What is the problem in Miami?

"Affordability" actually two different problems:

- High costs
- Low wages
What is the problem in Miami? Both
Miami has low wages
Miami has **low wages**

- **Low wages / cost of living**
- **66% of area workers earn less than Median Income ($31,624)**
Miami can address low wages with *Transit Oriented Development*.

- New businesses demand that cities have alternatives to cars.
Miami can address low wages with *Mixed Use Development*

- Allows workers to live near jobs
- Further reduces reliance on cars
- A key component for attracting new businesses
Miami can address low wages by *matching transit with jobs*

- Can create mixed-use development near job centers
- Can improve and direct transit toward job centers
Miami can address low wages

34% HI DENSITY
66% LOW DENSITY

- Create more density in the transit areas
- Creates high land cost because 2/3 of land can not be developed with multiple units
- Some of this is parks and civic space
- Suburban development drives costs up for high density areas

Miami 21 Transects

- High Density
- Low / No Density

Transportation

- Transit Oriented Development 5-Mile Buffers

CITY OF MIAMI ● PLANNING DEPARTMENT ● AFFORDABLE HOUSING OPTIONS ● 1 MARCH 2018
Miami has *high housing costs*
Miami has **high housing costs** – Slide 1

**Miami is one of world’s least affordable cities**

<table>
<thead>
<tr>
<th>City</th>
<th>Affordability gap*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>9.2</td>
</tr>
<tr>
<td>San Francisco</td>
<td>8.5</td>
</tr>
<tr>
<td>London</td>
<td>7.7</td>
</tr>
<tr>
<td>Toronto</td>
<td></td>
</tr>
<tr>
<td><strong>Miami</strong></td>
<td><strong>6.1</strong></td>
</tr>
<tr>
<td>New York</td>
<td>5.7</td>
</tr>
<tr>
<td>Washington DC</td>
<td>4.1</td>
</tr>
<tr>
<td>Ottawa</td>
<td>3.9</td>
</tr>
<tr>
<td>Dallas</td>
<td>3.7</td>
</tr>
<tr>
<td>Osaka, Japan</td>
<td>3.4</td>
</tr>
<tr>
<td>Pittsburgh</td>
<td>2.7</td>
</tr>
</tbody>
</table>

* NOTE: The affordability gap measures the difference between median household income and median home price.

South Florida’s coveted status as a magnet for foreign investment has a big downside for locals: The region is now one of the world’s least affordable housing markets. A survey of nearly 100 large metro areas in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, the United Kingdom and the United States found that South Florida has the 20th largest gap between median incomes and median home prices.

Source: Demographia International Housing Affordability Survey

MARCO RUIZ mruiz@miamiherald.com
Miami has **high housing costs** – Slide 2
Miami already has created a public benefits program

- Projects may receive additional **height** and **FLR** by paying into the Public Benefits trust
- Affordable housing is a Public Benefit
- Pending legislation will increase Public Benefits dollars going toward affordable housing
Miami already has **Attainable Mixed Income Program**

- Projects may **double residential density** for projects that are 100% Affordable and Workforce
- Project must include 10% Extremely Low Income
- 2016 adoption, first projects are being reviewed now
- Transit adjacent
Miami already has *Transit Oriented Development benefits*

- Opens access to opportunities
- Reduces overall housing and transportation costs.
- Less parking is required near transit
Miami already has *Transit Oriented Development benefits*

Living Space Vs. Parking Space

- Less parking is required near transit
- Living space can replace car space

size for 2 bedroom apartment: 675 FT² 
size for 2 parking spaces: 650 FT²

Sources: Transportation Cost and Benefit Analysis II - Parking Costs Victoria Transport Policy Institute (www.vtpi.org)
Graphic Adapted from Graphing Parking (https://graphingparking.com/2013/07/23/parking-across-cascadia/)
Miami already has *Micro-Units*

- Creates a new option for housing
- Lower overall cost for the consumer
What Miami *Could Do*
Miami could have a density trust – Slide 1

- Miami has relatively little land
- What land is available is expensive
- Pool of unused residential density from City-Owned historic properties can be dispensed as affordable housing units.
- Density could be handled similar to a Land Trust
Miami could have a density trust – Slide 2

- Pool of unused residential density from City-Owned historic properties can be dispensed as affordable housing units.
- Freedom Tower has 555 density units available.
Miami could have additional *density increases*

- Can increase the unit count in the same building volume
- Attainable Mixed Income
- Density increase near transit

**What does it look like?**

[Diagram showing density increases and additional FAR allowed via DDBP]
Miami could have *Inclusionary Housing*

- Pilot program coming to Omni area. When new construction includes some affordable units mixed with market-rate units
  - May be required
  - Voluntary as a way to access density or FLR
- Done by covenant in Omni district in Miami
- New York City, 1987
Miami could have Additional Housing Options

- Co-Living
- Micro-units with shared kitchens and living rooms
- Single Room Occupancy
- Expand shelters
Could address **Short Term Regulation Rentals**

- Vacation rentals diminish the housing supply of furnished homes, apartments, and condominiums
- Have been shown to raise rents by removing supply
- May help homeowners offset expenses
Could have *Seasonally Occupied Unit Assessment*

- An assessment of a fee for under-utilized residential properties
- Attempted in Vancouver, 2017
  - Assess 1% of the properties taxable value.
  - Homeowners submit declaration that home is occupied 6 months + per year.
Miami Could *Preserve Existing Affordable Housing*

- Tends to be older and lower quality.
- City may rehabilitate existing stock or enter private public partnerships for rehabilitation.
Miami Could Designate Historic Buildings for Housing

- Grants and funds are available for rehabilitation of historic properties for creation of affordable housing.
Miami may explore additional options

- Expediting permitting and reducing fees
- Reduce Utility Expenses for existing homeowners
  - Ygrene
Linkage Fees

- Link the production of market-rate real estate to the production of affordable housing.
- Los Angeles passed in 2017
Where We Go From Here

Miami Does:
- Attainable Mixed Income Program
- Public Benefits
- Micro-Dwelling Units
- Transit Oriented Development benefits

Miami Could Expand:
- Inclusionary Zoning
- Preserve existing housing
- Density increases

Miami Could:
- Impose Linkage Fee
- Designate historic properties for low-income housing
- Add additional housing types
- Address short term rentals
- Assess fees for seasonally occupied units
- Create a density trust