



# Annual Action Plan FY 2010-2011

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# I. Executive Summary

The Department of Community Development (DCD) annual Action Plan is a call to action. It presents a series of initiatives to be accomplished in fiscal year 2010-2011 to ensure that public, economic, and housing services are delivered in an efficient and effective manner. The Action Plan identifies and seeks to implement various programs administered and subsidized with the use of federal funds. Most important the Action Plan is a reflection of the goals and objectives set-forth in the Five-Year Consolidated Plan 2009-2013.

The Action Plan is submitted annually to the U.S. Department of Housing and Urban Development (HUD) and constitutes an application for funds under the following federal formula grants:

- Community Development Block Grant (CDBG)
- Home Investment Partnership (HOME);
- Housing Opportunities for Persons with AIDS (HOPWA); and
- Emergency Shelter Grant (ESG);

The Action Plan is a comprehensive plan that identifies key initiatives that would significantly improve the City of Miami's (City) economy and quality of life. The plan is derived from the methodologies established in the Consolidated Plan and it is formulated in a collaborative manner with the assistance of management staff within the Department of Community Development. In addition, the plan is integrated with contributions from public forums and inter-departmental discussions.

The Action Plan is:

- An *assimilation of initiatives* aligned with the Code of Federal Regulations.
- A *set of priorities* evaluated by policymakers and citizens used to implement new programs or to improve existing programs.
- A *combination of short-term and long-term actions* executed for monitoring economic development, housing initiatives, and public service efforts.
- A *work in progress* since some of the recommendations will benefit City of Miami residents within a five-year time span.

The FY 2010-2011 Action Plan presents the City's priorities and the specific goals formulated to address the housing and community development needs of extremely low-, very low-, and low to moderate-income citizens. Furthermore, the plan is a strategic document written to accomplish the goals and objectives identified in **Table 2C** of the Consolidated Plan. The Department of Community Development is the lead agency responsible for drafting and submitting the Action Plan to HUD. The development of the plan commenced through a series of public hearings held at the local level in each of the five City Commission Districts. In this context, the Department gathered from City residents input on

housing and community development needs. Thus, citizens identified priorities for their neighborhoods and for the City as a whole.

The Department's commitment remains with the local not-for-profit agencies dedicated to serving the City's extremely low-, very low-, and low to moderate-income residents. In today's economy, not-for-profit agencies are facing increased pressure to address growing needs and demands with less funding; therefore, the Department continues to make strides while attempting to leverage federal dollars with other funding sources.

The Action Plan consists of goals, each with a set of implementation strategies and policies. The plan recognizes the need for leadership at all levels and the importance of local people working in partnerships to develop local solutions.

### ***Who is involved in the Action Plan?***

The Action Plan was written with the input of:

- Citizens
- City Commissioners
- Department of Community Development (DCD)
- Not-for-profit Organizations
- Community Based Organizations (CBO)
- Community Housing Development Organizations (CHDO)
- Faith-based Organizations (FBO)

The DCD is the lead agency in charge of the preparation of the annual Action Plan.

## ***INTRODUCTION***

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The City of Miami DCD prepares the annual Action Plan as part of a collaborative process to establish a unified vision of community development objectives. The planning process creates the opportunity for strategic planning and citizen participation to mesh together in a comprehensive context. It aims to minimize duplication of effort at the local level and provides a method to measure the progress of the various program goals, specific objectives, and annual goals set by the DCD.

In the development of the annual strategic plan the department coordinates a series of public hearings at the local level, to induce citizen participation to the greatest extent feasible. The total number of public hearings orchestrated was seven, one per City Commission District and two meetings countywide specifically for the HOPWA program.

The annual Action Plan identifies how the funds from HUD will be spent in the forthcoming year, taking into account compliance with federal regulations and meeting national objectives. For that reason, the Action Plan is a statement of how the City and the DCD intend to allocate its HUD entitlement funds in the areas of housing and community development, satisfying funding initiatives that benefit extremely low-, very low-, and low to moderate-income individuals.

## *BACKGROUND*

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As per the Code of Federal Regulations 24 CFR 91.220, all entitlement jurisdictions are required to submit an annual Action Plan to HUD, for the purpose of carrying out the long-term strategic plan. The Action Plan shows how the jurisdiction will spend its Community Planning and Development (CPD) dollars in the upcoming year in ways which bring the jurisdiction closer to the goals set in the 2009-2013 Consolidated Plan. The Action Plan must identify all resources that will be used to meet housing and community development needs in the upcoming program year. In accordance with federal regulations, the plan must identify federal resources (Sec. 91.215) and other resources (Sec. 91.1) it plans to make available for the respective fiscal year.

The purpose of the plan is to provide current information on housing and community development needs, to identify relevant issues, and to outline housing and development policies to address existing and future problems. The Action Plan incorporates the overall goals and objectives of the Consolidated Plan. The plan works to integrate economic, community, housing, and human development needs in a comprehensive and coordinated effort. As a result, the plan summarizes the major housing and community development needs in the City set-forth by extremely low-, very low-, and low to moderate-income households.

## *GOALS*

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The goals of the City of Miami are as follows: elimination of slums and blight; elimination of conditions that are detrimental to health, safety, community development, economic expansion, preservation and expansion of housing stock; and quality delivery of human services. The grant funds received by the City from HUD are designed to benefit low-income persons and are intended to meet the following objectives:

- To enhance quality housing opportunities by increasing the availability of permanent affordable housing for low-income residents, retaining the affordable housing stock and increasing supportive housing to enable persons with special needs to live in dignity.
- To create quality of life enhancements that increase access to quality facilities and services, improve the safety and livability of neighborhoods, restore and preserve natural and physical features of special value for historic or architectural reasons and conserve energy resources.
- To stimulate economic revitalization that will create jobs for low-income persons; provide access to credit for community development that promotes long-term economic and social viability; and empower economically disadvantaged persons to achieve self-sufficiency.
- To revitalize the City of Miami's communities and integrate economic, physical, environmental, and community and human development needs in the process.

The City of Miami must continue to submit an Action Plan to HUD to remain eligible for federal funds. Depicted in the Action Plan are the activities which will address the housing, economic, and community development needs of the Neighborhood Development Zones (NDZs), Commercial Business Corridors (CBCs), and Model Blocks. These are the designated target areas for community development within the City of Miami. The target areas were identified in the 2009-2013 Consolidated Plan. To select the target areas, the City revisited the present dynamics, demographics, and environments of the City's distressed neighborhoods. The analysis revealed that pockets of poverty remained and that there was a special need to assist those communities that had experienced the most housing and economic challenges. The analysis also revealed the need to reduce the isolation of income groups in distressed communities by increasing housing opportunities for extremely low-, very low-, and low to moderate-income persons and revitalizing deteriorating neighborhoods through quality of life enhancements and economic revitalization. As a result of the analysis in the Consolidated Plan, the City of Miami created NDZs that focus on the revitalization of target Model Blocks and CBCs, as well as on providing Quality of Life Enhancements in each Commission District.

The Model Block system is patterned after a program recognized as a "Best Practice" by HUD. The primary focus of the Model Block concept is to concentrate investment in a geographically defined area in order to create a substantial, visible improvement within that community. The intent is to revitalize the Model Blocks by providing homeownership opportunities and expanded housing choice for low-income families, together with other physical, social and economic development activities. These Model Blocks serve as the foundation to restore commercial and housing reinvestment in the Neighborhood Development Zones, as new homeowners create a demand for neighborhood economic activities, such as grocery stores and other retail. In addition to the Model Blocks, the City of Miami is committed to assisting businesses operating within targeted CBCs. In addition, the City continues to support improvements to the physical appearance of the CBCs by providing commercial façade improvement assistance.

The key to encouraging housing and economic initiatives in distressed communities is the improvement of the livability of those neighborhoods. As such, access to quality facilities and services in a safe, livable environment are paramount to the efforts of enhancing the quality of life of our residents; such enhancements focus on the following:

- A well coordinated life sustaining and community-building program;
- An effective community-based delivery system;
- Achieving the most cost-effective use of limited resources to support children and families, their economic success and their abilities to meet basic needs.

The proposed projects included in the annual Action Plan closely support the goals and objectives of the Model Block concept, CBCs and NDZs and incorporate the leveraging of other funding sources to maximize available resources.

## II. Citizen Participation

In an effort to stimulate citizen involvement and promote citizen participation in the planning process, the City Commission adopted a revised Citizen Participation Plan which complies with federal regulations at a publicly advertised Public Hearing. The Citizen Participation Plan was designed to provide city residents the opportunity to be actively involved in the planning, implementation, and assessment of community needs to be addressed through the City's grant/loan programs funded by the U.S. Department of Housing and Urban Development (HUD). These programs include: Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), Home Investment Partnership Program (HOME), and Housing Opportunities for Persons with AIDS (HOPWA), and any resulting program income. The focus of the plan is to:

- Increase public participation;
- Encourage a diverse representation of residents, including minorities, non-English speaking persons, and persons with disabilities;
- Involve extremely low-, very low-, and low to moderate-income residents, especially those living in slum or blighted areas, and in areas where CDBG funds are being utilized;
- Receive comments, views, suggestions or complaints from residents; and
- Reduce public isolation from government.

In order to create maximum awareness and accessibility of the various activities described above, the City of Miami implemented a public information campaign intended to: 1) Inform the community about the Consolidated Planning process, 2) Obtain community buy-in from the beginning, and 3) Build consensus on the end goals. To accomplish this, the City carried out the activities listed below.

1. Published notice of activities in general circulation newspapers;
  - Miami Herald advertisement published on 01/08/10 (English).
2. Made notices available in English and Spanish;
3. Used the City of Miami website to convey information on the times and schedules of the public meetings;
  - Posting on City of Miami website, City's public meetings webpage, and Community Development website. The City of Miami website receives over 100,000 hits per month.
4. Worked in conjunction with community groups to help disseminate information and assure attendance at public meetings;
  - Email blast of Action Plan hearings schedule sent to current City of Miami funded public service agencies, housing developers, and constituents who have signed up to receive outbound departmental communications (approximately 500 subscribers combined).
5. Utilized the Neighborhood Enhancement Team (NET) Offices to advertise and market the public hearings to the local communities.

- Action Plan schedule flyers sent to NET’s list of community contacts which include Homeowner’s Associations and community activists (approximately 200 persons).

6. Channel 77 Public Service Announcement with Action Plan schedule.

On June 21, 2010, the Department of Community Development convened a special public hearing at City Hall to hear comments from the public and interested organizations regarding the list of proposed projects and programs to be funded during the upcoming program year. On June 22, 2010, the Action Plan draft was made available to the public for a thirty (30) day comment and review period.

The development of the Action Plan began early in 2010 with a series of public hearing conducted by the Miami City Commission. The hearings were facilitated by the Department of Community Development. Such hearings were made to collect citizen input and to establish priorities for the use federal funds from the Department of Housing and Urban Development.

The public hearings for the determination of the proposed listing of funded projects for the upcoming fiscal year took place as follows:

*Table II-1: Neighborhood-level Public Hearing Activities*

Date and Time	District	Location
Jan 22, 2010 at 5:30 pm	District 3 Commissioner Frank Carollo	Jose Marti Park Gymnasium 434 SW 3 Avenue
Jan 25, 2010 at 6:30 pm	District 2 Commissioner Marc Sarnoff	Miami City Hall, Commission Chambers 3500 Pan American Drive
Jan 27, 2010 at 6:00 pm	District 1 Commissioner Wifredo Gort	Allapattah Community Action, Inc. 2257 NW North River Drive
Feb 4, 2010 at 6:00 pm	District 4 Commissioner Francis Suarez	Our Lady of Lebanon Church 2055 Coral Way
Feb 9, 2010 at 6:00 pm	District 4 Commissioner Richard P. Dunn II	Little Haiti Cultural Complex 260 NE 59 Terrace

*Table II-2: Countywide Public Hearings for HOPWA*

Data and Time	District	Location
Feb 10, 2010 at 5:00 pm	South Miami-Dade County	Florida City Neighborhood Center 1600 NW 6 <sup>th</sup> Court., Florida City, FL 33034
Feb 11, 2010 at 5:00 pm	Central Miami-Dade County	Joseph Caleb Center- Room 110 5400 NW 22 <sup>nd</sup> Avenue, Miami, FL 33142

Comments and suggestions from City of Miami residents at the public forums were considered for the development of the Action Plan.

## **Public Notice and Review**

To assure that residents had an opportunity to provide input and review the proposed policies in the Action Plan, the City of Miami advertised a notice of the public hearings and information on how residents could access the Action Plan document and submit comments or complaints regarding the proposed activities. The notices were advertised in The Miami Herald. Below is a list of the public notice activities:

- January 8, 2010 - Notice of Special Public Hearings. The advertisement referenced following formula grants: Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA), and Home Investment Partnership (HOME).
- June 21, 2010 – Special Public Hearing: Held a Special Public Hearing to solicit public comment and to provide the public an opportunity to participate in the planning and implementation process of the annual Action Plan for the 2010-2011 program year. Funding allocations were approved at the meeting.
- June 22, 2010 – Comment Period: Advertised notice that the Action Plan was available for public review and written comment for a period of thirty (30) days.

The City did not receive a response to the advertisement for written comment regarding the Action Plan during the thirty (30) day review period.

# III. Geographic Distribution

24 CFR 91.220 (d)

## *COMMUNITY DEVELOPMENT TARGET AREAS*

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The City of Miami is a compact microcosm of economic, social, and ethnic diversity. With an estimated population of more than 409,719, Miami is the largest city within Miami-Dade County -the seventh-largest metro area in the United States with over 5.4 million residents.<sup>1</sup> The City of Miami is also one of the most diverse municipalities in the nation. The majority of its residents come from minority backgrounds, with 68.4 percent Hispanic/Latino and 19.5 percent Black. Economically, the City is one of great contrasts and is often referred to as the “Tale of Two Cities”. Though it serves as one of the nation’s leading centers for trade, banking, and finance, it is considered among the poorest cities of its size in the country. In addition to poverty, problems such as unemployment, substandard housing, and illiteracy are widespread. All of these dynamics create great challenges and opportunities for the City.

Given the scope and the severity of the problems found in Miami and the limited amount of resources available to address these problems, the City has developed a two tiered approach to community development which seeks to concentrate funding in target areas. The target areas consist of *Neighborhood Development Zones* (NDZs) and *Model Blocks*, with priority given to the Model Blocks.

**Neighborhood Development Zones:** The NDZs represent the most distressed neighborhoods in the City of Miami. These areas have great concentration of poverty, unemployment, and housing problems within the City. By focusing resources in the NDZs, the City seeks to bring about improvements that can create a notable impact in these communities over time. The goal of the City of Miami is to bring about neighborhood revitalization in the NDZs by identifying community assets and opportunities and providing comprehensive long-term investments in these areas. As such, the City is committed to the following:

- Building community-based leadership;
- Establishing a community decision support infrastructure;
- Providing an inventory of the built environment and social assets in the NDZs;
- Creating a neighborhood-level plan for providing City services.

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<sup>1</sup> Source: US Census Bureau, Population Estimates Program

**Model Blocks:** The Model Block concept enables the City to advance the principles of the NDZs by focusing resources in areas within the NDZs that are poised for revitalization. Model Blocks are small geographic areas within each NDZ with no more than 1,000 housing units. The goal is to concentrate resources for housing, public infrastructure, slum and blight removal in these small geographic areas in order to assure that there is a visible and measurable impact of change in the NDZs that can stimulate change in surrounding blocks. Specifically, the City will seek to accomplish the following in the Model Blocks:

- Create physical improvements through infrastructure and streetscape improvements, code enforcement, and removal of slum and blight;
- Improve housing conditions by targeting rehabilitation and new construction assistance in the Model Block area;
- Stimulate economic development through façade improvements and other forms of targeted business assistance;
- Improve the living condition of residents in the Model Block by targeting social service assistance.

Each NDZ has at least one Model Block. The exceptions are Model City and Overtown. These communities have two Model Blocks. The following is a list of the NDZs. The Map at the end of this chapter illustrates the locations of the Model Blocks within the NDZs.

**Neighborhood Development Zones (NDZs)**

Allapattah

Coconut Grove

Edison/ Little River/Little Haiti

East Little Havana

West Little Havana

Model City

Overtown

Wynwood

**Commercial Business Corridors (CBCs):** In addition to the Model Blocks, the City has also identified CBCs within each NDZ. The CBCs serve as target areas for economic development activities. Like the Model Block concept, the City seeks to concentrate resources for economic development, public infrastructure improvements and commercial rehabilitation in these business corridors in order to provide a visible improvement that can create incentives for private investment. Each Model Block is in close proximity to a commercial corridor. Below is a list of the CBCs in each of the Neighborhood Development Zones:

Allapattah NDZ

20<sup>th</sup> Street Merchant Corridor

Civic Center Corridor

Coconut Grove NDZ

Grand Avenue Corridor

Edison/ Little River/Little Haiti NDZ

Little Haiti Corridor

East Little Havana NDZ

Flagler Street Corridor

West Little Havana NDZ

Flagler Street and Coral Way on a case-by-case basis and pending eligibility

Model City NDZ

Liberty City NW 15<sup>th</sup> Avenue Corridor

Liberty City NW 7<sup>th</sup> Avenue Corridor

Martin Luther King Boulevard Corridor

Overtown NDZ

Overtown NW 3<sup>rd</sup> Avenue Corridor

Wynwood NDZ

Wynwood NW 2<sup>nd</sup> Avenue Corridor

**Profile of NDZs**

The following provides a brief profile of the NDZs, including information on demographics, household income and housing. This information can be used as a baseline indicator to track change in the NDZs over time. This profile utilizes data from the Census 2000 as the American Community Survey (2007) data is not available by Census Block category, which provides the necessary detail to produce statistical results at the NDZ level.

**Demographics:** Almost half of the City’s youth live within the NDZs. Most are found in Little Havana and Edison/ Little River/Little Haiti. Approximately 28% of the City’s elderly population also lives within the NDZs. The majority of these individuals reside in East Little Havana. These demographic indicators demonstrate the need to provide youth and elderly services within the NDZs.

**Education:** It is estimated that 47.3% of the population in the City of Miami (25 years and over) do not have a high school diploma. Within the NDZs the number increases to 61%. Wynwood, Allapattah and East Little Havana were found to have the highest percentage of individuals without a high school diploma, ranging from 74% in Wynwood to 64% in Allapattah. These figures indicate the critical lack of educational attainment among the residents of the NDZs.

Table III-1: Demographic Profile of the NDZs, 2000

Neighborhood Development Zone	Number of Children Living in the NDZs	Population 65 and Over Living in the NDZs	% of Persons with No High School Diploma in NDZs (25 years+)	% Female Headed HH with children 18 and under in the NDZs
Allapattah	4,282	2,598	64%	13%
Coconut Grove	643	321	37%	24%
Edison/Little River/Little Haiti	9,306	3,377	57%	20%
East Little Havana	10,183	8,446	66%	10%
Model City	4,844	1,252	48%	36%
Overtown	3,315	915	54%	27%
Wynwood	1,307	380	74%	20%

Total in NDZs	33,880	17,289	61%	17%
City of Miami	78,797	61,768	47%	9%

Source: U.S. Census, 2000

**Income:** Approximately 27% of the City of Miami’s households make \$12,000 or less per year. While this is a large proportion of the City’s households, the NDZs fair much worse. With the exception of Coconut Grove, most of the households in the NDZs bring in an income of less than \$12,000. Over 40% of the households in East Little Havana, Model City, Overtown and Wynwood are in this category.

Table III-2: Household Income in the NDZs, 2000

Neighborhood Development Zone	Total Households	Median Income	% of HH with income \$12K or less*
Allapattah	6,123	\$17,865	37%
Coconut Grove	912	\$28,043	25%
Edison/Little River/Little Haiti	9,850	\$19,526	35%
East Little Havana	17,501	\$14,910	40%
Model City	4,449	\$15,615	43%
Overtown	3,646	\$13,212	46%
Wynwood	1,361	\$14,794	44%
<b>Total in NDZs</b>	<b>43,842</b>	<b>-</b>	<b>35%</b>
<b>City of Miami</b>	<b>134,344</b>	<b>\$23,483</b>	<b>27%</b>

Source: US Census Bureau, 2000

**Housing:** There are an estimated 49,311 housing units in the NDZs. The majority of these units are renter occupied. Indeed, homeownership rates are extremely low, ranging from 32% in Coconut Grove to 9% in East Little Havana. In addition to low homeownership rates, most of the housing stock in the NDZs is over 30 years old. The neighborhoods with the highest percentages of older housing include Edison/Little River/Little Haiti, Coconut Grove, and Wynwood.

