



City of Miami

Analysis of Impediments to Fair Housing 2020-2024

Proposed Impediments – for discussion at Virtual Public Hearing, 7/2/2020, 2:30 pm

Communities that receive federal funding must certify that they will *affirmatively further fair housing*, according to federal, state, and local laws, as a condition of receiving Federal funds. Local communities meet this obligation by performing an Analysis of the Impediments (AI) to fair housing choice within their communities, then developing, and implementing, strategies and actions to overcome these barriers based on their history, circumstances, and experiences. That analysis is submitted as a document to US HUD. In other words, the local communities will define the problems and develop the potential solutions to address the problems.

As the City of Miami, via its Department of Housing & Community Development, prepares to file its next AI, it gathered and analyzed the most recent population and housing-related data. To that end, it has identified the following SIX impediments below as the key barriers that it can address in the next several years.

Impediment FH1:

Increased Housing (Cost) Burden for approximately 55.8% of City households (renters and homeowners combined) due to the rising costs of housing in the City of Miami along with stagnant wages.

A high percentage of City of Miami residents – both homeowners and renters – are paying more than 30 percent of their income for housing, defining them as cost-burdened. This increased housing burden must be addressed on a City-wide level to prevent further loss of homeownership, increases in foreclosures and evictions, bankruptcies, and potential homelessness.

Recommendations:

- Leverage Miami Forever Bond allocation (\$80 million for affordable housing development) with a 20:80 ratio between Forever Bond and Other Public/Private sources via an RFP pipeline process. This means that for every dollar the City invests, it will be requiring a leverage of \$4 dollars from public and private sources.
- Engage, inform, and work with City leadership (elected officials) to retain and create additional housing opportunities for extremely low, very low, and low-to-moderate-income persons.
- Advocate for policies requiring that a larger percentage of rental units financed by government capital dollars (LIHTC) be set aside for VLI households at 30% or below of median income.
- Continue to implement the actions to increase affordable housing as identified in the 2019-2023 Consolidated Plan and the recommendations of the draft Affordable Housing Master Plan, at the discretion of the City Commission.
- Continue funding the Single-Family Rehabilitation and Replacement programs to aid in preservation of homeownership, as well as the first-time homebuyer program to encourage new homeownership.
- Explore the potential of establishing a local tenant protection law, upon review of other municipalities' best practices.

Impediment FH2:**Very Few Multi-Family Buildings in the City Seek FHA approval.**

Even though the bulk of Miami's housing stock is comprised of units in multi-family buildings, there is a significant lack of FHA approved condominium buildings in the City. As of March 2020, there are no buildings in the entire City of Miami that are FHA approved. This means low-, moderate- and middle-income persons who are interested in purchasing a home with an FHA loan cannot purchase a unit (primary residence) in any of Miami's multi-family buildings, even when just over 50%* (104,448) of the City's entire housing stock is comprised of multi-family buildings of ten or more units.

*Source: (B25024, ACS 2017, 1-yr estimate)

Recommendations:

- The HCD will continue to work with the Miami Realtors Association to further their efforts on a local, state and federal level.
- The HCD will draft marketing materials targeting multi-family condominium associations, with information on how to become an FHA approved building, including the Miami Realtors Association's rack brochure on this topic.

LAND USE, ZONING, AND SITE SELECTION**Impediment FH3:****Scarcity of developable vacant parcels diminishing the new construction of single-family and/or smaller apartment developments thereby housing choice.**

There is a land shortage in the City of developable, residentially zoned vacant tracts and many of the available vacant parcels are scattered and situated in the City's most economically distressed neighborhoods, requiring development on an in-fill basis. A property is determined to be developable for a single-family dwelling if it meets the minimum lot criteria of 5,000 square feet, plus a minimum of 2 parking spaces per home are required. In addition, the city needs to consider how the application of zoning regulations and parking requirements can be "tweaked" to encourage the development of single-family homes and smaller-scale buildings (20 units or less) on these smaller parcels.

Recommendations:

- The HCD will continue to manage a citywide Infill Program and will ensure that available city-owned parcels in that program are used for the provision of affordable housing.
- The HCD will support any viable efforts by the City's Planning and Zoning Board in relation to amending the City's zoning code to encourage small-scale development, thereby expanding housing choice for all City residents.
- HCD will continue to prepare request for lien removals for eligible affordable housing properties.

