 12, 2006.	
(6) Maximize Joint Development Opportunities with the private sector to develop affordable housing in conjunction with the development of County-owned property. This effort includes the formation of an interdepartmental work group that will, on an ongoing basis, proactively research, review, and recommend specific opportunities for joint development opportunities involving County land. Some examples of areas of possible opportunity include, but are not limited to, the Civic Center area parking lots, the Miami-Dade Housing Agency current headquarters location and surrounding properties, the Miami-Dade Community Action Agency current headquarters location, former location of County shop operations on NW 7th Street and the Miami River, the offices of the former Department of Youth and Services, the Landmark property, etc. All such opportunities will be fully explored and scrutinized for development and financial feasibility and presented to the Board for consideration.	GSA/MDHA/OCED/Miami-Dade Empowerment Zone Trust Status Update		GSA and MDHA need to convene a work group to prepare a list of County-owned property that will be evaluated as Joint Development Opportunities, identify the criteria for site evaluation, and a timetable for recommendations to be submitted to the BCC. A report outlining the proposed review process should be prepared for submission to the appropriate BCC Committee in December 2005 or January 2006. A report regarding this item is pending review by the CEER Committee in May 2006.	An implementation strategy should consider "best practices" from around the nation; and give consideration to the County's equity participation in any Joint Venture Development deals.

Table 7.1

Affordable Housing Strategies - Implementation Schedule
Status Update as of May 3, 2006

Action Item	Lead Department(s) (Lead Department indicated in Bold print)	Current Status	Action(s) Needed/Pending	Comments
(7) Expand the scope of the County's Infill Housing Program to include the compilation of a comprehensive list of all vacant lots within the County that are publicly and privately owned. Such a list should be used to identify land that could be acquired for development through foreclosure due to delinquent taxes and/or liens. In addition, we will re-evaluate the performance of agencies involved in the in-fill program and revise procedures to expedite the conveyance of land to organizations that are performing and producing affordable infill housing units on a timely basis. Recommendations for changes to enhance the infill housing program will be presented by the Miami-Dade Housing Agency by May 2006.	MDHA/GSA Status Update		MDHA provided a preliminary status report on the Infill Housing Program that was presented to the CEER on March 10, 2006. A follow-up report is in the process of being finalized which includes recommendations on improving and reorganizing the program its implementation and management.	
(8) Engage the banking and financial community in ongoing discussions with the Miami-Dade Housing Agency and Miami-Dade Housing Finance Authority relative to underwriting and credit standards, technology solutions, as well as the development of financial products in an effort to maximize the financing options available to potential first-time homebuyers through conventional and other lenders. This effort could serve to further the leverage provided through the various subsidy programs the County funds to assist home purchasers. County-based housing programs should not duplicate the underwriting and credit qualifying guidelines of the banking and financial community. County-based housing programs must be administratively streamlined by only reviewing income, purchase price, family size and other guidelines that are tied to federal guidelines. Lending via County-based programs is most effective when commonly accepted processes and procedures are in place to facilitate transactions for the benefit of homebuyers. Lenders are more willing to work in a productive, equitable environment where all parties know the applicable rules, timelines and funding procedures. A formal meeting to discuss these various subjects has been convened by my office in coordination with MDHA and MDHFA.	CMO/MDHA/ MDHFA	The CMO, in coordination with MDHA and MDHFA convened an initial meeting that took place on December 7, 2005 to begin a series of discussions with the banking and financial community.	This initiative is also being tracked by the MDHA Housing Policy Workgroup. Additional meetings to continue discussions will be scheduled.	
(9) Provide tax relief for providing affordable housing. Such relief that includes reduced property tax valuations will be pursued through the use of land covenants and/or parcel specific deed restrictions between the County and property owners who would pledge to keep existing or new rental units in the affordable or workforce targeted income ranges for a specified number of years into the future. In consideration for such a covenant or deed restriction to maintain affordability, the valuation of the property for tax purposes would be based on the property specific limitations. Specific recommendations for the Board's consideration will be developed by the Property Appraiser in coordination with the Department of Planning and Zoning by approximately January 2006.	Property Appraiser/Planning & Zoning/MDHA/Tax Collector's Office	On January 4, 2006 at 2 PM, the affordable housing tax relief work group assembled in the Property Appraiser's Office to discuss possible steps to take towards development of a program designed to encourage retention /provision of affordable rental housing in the County. The work group arrived at the conclusion that non-tax credit affordable housing rentals that are currently rent restricted (less than market) through financial agreements are the properties most likely to benefit from this initiative (restrictive covenants). Action to be taken is as follows: MDHA will compile a list of private non-tax credit affordable rental housing properties where rents are restricted through loan agreements; The County Attorney's Office will review sample covenants and develop draft language for restrictive covenants suitable for reduced tax valuations on affordable housing rental properties; and the County Attorney's Office will review restrictive covenants associated with "inclusionary zoning" proposal to determine adequacy for tax relief. MDHA will notify me when the aforementioned list is compiled at which time a 2nd meeting of the work group will be scheduled. Clearly, completion of this assignment will go beyond the January 2006 target date, however, a later completion of assignment should not jeopardize goal of providing tax relief to targeted affordable rental properties on the 2007 tax roll. Attending the 1st meeting was: Al Brewster (MDHA), Nancy Rubin (DP&Z), Fernandor Casamajor (Tax Collector), Gerry Gomez (Tax Collector), Jay Williams (Assistant County Attorney), Jim Kracht (Assistant County Attorney) and Frank Jacobs (Property Appraiser).		
(10) Review of current housing programs with a specific focus on key areas such as Infill, Surtax, Hope VI, GOB housing and other areas	County Manager's Office/Management Review Team/ OSMB	Review and recommendations are due by August 2006.		