Table III-3: Housing Characteristics of the NDZs, 2000

Neighborhood Development Zone	Housing Units	% Owner Occupied Housing Units	% Housing Stock Built Before 1970 (Over 30 yrs old)
Allapattah	6,489	20%	77%
Coconut Grove	1,094	32%	89%
Edison/Little River/Little Haiti	11,617	28%	90%
East Little Havana	18,572	9%	83%
Model City	5,288	25%	84%
Overtown	4,841	13%	82%
Wynwood	1,504	21%	87%
<b>Total in NDZs</b>	<b>49,311</b>	<b>18%</b>	<b>84%</b>
<b>City of Miami</b>	<b>148,554</b>	<b>35%</b>	<b>81%</b>

Source: U.S. Census, 2000

## *CDBG AND HOPWA TARGET AREAS*

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Although the City of Miami intends to concentrate funding within the NDZs and the Model Blocks, it is important to note that there are community development programs which target a broader geographic area. These include activities funded by CDBG and HOPWA. Funding for CDBG activities are divided among the City's five Commission Districts. As such, public service needs and other CDBG funded activities are generally determined by Commission District. These activities include social services for the youth, elderly, disabled, and economic development programs among other.

The HOPWA program targets the entire geographic area of Miami-Dade County. The goal and intent of the local HOPWA Program is to ensure that a continuum of housing options and related housing services are available to extremely low-, very low-, and low to moderate-income persons with AIDS and their families.

### **Commission District Profile**

The following provides a brief profile of the City of Miami Commission Districts, including information on race and ethnicity, educational attainment, poverty, and employment. This information will serve as a baseline indicator for change in the Commission Districts. This profile utilizes data from the U.S. Census 2000 as the American Community Survey (2007) data is not available by Census Block category, which provides the necessary detail to produce statistical results at the Commission District level.

**Race and Ethnicity:** Of the five Commission Districts in the City of Miami, District 5 has the greatest number of Blacks. Approximately 66% of the Black population in Miami lives in this district. The Hispanic population is evenly distributed among Districts 4, 3, and 1.

Table III-4: Race, Ethnicity, and Language by Commission District, 2000

Commission District	Total population	White alone	Black alone	Other alone	2+ races	Hispanic	English LVW*
District 1	71,342	53,292	7,705	6,686	3,659	60,484	39,657
	100%	75%	11%	10%	5%	85%	56%
District 2	72,701	50,624	15,488	4,256	2,333	33,862	19,301
	100%	70%	21%	5%	3%	47%	27%
District 3	72,824	59,960	2,486	6,479	3,899	65,472	45,813
	100%	82%	3%	9%	5%	90%	63%
District 4	74,180	7,481	728	3,263	2,708	66,179	42,042
	102%	93%	1%	4%	4%	89%	57%
District 5	71,318	10,263	53,147	2,171	5,737	11,822	13,452
	100%	14%	75%	3%	8%	17%	19%
Total	362,369	241,623	79,554	23,799	18,336	237,822	160,267
	100%	67%	22%	7%	5%	66%	44%

Source: U.S. Census, 2000  
 \*LVW: Less than Very Well

**Educational Attainment:** Approximately 47.3% of the population in the City of Miami (25 years and over) do not have a high school diploma. Of these individuals, 30% have a 9th grade education or less. Among the Commission Districts, it was found that the greatest number of individuals with less than a 9th grade education were concentrated in Districts 3, 1, and 4. These figures indicate the critical need to increase the educational attainment among City of Miami residents.

Table III-5: Educational Attainment of Persons 25 Years or Older by Commission District, 2000

Commission District	Population 25 years+	9th grade education or less	High school graduate (including equivalency)	Bachelor's degree	Master's degree	Doctorate degree
District 1	49,091	18,668	9,664	2,318	734	248
	100%	38%	20%	5%	1%	1%
District 2	54,206	7,367	9,618	9,947	4,868	982
	100%	14%	18%	18%	9%	2%
District 3	51,385	21,067	9,013	3,137	1,041	356
	100%	41%	18%	6%	2%	1%
District 4	56,188	16,734	11,142	4,751	1,627	770
	100%	30%	20%	8%	3%	1%
District 5	41,620	11,377	10,541	1,597	564	76
	100%	27%	25%	4%	1%	0%
Total	252,494	75,213	49,978	21,750	8,834	2,432
	100%	30%	20%	9%	3%	1%

Source: U.S. Census, 2000

**Persons in Poverty by Age:** Approximately 28% of the City’s residents live in poverty. The poverty rate in most of the Commission Districts is similar to that of the City. The exception is District 5, with 43% of its residents living below poverty. District 5 also has the highest concentrations of children living in poverty.

Table III-6: Persons in Poverty by Age and Commission District, 2000

Commission Districts	Persons with Income below poverty	Under 5 years	5-11 years	12-17 years	18-64 years	65-years and older
District 1	19,564	1,509	2,397	1,771	10,014	3,873
	100%	8%	12%	9%	51%	20%
District 2	15,257	1,040	1,425	1,264	9,576	1,952
	100%	7%	9%	8%	63%	13%
District 3	23,564	1,792	2,355	1,880	12,144	5,393
	100%	8%	10%	8%	52%	23%
District 4	13,104	567	1,049	849	6,837	3,802
	100%	4%	8%	6%	52%	29%
District 5	28,680	2,998	4,819	3,954	14,263	2,646
	100%	10%	17%	14%	50%	9%
Total	100,169	7,906	13,803	9,718	52,834	15,908
	100%	8%	14%	10%	53%	16%

Source: U.S. Census, 2000 \* Total numbers of persons that Poverty can be accounted for.

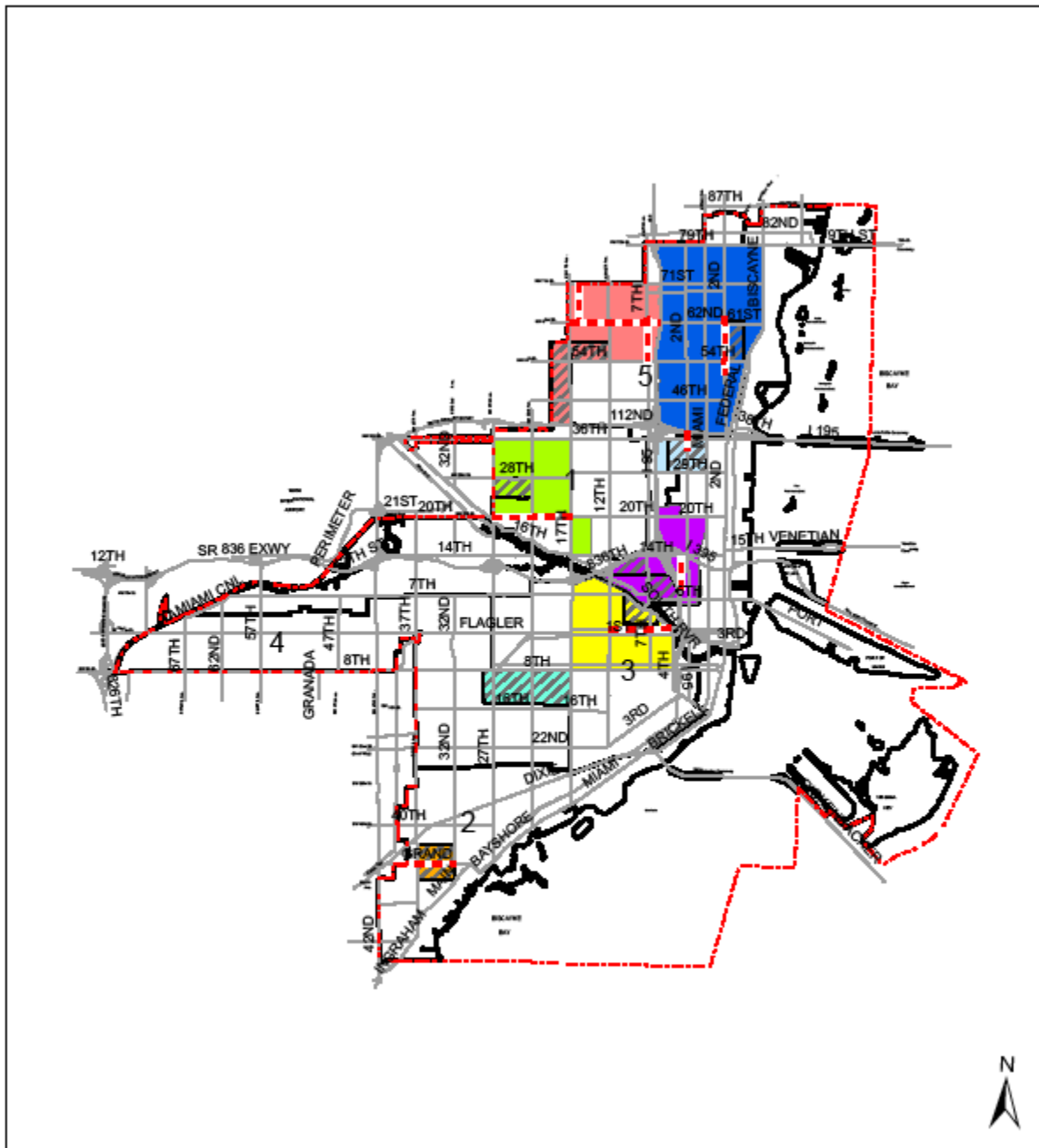
**Employment:** According to the 2000 Census, only 50.3% of the population in the City of Miami is in the labor force. This is considered the lowest labor force participation rate in the nation. The average among large cities is 63%. When comparing this data at the Commission District level, it appears that the only district that comes close to the national average is District 1, with a labor force participation of 59%. District 5 has the lowest labor force participation in the City. Only 44% of the working age adults in this District are in the labor force.

Table III-7: Employment for Population 16 Years and Over by Commission Districts: 2000

Commission District	Population 16 and Over	In Labor Force	Civilian	Employed	Unemployed	Not in Labor Force
District 1	56,782	26,991	26,991	23,504	3,487	29,791
	100%	48%	48%	41%	6%	52%
District 2	61,366	36,475	36,357	33,415	2,942	24,891
	100%	59%	59%	54%	5%	41%
District 3	59,157	28,951	28,934	25,367	3,567	30,206
	100%	49%	49%	43%	6%	51%
District 4	63,126	31,631	31,619	28,956	2,663	31,495
	100%	50%	50%	46%	4%	50%
District 5	52,126	23,192	23,184	18,640	4,544	29,077
	100%	44%	44%	36%	9%	56%
Total	292,7000	147,240	147,805	129,882	17,203	145,460
	100%	50%	50%	44%	6%	50%

Source: U.S. Census, 2000

# City of Miami - Neighborhood Development Zones



## Legend

	Allapattah		Model City		Model Blocks
	Coconut Grove		Overtown		Commercial Business Corridor
	East Little Havana		West Little Havana		
	Edison, East Little River, Little Haiti		Wynwood		

# IV. Funding Resources

## *EXPECTED GRANT FUNDS AND OTHER INCOME*

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Within the City of Miami, the Department of Community Development is responsible for operating most of the City's housing assistance programs and community development programs. The following provides a list of the funding sources the Department of Community Development has available to support such activities.

### **Description of Federal Funding Sources**

***Community Development Block Grant Entitlement Program (CDBG):*** The formula takes into account total population, overcrowding and poverty. CDBG funds must be used for activities that benefit extremely low-, very low-, and low to moderate-income persons. Eligible activities include affordable housing, anti-poverty programs, and infrastructure development.

***Home Investment Partnership Program (HOME):*** The purpose of the HOME Program is to increase the supply of safe, decent, sanitary, and affordable housing for low and very-low-income households. HOME also seeks to expand the capacity of nonprofit housing providers through CHDOs. Jurisdictions can use HOME funds to carry out a wide variety of housing activities for extremely low-, very low-, and low to moderate-income families, including:

- Homebuyer programs, which may include downpayment and closing costs assistance, construction loans, rehabilitation, new construction, or soft cost pre-development.
- Rental housing programs, consisting of construction loans, permanent mortgage loans, bridge loans, rehabilitation, new construction, or soft cost pre-development and refinancing.
- Homeowner rehabilitation programs, including grants, loans, interest subsidies, and loan guarantees to pay for hard costs, related soft costs, and refinancing expenses

***Emergency Shelter Grant Program (ESG):*** The ESG program is a formula grant program that allocates monies to improve the quality and number of emergency homeless shelters and related social services for the homeless. ESG provides a foundation for homeless people to begin moving to independent living. The current level of funding is based on the yearly homeless assistance appropriation, as well as the demand of HUD's other McKinney-Vento Act programs. The City of Miami does not provide homeless shelters, since this is a function of Miami-Dade County. The City uses ESG funds to provide outreach services to the homeless.

***Housing Opportunities for Persons with AIDS (HOPWA):*** The City of Miami serves as the administrator of the formula grant-funded Housing Opportunities for Persons with AIDS (HOPWA) program for the entire geographical area of Miami-Dade County. The goal and intent of the local HOPWA Program is to ensure that a continuum of housing options and related housing services is available to low income persons with acquired immunodeficiency syndrome or related diseases to prevent homelessness of such individuals and their families.

**Section 8 Moderate Rehabilitation Program (Rental Assistance):** Housing choice vouchers allow very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing. Though the City of Miami does not operate any public housing, it is responsible for a limited number of Section 8 Tenant Based Assistance. This is a housing choice voucher program developed to assist eligible low-income families to receive housing assistance through a rental subsidy that enables tenants to afford standard units.

Table IV-1: Federal Funding Resources

Federal Funding Source	City of Miami Programs	Program Funding*
Community Development Block Grant (CDBG)	Repayment of Section 108 Loans Economic Revitalization Affordable Housing Quality of Life Enhancement	\$8,950,890
CDBG Program Income	Program Income Forecast	\$0
HOME Program	Affordable Housing: New Construction: Homeownership and Rental Homebuyer's assistance	\$4,974,286
Emergency Shelter Grant Program (ESG)	Homeless Programs – Referrals	\$363,411
Housing Opportunities for Persons with AIDS(HOPWA)	New Construction Rental Assistance Support Services	\$12,935,584
Section 8 Program	Rental Assistance	\$4,721,424
<b>Total</b>		<b>\$31,945,595</b>

In addition to the funding above, the City is currently implementing programs under the American Recovery and Reinvestment Act of 2009 (“Recovery Act”). The City was awarded \$2,218,946 under the CDBG-Recovery and \$3,392,918 for Homeless Prevention and Rapid-Re Housing programs in FY2008-2009. Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. More information about these programs is provided in subsequent chapters.

## Description of Non-Federal Funding Sources

**State Housing Initiatives Partnership program (SHIP):** State Housing Initiatives Partnership is the first permanently funded state housing program in the nation to provide funds directly to local governments to increase affordable housing opportunities on a noncompetitive basis. The funds are used to produce and preserve affordable homeownership and multifamily housing for very low, low and moderate income families. The City uses SHIP dollars to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, construction and gap financing, mortgage buy-downs, matching dollars for federal housing grants and programs, and homeownership counseling. Unfortunately, FY2010-2011 funding for the SHIP program was not considered by the State in the recently approved budget.

**Miami-Dade County Documentary Stamp Surtax Program:** The Documentary Stamp Surtax program is a dedicated source of revenue for affordable housing collected from commercial real

estate sales in Miami-Dade County. The Surtax Program subsidizes both development and consumer financing to make home ownership more affordable for low-income working families.

**Low-Income Housing Tax Credit Program:** The Low-Income Housing Tax Credit Program is a tool for private developers and not-for-profit entities to construct or rehabilitate affordable rental units. This program gives developers tax credits in exchange for substantially rehabilitating or constructing rental housing projects that set aside 20% or more units for individuals or families with low incomes.

**Miami-Dade County Food and Beverage Tax Funds:** The Food and Beverage tax is levied to provide a dedicated source of funding for homeless assistance centers and projects.

Table IV-2: City of Miami Programs by Non-federal Funds

Non-Federal Funds:	City of Miami Programs	Funding
State SHIP Program	Rehabilitation Homebuyer Assistance New Construction	No budget for FY10-11
Miami-Dade County Documentary Stamp Surtax Program	Acquisition New Construction Homebuyer Assistance	Competitive
State of Florida Low Income Tax Credits	New Construction Rehabilitation, Acquisition	Competitive
Miami-Dade County Food and Beverage Tax Funds	Homeless Assistance/Prevention	Competitive
Private Foundations	Public Services	Competitive

## *MATCHING FUNDS*

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Although it is required from entitlement jurisdictions to contribute or match 25 cents for each dollar of HOME program funds spent on affordable housing, the City of Miami is exempt from such requirement as it is considered to be a City in severe fiscal distress; therefore, receiving 100 percent match requirement reduction (24 CFR 92.222). For a jurisdiction to qualify as distressed based on the poverty criterion, its percent of families in poverty must be of at least 11.5 percent and to qualify as distressed based on per capita income (PCI), its average PCI must be less than \$16,190.

In addition, the City complies with ESG requirements by matching ESG program funds, dollar for dollar, with locally generated amounts. In FY2009-2010, the City utilized the following matching sources: Miami-Dade County Homeless Trust \$464,600, City of Miami General Funds \$415,410; MDC Office of Grants Coordination \$23,800. It is anticipated that for FY2010-2011 the City will continue to match ESG funding by working with its partners in an effort to eliminate homelessness.

## Projected Revenue and Expenditures

The following tables provide detailed information on how the City of Miami will utilize the resources it receives during FY 2010-2011 to carry out its community development functions.

Table IV-3: City of Miami Department of Community Development Revenue and Expense Projections: FY 2010-2011

Source	Admin.	Housing	Quality of Life	Economic Develop.	Section 108	FY 09-10 YEAR
CDBG	\$1,790,178	\$0	\$1,342,634	\$4,718,078	\$1,100,000	<b>\$8,950,890</b>
ESG	\$10,902	\$0	\$352,509	\$0	\$0	<b>\$363,411</b>
HOME	\$497,429	\$4,476,857	\$0	\$0	\$0	<b>\$4,974,286</b>
HOPWA	\$388,067	\$12,547,517	\$0	\$0	\$0	<b>\$12,935,584</b>
SHIP	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Section 8 Housing	\$448,842	\$4,272,582	\$0	\$0	\$0	<b>\$4,721,424</b>
<b>Totals:</b>	<b>\$3,135,418</b>	<b>\$21,296,956</b>	<b>\$1,695,143</b>	<b>\$4,718,078</b>	<b>\$1,100,000</b>	<b>\$31,945,595</b>

Table IV-4: CDBG Funding Recommendations by Categories

CDBG FUNDING RECOMMENDATIONS BY CATEGORY	Entitlement Allocations
108 Debt Service	\$1,100,000
Administration	\$1,790,178
Economic Development	\$4,718,078
Quality of Life Enhancement -	\$1,342,634
<b>TOTAL</b>	<b>\$8,950,890</b>

Table IV-5: Municipal Programs

MUNICIPAL PROGRAMS:		Comments:
108 Debt Service	\$1,100,000	Scheduled Section 108 Loan payments for Wynwood Foreign Trade Zone and S.E. Overtown Park West.
<b>TOTAL</b>	<b>\$1,100,000</b>	-

## *LEVERAGED FUNDS*

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The following table provides detailed financial information on the agencies that the City of Miami will be funding during FY 2010-2011. The table demonstrates the other funds the City will be able to leverage in its efforts to carry out its community development functions.

**Federal** funds include, but are not limited to: HOPE VI, USDA, U.S. Department of Housing and Urban Development (HUD), Federal Emergency Management Agency (FEMA), Economic Development Initiative (EDI), Volunteers in Service to America (VISTA), and Americorp.

**State** funds include, but are not limited to: Florida Department of Education, the Florida Department of Health, the Florida department of Juvenile Justice, the Florida Department of Children and Families, the Governor's Drug Free Communities, Florida Front Porch, the State of Florida Historic Preservation, and Florida International University.

**County** funds include, but are not limited to: Miami-Dade County, Miami-Dade County CDBG, Miami-Dade County Head Start, Miami-Dade County Office of Community and Economic Development (OCED), Miami-Dade County Department of Human Services, Metro-Miami Action Plan Trust (MMAP), Alliance for Human Services, and the Public Health Trust.

**City** funds include, but are not limited to: City of Miami Park and Recreation Department, City of Miami Redevelopment Agency, City of Miami CDBG, Affordable Housing Trust Funds, and the City of Miami LETF.

*Table IV-6: Leveraging Funds from Agencies funded by the City of Miami*

<b>Program</b>	<b>Leverage Amount</b>
Public Service Leverage Funding	\$20,577,492
Economic Development Leverage Funding	\$1,843,144

# V. CDBG

## *COMMUNITY DEVELOPMENT BLOCK GRANT*

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As an entitlement City, the City of Miami is dedicated to complying with the goals of federal statutes in providing decent housing, suitable living environments and economic opportunities for extremely low-, very low-, and low to moderate-income residents through its Community Development Block Grant (CDBG) Program. As such, projects included in the annual Action Plan are designed to give the maximum priority to feasible activities that implement national objectives:

- Provide benefits to extremely low-, very low-, and low to moderate-income families.
- Aid in the prevention or elimination of slums or blight.
- Meet other community development needs that have a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community.

Grants under the CDBG Program are awarded by the City of Miami for projects and programs that further these national objectives. Specifically, the City utilizes CDBG funds to carry out the following:

- 108 Debt Service.
- Economic Revitalization.
- Affordable Housing.
- Quality of Life Enhancement - Capital Improvements.
- Quality of Life Enhancement - Social Programs.