PUBLIC ASSISTED HOUSING**Impediment FH4:****There is a lack of adequate federal funding for rental assistance programs.**

Federal funding vehicles for low-income housing creation/preservation continue to be cut. Demand for Section 8 vouchers in all Miami-Dade communities, along with demand for public housing units, is startling. Unfortunately, for those who are not randomly selected for waitlists, there is no funding available to be able to assist them in meeting their monthly rental obligations. In addition, the latest HIV/AIDS Housing Gap Analysis conducted in 2019 estimated that there were 9,556 individuals/ households living with HIV/AIDS in Miami-Dade County in need of housing assistance.

Recommendations:

- The HCD will continue to accommodate as many HOPWA clients as possible in the City's Tenant-Based Rental Assistance (TBRA) Program.
- The HCD will continue to fund the HOPWA Short Term Rental Mortgage & Utility Assistance Program (STRMU) to assist HIV+ persons who are not TBRA recipients remain housed in the event of a valid emergency.
- The HCD will continue to fund private developers to build affordable housing units within the limits of the City of Miami. In return for the City funding a portion of the total cost of the project, the developer provides a pre-determined number of affordable rental housing units to be rented to low-to-moderate income families. The number of affordable housing units in a project is based on the amount of subsidy provided by the City.
- The HCD will support the PHCD in their efforts to develop HUD approved RAD projects within City of Miami limits.

Public and private sector

AFFORDABLE WORKFORCE HOUSING

Impediment FH5:

There are not Enough Affordable/Workforce Housing Units to Meet the Needs of City Residents.

It is well-known that the term affordable housing is no longer just a euphemism for low income families. Recent studies reveal that many low-and middle-class working citizens cannot afford to live in the communities where they live without being considered cost-burdened. The City of Miami's current housing market has been strongly influenced by a combination of real estate supply conditions occurring within the larger Miami-Dade market and by international demand factors that have contributed to the escalation of property values and sales and rental rates even when the area median income based on the most recent ACS stood at \$40,327. In 2018, the City hired the Jorge M. Perez Metropolitan Center at Florida International University (FIU) to prepare a draft Affordable Housing Master Plan, based on an analysis of the most up-to-date City demographic, economic and housing-related data, while making suggestions on how to create additional affordable/workforce housing options responsive to that data.

Recommendations:

- The City should continue to explore options to create workforce housing opportunities/incentives/bonuses to encourage private developers to build housing to serve these populations
- Identify opportunities for intergovernmental collaboration to address housing affordability issues. In particular, examine the most effective manner to partner with the County, State, and Federal governments to coordinate activities and leverage funding.
- Continue to support any efforts that can create a dedicated revenue source for the City's Affordable Housing Trust Fund. At this time, there is none.

- Workforce housing, currently defined in Miami 21 as those City of Miami households with incomes that range between 60% to 140% AMI with the Area Median Income being issued by HUD, should be studied and redefined. Presently, the category spans a very broad spectrum of income ranges. Even though the County's median income sits at around \$49,930, the City's is \$40,327. That gap has concerned some City of Miami Commissioners who feel that the workforce definition needs to be adjusted to make sure that the incentive is helping the average City of Miami household.

FAIR HOUSING ENFORCEMENT

Impediment FH6:

Housing Discrimination on the Basis of Race, Color, National Origin, Religion, Sex, Familial Status, and Disability continues to take place.

According to HOPE, Inc. there were 256 fair housing inquiries/complaints over a 36 month-period that originated within City of Miami's boundaries. HUD research suggests that as much as 80 percent of housing discrimination goes unreported. As such, it is reasonable to conclude that there are many more cases of housing discrimination within the City of Miami that are left unreported.

Recommendations:

- Conduct fair housing testing at least twice within the span of this AI. Retest in areas where trends (i.e. geographic concentration of complaints by zip code) are identified in the monitoring process.
- Provide regular fair housing education and training to housing providers to ensure compliance with fair housing laws.
- Track race and ethnicity of holders of Section 8 vouchers in order to identify any segregative patterns of where Section 8 vouchers are being accepted.
- Continue to implement a fair housing information campaign that specially targets City residents and clearly informs the public about fair housing rights.
- Continue to ensure that marketing materials (i.e. brochures, post cards, Public Service Announcements (PSAs), web site) are available in the City's official languages (including Spanish and Creole); all material should specify where a resident should call to report a complaint. Use HUD developed collateral (i.e. print, radio, and television ads).
- Continue to include fair housing information during the Section 8 and HOPWA intake process and at the time of annual recertification.
- Continue to make fair housing collateral available in a variety of location (i.e. Neighborhood Enhancement Team (NET) offices, public places such as libraries, and/or social agencies).
- Conduct an annual/biennial public informational campaign during the Fair Housing Month each April.