## *EXTREMELY LOW TO LOW-MOD BENEFIT*

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In fiscal year 2010-2011, the City of Miami was designated \$8,950,890 representative of CDBG monies by the U.S. Department of Housing and Urban Development. In order to support neighborhood and community stabilization, the CDBG program will prioritize activities that promote the development of healthy neighborhoods. These activities include childcare, elderly services, and services for the disabled. As part of increasing and improving services in our neighborhood the Department of Community Development, estimates to invest approximately 90%, of CDBG funds toward programs and activities that benefit extremely low-, very low-, and low to moderate-income persons (with the exclusion of administration).

CDBG funding is intended to assist extremely low-, very low-, and low to moderate-income persons through the enhancement of quality of life by promoting growth opportunities. Each incentive subsidized with CDBG dollars is tailored to meet the particular local need of a geographical area within the City of Miami's commission district boundaries.

The CDBG funding allocations will support the efforts of organizations which address the needs and improve the quality of life of extremely low-, very low-, and low to moderate-income citizens. This focus will support our ongoing endeavors to develop quality performance measures for activities funded in the CDGB program. The tactical use of CDBG dollars was prepared with participation by citizens, community based organizations, City Commissioners, and not-for-profit organizations.

***OUTCOME MEASURES***

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Overall program performance relative to the goals and objectives set-forth in the Consolidated Plan is monitored on an ongoing basis. All of the initiatives and activities subsidized in the Action Plan are receptive to goals and objectives identified in the Consolidated Plan as highlighted on Table 2C.

A contract compliance analyst is assigned to each grant recipient. The contract analyst is responsible for approving the scope of services in the contractual agreement, providing technical assistance during the course of the contractual year, collecting and reviewing progress reports, conducting on-site monitoring visits, and evaluating performance inputs and program outcomes.

*Table V-1: CDBG Program Year Funding*

CDBG Program Year Funding	Entitlement Allocations
FY2010-2011	\$8,950,890
FY2009-2010	\$8,305,859
FY2008-2009	\$8,438,887
FY 2006-2007	\$8,450,357
FY 2005-2006	\$9,398,140
FY 2004-2005	\$9,928,000

***COMMUNITY DEVELOPMENT STRATEGY***

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According to the Five-Year Consolidated Plan, the community development strategy for the City of Miami is firmly rooted in the concept of neighborhood revitalization. The City understands the importance of a vital and diversified economy, a growing workforce with competitive skills, and how that relates to healthy neighborhoods. As such, the focus of the strategy will be to work toward these interrelated ends. The strategy seeks to promote not only strong economic growth in its major employment centers, but also renewed economic development in commercial areas throughout its neighborhoods. Further, the strategy aims to empower residents economically and bring physical renewal to distressed areas through new business activity.

The City of Miami will seek to stimulate neighborhood revitalization by concentrating funding within the Neighborhood Development Zones (NDZs), the Model Blocks and the Community Business Corridors (CBCs). The intent is to fuel development and encourage investment by focusing on areas that are poised for revitalization. As such, CDBG dollars will

be directed to these target areas as much as possible. In particular, CDBG funds used for economic development activities will be concentrated within the CBCs.

It is important to note, however, that due to the tremendous need for social and housing programs in the City of Miami, some of the public service and housing related activities funded by CDBG must target broader geographic areas. This includes services for the elderly, the disabled, youth and other underserved populations as well as affordable housing opportunities for extremely low-, very low-, and low to moderate-income people. As a result, funding for CDBG activities is generally divided among the City's five Commission Districts. The HUD formula takes into account the total population, number of persons living in poverty, and the number of overcrowded units in each area.

The following sections provide a detailed description of how the City of Miami will use CDBG funds to carry out its community development strategy and provide social services in the various target areas.

## *HOUSING*

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Based on the findings of the Housing Needs Assessment and the Housing Market Analysis in the 2009-2013 Consolidated Plan, a top priority for the City of Miami will be to preserve affordable housing. The City will seek to accomplish this through its CDBG funds by providing single-family rehab and residential code compliance assistance, supporting fair housing activities, and funding affordable housing developments. Below is a description of the strategies and outcomes related to these activities as outlined in the Consolidated Plan.

### **Activities for Rental Housing**

#### **Activity: Multi-Family Rental New Construction**

**Consolidated Plan Reference Code:** RH(a)

**Strategy:** Partner with not-for-profit and for-profit housing developers to bring new affordable housing rental units to the City.

**Targeted Outcome:** Increase the supply of affordable rental housing available to extremely low-, very low-, and low to moderate income residents.

**Outcome/Objective:** DH-2

**Source:** CDBG, HOME, SHIP, AHTE

#### **Activity: Housing Choice Voucher Assistance**

**Consolidated Plan Reference Code:** RH(b)

**Strategy:** Provide rental subsidies to extremely low-, very low-, and low to moderate-income residents through the Housing Choice Voucher and the Moderate Rehabilitation Programs.

**Targeted Outcome:** Increase the affordable housing options for eligible populations.

**Outcome/Objective:** DH-2

**Source:** Housing Choice Voucher

#### **Activity: Multi-Family Rental Rehabilitation**

**Consolidated Plan Reference Code:** RH(c)

**Strategy:** Provide multi-family rental rehabilitation loans and/or grants for the preservation of affordable rental housing available to extremely low-, very low-, and low to moderate-income residents.

**Targeted Outcome:** Preserve affordable rental housing opportunities that may have been lost to gentrification.

**Outcome/Objective:** DH-2

**Source:** CDBG, HOME, NSP, SHIP, AHTF

## **Activities for Homeowner Assistance**

### **Activity: Single Family Rehab and Code Violation Elimination Assistance**

**Consolidated Plan Reference Code:** HA(a)

**Strategy:** Provide rehab assistance to homeowners for deferred maintenance, home repairs and elimination of code violations.

**Targeted Outcome:** Improve the quality of existing owner occupied housing through rehab assistance.

**Outcome/Objective:** DH-2

**Source:** CDBG and SHIP

### **Activity: Replacement of Unsafe Housing**

**Consolidated Plan Reference Code:** HA(b)

**Strategy:** Provide assistance to homeowners to replace unsafe housing structures.

**Targeted Outcome:** Improve the quality of life of existing homeowners by reducing the number of unsafe structures that are owner occupied.

**Outcome/Objective:** DH-2

**Source:** HOME and SHIP

## **Activities to Increase Homeownership**

### **Activity: New Construction of Homeownership Units**

**Consolidated Plan Reference Code:** HO(a)

**Strategy:** Increase the supply of affordable homeownership units through new construction.

**Targeted Outcome:** Provide greater opportunities for low to moderate income families to achieve homeownership and improve their housing conditions.

**Outcome/Objective:** DH-2

**Source:** HOME and SHIP

### **Activity: Homeownership Financing**

**Consolidated Plan Reference Code:** HO(b)

**Strategy:** Increase the supply of affordable homeownership units through new construction.

**Targeted Outcome:** Assist very low- and low to moderate-income families obtain homeownership by providing financing assistance (i.e. down payment, closing cost, and second mortgages).

**Outcome/Objective:** DH-2

**Source:** HOME and SHIP

## *PUBLIC SERVICE*

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Public Service activities must be directed toward enhancing the health, safety, and overall well being of extremely low-, very low-, and low to moderate-income residents (low income) and persons with special needs. The specific activities that will be funded with CDBG dollars include: elderly services, youths services, services for the disabled and childcare services.

The Department of Community Development exercises a number of processes to proper allocate funding to sub-recipients. Due to the limited amount funding available attributed to the 15% public service cap, leveraging additional dollars for the provision of public services is a City priority. The public services included are limited to HUD compliance regulations (24 CFR 570 Sec. 201 (e) and 207). The following provides a list of some of the public service activities and their respective strategies and outcomes. For more information and for other activities, please refer to the Consolidated Plan:

### **Activities for Childcare/Head Start**

#### **Activity: Childcare Services**

**Consolidated Plan Reference Code:** PS(a)

**Strategy:** Assist low income families and poverty stricken children by supporting childcare facilities that offer quality childcare services and promote a safe environment, while simultaneously enabling low to moderate income parents to join the workforce.

**Targeted Outcome:** Endow a suitable living environment to low income children and families that helps to meet both quality of health and sustains economic self-sufficiency.

**Outcome/Objective:** SL-3

**Source:** CDBG

### **Activities for Youth Services**

#### **Activity: Recreational Activities, Tutoring, Arts, Counseling, and Mentoring**

**Consolidated Plan Reference Code:** PS(b)

**Strategy:** Sponsor programs that assist in the various stages of child development, such as; educational, physical, mental, social, nutritional and emotional development.

**Targeted Outcome:** Prepare children and youth to transition into successful adults.

**Outcome/Objective:** SL-3

**Source:** CDBG

### **Activities for Elderly Services**

#### **Activity: Nutritional Services (meals), recreational and transportation services**

**Consolidated Plan Reference Code:** PS(c)

**Strategy:** To support agencies providing nutritional services, recreational activities and transportation to low and moderate elderly individuals.

**Targeted Outcome:** Increase the quality of health by providing balanced meals; reducing isolation by promoting quality of life enhancement activities; and linking elderly to available community resources.

**Outcome/Objective:** SL-3

**Source:** CDBG

### **Activities for Disabled Services**

**Activity: Programs for the Disabled/Handicapped.**

**Consolidated Plan Reference Code:** PS(d)

**Strategy:** Amplify the supply of supportive and transitional services required to enable persons with special needs to live with dignity and independence.

**Targeted Outcome:** Promote a stable and economically sound environment coupled with a healthy supportive system through the provision of compassionate services.

**Outcome/Objective:** SL-3

**Source:** CDBG

### **Activities for Job Training**

**Activity: Job Skills Training Programs**

**Consolidated Plan Reference Code:** PS(f)

**Strategy:** Assist economically disadvantage individuals and others who face barriers to employment enhance their quality of life through the attainment of marketable labor skills or by improving their earning capacity.

**Targeted Outcome:** To prepare youth and unskilled adults for entry into the labor force.

**Outcome/Objective:** EO-3

**Source:** CDBG

## ***ECONOMIC DEVELOPMENT***

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The Department of Community Development strives to enhance and increase economic opportunities for City residents through support of programs and activities that help extremely low-, very low-, and low to moderate-income persons attain employment in conjunction to facilitating small business development. The economic development initiative will integrate job creation, micro enterprise assistance, Commercial/Industrial improvements and assistance to private for profit entities, within the identified Commercial Business Corridors (CBCs). The distribution of CDBG funds for economic development activities will be divided among the five Commission Districts based on the HUD formula allocation. As a result, the funding priority for economic development activities will be awarded to the CBCs.

The City aims at reducing the number of poverty level families by supporting human development and employment programs that facilitate the creation and retention of job opportunities. This will be accomplished by developing business attraction and retention programs which will result in the expansion of the Community Business Corridors. Below is a description of the economic development strategies and outcomes.

## Activities for Job Creation

### Activity: Job Creation / Retention

**Consolidated Plan Reference Code:** ED(a)(b)

**Strategy:** Support economic development designed to create job opportunities while simultaneously supporting business expansion and recruitment; to include funding priorities directed at the Commercial Business Corridors.

**Targeted Outcome:** Create/retain employment opportunities in financially distressed neighborhoods while promoting job creation in the Commercial Business Corridors, to include areas within the vicinity of the corridors as well.

**Outcome/Objective:** EO-1

**Source:** CDBG

## Activities for Micro-Enterprises Assistance

### Activity: Working Capital, Financial Support and Business Assistance

**Consolidated Plan Reference Code:** ED(c)

**Strategy:** Support small businesses and entrepreneurship development through the provision of working capital, loan guarantees, and financial support to continue emphasis on the delivery of strategic technical assistance and business modernization services which raise firm productivity and help companies align entry level jobs.

**Targeted Outcome:** Improve the financial growing potential of small business firms in the Commercial Business Corridors that will increase the demand for labor and create living wage jobs.

**Outcome/Objective:** EO-1

**Source:** CDBG

## Activities for Commercial or Industrial Improvements (Commercial Facades)

### Activity: Commercial Facades Improvement Program

**Consolidated Plan Reference Code:** ED(e)

**Strategy:** Execute façade improvements along the Commercial Business Corridors where there is a prospect of serious business investment, dividing the cost with business owners.

**Targeted Outcome:** Overall business façade improvement to include some of the following: pressure cleaning, painting, awnings, doors, store showcase windows, signs and shutters.

**Outcome/Objective:** EO-3

**Source:** CDBG

## ***PUBLIC FACILITIES AND PARK IMPROVEMENTS***

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The main objective is to provide assistance for public facilities and parks to improve the health and welfare of neighborhoods and augment the availability of local services to extremely low-, very low-, and low to moderate income persons. Public facilities are the primary vehicle for the delivery of neighborhood services. It is essential to the long term stability of City neighborhoods that these facilities continue operating and providing services to residents. The assistance will be directed toward neighborhood facilities, child care centers, parks and recreation facilities, health facilities, and parking facilities.

Consequently, the City's parks and recreation facilities are in need of repair. The need to repair and maintain them is critical. Revitalization of City parks is an important aspect of community development. These facilities are a safe haven for many city youth. The restoration and rehabilitation of parks is a key component in the recruitment of not-for-profit organizations to conduct business on city parks.

***Activity: Provide funding for the acquisition, construction, reconstruction or installation of eligible public facilities in response to the specific priority facility needs of varying communities.***

**Consolidated Plan Reference Code: PP**

**Strategy:** Achieve identified projects for quality public facilities which are responsive to the unique character and differing needs of individual neighborhoods, taking into consideration the needs of extremely low-, very low-, and low to moderate income community members.

**Targeted Outcome:** Improve the health and welfare of target neighborhoods through the revitalization of public facilities and parks open to the general public.

**Outcome/Objective:** SL-3

**Source:** CDBG

## ***HISTORIC PRESERVATION***

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The National Historic Preservation Act of 1966 directs federal agencies to take into account the effects of their undertakings on historic properties. The regulations are mandated under Section 106 (36 CFR 800). Furthermore, this implies that public or private places can be rehabilitated if they are eligible to be on the national list of Historic Places or are officially recognized by state or local law, as such. This category also authorizes the costs of preserving or restoring properties of historic significance, whether publicly or privately owned. The following are potentially eligible categories for CDBG assistance under historic preservation: Events significant in the broad patterns of our history; persons significant in our past; distinctive characteristics of type, period, method of construction, or the work of a master, or possessing high artistic values; yielding information important to history of prehistory (24 CFR 570.202 (d)).

Preserving the historic resources of the City of Miami is essential because of its importance to the City's common history and community pride. The City will work with the structures it has inherited in the course of historical transformation. The mission is to properly restore

historic sites by reversing the cycle of decay through reconstruction and rehabilitation of the identified monument.

**Activity: Provide funding of special projects directed toward the rehabilitation, preservation, and restoration of historic properties.**

**Consolidated Plan Reference Code: HP**

**Strategy:** Encourage and support the restoration and preservation of sites and structures that have historical significance when such restoration activities comply with CDBG national objectives.

**Targeted Outcome:** Meeting the needs of the City's historic sites on a case by case basis as the needs arise during the time frame of the Consolidated Plan.

**Outcome/Objective:** SL-3

Source: CDBG

## ***INFRASTRUCTURE***

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The City will ensure that targeted revitalization areas are adequately served and well-preserved. Community development studies have demonstrated a need to replace deteriorated streets, curbs, sidewalks, lights, and community facilities. The Department of Community Development (DCD) will contribute CDBG dollars for eligible projects to address such conditions. Nevertheless, due to insufficient funds in other City departments committed to such improvements, the DCD will allocate funding to those projects and neighborhoods deemed as CDBG compatible and as opportunities arise on a case-by-case basis throughout the life of this plan.

**Activity: Ensure that CDBG target areas are adequately restored and preserved to current City standards.**

**Consolidated Plan Reference Code: II**

**Strategy:** Provide, to the greatest extent possible all necessary public infrastructures to support the development of lower-income neighborhoods.

**Targeted Outcome:** Create safe, attractive and accessible neighborhoods through the stimulation of economic growth and infrastructure improvement.

**Outcome/Objective:** SL-3/ EO-3

Source: CDBG

*Note: The Department may choose to utilize CDBG dollars for other activities not listed above under the any category in this chapter as long as such activities comply with HUD regulations and meet a national objectives.*

## *OTHER COMMUNITY DEVELOPMENT NEEDS*

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### **Administration and Planning:**

CDBG and HOME funds are allowed to cover general and reasonable costs related to the planning and execution of community development activities, assisted in whole or partially. These costs are not directly related to providing a specific activity. Program administration includes items such as overall management, coordination, monitoring, and evaluation of the jurisdictions programs. Some of the tasks affiliated with program administration are preparing budgets, performance reports, and staff salaries. The use of program administration has a monetary cap responsive to distinctive grants. The following are the cap limitations set-forth for the subsequent categories: the cap limitation for CDBG funds states that no more than 20% of grant funds plus program income may be used for planning and administration; the cap limitations for the HOME program funds states that nor more than 10% of grant funds plus program income may be used for administration costs. (24 CFR 570.206 (a) (1)) (24 CFR 92.207HOME)

### *CDBG-R*

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The American Recovery and Reinvestment Act of 2009 ("Recovery Act") was signed into law by President Obama on February 17, 2009. Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. The City of Miami was awarded \$2,218,946. Below is a list of projects to be implemented with CDBG-R (for more information, please refer to the City’s CDBG-R Substantial Amendment to the FY2008-2009 Action Plan):

### **Public Facilities and Improvements**

#### *Roadway and Sidewalk Improvements*

Replace deteriorated and defective roadways and sidewalks in low to moderate income areas to improve roads and pedestrian access safety and walkability for residents in eligible census tract areas. Improvements include the construction/ renovation of roadways (milling & resurfacing), sidewalks, and curbs. It may also include signage, pavement striping, swale block, storm drainage improvements, bike and pedestrian safety improvements and ADA ramp installations. Sidewalks are a critical component of public transit and they are primarily utilized by low to moderate-income people. The City is allocating \$1,597,641 for this activity. This activity is geared toward modernizing the City’s infrastructure and is in direct support of the intent of the Recovery Act. Improving the current subpar roadway and sidewalk conditions provide long term results that contribute to the economic upswing of low income areas by making neighborhoods more attractive to private investment.

### **Commercial Façade Program**

This program is geared toward improving the exterior of commercial structures by installing windows, doors, and awnings among other qualifying improvements. This will create more attractive, productive, and a safe business environment for customers and business owners. The Commercial Façade program stimulates the economic revitalization of businesses by improving the storefronts and signage to enhance the business environment and attract more business patronage to the area. The City is allocating \$399,410 for this activity

# VI. HOME

## *Home Investment Partnership Program*

The Home Investment Partnership Program (HOME) is intended to increase the supply of safe, decent, sanitary, and affordable housing for extremely low-, very low-, and low to moderate-income households. HOME also seeks to expand the capacity of not-for-profit housing providers through Community Housing Development Organizations (CHDOs). Jurisdictions can use HOME funds to carry out a wide variety of housing activities for extremely low-, very low-income, and low to moderate-income families, including:

- Homebuyer programs, which may include downpayment and closing costs assistance, construction loans, or loan guarantees for acquisition, rehabilitation, or new construction;
- Rental housing programs, consisting of construction loans, permanent mortgage loans, bridge loans, or loan guarantees for acquisition, rehabilitation, new construction, and refinancing;
- Homeowner rehabilitation programs, including grants, loans, interest subsidies, and loan guarantees to pay for hard costs, related soft costs, and refinancing expenses.

The City of Miami offers five major programs funded under HUD’s HOME Program:

- Multifamily Rental New Construction
- Multifamily Rental Rehabilitation
- New Construction of Homeownership Units
- Homeownership Financing
- Replacement of Unsafe Housing

*Table VI-1: HOME Programs*

Funding Source	City of Miami Programs*	Annual Performance Measures
<b>HOME Program</b>	<b>New construction/ Rehabilitation</b>	
	Multi-family Rental New Construction Program	125 housing units
	Multi-family Rental Rehabilitation	4 housing units
	Homeownership New Construction Program	15 housing units
	Replacement of Unsafe Housing	4 housing units
	<b>Homebuyer Assistance</b>	
	First Time Homebuyer Assistance Program	35 households

*\* The annual performance measures include units funded with CDBG, AHTF, and SHIP funds and shall be measured in a 5-year cumulative basis.*

Programs funded with HOME dollars are designed to further the City’s overall housing development strategy as outlined in the Five Year Consolidated Plan and to meet the objectives of the National Affordable Housing Act of 1990 (NAHA). The NAHA objectives are to:

- Provide decent affordable housing to lower-income households
- Expand the capacity of not-for-profit housing providers
- Strengthen the ability of state and local governments to provide housing
- Leverage private-sector participation

## *AFFORDABLE HOUSING (91.220 9 (G))*

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The City of Miami will use HOME funds to carry out the housing development strategy described in the Consolidated Plan for 2009-2013. According to the Consolidated Plan, a top priority for the City of Miami is to preserve affordable housing for extremely low-, very low-, and low to moderate-income families. To do this, the City of Miami will implement of a four-tiered strategy that focuses on:

- ***Preserving affordable rental housing for those most in need of housing assistance through rehabilitation of existing rental stock and new construction.*** As recommended in the Consolidated Plan, the focus will be on serving those that are most in need of rental assistance, namely small families and single person households below 80% of the median income (with the elderly at 30% below the median income demonstrating the most need).
- ***Assisting existing homeowners to retain and maintain their homes through rehab assistance.*** The goal will be to provide financial assistance to low to moderate income homeowners who lack the financial capacity and/or credit history required to obtain home repair financing from private lenders. Preference will be given to homeowners in the Model Blocks and to the elderly, disabled and persons with HIV/AIDS that are between 51 to 80% of the MFI.
- ***Preserving affordable homeownership opportunities for working families who may be eligible for homeownership but may be priced out of the market due to the escalating cost of real estate.*** The City will seek to increase the inventory of affordable homeownership units through new construction and the creation of a Purchase Rehab program. It will also provide second mortgage, down payment, and closing cost assistance to homebuyers.
- ***Stimulating affordable housing development through the provision of incentives.*** The intent is to create incentives that off-set the barriers that make it difficult to undertake affordable housing projects.

These strategies will be achieved through in-fill housing initiatives in the City's distressed neighborhoods. These in-fill initiatives will continue developing properties in targeted Neighborhood Development Zones as well as channeling substantial financial resources into intensive redevelopment and development of vacant residential parcels throughout the City. The in-fill housing strategy is supplemented with multi-unit developments in the form of condominiums, town homes and groups of detached homes, to provide a variety of housing alternatives.

The Neighborhood Development Zones include Allapattah, Coconut Grove, Edison/Little River/ Little Haiti , East Little Havana, Model City, Overtown and Wynwood. The

Neighborhood Development Zones were identified in the City's Five-Year Consolidated Plan for intensive efforts to foster economic redevelopment, preserve affordable housing and improve overall neighborhood quality. The Model Blocks provide the primary location for the development of new affordable homeownership and rental housing units through a cooperative effort with the private sector housing industry, not-for-profit community development corporations (CDCs), Miami-Dade County, the State of Florida and private banking institutions.

The City of Miami faces important challenges in providing affordable housing for all socioeconomic segments of its population, given the highly competitive housing market and the limited public dollars. This year's Action Plan outlines the approach the Department of Community Development (DCD) plans to take during Fiscal Years 2010-2011 – to meet these challenges. The Department's approach will be responsive to the following:

- Housing Market Analysis (2009-2013 Consolidated Plan) – provides an overview of City demographics and projected housing needs in the City of Miami.
- Department of Community Development Housing Policies – describes the Department's current housing policies and summarizes the expected benchmarks of each of these policies.
- Funding Sources – outlines the various funding sources available to achieve the department's affordable housing goals.
- Implementing Actions – enumerates the specific undertakings the City will embark on to address housing objectives throughout the life of the existing Consolidated Plan.

The Department's comprehensive affordable housing strategy is charged with the responsibility of policy development, and preservation planning. Furthermore, the Department's Housing Division takes command of recommending solutions to problems in the City's housing delivery system, and producing and monitoring the City's long range and annual plans for affordable housing, including this Action Plan for 2010-2011.

The activities and programs to address priority housing needs in 2010-2011 have been recommended by various entities inclusive of citizens, City Commissioners, Urban Planning Consultants, Advisory Boards and City employees. The Housing Division provides and on-going oversight and advice regarding implementation and refinement of the housing element of the Action Plan during the course of the year.

The City will continue its commitment to increasing and preserving affordable housing opportunities for a wide range of households. The City seeks to maintain and improve housing conditions innovating financing mechanisms to secure resources for additional affordable housing. In addition, the City will also continue to assure the safety and health of extremely low-, very low-, and low to moderate-income residents enforcing housing quality standards (HQS) requirements and the stringent local building codes.

Priority will continue to be awarded to those who experience the greatest gap between their personal resources and what is needed for long-term stable housing and those who are also least likely to be served by profit motivated housing providers. Our goal is to expand the stock of family rental and new construction of homes in an effort to increase housing opportunities for middle working class families.

The City’s chronic lack of housing opportunities for the extremely low-, very low-, and low to moderate-income families requires that continued emphasis is placed in housing development activities in 2010-2011. Additionally, the City is conscious of the needs for supportive housing for person who are homeless or threatened with homelessness.

Consequently, the DCD continues to support housing projects designated for the homeless and aligned with the housing goals identified in the Consolidated Plan. The department also supports projects intended for the elderly.

## ***HOMEOWNERSHIP NEW CONSTRUCTION PROGRAM***

The Homeownership New Construction Program is designed to provide assistance to developers for the production of new homeownership units for purchase by very low- and low to moderate-income homebuyers. HOME Program funds will be provided for project-specific technical assistance, land acquisition, site development, construction and soft costs associated with the development of new affordable homeownership housing units in the City. Funding through this Program will accomplish the following objectives:

- Increase the supply of new homeownership units affordable to low-income residents;
- Spur reinvestment of private capital in older residential neighborhoods;
- Complement other public neighborhood revitalization efforts; and
- Encourage the participation of CHDOs in the development of affordable housing.

<b>HOMEOWNERSHIP POLICY – DEVELOPERS</b>	
Program Description	Provides assistance to developers for the construction of new affordable homeownership units. The units can be condos, town homes, or single family scattered site developments.
Funding	HOME, SHIP, CDBG, AHTF
Repayment Requirements	Forgivable Loan converted to a zero (0%) interest repayable second mortgage for the buyers once project is completed. In the case of a Developer default (incomplete project) full payment of construction loan and accrued default interest at the maximum rate allowed by law. In addition, the developer and all principals with a minimum of 10% share in the development will be barred from participating in any City of Miami programs for a minimum of five (5) years. Second mortgage to buyer will have the following terms: 1. Repayable at 0% interest after the affordability period of 30 years 2. In the case of sale or transfer of the unit, the entire assistance amount will be due and payable.
Minimum/Maximum Subsidy	\$1,000 per unit to HUD Maximum subsidy cap as published based on bedroom size.
Affordability Period	30 year affordability period for the second mortgages. The second mortgages will be at same terms and conditions as that for direct subsidy to buyers at the time of closing.
Security	There will be a restrictive covenant and mortgage on the property. Upon completion of the project, the total debt to the developer is transferred in pro rata share to each assisted unit. In the event of a

	developer default, the restrictive covenant will remain on the property and applicable interest rates will be due.
Developer Fee	Up to 16% of total project costs. Disbursements upon project completion.
Service Charge	1% of City Loan with a maximum of \$15,000 will be due and payable as good faith commitment fee for for-profit developers, 30 days after funding approval.
Minimum Ratio of City Funds to other Funds in the Project	1:2 Desirable on a project by project basis
Type of Assistance	Construction hard costs and soft costs or set-aside for homebuyer assistance after completion.
Maximum Purchase Price/Value of Property	\$236,000.00
Miscellaneous	Income of buyers must be at or below 80% of Area Median Income as published by HUD (up to 120% of AMI for SHIP funds; up to 150% for AHT funds)

## ***FIRST TIME HOMEBUYER ASSISTANCE PROGRAM***

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The First Time Homebuyer Assistance Program provides funding for subordinated mortgages and down payment assistance to low-income first-time homebuyers for the purchase of a principle residence. This program makes funds available directly to homebuyers for newly constructed or existing single family homes and will be funded, in part, with ADDI funds. The following are essential requirements of this program.

<b>HOMEOWNERSHIP POLICY – BUYERS</b>	
Program Description	To assist low income homebuyers in the purchase of a home by providing down payment, closing costs and/or second mortgage financial assistance for the purchase of a newly constructed or existing residential property within the City.
Funding	HOME, SHIP, CDBG, AHTF
Repayment Requirements	Zero (0%) non-amortizing, deferred payment, 30 year loan. Payment of principal will be forgiven at the end of affordability period, provided that the homeowner has resided in the house as their primary residence.
Resale	If the owner sells and/or transfers the house before the end of the City's mortgage term, the following provisions will apply: The sale of the property must be pre-approved by the City, and the new buyers must meet the Program income limits in effect at the time AND the sales price cannot exceed the maximum affordable sales price in effect at the time. For any 'early' sale or transfer, the City shall share in any 'gain' realized, based on its prorated share of participation in the original purchase. Furthermore, if the sale occurs within the first three years, the City shall keep 100% of its pro-rated share of the 'gain', from year 3 up to year 20, the City's share of its pro-rated 'gain' shall decrease by 5%

	every year, while in turn, the owner's share shall increase by 5% each year. At year 20 up to the City's loan maturity, the owner shall retain 100% of the City's 'gain'.
Maximum Subsidy	Varies by unit type. Based on HUD HOME Standard Maximum Subsidy Limits.
Affordability Period	30 Years
Security	Affordability period to be enforced by a restrictive covenant that will run with the land as well as a mortgage.
Developer Fee	N/A
Minimum Down Payment	\$500.00
Minimum Ratio of City Funds to other Funds in the Project	N/A
Type of Assistance	Down payment assistance and closing costs
Maximum Purchase Price/Value of Property	\$236,000.00

## ***MULTIFAMILY RENTAL HOUSING NEW CONSTRUCTION PROGRAM***

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Multifamily Rental New Construction Program is available for the new construction of multifamily rental units located throughout the City of Miami. The program is designed to provide financial assistance for developers to produce new rental housing projects with five (5) or more units and is intended to accomplish the following objectives:

- Increase the supply of new rental units affordable to very low and low income residents;
- Provide standard affordable housing to low and very low income residents;
- To spur reinvestment of private capital in older residential neighborhoods, and;
- To complement other public neighborhood revitalization efforts.

The following terms govern the use of HOME funds for the Multi-Family Rental New Construction Program:

<b>RENTAL POLICY – DEVELOPERS</b>	
Program Description	Provides assistance to developers for the construction or rehabilitation of affordable rental units
Funding	HOME, SHIP, CDBG, AHTF
Repayment Requirements	Zero percent construction loan converted to a 3% permanent mortgage on the property once project is completed. Payment of principal and interest will be required during the term of the loan. Or, payment of principal during the term of the loan and accrued interest to be paid at the end of affordability period. Determination for repayment is made at the sole discretion of the city. For not-for-profit developers, the loan will be forgivable at the end of the affordability period. No payment of principal and interest will be required during the affordability period.
Minimum/Maximum Subsidy	\$1,000 per unit to HUD Maximum subsidy cap as published based on bedroom size.
Affordability Period	30 years
Security	Recorded mortgage on the property. In addition, affordability period to be enforced by a restrictive covenant that will run with the land. In the case of phased developments, the covenant will run with the land making up all phases of the development. In the case of a developer default, the restrictive covenant will continue throughout the affordability period.
Default penalties	Full payment of construction loan (total disbursed amount) and accrued default interest at the maximum rate allowed by law depending on loan amount. Developer and all principals with a minimum of 10% share in the development will be barred from participating in any City of Miami programs for a minimum of five (5) years If the City assistance is used for land acquisition (or any predevelopment activity), profit realized from the sale of the land will be considered program income and will revert to the City. Recorded covenant will not be removed upon sale of the property.
Developer Fee	Up to 25% of the allowable 16% of total development (excluding land) costs. Reimbursement will be made on project completion.
Service Charge	1% of City Loan up to a maximum of \$15,000 will be due and payable as good faith commitment fee for for-profit developers, 30 days after funding approval. No commitment fee for not-for-profits
Minimum ratio of City funds to other funds in the project	Will be determined on a project by project basis
Type of Assistance	Construction hard costs, soft cost (predevelopment), or first mortgage refinancing
Maximum Rent	As published by HUD
Miscellaneous	Income of renters must be at or below 80% of Area Median Income as published by HUD Priority and preference for projects in Neighborhood Development Zones or Model Blocks Selections from Request for Applications and or Proposals. Projects will be selected based on rankings and merits of the application. annual compliance monitoring for duration of affordability period.

**Maximum Monthly Rent:**

- i. Monthly rent charged for HOME assisted units shall not exceed the High HOME Rent published annually by HUD during the Affordability Period, except as provided in (iii) of this section.
- ii. In keeping with HOME regulations, a minimum of 20% of HOME assisted units in a project will be rented to tenants with income not exceeding 50% of the area media income at a monthly rent that does not exceed the Low HOME Rent published by HUD.
- iii. A project will not be required to lower monthly rents on HOME assisted units below the HUD level in effect at the time Program documents are executed with the City.

*Table VI-2: Maximum Monthly Rent (Issued by U.S. HUD 2010) for Miami, FL PMSA*

Bedroom count:	0	1	2	3	4	5	6
Low HOME Rent	\$616	\$660	\$791	\$914	\$1,020	\$1,125	\$1,230
High HOME Rent	\$780	\$838	\$1007	\$1155	\$1,269	\$1381	\$1,494

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/2010/index.cfm>

**Occupancy Requirements:**

- 1) HOME assisted units must be occupied by eligible tenants with income that does not exceed 80% of the area median income, adjusted for family size.
- 2) A minimum of 20% of HOME assisted units must be occupied by eligible tenants with income that does not exceed 50% of the area median income, adjusted for family size.
  - a. **Floating Units:** For projects in which less than 100% of units will be HOME assisted, the program agreement with the City will indicate that HOME assisted units are “floating” rather than “fixed” and may vary, while remaining comparable, to allow flexibility as tenants more in and out of the project.
  - b. **Code Compliance:** All projects must meet the Florida Building Code, the Dade County Building Code, the City of Miami Building Code, the Section 8 Housing Quality Standards, and the Model Energy Building Code or HUD-accepted equivalent.
  - c. **Annual Inspection:** Projects shall be subject to an annual re-inspection to insure continuing compliance with minimum housing codes. This inspection will be initiated one year after the date of the certificate of occupancy, and will occur annually thereafter for the duration of the affordability period and affordability of units assisted.
  - d. **Affordability Period:** The affordability period on an assisted project will be of 30 years.

## *COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)*

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As required by HOME Program regulations, a minimum of 15% of the City's HOME entitlement will be used as financial assistance for the production of new housing to be sponsored or owned by Community Housing Development Organizations (CHDOs). Financial assistance may be provided through any of the City's programs listed in this section:

CHDO sponsored projects must meet all program requirements and are subject to the same terms as non-CHDO sponsored projects. The focus on CHDO sponsored projects is designed to assist the City of Miami in accomplishing the following objectives:

- Spur reinvestment of private capital in older residential neighborhoods through the production of new affordable housing units sponsored or owned by Community Housing Development Organizations (CHDOs).
- Provide standard housing affordable to low and very low income residents.
- Complement other public neighborhood revitalization efforts.

To qualify for funding as a CHDO, an entity must meet the following HOME criteria:

- CHDO must be organized under state and/or local laws;
- Must have a tax exempt ruling from the IRS under Section 501(c)(3) of the Internal Revenue Code of 1986;
- No part of its earnings (profits) may benefit any members, founders, contributors or individuals;
- Provision of decent housing that is affordable to extremely low-, very low-, and low to moderate-income persons must be among the purposes stated in the charter, articles of incorporation, resolution or by-laws of the CHDO; and
- Appropriate organizational structure as required by the HOME Program.

## *HOME ACTIVITIES*

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Below is a list of the activities that the City of Miami will undertake in the utilization of HOME funds:

### **Strategies to Preserve Affordable Rental Housing**

#### **Activity: Multi-family Rental New Construction**

**Consolidated Plan Reference Code:** RH(a)

**Strategy:** Increase the supply of affordable rental housing available to extremely low-, very low-, and low to moderate-income residents through new construction.

**Targeted Outcome:** Increase the supply of affordable housing rental stock

**Outcome/Objective:** DH-2

**Source:** CDBG, HOME, AHTF, and SHIP

**Activity: Multi-Family Rental Rehabilitation**

**Consolidated Plan Reference Code:** RH(c)

**Strategy:** Increase the supply of affordable rental housing available to extremely low-, very low-, and low to moderate-income residents through rehabilitation of existing structures.

**Targeted Outcome:** Increase the supply of affordable housing rental stock

**Outcome/Objective:** DH-2

**Source:** CDBG, HOME, AHTF, NSP, and SHIP

**Strategies to Preserve Existing Homeowners – Homeowner Retention**

**Activity: Replacement of Unsafe Housing**

**Consolidated Plan Reference Code:** HA (b)

**Strategy:** Provide assistance to homeowners to replace unsafe housing structures.

**Targeted Outcome:** Improve the quality of life of existing homeowners by reducing the number of unsafe structures that are owner occupied.

**Outcome/Objective:** DH-2

**Source:** HOME and SHIP

**Strategies to Increase Homeownership**

**Activity: New Construction of Homeownership Units**

**Consolidated Plan Reference Code:** HO(a)

**Strategy:** Increase the supply of affordable homeownership units through new construction.

**Targeted Outcome:** Provide greater opportunities for low to moderate income families to achieve homeownership and improve their housing conditions.

**Outcome/Objective:** DH-2

**Source:** HOME and SHIP

**Activity: Homeownership Financing**

**Consolidated Plan Reference Code:** HO(b)

**Strategy:** Assist low to moderate income families obtain homeownership by providing financing assistance (i.e. down payment, closing cost, and second mortgages).

**Targeted Outcome:** Increase the number of households able to achieve homeownership throughout the City, especially within Model Blocks and the NDZs through financing assistance.

**Outcome/Objective:** DH-2

**Source:** HOME and SHIP

*Note: The Department may choose to utilize HOME dollars for other activities not listed above under the any category in this chapter as long as such activities comply with HUD regulations and meet a national objective.*

# VII. Homeless and Other Special Populations

*24 CFR 91.220 (e)*

## *HOMELESS*

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### **Background**

Miami-Dade County has one of the highest homeless rates in the State of Florida. According to the Shimberg Center for Affordable Housing<sup>2</sup>, Miami-Dade County is second statewide to Hillsborough County in the number of homeless individuals residing in the County; Hillsborough has 14 percent of the State's homeless population residing within its jurisdiction and Miami-Dade has 10 percent. With respect to homeless families with children, Miami-Dade County has a significantly smaller population (ranked 8<sup>th</sup> in the State) with five percent, compared to Hillsborough's rate of 20 percent.

According to homeless enumerations conducted in July 2007, approximately 36 percent of the County's homeless population is located within the City of Miami. The high concentration of homelessness in the City can be attributed to the following factors:

- Three of the five major shelters in the County are located in the City; one of the two remaining is located across the street from the City limits.
- Jackson Memorial Hospital (the public hospital that serves the homeless and indigent) is located in the City of Miami.
- The County's major correctional facility is within the City and releases arrestees from throughout the County into the City of Miami.
- Approximately 60 percent of treatment facilities are located in the City of Miami.

Other factors that that attribute to the high homeless numbers and make Miami unique are the continual flow of immigrants and the warm weather conditions throughout the winter months.

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<sup>2</sup> 2007 Rental Housing Market Study- The Need for Housing for Homeless Persons. Shimberg Center for Affordable Housing. October 1, 2007.

## *AGENCIES SERVING THE HOMELESS*

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### **Miami-Dade Homeless Trust**

The Miami-Dade Homeless Trust (Homeless Trust) is a County organization that serves as the link between the five local entitlement jurisdictions, including the City of Miami, and multiple systems of care that also represent various sub-populations impacted by homelessness. The Homeless Trust was created in 1993 by the Board of County Commissioners. One of its missions is to implement the community's Continuum of Care Plan, the Miami-Dade County Community Homeless Plan. This plan delineates a comprehensive strategy for the delivery and coordination of homeless housing and services for the entire County, including all its municipalities and jurisdictions. It is comprised of: temporary care (emergency housing), primary care (transitional housing) with extensive case management services, and advance care (permanent) supportive housing.

The City of Miami's pro rata share of McKinney funds, as well as those of the other four entitlement jurisdictions, are pooled into the Homeless Trust's annual application for funds under HUD's SuperNOFA. The Homeless Trust serves to reduce duplication of efforts and resources, and ensures coordination between the entitlement jurisdictions, multiple funders and providers of services to special needs populations. The Board of the Homeless Trust sets policy on funding priorities and strategies utilizing input from key stakeholders. These priorities, as well as the gaps and needs analysis, are utilized by these other major funders, and incorporated on an annual basis into entitlement jurisdictions' Consolidated Action Plans and the local county-wide Social Services Master Plan.

### **Miami Homeless Assistance Program (MHAP)**

MHAP is a City of Miami office that is a key component in a County-wide Continuum of Care System. It should be noted that, as part of the Continuum of Care agreement, the City of Miami does not operate any homeless facilities. These services are provided by the County. However, since a significant number of the homeless population resides within city limits, the City of Miami provides outreach services to homeless individuals and families through MHAP. It is worthy to note that since MHAP's inception, the program has placed 49,250 individuals and families into the Continuum of Care.

The Mission of MHAP is to provide outreach, assessment, placement, information, referral and transportation services to homeless individuals and families in a caring and professional manner and to employ and train formerly homeless men and women. MHAP's goals are to:

- Identify, and engage homeless individuals and to place them into appropriate housing.
- Facilitate employability skills, a work history and instill life management responsibilities to our formerly homeless employees, thereby strengthening their ties to the community.
- Significantly reduce the number of homeless individuals and families in the City of Miami.

## *CITY OF MIAMI HOMELESS POPULATION CHARACTERISTICS*

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Miami’s homeless population is as diverse as its residents. Those facing homelessness have two main commonalities –they experience dismal poverty and they are unable to access safe and affordable housing. The following is a brief description of the City’s homeless population based on data collected of the homeless served by the City of Miami Homeless Program in 2007-2008:

*Table VII-1: Demographics of Individuals Placed in Services, City of Miami (2007-2008)*

Gender Breakdown	
Males	81%
Females	10%
Transgender	9%
Ethnic Breakdown	
African American	59%
Anglo	8%
Hispanic	18%
Other	15%
Racial Breakdown	
Black	59%
White	26%
Other	15%
Family Status	
Single	73%
Family	27%
Age Estimates	
0 – 18	<1%
18 – 30	6%
30 – 40	50%
40 – 50	38%
50 +	5%

*Source: Miami Homeless Assistance Program*

## *CURRENT HOMELESS ENUMERATIONS*

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### **Miami-Dade County**

The Continuum of Care Gaps Analyses is the method used for quantifying the housing needs of homeless persons by local governments, including Miami-Dade County. According to the Miami-Dade Continuum of Care, Miami-Dade County has a total of 4,392 homeless persons: 3,163 homeless individuals and 347 homeless families with children (1,229 people).<sup>3</sup> It is important to note that MHAP estimates that 36 percent of the county's homeless population resides within the City of Miami.

*Table VII-2: Homeless Populations and Subpopulations, Miami-Dade County: January 2008*

Homeless Population	Sheltered		Unsheltered	Total
	Emergency Shelter	Transitional Housing		
Number of Families with Children (Family Households)	144	202	1	347
1. Number of Persons in Families with Children	474	753	2	1,229
2. Number of Single Individuals and Persons in Households without children	830	955	1,378	3,163
TOTAL (lines 1+2)	1,304	1,708	1,380	4,392

Homeless Subpopulations	Sheltered	Unsheltered	Total
1. Chronically Homeless	133	274	407
2. Severely Mentally Ill	360	505	865
3. Chronic Substance Abuse	586	461	1047
4. Veterans	133	120	253
5. Persons with HIV/AIDS	68	28	96
6. Victims of Domestic Violence	166	39	205

*Source: Continuum of Care Housing Gaps Analysis and Housing Population January 2008.*

### **City of Miami**

Despite the high number of homeless individuals in the County, it is worthy to note that in recent years the City of Miami has demonstrated a continuous decline of the homeless population. According to the last census performed by MHAP on January 29, 2008, the homeless population has continue decreasing in recent years with the most current count showing the City's homeless population within its Neighborhood Enhancement Team (NET)

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<sup>3</sup> Data from Continuum of Care Housing Gaps Analysis and Housing Population (CoC Gaps and Needs January 2008)

boundaries areas at 383 homeless individuals. This is a 54 percent reduction of the homeless street population in the City of Miami since the last Consolidated Plan was updated in 2004. Furthermore, in July of 2007, the U.S. Department of Housing and Urban Development recognized the City of Miami as a leader in nationwide effort to end homelessness.

Table VII-3: Homeless Enumerations

NET AREA	4/16/ 2003	12/04/ 2003	4/16/ 2004	1/27/ 2005	9/15/ 2005	1/26/ 2006	7/27/ 2006	01/26/ 2007	7/26/ 2007	1/29/ 2008	1/22/ 2009
Allapattah	119	44	28	21	53	41	16	31	24	31	24
Coconut Grove NE	8	16	12	15	8	19	15	0	7	11	5
Coconut Grove SW	27	9	13	3	4	13	10	12	12	2	7
Coral Way	35	12	4	9	8	7	11	2	4	8	9
Downtown	381	350	291	317	294	306	509	158	298	253	192
Flagami	34	25	13	28	7	39	8	12	13	8	10
Little Haiti	98	127	86	84	81	55	32	41	37	69	16
Little Havana	31	43	36	34	23	16	22	16	33	14	16
West Flagler	13	6	2	5	21	17	16	9	15	10	7
Model City	27	52	120	48	35	38	24	56	58	12	18
Overtown	246	186	128	133	109	114	88	29	47	50	41
Upper Eastside	32	20	42	26	39	39	32	15	39	13	14
Wynwood/ Edgewater	101	51	52	36	56	44	58	36	24	33	24
<b>Total</b>	<b>1,152</b>	<b>941</b>	<b>827</b>	<b>759</b>	<b>738</b>	<b>748</b>	<b>841</b>	<b>417</b>	<b>611</b>	<b>514</b>	<b>383*</b>

Source: Miami Homeless Assistance Program, Analysis of Homeless Enumerations

\*33 Sex Offenders residing under Julia Tuttle Causeway bring the total up to 416

## HOMELESS NEEDS GAP ANALYSIS

The existing inventory of shelter facilities for the homeless in the City of Miami includes emergency shelters, transitional housing and permanent housing for both homeless individuals and families. As indicated earlier, however, the homeless shelter facilities located within the City of Miami are not managed or operated by the City. The Miami-Dade Homeless Trust is responsible for funding and overseeing the operation of these facilities. Under the Continuum of Care Agreement, the City is responsible for providing outreach services to the homeless.

The Continuum of Care plan divides the demand for beds between homeless single adults and persons in families with children, and the supply of beds among emergency shelters, transitional housing facilities, and permanent housing facilities for each of these populations. The following table summarizes the needs of these two groups as they relate to supply.

Table VII-4: Housing Gap Analysis for Homeless Individuals and Families, Miami-Dade County: 2008

	Type of Housing Assistance	Needs	Currently Available	Unmet Need/Gap
<b>Beds</b>	<b>INDIVIDUALS</b>			
	Emergency Shelter	786	786	0
	Transitional Housing	955	931	24
	Permanent Supportive Housing	2,521	1,012	1,509
	TOTAL	4,262	2,729	1,533
	<b>FAMILIES WITH CHILDREN</b>			
	Emergency Shelter	616	616	0
	Transitional Housing	986	900	86
	Permanent Supportive Housing	2,403	1,251	1,152
	TOTAL	4,005	2,767	1,238

Source: Continuum of Care Housing Gaps Analysis and Housing Population January 2008

### Homeless Program Activities

Through the Miami Homeless Assistance Program, the Department of Community Development will continue its efforts in the prevention of homelessness. As indicated previously, the assistance is limited to outreach services, mainly in the form of referrals to social services, including behavioral, mental, health, and supportive housing. The following provides a brief description of the various activities and strategies that the City of Miami will undertake in the next year in order to further reduce homelessness in the City.

## *DISCHARGE POLICY*

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The new requirement of the McKinney-Vento Act (42 USC 11362) is to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

### **The Process for Developing a Continuum of Care Strategy:**

The lead entity for the City of Miami Continuum of Care is the City of Miami Office of Homeless Programs. The City of Miami Office of Homeless Programs provides staff time and support services to convene planning meetings, coordinate communication to all homeless assistance partners, and coordinate the scope of services in our application submission under the ESG application HUD.

The City of Miami Continuum of Care continues to enhance a communication and planning structure that is coordinated, inclusive, and integrated. The City is an active member in the Continuum of Care Master Plan designed across the County.

### **Discharge Planning**

The intended Discharge Policy will embody the public institutions discharge policies. The groups consists of State and County Corrections and Human Services staff, shelter and homeless street outreach personnel, community hospital social service staff and homeless advocates. Our initial goals for this group are threefold:

1. Develop a mutual understanding of current practices related to the discharge of persons with no known address.
2. Develop a system of data collection that would give us an accurate picture of the number of people in Miami-Dade County who are homeless directly upon discharge from a public institution.
3. Create collaborative relationships between the public institutions and our housing placement and homeless services providers aimed at preventing people from becoming homeless upon discharge (including post-placement support services/aftercare to ensure that people entering housing in the community following discharge from public institutions can maintain their housing).

### **Critical elements of our discharge plan include:**

1. Development of the plan in partnership with the other metro-area Continuum of Cares.
2. Early and collaborative planning between the institutions and community providers to ensure that persons being discharged from public institutions have housing and supportive services whenever needed to prevent homelessness.
3. Accessing all available mainstream resources to facilitate long-term stability by maximizing collaboration with agencies controlling those resources. To that end, the Miami Homeless Trust and the Miami-Dade Department of Human Services.

4. Careful pre-discharge individualized plans that include eligibility assessment for mainstream resources and a list of community agencies that should be a part of discharge planning.
5. Good evaluation procedures to determine the plan's effectiveness.

Building independent living skills through education, job training, and accessing community resources.

## *OTHER SPECIAL NEEDS – ELDERLY*

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### **Background**

According to the 2007 American Community Survey, individuals 65 years and older represent 17.7 percent of Miami’s total population. Of the 61,599 elderly, 46.7 percent are disabled; approximately 30.1 percent of the elderly in the City of Miami live below the poverty level.

Within the NDZs, Little Havana has a significantly higher concentration of elderly population when compared to the other NDZs. In fact, Little Havana’s elderly population alone makes up half of the total elderly population living within the boundaries of the NDZs.

*Table VII-5: Population 65 years and over, NDZs and City of Miami, 2000*

<b>Neighborhood Development Zone</b>	<b>Population 65 and Over</b>	<b>% of Seniors in the City of Miami</b>
Allapattah	2,598	4%
Coconut Grove	321	1%
Edison/Little River/Little Haiti	3,377	5%
Little Havana	8,446	14%
Model City	1,252	2%
Overtown	915	1%
Wynwood	380	1%
<b>Total in NDZs</b>	<b>17,289</b>	<b>28%</b>
<b>City of Miami</b>	<b>61,768*</b>	<b>100%</b>

*Source: U.S. Census, 2000*

*\*In 2007, this figured decreased to 61,599*

### **Elderly Housing Activities**

The City of Miami will continue to work with housing providers that assist the elderly and handicapped persons by supporting the development of housing for these special needs populations.

## ***OTHER SPECIAL NEEDS – PERSONS WITH HIV/AIDS***

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The City of Miami serves as the administrator of the formula grant-funded Housing Opportunities for Persons with AIDS (HOPWA) program for the entire geographical area of Miami-Dade County. The goal and intent of the local HOPWA Program is to ensure that a continuum of housing options and related housing services are available to extremely low-, very low-, and low to moderate-income persons with acquired immunodeficiency syndrome or related diseases to prevent homelessness of such individuals and their families.

### **Background**

Miami-Dade County ranks third nationally in the list of counties with the highest number of AIDS cases. As of December 2008, there were 13,354 persons living with AIDS and 11,391 persons living with HIV in the County. Although all segments of County's diverse population are affected, HIV/AIDS cases are concentrated in certain disadvantaged minority communities of the County. Blacks account for nearly half (52 percent) of the cases, Hispanics represent 33 percent, and Whites make up 14 percent of the population living with HIV/AIDS.

The majority (70 percent) of the persons living with AIDS are male. Nevertheless, the impact of HIV/AIDS on women has been significant. As of 2008, women account for 30 percent of the AIDS cases and 24 percent of the HIV cases.

Of the residents living with the disease today, a disproportionate number also struggle with poverty, homelessness, substance abuse, and joblessness. These and other population characteristics exacerbate the challenge to properly treat persons with HIV/AIDS. According to *the Miami-Dade County HIV-AIDS Partnership Comprehensive Plans for HIV/AIDS 2006-2008*: Miami's high poverty rate and the large number of insured residents coupled with the high rate of HIV/AIDS cases converge to challenge the County's large and sophisticated healthcare system.

### **Housing Preferences**

According to the 2009 HIV/AIDS housing needs survey, respondents strongly indicated a preference for independent living in a mainstream, non-institutionalized setting and a overwhelming rejection of shared housing arrangements. The findings indicated that 83 percent of the persons surveyed would rather live in an apartment building where different kinds of people live together, whether they have HIV, than live in an apartment building where only people with HIV or AIDS reside.

An overwhelming 82 percent preferred their own place even if it meant paying more rent rather than sharing a place with other people. Given a choice between living in a building comprised of only residents living with HIV/AIDS or moving in with family or friends, over 59 percent preferred moving in with family or friends.

## Projection of HIV/AIDS Housing Needs

There is no clear formula for projecting the amount of housing assistance necessary to accommodate people living with HIV/ AIDS. However, the table below attempts to measure the depth and intensity of need using existing data for an informed estimate, based on a similar methodology employed by the Chicago EMSA. The following projection of need (Table 14) is based on epidemiological data from the Miami-Dade Health Department and data collected by the Ryan White Program.

*Table VII-6: Estimated Number of Individuals Living with HIV/ AIDS in Need of Housing Assistance within the Miami-Dade Metropolitan Division*

1. HIV-Positive Individuals Receiving Ryan White Services Living at or Below Poverty Level and in Need of Housing Assistance	9,769
2. Remaining Individuals Living with HIV/ AIDS in Need of Housing Assistance	+ 1,433
3. Total Number of Individuals Living with HIV/ AIDS in Need of Housing Assistance	=11,202
4. Existing Housing Resources— Units and Subsidies Dedicated to Individuals Living with HIV/ AIDS	- 1,291
5. Estimated Number of Ryan White Clients Receiving Housing Assistance Other than HOPWA	- 977
TOTAL: Estimated Gap Between Existing Housing Resources and Total Number of Individuals Living with HIV/ AIDS in Need of Housing Assistance	=8,934

*Source: Apple Tree Perspectives, Inc. on behalf of City of Miami HOPWA Program. Projection of Need as of March 2009.*

This HIV/AIDS housing needs and gap analysis conducted in 2009, estimated that 11,202 persons living with HIV/AIDS need housing assistance. To meet the need, more affordable housing units or subsidies dedicated to households living with HIV/AIDS would be required. Currently, 1,291 units are subsidized; thus, the remaining gap represents an additional 8,934 units needed. This is an increase of 2,000 units since the last Consolidated Plan.

Under the HOPWA program, the City targets extremely low-, very low-, and low to moderate-income households and has been very successful in the implementation of its rental subsidy program. However, in the upcoming years, the City will be forced to decrease the number of subsidized units dedicated to clients with AIDS due to climbing costs of rental and utility payments. It is projected that the City will have to systematically reduce the total number of HOPWA (clients receiving rental and utility subsidies) to approximately 1,000 households in order to be able to keep up with cost increases without abruptly interrupting services.

## HOUSING ACTIVITIES FOR PERSONS WITH HIV/AIDS

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Through HOPWA, the City of Miami will work to expand housing opportunities for county residents that are low to moderate income and have been diagnosed with AIDS. Current programs include Long-Term Rental Assistance (LTRA), Project-based rental, and home-delivered meals programs. The following describes the various activities that the City of Miami will implement through the HOPWA program.

### **Activity: Tenant-Based Rental Assistance**

**Strategy:** Provide Long-Term Tenant-Based Rental Housing to persons living with AIDS.

1. Provide long-term tenant-based rental subsidy and the support of a Housing Specialist to individuals living with AIDS and their families.
2. Maintain the current number of households that can be served by the program at 1,000 households per year.
3. Continue to contract with community-based organizations to provide the services of HOPWA Housing Specialists, who are responsible for:
  - a) Determining client eligibility, program enrollment, and recertification.
  - b) Assisting clients with housing searches and lease-up.
  - c) Serving as liaison between landlords and clients.
  - d) Performing housing stability assessment, intervention and referral assistance.

**Consolidated Plan Reference Code:** SH(a)

**Targeted Outcome:** Increase housing stability of persons living with AIDS and their families and reduce homelessness among such persons, thereby facilitating increased access to care.

**Objective/Outcome:** DH-2

**Source:** HOPWA

### **Activity: Project-Based Operating Support**

**Consolidated Plan Reference Code:** SH(b)

**Strategy:** Provide with operating support multi-family dwellings who support subsidized units rented to extremely low- to low to moderate income persons living with AIDS and their families (currently there are approximately 26 units).

**Targeted Outcome:** Maintain affordability

**Objective/Outcome:** DH-2

**Source:** HOPWA

*Note: The Department may choose to utilize federal dollars for other activities not listed above under the any category in this chapter as long as such activities comply with HUD regulations and meet national objectives.*

## ***HOMELESS PREVENTION & RAPID RE-HOUSING PROGRAM (HPRP)***

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The American Recovery and Reinvestment Act of 2009 ("Recovery Act") was signed into law by President Obama on February 17, 2009. Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. The City of Miami was awarded \$3,392,918. Below is a list of activities to be implemented with HPRP funding (for more information, please refer to the City’s HPRP Substantial Amendment to the FY2008-2009 Action Plan):

<b>HPRP Estimated Budget Summary</b>			
	<b>Homelessness Prevention</b>	<b>Rapid Re-housing</b>	<b>Total Amount Budgeted</b>
Financial Assistance <sup>1</sup>	\$1,696,500	\$678,500	\$2,375,000
Housing Relocation and Stabilization Services <sup>2</sup>	\$500,000	\$198,272	\$698,272
<b>Subtotal</b> (add previous two rows)	<b>\$2,196,500</b>	<b>\$876,772</b>	<b>\$3,073,272</b>
Data Collection and Evaluation <sup>3</sup>			\$150,000
Administration (up to 5% of allocation)			\$169,646
<b>Total HPRP Amount Budgeted</b>			<b>\$3,392,918</b>

<sup>1</sup>Financial assistance includes the following activities as detailed in the HPRP Notice: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance, and motel or hotel vouchers.

<sup>2</sup>Housing relocation and stabilization services include the following activities as detailed in the HPRP Notice: case management, outreach, housing search and placement, legal services, mediation, and credit repair.

<sup>3</sup>Data collection and evaluation includes costs associated with operating HUD-approved homeless management information systems for purposes of collecting unduplicated counts of homeless persons and analyzing patterns of use of HPRP funds.

## VIII. Other Actions

*24 CFR 91.220 (f)*

### *UNDERSERVED NEEDS*

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The City of Miami petitions for federal funds through the Action Plan to assist the needs of residents that have traditionally been underserved by existing local social service programs. The activities funded via the Action Plan are carefully designed to provide appropriate and needed services, particularly to those that may not be eligible for assistance from other local sources, those that are geographically isolated by lack of transportation and those that lack basic amenities in their neighborhoods. Such individuals include senior citizens, homebound frail elderly persons, physically and developmentally disabled persons, victims of domestic violence, and infants and youth. Funds provided through the Action Plan often make the difference between independent living and institutionalization.

### *BARRIERS TO AFFORDABLE HOUSING*

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This section identifies public policies and issues, which to some degree act as a barrier or tends to impede the production of affordable housing; especially housing that is targeted for extremely low-, very low-, and low to moderate-income households in the City of Miami. It also provides information on what the City is doing to address these barriers.

***Building and Housing Codes:*** The South Florida Building Code is a series of standards and specifications designed to establish minimum safeguards in the construction of buildings to protect the health and safety of the public. The problem is that some of these building codes increase the costs of housing production. Through housing subsidies and other financial assistance, the City helps builders to meet the building code requirements while keeping the properties affordable.

***Davis-Bacon Prevailing Wage (Davis-Bacon Act of 1931):*** When federal dollars are used to pay construction or rehabilitation labor costs in contracts valued at more than \$2,000, a prevailing wage must be paid to laborers and mechanics, which is usually higher than competitive wages. Additionally, federal paperwork requirements are extensive, which increase the costs of the project. While the objective of the prevailing wage requirements is to protect workers from being paid less than their labor is worth, the increased cost results in higher construction expenses. The requirements for Davis-Bacon for housing projects are different (# of units instead of the \$2,000 threshold).

***Land and Construction Costs:*** Land costs are one of the most significant factors determining high housing costs, and vary considerably in different parts of the City of Miami, but in all neighborhoods, both land and construction costs are high. The high costs of land and construction have made it difficult for the private market to construct affordable housing for lower income households in Miami without government subsidies. As such, the City provides

the maximum amount subsidies allowable under federal regulations to keep up with the costs of real estate.

**Land Use and Zoning:** City land use policies play a significant role in determining the amount and availability of affordable housing within a community. City land use policy guides the location of housing types and densities. Zoning is the planning tool for implementing housing development and regulating its construction. Through zoning incentives, private and not-for-profit developers can help a City address the housing needs of its extremely low-, very low-, and low to moderate-income population. In addition, provide zoning incentives that increase the density of housing development and provide for mix uses including transit, are important tools for expanding the local supply of both affordable homeownership and renter housing.

Currently, the City of Miami uses "special districts" in locations throughout the City to provide for greater densities, uses and design standards. Similar districts will be considered for NDZs as part of larger neighborhood revitalization plans.

**Private Lending:** A recent survey and analysis of private lending patterns in Miami and Miami-Dade revealed certain institutional barriers to affordable housing. Analysis of home purchase and refinance loans in Miami-Dade County market shows "several patterns of disparate service and under-service to minority markets." Hispanics and especially African Americans show significant racial disparities related to higher failure rates for conventional loan applications, unusually high levels of FHA lending and clearly higher levels of sub-prime lending when compared to whites or predominantly white areas (Calvin Bradford & Associates, 2003). The City works closely with the Banking industry to address some of these issues and to encourage compliance with the Community Reinvestment Act (CRA) regulations.

**Public Infrastructure:** Public infrastructure investment can be an important catalyst for housing development activity. Public infrastructure investment has been used successfully in South Florida when targeted to community redevelopment areas. Public infrastructure improvements have also been effectively used in conjunction with the Model Block purchase/rehabilitation programs, helping to insure the investment of both private lenders and first time homebuyers.

It is clearly evident that many streets within the City's NDZs lack adequate public infrastructure. Not only does this detract from the physical aesthetics of the streets and surrounding neighborhoods, it also transmits a message that these neighborhoods are not high priority. By focusing on infrastructure improvements in the Model Blocks, the City seeks to change this perspective.

**Real Property Tax:** Real property tax normally constitutes the major source of income for most local governments. The City of Miami is no exception. The City of Miami was forced to reduce its tax base making it increasingly difficult for the City to allocate dollars into projects that spur economic growth in the City. In addition, as the buildings get older and begin to deteriorate and neighborhoods begin to decline, the tax base will continue to decrease. As owners begin to reinvest and rehabilitate their properties, the value of the property begins to climb, as do the assessed values, resulting in higher property taxes. To protect its residents, even under adverse conditions for the City, the City will encourage property owners to apply for tax exemptions.

**Resistance to the Development of Affordable Housing:** Developers of affordable housing have further challenges that increase the cost of housing, such as resistance in the form of active opposition to new housing projects by neighborhood residents. The Not in My Back Yard

(NIMBYism) attitude can often play a critical role in impeding the development of housing affordable to extremely low-, very low-, and low to moderate-income families and individuals. In addition, current market conditions have made the development of affordable housing increasingly unattractive for developers due to a surplus of multi-family rental and homeownership units that were recently completed, but remain unoccupied.

***Scarcity of Large Vacant Parcels:*** There are few large residentially zoned vacant tracts in the City of Miami as compared to other areas in Miami-Dade County. In addition, many of the City's available vacant parcels are scattered and situated in the City's most economically distressed neighborhoods and would have to be developed on an in-fill basis. The scarcity of large vacant residential parcels raises housing development costs since the private market is unable to realize cost-savings attributed to economy of scale or higher density housing projects. As a result of this problem, the City has identified city-owned properties that have been made available for the development of affordable housing.

## ***EVALUATE AND REDUCE LEAD-BASED PAINT HAZARDS***

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Lead poisoning is a serious yet preventable health problem that can cause long-term neurological damage among young children. The leading cause of lead-based poisoning is exposure to dust from deteriorating paint in homes constructed before 1978. This is due to the high lead content used in paint during that period, particularly in homes built before 1950. Pre-1978 housing occupied by lower income households with children offer high risks of lead exposure due to poor housing conditions related to lower levels of maintenance exercised by lower income households. This is an important factor since it is not the lead paint itself that causes the hazards, but rather the deterioration of the paint that releases lead-contaminated dust and allows children to peel and eat lead-contaminated flakes.

### **Housing Units Built Prior to 1949 and 1979**

Although there are various factors that can be attributed to the high number of lead cases in the City of Miami, one important factor is exposure to lead-based paint found in homes constructed before 1979. As can be seen on Table XI-1, 81 percent of the housing units in the City of Miami were constructed before 1979, compared to 67 percent in Miami-Dade County.<sup>4</sup> This indicates that 81 percent of the housing units in the City of Miami are a potential lead-paint hazard. In the Neighborhood Development Zones, the number of homes built before 1979 increases to 84 percent, with Coconut Grove, Edison Little River, and Wynwood showing the greatest risk. Because of the high number of homes built before 1979 in the City of Miami, lead paint hazards pose a potential health risk to many households living in the City.

### **Low Income Households in Units with Lead-Paint Hazards**

Estimates show that extremely low-, very low- and low to moderate-income households occupy 73,406 of the housing units that have a potential for lead hazards. As Table XI-2 demonstrates, approximately 77 percent of these units are located within the Neighborhood

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<sup>4</sup> US Census data was used to determine the number of housing units that were constructed before 1978 in the City of Miami. It should be noted that the year 1979 was used in the analysis instead of 1978 due to the manner in which the Census reports this type of data. Data is reported in ten year intervals.

Development Zones, with Little Havana, Overtown and Wynwood showing the greatest number of units. Households with very low income (\$12,100 or less) occupy the largest number of units with lead-paint hazards. In some Neighborhood Development Zones, these households are estimated to occupy over 40 percent of the units built before 1979.

### **Number of Children at Risk**

Because 81 percent of the housing structures in the City of Miami were constructed prior to 1979, it is estimated that most of the children in the City are at risk of being exposed to lead-paint hazards at some point in their lives. Those that are most vulnerable to lead exposure are children under the age of six, due to the harmful effects that lead can have on the development of the brain. According to the Census 2000, there are a total of 27,358 children in the City of Miami that are five years of age or younger. It is estimated that 43 percent of all the children in this age group reside within the Neighborhood Development Zones, with the highest number of children found in Edison Little River/Little Haiti and in Little Havana. These are also some of the areas reported as having the highest potential for lead-paint hazards.

In an effort to reduce lead-paint poisonings among children in the City of Miami, the Miami-Dade County Health Department has targeted all children under six years of ages who live in the City's zip codes to be tested for childhood lead poisoning.

### **Integration of Lead Paint Policies into Housing Programs**

Lead-paint exposure poses a serious health hazard to the children of the City of Miami, particularly those residing in the Neighborhood Development Zones. To address this health issue, the City of Miami has committed to take active steps to reduce the incidents of lead poisonings among children ages six and under caused by lead-paint exposure. To achieve this, the City will integrate lead hazard evaluation and reduction efforts into its existing housing programs.

Prior to issuing any type of housing assistance for properties constructed on or before 1978, the City of Miami will inspect the units for lead-paint hazards. Special attention will be given to units that will house children less than six years of age.

## ***REDUCE THE NUMBER OF POVERTY-LEVEL FAMILIES***

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As a result of the Anti-Poverty Strategy discussed earlier, the City of Miami has undertaken a number of efforts and programs to reduce the number of residents living in poverty. Jointly the Department of Community Development, the Office of Economic Development, and the Mayor's Poverty-Initiative have put into practice a partnership strategically designed to support a holistic approach to poverty reduction with activities that focus on human services, affordable housing and economic development. These activities include the following:

### **Holistic Anti-Poverty Approach**

- Economic development activities that generate living wage jobs and community sustainability;
- Access to a variety of housing options that promote family and community stability;
- A comprehensive financial education system that prepares citizens for participation in the economic and social fabric of the community;

- Coordinate Community-based services that nurture and support young people and their families.

The rationale behind the Anti-Poverty Strategy is to merge and invest all available resources in targeted areas in order to obtain the biggest impact for the dollar. As such, the City seeks to reduce the number of poverty-level families in the Neighborhood Development Zones and Model Blocks by supporting human development and employment programs that facilitate the creation and retention of job opportunities. The mission is to provide programs that work towards getting families out of poverty. Thus, the City has implemented a comprehensive plan that will use its resources and efforts to develop a skilled and employable resident workforce capable of receiving living wage jobs and conquering the need for affordable housing. Other activities to reduce poverty include legal assistance, childcare, healthcare, transportation, housing, social services, financial literacy, economic enhancement and educational attainment. The strategy to combat poverty is not only to accomplish the listed attributes, but to sustain those attributes when accomplished.

## *DEVELOP INSTITUTIONAL STRUCTURE*

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During the process of developing the 2009-2013 Consolidated Plan, the City of Miami developed a unified vision for Community Development actions that will serve as the institutional structure for cooperation and collaboration among public and private agencies. Specifically, the Department of Community Development sought to identify opportunities for cooperation and collaboration among city departments and other entities. The goal was to encourage city departments to work together in addressing the needs of the target communities and to develop inter-departmental agreements for coordinating projects and maximizing the use of funds. Many social service agencies, not-for-profit agencies, youth organizations, and community based organizations were also consulted. After several consultations with these organizations, the City determined that the Consolidated Plan and the annual Action Plans should:

- Provide an interdepartmental plan for housing, economic development, and social services that will inform the Anti-poverty strategy.
- Facilitate greater efficiency in the use of resources through collaboration and coordination among departments and agencies
- Encourage information dissemination regarding projects and programs.

By institutionalizing this collaborative structure, the City of Miami is shaping various programs into effective, coordinated neighborhood and community strategies. This also facilitates the opportunity for strategic planning and citizen participation to take place in a comprehensive context that will reduce duplication of effort at the local level.

## *ENHANCE STAKEHOLDER COORDINATION*

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The coordination process provides for stakeholder agencies and all interested parties to analyze and discuss local housing needs, priorities, and program strategies. As explained above, the Department of Community Development has served as the facilitating agency for this local process. To this end, the 2009-2013 Consolidated Plan provides a blue print to guide City actions in the direction of performance outcomes, such as improving neighborhoods and increasing homeownership opportunities. Primarily the plan guides City leadership and financial resources in route with the priorities set forth by the community. The plan is aggressive in its approach to leverage other funding and build partnerships. The strategic approach builds on the City strengths safeguarding efficient city services, business retention, preserving the housing stock and increasing income levels for all residents. The overall strategy is for the City to:

- Provide clear and eloquent public leadership for the identified initiatives;
- Fortify the partnering and collaboration of local government agencies, private organizations, and not-for-profits to increase leveraging potential;
- Publicly market the City's assets and aggressively leverage other financial support;
- Establish a unified vision and focus for the Model Blocks, the Neighborhood Development Zones and the Commercial Business Corridors;
- Work with developers to achieve acceptable environmental standards while not compromising the health and safety of the public;

## *PUBLIC HOUSING (91220 (F) (2))*

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It should be noted that the City of Miami does not manage public housing units. The Miami-Dade Housing Agency (MDHA) is responsible for this function; however, a large portion of the County's inventory is located within the City limits.

MDHA provides federal-subsidies for about 9,340 units of public housing, which it manages, maintains, and inspects on an annual basis.<sup>5</sup> MDHA also provides limited supportive services and programs to improve the quality of life and general environment of public housing residents, and coordinates most of the County's affordable housing programs, including the in-fill housing initiative.

### **Public Housing Activities**

Though the City of Miami does not operate any public housing, it is responsible for a limited number of Housing Choice Voucher program units. This is a housing choice voucher program developed to assist eligible low-income families to receive housing assistance through a rental subsidy that enables tenants to afford standard units. The public housing strategies detailed in this section is a summary of the activities of the City's five-year plan for housing choice vouchers.

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<sup>5</sup> Miami-Dade Housing Agency website: [www.miamidade.gov/housing](http://www.miamidade.gov/housing)

# IX. Anti-Poverty Strategy

The Anti-Poverty Strategy describes programs and policies utilized to reduce the number of households with incomes below the poverty line, in coordination with affordable housing efforts. The Department of Community Development will continue to deploy a strategy responsive to the needs of low-income citizens and disadvantage populations throughout the five Commission Districts. The realization of this strategy has been sustained by the Mayor, City Commission, and City Departments.

The Department of Community Development will further the U.S. Department of Housing and Urban Development (HUD) National Objectives by coordinating the priorities collectively established in the public hearings with goals and objectives. The strategy will synchronize:

- The Mayor's Anti-poverty initiative called ACCESS Miami;
- The existing funded programs;
- The coordination process, policy development and leveraging potential of CDBG eligible activities with private, state, and local funds.

Furthermore, the 2009-2013 Consolidated Plan's poverty strategy shares a unified vision with the Mayor's city-wide master plan. The city-wide master plan identifies priorities with a focal point, on the following objectives:

- Making capital investments that will facilitate future economic growth;
- Safeguarding the City's fiscal solvency; and
- Ensuring the delivery of quality services to enhance quality of life.

The Mayor's enhancement of quality life services compliments HUD's CDBG national objectives by seeking to expand a modern communication system, reduction of crime, quality park system, clean streets, suitable living environment and adequate transportation infrastructure.

*NOTE: the Mayor's Poverty initiative is not dependent of HUD funding, but instead it shares a unified vision with HUD's National Objectives, striving to promote community development and economic revitalization through potential leveraging and coordination with HUD programs.*

## *USE OF FUNDS FOR FY 2010-2011*

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The following describes how the City of Miami will use the various HUD funds to advance the Anti-Poverty Strategy.

**Community Development Block Grant (CDBG):** The Department of Community Development uses CDBG funds for the comprehensive revitalization of designated neighborhoods. The Department supports core programs that combat poverty by disseminating

funds in a manner that complies with federal requirements. The agencies which are awarded funding provide services designed to meet the priority needs of City residents. The funded programs place an emphasis on neighborhood economic development, improving the physical environment and target the need for affordable housing. The use of CDBG funds are directed at senior centers, economic development activities, public facility improvements, homeownership activities, social services, and small business development initiatives.

**Home Investment Partnership Program (HOME):** The City will allocate HOME funds towards the creation of quality affordable housing, acquisition, rehabilitation, and home buyer/owner programs. HOME funds will also be used to meet the reservation of funds for Community Housing Development Organizations (CHDO).

**Housing Opportunities for Persons with AIDS Program (HOPWA):** The HOPWA program provides housing assistance supportive services, to low-income persons with HIV/AIDS and their families. The City allocates funding to agencies that specialize in housing related services and supply such services to the HIV/AIDS infected community.

**Emergency Shelter Grant Program (ESG):** ESG awards grants for the assistance of homeless individuals. The funds are directed towards the provision of transitional services for the homeless population. ESG funds for the City of Miami are administered by the Miami Homeless Assistance Program. The funds cover operating costs, homeless essential activities, and administrative costs. The funds provide a foundation for homeless persons to move into independent living.

## ***INSTITUTIONAL COORDINATION***

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The City of Miami is governed by a five-member City Commission which, in conjunction with the Office of the Mayor, the Department of Community Development, and City residents, determines funding priorities for the four formula grants the City receives. The City Commission approves the Consolidated and Action Plans and their respective submission to the U.S. Department of Housing and Urban Development.

The City works with its community partners to ensure that services are provided in an effective and culturally diverse manner. Most of the programs the City offers are administered by non-profit organizations and other City organizations such as the Neighborhood Enhancement Teams (NET) which carries out outreach and referral services utilizing ESG funding.

### ***Public Institutions***

*City of Miami Department of Community Development (Lead Agency)* – coordinates programs funded through federal, state, and local funding sources to assist the City’s economically disadvantaged residents and neighborhoods. Through cooperative partnerships with the public and private sectors, the Department oversees various divisions dedicated to providing low-income residents access to the region’s economic growth and prosperity. The Department of Community Development manages federal, state, and local funding in excess of \$30 million annually and it is managed through four different divisions.

They include:

A. Housing Division

Administers a variety of housing programs to assist eligible low- and moderate- income residents to purchase, rent or rehabilitate existing housing units located in the City. The division's funding sources include State Housing Initiatives Program (SHIP), HOME Investment Partnership Program (HOME), Community Development Block Grant (CDBG), and Affordable Housing Trust Fund (AHTF).

B. Fiscal Division

Responsible for the fiscal accountability and reporting requirements to various funding sources. The division is also responsible for the development and management of the Department's budget and the processing and reporting of all financial activities and transactions, including the collection of funds and the control of payments to sub-grantees.

C. Policy & Program Development Division

Responsible for research and development of the Consolidated Plan, annual Action Plans, the Consolidated Annual Performance and Evaluation Reports (CAPER), the Analysis of Impediments to Fair Housing and managing the Citizen Participation process. The division is responsible for the administration and maintenance of HUD's on-line databases systems and the creation of Geographical Information System (GIS) maps and reports that assist management in the decision making process. In addition, the Policy & Program Division oversees the HOPWA Tenant Based Rental Assistance, Project Based Operating Subsidies and the Section 8 Moderate Rehabilitation and Housing Choice Voucher programs.

D. Contracts Division

Monitors community based organizations contracting with the City to serve local residents in the areas of social services and economic development. The division is responsible for contract management, including contract negotiations with over 100 agencies, the monitoring of such contracts, and the provision of technical assistance. In addition, the Contracts Division oversees the environmental review process and the enforcement of Section 3 and Davis Bacon compliance.

*U.S. Department of Housing and Urban Development (HUD)* – increase homeownership, support community development and increase access to affordable housing free from discrimination. HUD embraces high standards of ethics, management and accountability and forges new partnerships with organizations that leverage resources and improve HUD's ability to be effective on the community level.

*Florida Housing Finance Corporation (FHFC)* – created by the Florida legislature over 25 years ago, the FHFC assist state residents obtain safe, decent affordable housing that might otherwise be unavailable to them.

*Community Redevelopment Agency (CRA)* – established by City Commission, the CRA is a main component in the redevelopment of some of the most distressed communities in the City. The CRA's mission is to improve the quality of life for residents and stakeholders within the redevelopment areas by generating successful redevelopment projects from both the private and

public sectors, in accordance with approved redevelopment plans. It envisions neighborhoods filled with urban parks, multi-use complexes, greenways, and pedestrian-friendly streets.

Objectives:

- Increasing property values throughout the redevelopment areas through community redevelopment efforts;
- Promoting smart growth principles;
- Encouraging private investment throughout the redevelopment areas;
- Encouraging the development of affordable housing while promoting mixed income residential projects;
- Encouraging the preservation of historic properties;
- Initiating and funding infrastructure upgrades; and
- Implementing programs that foster economic development for new and existing businesses, and further the creation and retention of jobs for the CRA's residents.

### ***Non-Profit Organizations***

The City of Miami Department of Community Development partners with over a hundred non-profit organizations on a yearly basis to provide programs and services that help enhance the quality of life of its citizens and spring economic progress. Non-profit and/or community based organizations provide with an efficient structure for delivering services to our residents. These organizations provide services in a culturally responsive manner and have an in-depth understanding of the people they serve.

### ***Private Industry***

*Housing Developers* – the majority of affordable housing construction in the City of Miami is the result of partnerships with for-profit housing developers who have the capacity, expertise, and management skills to bring projects to fruition. Funding from different sources is leveraged to provide city residents with additional affordable housing units.

*Micro-Business Enterprises* – the City partners with micro businesses to bring economic revitalization to neighborhoods and help them flourish. Micro businesses and small businesses are the heart of the economic activity in many City neighborhoods and their progress is vital for communities to thrive.

*Residential Lenders* – many of the City's housing programs rely on the participation of mortgage lenders committed to affordable housing by providing first mortgage financing to first time homebuyers that qualify under the City's housing guidelines.

## **Strengths of the Institutional Structure**

### ***Community Based Organizations (CBOs)***

The success of City programs depends on the experience and commitment of numerous community based organizations. These entities are intimately involved in assisting the communities they serve and provide services in a manner that is both professional and culturally sensitive.

### ***Leveraging***

Efforts to bring other federal, state, local, and/or private funding for programs and activities that assist extremely low-, very low-, and low to moderate-income people have been paramount. During the past five years, it is estimated that the City leveraged over \$550 million on affordable housing projects. For each dollar the City invested, it was able to obtain at least \$15 from other non-City funding sources.

## **Weaknesses/ Gaps in the Institutional Structure**

### ***Limited Funding Resources***

The major gap in this institutional structure is the lack of available funding resources to meet the growing demand of low-income affordable housing and the provision of social services for the different segments of our population. The City works diligently to leverage local, state, and federal monies by forging meaningful public and private partnerships. The lack of available funding has forced the department to do more with less and in many instances this translates into increased workloads that hinder the work of staff members in meeting increased affordable housing demands and social service needs. Turnover of staff is common and creates the need for constant training to ensure that programs are managed properly.

### ***Demographic Barriers***

Part of the high population growth projection in the City is attributed to the large immigration inflow from other countries which support the City's demographic data characterized by its rich diversity. Different races and cultural backgrounds merge to form neighborhoods and communities. The constant influx of immigrants into the City, many of whom are in immediate need of social services, presents a challenge to the department as revenue sources are limited and restricted to residency and income eligibility.

### ***Language Barriers***

In a community as diverse as Miami, language, race, and ethnicity often serve as barriers that keep communities segregated. It is estimated that over 74.6 percent of the population in Miami speak a language other than English at home. According the 2000 Census, many do not speak English very well or at all. Though the predominant foreign language is Spanish, Creole is also common. As a result, there is a great need to provide information on government services in English, Spanish, and Creole. In addition, many low-income residents who do not speak English very well are discouraged from seeking needed services

### ***Scarcity of Housing Developers***

The current economic downturn has discouraged many housing developers to build affordable housing due to the relative low profitability. This fact has created a difficult scenario for the City as it depends on its private housing partners' capacity, expertise, and management skills to be able to provide its communities with additional affordable housing units.

# X. Activities to be Undertaken

## *HOUSING*

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During the next year, the City of Miami will focus on implementing policies that advance housing preservation and neighborhood revitalization, with the overall goal of improving the quality of life of the residents and preserving the social and historic character of low income neighborhoods threatened by gentrification. As such, the 2010-2011 Action Plan concentrates on the following activities:

- Affordable housing preservation and new construction;
- Neighborhood revitalization through the implementation of the Model Block concept;
- Mixed use/income redevelopment.

Below is a detailed description of the housing policies and activities that the City will undertake. The HUD Matrix at the end of the document provides a more detailed account of the activities that the various agencies funded by the Department of Community Development will be undertaking.

### **Preserve Affordable Rental Housing Activities**

In order to preserve affordable rental housing opportunities within the City of Miami, and more specifically, within the Model Blocks and NDZs, the City of Miami will seek to rehabilitate the existing affordable rental housing stock that is vulnerable to deterioration. Furthermore, the City will encourage the construction of new rental units. Through these two initiatives, the City will increase the inventory of affordable rental housing available to extremely low-, very low-, and low to moderate-income households. As recommended in the Housing Needs Assessment, the focus should be on serving those that are most in need of rental assistance, namely small families and single person households, such as the elderly and persons with HIV/AIDS. The scale of the projects should be relative to the neighborhoods. Below is a description of the proposed program strategies.

**Finance the Construction of New Rental Units:** To increase the inventory of affordable rental housing in the Model Blocks and the NDZs, the City of Miami will continue to encourage the construction of new rental units. The City will finance project costs for site development and will offer hard and soft construction financing and permanent financing associated with the development of affordable housing units.

**Continue to Provide Housing Choice Voucher Rental Assistance:** The City of Miami will continue to provide rental housing assistance to very low income households through the Housing Choice Voucher Program. This assistance consists of Project Based and Tenant Based vouchers. The Project Based units are privately owned buildings. The owners of these rental structures were given moneys to rehabilitate the buildings in return for securing all the units for very low income residents. Through this program, extremely low-, very low-, and low to

moderate-income residents are able to live in safe, decent, and affordable privately-owned rental housing.

**Provide Multi-family Rental Rehabilitation Assistance:** To prevent the affordable rental housing inventory from continuing to decline and to improve the quality of the rental stock available to extremely low-, very low-, and low to moderate-income families in the NDZs and the Model Blocks, the City will continue to look for opportunities for Multi-family Rental Rehabilitation. Under this, owners of multi-family rental units receive assistance for rehabilitation in the form of a loan. In return, the owner guarantees that a certain number of housing units remain affordable for a specified period of time. The remaining units can be offered at market rates. As the Market Analysis indicated, such a program will not only help to improve the condition of the housing stock, it will also assure that rental units remain affordable. Furthermore, it will encourage mixed-income development and the spatial de-concentration of affordable housing.

There are a significant number of small-scaled (under 50 units) multi-family properties in the NDZs and the Model Blocks that can provide basic and affordable housing for low income households. While many of these properties have become obsolete and will ultimately be razed, there are many that could be rehabilitated to provide both quality of life and affordable rental housing for local residents.

### **Preserve Existing Homeowners - Homeowner Retention Activities**

The City of Miami will focus on providing housing rehabilitation assistance to extremely low-, very low-, and low to moderate-income households in order to help them maintain and retain their homes and in order to prevent the existing housing stock from continuing to decline. This program is a key element to the revitalization of City's neighborhoods since a substantial number of single family homes in the City fall below minimum housing quality standards (disrepair) and are owned by low-income homeowners who lack the financial capacity and/or credit history required to obtain home repair financing from private lenders. The goal is to assist homeowners with deferred maintenance, emergency repairs, removal of code violations, and replacement of unsafe structures. Preference will be given to the elderly, disabled and persons with HIV/AIDS. Below are the specific programs that will be used to implement this policy.

**Rehabilitation Existing Homeowner Units and Correct Code Violations:** The City of Miami will provide home improvement and rehabilitation assistance to homeowners throughout the City in order to improve the condition of existing housing stock. Under this rehabilitation program, homeowner(s) that reside and maintain a property as their principal residence in the City of Miami will be able to obtain a deferred loan to bring their property to decent, safe and sanitary housing standards, or to correct existing code violations. Through this program, the City will be able to encourage low to moderate income owners that have illegal units to bring their properties up to code or to remove the illegal structures. To do this, the Department of Community Development will work closely with Code Enforcement to target areas that have a high number of code violations. The intent is to provide incentives for homeowners to correct code violations.

In addition to the rehabilitation program, the City will provide funding for emergency repairs to rectify conditions that could endanger the health and safety of occupants.

**Replace Unsafe Housing Structures:** In order to reduce the number of homeowners who live in unsafe structures, the City will provide assistance for replacing dilapidated owner-occupied housing units. These are typically units which are not suitable for rehabilitation. Funds will be used to defray the cost of temporary relocation expenses, demolition of the dilapidated structure, and soft and hard construction costs associated with the reconstruction of the new home. This strategy will be used only where the most appropriate solution would be to demolish the existing housing structure and replace it with a newly constructed housing unit on the exiting lot.

## **Increase Homeownership**

The City of Miami will continue to assure that affordable homeownership opportunities are available for working class and moderate income families who are seeking homeownership opportunities, but may be priced out of the market. To do this, the City will seek to increase the inventory of affordable homeownership units through new construction. In addition, the City provides second mortgage, down payment, and closing cost assistance to homebuyers.

**Finance Construction of New Homeownership Units:** The City of Miami will seek to increase the supply of affordable homeownership units through new construction. The focus will be to promote and create affordable homeownership opportunities for very low- and low to moderate-income families and individuals. This will be achieved by financing project costs associated with the development of affordable housing units and by providing hard and soft construction financing and permanent financing.

**Provide Homeownership Financing:** To assist homebuyers in the purchase of a home, the City of Miami will provide down payment, closing cost and/or second mortgage financing assistance to eligible persons and households who are first-time homebuyers. Such assistance can be used for the purchase of newly constructed or existing residential properties within the City.

Homebuyer counseling is a vital component of any homeownership program. Such programs assure that prospective homebuyers receive training in financial management, budgeting, mortgage financing, home maintenance and community improvement. In the next five years, the City of Miami will work to assure that families who are interested in homeownership are referred to a homeowner counseling program.

## **Stimulate Housing Development – Other Non-HUD Activities**

In addition to the policies listed above, it is important for the City of Miami to provide incentives to stimulate housing development. Such incentives should help to off-set the barriers that make it difficult to undertake affordable housing projects. The following is a list of the policies that the City of Miami will implement in the next five years in order to facilitate the development of affordable housing.

**Identify Additional Funding for Affordable Housing:** Within the next five years, the City of Miami will attempt to identify additional funding sources for affordable housing. Greater diversity in funding resources will help to protect the City in the event that State and Federal resources continue to decline. The Affordable Housing Trust Fund offers such a possibility. The City of Miami Affordable Housing Trust Fund is available for the construction of

affordable housing; however, the regulations that govern the program do not provide the flexibility needed to focus the resources in the Model Block areas.

**Help Expedite the Tax Credit Process (New Program):** Targeting of existing housing resources alone will not enable the level of housing production that is needed in the Model Blocks and the NDZs. Untapped resources such as the Low-Income Housing Tax Credit (LIHTC) program will need to be creatively utilized and combined with private financing to create a viable housing production incentive. The LIHTC has become the nation's primary mechanism for encouraging the production of housing to be occupied by low-or moderate-income households. Nationally, the LIHTC program has worked effectively for smaller-scale multi-family rental projects of 40-50 units. Although the Market Study showed that the City of Miami has been successful in attracting such programs, more can be done to assure that applications for affordable housing projects that are within the Model Blocks and NDZs are expedited through the City. To this end, the City of Miami can assist developers by making sure that the items on the LIHTC application checklist that apply to the jurisdiction are completed promptly.

**Continue to Provide Affordable Housing Incentives:** The City of Miami will continue to provide incentives to developers through the Affordable Housing Incentive Plan. This plan provides developers of affordable housing projects with a number of local incentives that are intended to expedite the pre-development process and reduce certain cost(s) in connection with the production of affordable housing projects in the City of Miami. The incentives include:

- Expedited Permitting for Affordable Housing Projects.
- Review of Legislation, Policies and Plans that Impact Affordable Housing.
- Impact Fee Deferrals.
- Reduction of Parking and Setback Requirements.

**Provide Training/Workshops to Developers on City Programs and Regulations:** In addition, the Community Development Department will work with other City departments to provide training to developers on the rules and regulations that govern the development process. Such training may include workshops on the permitting process, zoning, and environmental clearances.

**Increase Capacity of Non-profit Housing Providers:** To help improve the capacity of non-profit housing providers, the City of Miami will provide various services intended to assist these organizations. Specifically, the City will provide local government matching for community development corporations (CDCs) applying for tax credit financing for affordable housing projects. Furthermore, the City will encourage CDCs to partner with private developers by giving developers extra credit points in their RFP applications if they have a 51 percent partner that is a non-profit.

### **Special Needs Affordable Housing Activities**

The City of Miami is committed to assisting persons with special needs and their families obtain affordable housing. Special needs populations include the elderly, individuals living with HIV/AIDS, and persons with disabilities who are within the extremely low-, very low-, and low to moderate-income range. The programs for special needs populations are described below.

**Continue to Provide Affordable Housing to Special Needs Populations:** In addition to some of the programs described above, which give preference to special needs populations, the City of Miami is committed to assisting persons with special needs and their families obtain affordable housing. Special needs populations include the elderly, individuals living with HIV/AIDS, and persons with disabilities who are within the extremely low-, very low-, and low to moderate income range.

**Increase Housing Opportunities for the Elderly and the Disabled:** The City of Miami, with one of the highest elderly populations in the nation, will continue to work with housing providers that assist the elderly and handicapped persons by supporting the development of housing through HUD's Section 202 Support Housing for the Elderly Program.

**Expand Housing Opportunities for Individuals with HIV/AIDS:** Through HOPWA, the City of Miami will work to ensure affordable housing opportunities for Miami-Dade County residents who are low income and have been diagnosed with AIDS. The overall objectives of this effort are to increase housing stability of persons living with AIDS and their families and reduce homelessness among such persons, thereby facilitating increased access to care. Current HOPWA-funded programs are the Long-Term Tenant-Based Rental Assistance Program and the Project-Based Rental or Operating Subsidy Program.

**Continue to Support the Homeless Program:** The Department of Community Development continues its efforts in the prevention of homelessness by supporting the City of Miami's Homeless Program and its outreach programs. The City's Homeless Office provides assistance to homeless individuals and homeless families. The assistance is limited to outreach services, mainly in the form of referrals to a myriad of social services, including behavioral, mental, health, and supportive housing. The Homeless Office operates in collaboration with the Miami-Dade Homeless Trust office in a coordinated effort; to exhaust all available resources disposable for concentrations of homeless individuals drifting through the City's roadways. **Note:** For more specific strategies, please refer to the Homeless Needs Assessment chapter in this report.

## **Other Housing Activities (Fair Housing)**

**Fair Housing:** Fair housing practices are aimed at reducing predatory lending and housing discrimination. The City will ensure that fair housing laws are enforced and that low income groups, minorities, and special needs populations are protected against discriminatory practices.

The Department of Community Development is actively engaged in promoting fair housing for City of Miami residents. In FY 2010-2011 the City of Miami will engage in actively promoting and securing compliance with fair housing. The City's fair housing program is designed to affirmatively further fair housing objectives of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, as amended, and other relevant federal, state, and local fair housing laws. "Affirmatively further fair housing" means that the City will actively work to reduce illegal housing discrimination. The program's strategy is to promote equal housing opportunities through education and training, monitor and investigate complaints using proven techniques to support fair housing litigation, and conduct research and studies to identify and address fair housing impediments.

The impediments to fair housing choice and the conclusions and recommendations were identified through an analysis of the data previously mentioned, as well as by obtaining information through key informant interviews of the participants listed above. Home Mortgage Disclosure Act (HMDA) data used to analyze impediments to fair housing in the home buyers market in the City of Miami was provided by the National Community Reinvestment Coalition (NCRC).

## **Summary of the conclusions and recommendations**

The following is a brief synopsis of the impediments identified and the recommendations suggested.

### **Impediment FH 1:**

#### **Scarcity of Developable Vacant Parcels**

##### **Recommendations**

FH 1.1 Develop a formalized infill program in which the City would make available city-owned parcels to developers through a Request for Proposal (RFQ) process.

FH 1.2 The Department of Community Development will manage the citywide infill program will manage the citywide infill program and create a strategy to ensure that available City parcels are used for the development of affordable housing.

### **Impediment FH 2:**

#### **High Rates of Segregation in Public Assisted Housing**

##### **Recommendations**

FH 2.1 Continue to educate clients about the Fair Housing Act which allows them to choose where they want to live and place no limitations on that choice other than a rent cap (It should be noted that all policies and procedures are consistent with the requirements of Federal, State, and local law and HUD regulations and guidance).

FH 2.2 Provide technical assistance and training in affirmative marketing to recipients of City administered federal funds. In particular, provide strategies that reach and appeal to all segments of the community.

### **Impediment FH 3:**

#### **Federal Funding Decreasing Annually for Public Housing Assistance**

##### **Recommendations**

FH 3.1 Continue to attempt to accommodate as many Housing Opportunities for Persons with AIDS (HOPWA) clients as possible in the City's Long-term Rental Assistance Program.

FH 3.2 Possible tighten restrictions on the number of bedrooms allowed per household size to reduce the amount of subsidy per household.

### **Impediment FH 4:**

#### **Federally Funded Public Assisted Housing Clients May be Occasionally Turned Down by Landlords Due to prior Experiences with Assistance Programs**

##### **Recommendation**

FH 4.1 Provide information that demonstrates the City's successful history of timely payments to other landlords. In addition, post on the City's website the program's standard policies, changes to policies (i.e. the reduction in fair market rent coverage), and Frequently Asked Questions (FAQs) by landlords.

**Impediment FH 5:**

**Disparate Service in Private Lending to Minorities**

**Recommendations**

FH 5.1 Develop and implement steps to foster conventional lending and other banking services in neighborhoods that appear to be underserved or to specific groups of citizens that appear to be underserved, in particular in African American neighborhoods.

FH 5.2 Target existing financial literacy programs (ACCESS Miami) in African American neighborhoods.

**Impediment FH 6:**

**Predatory Lending and Abuse of the Subprime Market**

**Recommendations**

FH 6.1 Develop and implement financial literacy programs through the ACCESS Miami program. Ensure that programs are available in English, Spanish, and Creole.

FH 6.2 Develop a media campaign that will educate the City's residents about fair housing rights, including the right to fair loans and the dangers of predatory lending.

FH 6.3 Though the City does not underwrite predatory loans and has standards (based on debt to income ratios) in place to deny loans that appear predatory, the City intends to strengthen the current policy to restrict interest rates, points charged on a loan, and disallows certain loan products deemed unnecessary. A revised anti-predatory underwriting policy for first term mortgages that receive the City's assistance for down payments or closing costs will include the following:

- The term of the loan must be 30 years;
- The interest rate must be fixed and cannot be more than 7.00 percent (periodically review and adjust for changes in interest rates);
- No adjusted rate mortgages;
- No prepayment penalties;
- Loan must be full documentation only. No stated income and/or assets loans;
- The total percentage charged for Discount, Origination and Broker fees cannot exceed 2 points;
- All other lending fees (example, application fees, processing fees, tax service fees, administration fees, etc.) must be reasonable. However, they cannot exceed \$500 or 0.5 percent of the loan amount, whichever is greater.

**Impediment FH 7:**

**Lack of Coherent Citywide Housing Policy**

**Recommendations**

FH 7.1 Develop a clear affordable housing policy.

**Impediment FH 8:**

**Not Enough Affordable/Workforce Housing Units to Meet the Needs of City Residents**

**Recommendations**

FH 8.1 Continue to advocate on behalf of affordable housing developers streamlining the application process, in the course of endorsing the following:

- Impact Fees;
- Streamlining the Administrative Process;
  - i. Department of Community Development
  - ii. Building Department
  - iii. Planning Department
  - iv. Zoning Department
- Release of Liens.

FH 8.2 Continue to implement the actions to increase affordable housing identified in the 2004- 2009 Consolidated Plan.

FH 8.3 Adopt a formal Infill Program

FH 8.4 Formally establish and Affordable Housing Trust Fund

FH 8.5 Identify opportunities for intergovernmental collaboration to address housing affordability issues. In particular, examine the most effective manner to partners with the County, State, and Federal governments to coordinate activities and leverage funding.

FH 8.6 Require strong affirmative marketing programs for all affordable housing developments using City administered Federal funds.

**Impediment FH 9:**

**Housing Discrimination on the Basis of Race, Color, National Origin, Religion, Sex, Familial status, and Disability**

**Recommendations**

FH 9.1 Develop a educational fair housing rights campaign for City residents that will help them identify and challenge discrimination (see FH 14.1 for more details)

FH 9.2 Consolidate the fair housing complaint intake process and improve the monitoring system.

FH 9.3 Conduct fair housing testing within the City of Miami.

FH 9.4 Provide fair housing education and training to housing providers to ensure compliance with fair housing laws.

**Impediment FH 10:**

**Housing Discrimination Complaint Intake Process is Fractured**

**Recommendation**

FH 10.1 Centralize fair housing complaints that occur within the City by directing complaints to 311 CitiStat and/or the City’s Hotline.

**Impediment FH 11:**

**Improve the Amount of Fair Housing Testing within the City of Miami**

**Recommendations**

FH 11.1 Conduct targeted fair housing testing based on the quarterly reports if trends (i.e. geographic concentration of complaints by zip code) are identified in the monitoring process.

**Impediment FH 12:**

**Lack of Public Awareness of Fair Housing Rights**

**Recommendation**

FH 12.1 Implement a fair housing information campaign that specially targets City residents and clearly informs the public about fair housing rights.

- Develop marketing material (i.e. brochures, postcards, Public Service Announcements (PSAs), web site) in English, 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).
- Include fair housing information during the Section 8 and HOPWA intake process and at the time of recertification.
- Establish a mailing list of existing Section 8 and HOPWA agencies and periodically mail fair housing information.
- Identify where it is best to provide fair housing collateral (i.e. Neighborhood Enhancement Team (NET) offices, public places such as libraries, and social agencies such as the welfare office).
- Conduct an annual mass media campaign during the Fair Housing Month each April.

FH 12.2 Continue to implement the Affirmative Fair Housing Marketing Plan; ensure that outreach includes developers, realtors, landlords, financial institutions and the minority community.

**Impediment FH 13:**

**Mobility Impaired Individuals Lack Access to Housing with Accommodations and Modifications for the Disabled**

**Recommendations**

FH 13.1 Increase the number of units available to persons with disabilities.

FH 13.2 Conduct random testing of the new housing developments to ensure that technical requirements are in place for accessibility to buildings and facilities by individuals with disabilities under the Americans with Disabilities Act (ADA) and the Fair Housing Act.

**Impediment FH 14:**

**Weak Participation in the Labor Market**

**Recommendations**

FH 14.1 Continue to address the economic development component of fair housing through the existing Minority Business Enterprise (MBE) Plan.

FH 14.2 Create job opportunities in financially distressed neighborhoods (as identified in the 2009-2013 Consolidated Plan).

FH 14.3 Develop business attraction and retention programs (as identified in the 2009-2013 Consolidated Plan).

**Lead Based Paint Hazards:** The City of Miami is committed to significantly reducing lead base paint hazards and preventing childhood lead poisoning. To this end, the City will continue to provide educational pamphlets and guidelines to all public housing residents informing them of the hazards of lead base poisoning.

## *PUBLIC SERVICE*

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The main objective for addressing public service needs is to enhance the health, safety, and overall well being of extremely low-, very low-, and low to moderate-income residents and persons with special needs. The public service priorities established for disbursement of CDBG funds is reflective of the needs identified by the community at public hearings. These include elderly services, youth services, services for the disabled, childcare, and job training programs. The distribution of CDBG funds for these activities will be divided among the Five Commission Districts. Below is a description of each public service program.

**Childcare Services:** Community Development is committed to providing financial backing to childcare service providers that provide quality childcare to low-to moderate-income families. Childcare subsidies will also be available to low income working groups so that the cost of day care does not serve as a barrier in families striving to increase their earning potential through employment. The City will assist in meeting the demand for comprehensive programs that meet the educational, social, health, dental, nutritional, and psychological needs of children living in poverty. Head start programs target low-income preschool age children and their families.

**Youth Services:** The Department of Community Development will secure special recognition to youth activities conducted on City Parks. The Department provides funding to entities inclined towards youth enrichment activities, such as; health and fitness programs; educational tutoring/counseling; after-school activities; youth mentoring training; character development services; cultural and historical services; anti-gang outreach; advocacy for abuse; and neglected children; music and art education.

**Elderly Services:** One of the fastest growing segments of the City of Miami's population is seniors. The Department of Community Development is responsible for providing funding that support programs that assist seniors and the frail elderly in providing a variety of benefits. In general, service needs of the elderly include adult nutritional services, home services (medical), transportation, mental health, protective services, day care, basic needs life skills, and health information.

**Services for People with Disabilities:** Community Development will continue to support and advocate on behalf of persons with disabilities through the provision of funding to programs that provide support services, nutritional meals, educational assistance, care giver support services, special transportation, in-home services, mental health, legal intervention/referrals, and outreach services. Furthermore, Community Development promotes and secures the rights of the disabled population by demanding compliance with the "Americans with Disabilities Act of 1990" (ADA) in all of its existing funded programs.

**Employment Training:** The City will support agencies that offer employment training and life skills to low to moderate income citizens. Organizations receiving CDBG dollars will be required to streamline services towards employability skills that expand and enhance employable proficiency. The challenge is to provide job training assistance to the underemployed subgroup of the local community.

## *ECONOMIC DEVELOPMENT*

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Economic development activities will target job creation, micro enterprise assistance, technical assistance, Commercial/Industrial improvements and assistance to private for profit entities within the identified Commercial Business Corridors (CBCs). The distribution of CDBG funds for economic development activities will be divided among the Five Commission Districts. The funding priority for economic development activities will be awarded to the CBCs. The following provides describes the various economic development programs the City may fund.

**Job Creation and Retention:** Job creation and retention provides the stabilization and expansion of small businesses in areas stricken by economic disadvantages. An activity claiming job creation must comply with the regulations set-forth by HUD. The entity seeking credit for job creation must be able to verify that at least 51% of the jobs identified by an activity will be held or made available to lower income people. Pertinent documentation for each distinct scenario must be secured for compliance monitoring purposes, as identified in 24 CFR 570 Sec. 203 and 208.

Conversely, when an activity secures credit for job retention proclaiming salvage of jobs held by lower income persons, it must provide evidence that the jobs would have been lost without the assistance of CDBG funds. Primarily, the entity must justify how the assistance meets the national objective of benefiting lower income people. Consequently, the business must execute a written agreement that contains a promise by the business that at least 51% of the retained jobs will be available to lower income citizens.

**Micro-enterprises Assistance:** Regulations define it as a for-profit business that has five or fewer employees; and at least one of those employees is the owner. The Department of Community Development will channel funding to small businesses whose owners are of low to moderate income with the intent to restore economic soundness in neighborhoods economically distressed. The assistance provided can be in the form of credit, technical assistance, loan guarantees, financial support, and general support. Under this category funds may be used to provide services of any kind that are needed by the owner for the expansion of the business. The overall mission is to assist small businesses to grow. In addition, services provided do not count against the 15 % public service cap (24 CFR 570 Sec. 201).

**Technical Assistance:** Assist businesses in securing financial stability and sound business practices. Offer technical assistance to start up businesses structured upon the successes of the organization in an effort to safeguard the company's future investment building a network of private and public investors.

**Commercial Façade Program:** The Department of Community Development provides funding under rehabilitation for a commercial facade treatment program. CDBG funds may be used to finance the cost of rehabilitation for commercial and industrial improvements where such property is owned by a for profit entity. The façade treatment program deems the following as eligible projects; pressure cleaning, painting, awnings, doors, store showcase windows, signs and shutters.

**Code Compliance:** Support code enforcement activities. Support the use of coordinated enforcement of building and zoning codes in order to ensure the safety and health of low and moderate income residents.

## *OTHER COMMUNITY DEVELOPMENT ACTIVITIES*

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**Infrastructure:** Community Development allocates funds under this category to improve the safety and livability of targeted revitalization areas and secure economic development growth incentives by upgrading, replacing or developing necessary infrastructure systems, in response to the priority needs of distinct neighborhood areas. The repairs further the needs and requirements of the economic development areas identified in the CBCs. The goal is geared at stimulating private investment in distressed economic development areas through the improvement or renovation of streets, sidewalks, flood drains, water system upgrades, flood drains and solid waste disposal sites. The assistance can be provided to community facilities, such as; senior centers, youth centers, parks, and childcare facilities. Infrastructure improvements will sprout quality of life enhancements through the elimination of deteriorating conditions, in conjunction with the facilitation of economic development opportunities. The funded projects or activities must take place in extremely low- to very low- income neighborhoods.

**Historic Preservation:** The National Historic Preservation Act of 1966 directs federal agencies to take into account the effects of their undertakings on historic properties. The regulations are mandated under Section 106 (36 CFR 800). Furthermore, this implies that public or private places can be rehabbed if they are eligible to be on the national list of Historic Places or are officially recognized by state or local law, as such. This category also authorizes the costs of preserving or restoring properties of historic significance, whether publicly or privately owned. The following are potentially eligible categories for CDBG assistance under historic preservation: events significant in the broad patterns of our history; persons significant in our past; distinctive characteristics of type, period, method of construction, or the work of a master, or possessing high artistic values; yielding information important to history of prehistory. (24 CFR 570.202 (d))

**Planning and Administration:** CDBG and HOME funds are allowed to cover general and reasonable costs related to the planning and execution of community development activities, assisted in whole or partially. These costs are not directly related to providing a specific activity. Program administration includes items such as overall management, coordination, monitoring, and evaluation of the jurisdictions programs. Some of the tasks affiliated with program administration are preparing budgets, performance reports, and staff salaries. The use of program administration has a monetary cap responsive to distinctive grants. The following are the cap limitations set-forth for the subsequent categories: the cap limitation for CDBG funds states that no more than 20% of grant funds plus program income may be used for planning and administration; the cap limitations for the HOME program funds states that no more than 10% of grant funds plus program income may be used for administration costs. (24 CFR 570.206 (a) (1)) (24 CFR 92.207HOME)

# XI. Section 3

## *PROGRAM DESCRIPTION (24 CFR 135)*

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In 1994, the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) was amended by Congress to help give citizens deprived of economic opportunity increased access to employment and job training. The Section 3 Act requires recipients of HUD funds and the contractors they employ to ensure that the economic opportunities generated by the expenditures shall, to the greatest extent feasible, be directed to extremely low- and very low-income persons, particularly those who are recipients of government assistance for housing.

HUD-funded housing and development projects represent a major source of economic activity in many distressed neighborhoods. The Section 3 legislation assures that such funds help to foster local economic development, neighborhood economic improvement, and self-sufficiency among residents in the communities being served. It is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain type of HUD financial assistance for certain construction projects.

The City of Miami will continue to enforce Section 3 compliance in all applicable programmatic requirements.

### **Eligibility Criteria:**

Eligible applicants are characterized as residents of public housing and low income persons who live in an area in which a HUD-assisted project is located. A Section 3 business is defined, as a business that employs residents of public housing, welfare recipients, local construction area residents, low and very low income persons, or a business who subcontracts with businesses which provide economic opportunities to low and very low income persons.

### **Compliance Requirements:**

The City of Miami requires recipients who are awarded Federal Financial Assistance from HUD for construction projects which exceed \$100,000 to provide economic opportunities, to the greatest extent feasible, to the following:

- Residents of public housing
- Residents of the neighborhood of the project under construction
- Residents of HUD Youth Build Programs
- Homeless persons
- TANF/AFDC welfare recipients

Compliance is based on the numerical hiring goals and contract awards of each individual project. The numerical goals for each category differ based on two types of economic opportunities: (1) employment or training opportunities; (2) and award of contract or subcontract to employers who take into service low to very low income persons. Moreover, the regulations require that “efforts to employ Section 3 candidates to the greatest extent feasible should be made at all job levels”. The other principal way for Section 3 recipients to comply

with the regulations is to award contracts to Section 3 certified businesses, contractors and subcontractors.

### **Compliance Monitoring:**

The City of Miami monitors compliance with Section 3 requirements in an effort to secure uniformity and consistency with Federal Regulations by requesting that entities awarded contracts in excess of \$100,000 develop an Economic Opportunity Plan. The plan will serve as verification that a good faith effort was executed to solicit, recruit, facilitate and hire public housing residents and other low-income persons by the contractor or subcontractor.

The City of Miami has constructed the following Economic Opportunity Plan with the intent to measure Section 3 training and employment numerical goals and subcontracting goals (where subcontracting is allowable). In addition, the City distributes a copy of its plan to all contracts recipients who must adhere to Section 3 regulations. All those who are held accountable for compliance with Section 3 requirements must render the Economic Opportunity Plan issued by the City. Each plan submitted must answer and provide written documentation to the following objectives:

- Identify individual(s) responsible for planning, implementing and tracking the projects under Section 3 training and employment goals;
- Describe efforts (contractors and subcontractors) to be taken to recruit, solicit, encourage, facilitate, and hire public housing and other low-income persons, identify any private or public resources that will be used;
- Describe contractor's activities to be taken for recruiting, soliciting, encouraging, facilitating and selecting Section 3 subcontractors, where applicable; and
- Describe plans to structure project activities in ways that create opportunities for Section 3 firms' participation, where applicable.

The City of Miami offers training sessions to contractors, subcontractors and businesses, on how to solicit, recruit, encourage and facilitate employment of low to very-low income residents. The City also provides training to those entities that need technical assistance completing program forms in an attempt to maintain compliance with regulatory guidelines. The City demands from all contractors, subcontractors, as well as, any entity seeking payment/reimbursement that compliance with Section 3 requirements are met and cleared by the in-house Section 3 compliance monitor. Lack of clearance by the Section 3 compliance monitor will cause a delay in the receipt of payment.

## XII. SHIP

### *State Housing Initiatives Partnership Program: Local Housing Assistance*

State Housing Initiatives Partnership program (SHIP) is the first permanently funded state housing program in the nation to provide funds directly to local governments to increase affordable housing opportunities on a noncompetitive basis. The funds are used to produce and preserve affordable homeownership and multifamily housing for very low, low- to moderate-income families. SHIP dollars may be used to fund emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling. Unfortunately, under the currently approved Florida State budget, SHIP funds (\$166 million) were redirected and no monies were allocated for FY2010-2011. As such, the City will not receive State funding for this fiscal year.

The State of Florida SHIP program is a result of the William E. Sadowski Affordable Housing Act. The centerpiece of this legislation is the State Housing Partnership Act which provides a dedicated revenue source to state and local governments to facilitate the creation of public/private partnerships whose purpose is to preserve the existing housing stock and stimulate the production of new affordable housing. The City of Miami Local Housing Assistance Plan describes how the municipality will use SHIP funds to meet the affordable housing needs of the community. The following provides an overview of the items the City would typically fund with SHIP monies.

### ***PROGRAM DESCRIPTION***

The City of Miami will use its SHIP allocation to undertake various homeownership and rental housing development activities designed to enhance and facilitate the development, purchase and maintenance of housing units in the City. These housing strategies and activities will be carried out through the SHIP programs listed on the table below.

Funding Source	City of Miami Programs	Annual Performance Measures
SHIP	<b>REHABILITATION</b>	
	SHIP Single Family Rehabilitation Program & Emergency Home Repair Assistance Program	20 housing units*
	SHIP Single Family Replacement Housing Program	4 housing units*
	<b>HOMEBUYER ASSISTANCE</b>	
	SHIP Homebuyers Financing Program	35 housing units*
	<b>NEW CONSTRUCTION</b>	
	SHIP Homeownership Development Program	15 housing units*
	SHIP Rental Housing Development Program	125 housing units*

*\*The annual Performance Measures include units funded by HOME and CDBG.*

### **Income Category to be served**

These activities will involve the construction, reconstruction, rehabilitation and acquisition/purchase of housing to be occupied by very low, low and moderate income households and homeowners or renters with incomes at or below 120% of the area median income, adjusted for family size, as defined in Section 420.907, Florida Statutes as follows:

**Very low income** - one or more natural persons or a family that has a total annual gross household income that does not exceed 50% of the median annual income adjusted for family size for households within the Metropolitan Statistical Area.

**Low-income** - one or more natural persons or a family that has a total annual gross household income that does not exceed 80% of the median annual income adjusted for family size for households within the Metropolitan Statistical area.

**Moderate income** - one or more natural persons or a family that has a total annual gross household income that does not exceed 120% of the median annual income adjusted for family size for households within the Metropolitan Statistical Area.

### **Support Services and Counseling**

*Chapter 67-37.005(5)(g), F.A.C.*

Applicants applying for SHIP funding receive support services based on the type of assistance requested. These services are in the form of counseling and or referral to other programs that provide services they may need. The City of Miami will work with members of the Housing Partnership to provide support services to those residents/homeowners participating in the various housing programs. The services include, but are not limited to:

- Assistance/referral to Legal Services of Miami, Inc. to homeowners who have title problems or outstanding liens that would prohibit their participation in the program.
- Referrals to other agencies and programs to applicants that do not qualify for assistance.
- Assist homeowners participating in the Single Family rehabilitation and Single Family Housing Replacement Programs throughout the rehabilitation/reconstruction process, from the time of application until project completion.
- Referrals to consumer credit clinics and homebuyer counseling programs provided by local lenders and not-for-profit organizations.
- Referrals to agencies funded by the South Florida Employment and Training Consortium for employment and job training.
- Referrals to appropriate local agencies for fair housing assistance, information and counseling.
- Information and referrals on how to apply for Property Tax Exemption, specifically for the elderly and the disabled.
- Legal aid referrals for counseling and guidance on other legal matters.

## **Purchase Price Limits**

*420.9075(4)(c), F.S. and Chapter 67-37.007(6)F.A.C.*

The sales price or value of new or existing eligible housing may not exceed 90% of the median area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs.

Purchase price limit for New & Existing Homes: \$236,000

## **Income Limits, Rent Limits and Affordability**

*Chapter 67-37.005(5)(e), F.A.C. and Section 420.9071(2), F.S.*

The City of Miami will use Income and Rent Limits updated annually from the U.S. Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation. The City will ensure that housing provided through this program is affordable. Affordable means that monthly rents or mortgage payments including taxes and insurance do not exceed 30% of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071 (19), (20) and (28), F.S. However, the City will not limit an individual household's ability to devote more than 30% of its income for housing, if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark. In the case of rental housing the City will ensure that rents do not exceed those rental limits adjusted for bedroom size.

## **Monitoring and First Right of Refusal**

*Section 420.9075(3)(e) and (4) (f), F.S.*

The City of Miami will monitor rental projects annually to determine tenant eligibility for at least fifteen (15) years or the affordability period, whichever is greater. However, any loan or grant in the original amount of \$3,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements.

Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

## **Leveraging**

*Chapter 67-37.007(1)(b)(c), F.A.C. and Subsection 420.9075(1)(a) and (1)(b3), and (1)(c), F.S.*

The City of Miami intends to use HOME and CDBG funds from U.S. HUD to leverage SHIP funds, thereby reducing the cost of housing. In addition, the City plans to use SHIP funds for developers to use as local match to leverage additional HOME or Local Housing Credits from Florida Housing Finance Corporation.

## City of Miami SHIP-funded Programs

The following describes the programs the City of Miami will undertake to meet the affordable housing needs of its very low, low and moderate-income residents using the State Housing Initiatives Partnership Act (SHIP) funds according with the requirements of Section 420.907 of the Florida Statutes and Chapter 67-37 of the Florida Administrative Code.

### *LHAP HOUSING STRATEGIES: CHAPTER 67-37.005(5), F.A.C.*

Provide Description:

#### **Name of the Strategy: SHIP Emergency Home Repair Assistance**

**a. Summary of the Strategy:**

The Ship Emergency Home Repair Assistance Program will provide emergency repair assistance to very low, low and moderate income owner occupied single family homes located within the corporate limits of the City of Miami. The City will provide deferred payment loan assistance to an eligible homeowner to carry out limited repairs such as roofing, electrical and plumbing to immediately rectify life hazardous and potentially hazardous conditions that threatens the safety and health of the occupants of the home.

**b. Fiscal Years Covered:**

The strategy identifies in this section will cover the following fiscal years: 2010-2011, 2011-2012, and 2012-2013.

**c. Income Categories to be served:**

Available SHIP funds shall be reserved for housing units occupied by income eligible persons or households. To comply with the overall requirements under Chapter 67-37 of the Florida Administrative Code, eligible persons or households will be very low, low and moderate income.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

The maximum award under this strategy will be \$15,000

**e. Terms, Recapture and Default:**

Financial assistance to be provided under the SHIP Emergency Home Repair Program will be provided to eligible homeowners in the form of a three (3%) percent, deferred forgivable payment, ten (10) year loan. There are no monthly payment requirements associated with this loan. There is no amortization of this loan. Repayment of the full principal balance of the loan is required if the property receiving the financial assistance is rented, leased or sold during the life of the loan. Homeowners that qualify and receive assistance must execute a Mortgage and Note that will be recorded in the records of Miami-Dade County Clerk of the Circuit Court for compliance with the recapture provisions for the program.

In the event of death of all eligible homeowner(s), the heirs to the property can assume the obligation based on the original terms and conditions provided to the homeowner as long as the heirs qualify based on income and household size, remain owner occupants

of the property and do not sell or rent the property for the remaining term of the mortgage and note. A heir or prospective purchaser who does not qualify based on the provisions of this strategy will be required to repay the full loan amount provided by the City of Miami.

**f. Recipient Selection Criteria:**

All recipients of assistance must meet the eligibility requirements as stipulated in the Florida Statutes, Florida Administrative Code, the SHIP Ordinance, Resolution and this Plan. Eligible housing includes single family homes, owner-occupied town houses or twin homes only. Manufactured housing and mobile homes are not eligible for assistance under this program. The properties to be assisted must be owner-occupied and located within the corporate limits of the City of Miami.

Applications will be processed on a first-come-first serve basis from all applicants meeting the selection criteria, subject to funding availability and in such a manner as to comply with the statutory requirements.

- Applicants with household income above (120%) of the median area income limit are ineligible for SHIP assistance under this strategy.
- Staff will review actual performance data on a continuous basis to ensure that adjustments are made as necessary to remain in compliance with funding requirements.

Other selection criteria will include the following:

- The property shall consist of one (1) owner-occupied residential unit.
- Preference will be given to eligible handicapped/disabled and elderly (62 years or older) households and homeowners.
- Handicapped and/or disabled individuals will be considered an individual having a mental impairment which: (1) Is expected to be long continued and indefinite duration, (2) substantially impedes his/her ability to live independently; and is of such a nature that such disability could be improved by more suitable housing conditions.
- The property must be located in the City of Miami.
- The appraised value of the home may not exceed the maximum sales price (value) allowed under the SHIP Program.
- The property must require needed repairs such as roofing, electrical and plumbing to meet the decent, safe and sanitary standard to immediately rectify hazardous and potentially hazardous conditions.
- The maximum amount of financial assistance to be provided may not exceed the lesser of (1) the actual cost of rehabilitation or (2) \$15,000.
- The applicant may not be delinquent on any debt owned to the City of Miami or Miami-Dade County.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program. However, if the need for a sponsor should arise, the City of Miami will use a Request for Proposals process in accordance with Chapter 67-37.005(6)(b)7. Florida Administrative Code to select an

eligible sponsor. Eligible persons, sponsors or other recipients of assistance under this program will be required to contractually commit and comply with all SHIP Program requirements.

Request for proposals will be accepted from both for-profit and not-for-profit corporations. Proposals received will be reviewed based upon a selection criterion which include but not be limited to the following:

The not-for-profit corporation must have received a tax exempt ruling from the Internal Revenue Service (IRS) under Section 501c(3) of the Internal Revenue code;

- The for profit corporation must be organized and established under the laws of the State of Florida;
- The not-for-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds;
- The organizational capacity and experience of the not-for-profit or for-profit corporation in administering home renovation and/or homebuyers financing programs;
- The soundness of the proposal;
- The cost per family to administer the program.

### **Name of the Strategy: Single Family Rehabilitation Assistance 1 HA (a)**

**a. Summary of the Strategy:**

The Single Family Rehabilitation Program will provide rehabilitation assistance to very low, low and moderate income residents who live in single family owner-occupied properties located within the corporate limits of the City of Miami. The City will provide deferred payment loan assistance to an eligible homeowner to complete needed repairs such as roofing, plumbing and electrical work to meet the decent, safe and sanitary standard conditions after rehabilitation.

The City of Miami, Department of Community Development will be the primary agency responsible for the implementation of the Local Housing Assistance Plan Strategy.

**b. Fiscal Years Covered:**

The strategy identifies in this section will cover the following fiscal years: 2010-2011, 2011-2012, and 2012-2013.

**c. Income Categories to be served:**

This strategy will serve very low, low and moderate income families as stipulated in FAC Chapter 67-37.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Residents meeting the selection criteria will be awarded a maximum of \$35,000 to complete all needed repairs to bring the property to a safe and decent standard. However, in cases where the amount needed to bring the property to code is higher than, \$35,000 a higher amount may be provided upon approval by the City Manager or the Director of the Department of Community Development acting as his/her designee.

**e. Terms, Recapture and Default:**

Financial assistance to be provided under the Single Family Rehabilitation Program will be provided to eligible homeowners in the form of a three percent (3%), deferred forgivable payment, ten (10) year loan. There are no monthly payment requirements associated with this loan. There is no amortization of this loan. Repayment of the full principal balance and accrued interest of the loan is required if the property receiving the financial assistance is rented or sold during the life of the loan. Homeowners that qualify and receive assistance must execute a Mortgage and Note that will be recorded in the records of Miami-Dade County Clerk of the Circuit Court for compliance with the recapture provisions for the program.

In the event of death of all eligible homeowner(s), the heirs to the property can assume the obligation based on the original terms and conditions provided to the homeowner as long as the heirs qualify based on the original terms and conditions provided to the homeowner as long as the heirs qualify based on age, income and household size, remain owner occupants of the property and do not sell or rent the property for the remaining term of the mortgage and note. A heir or prospective purchaser who does not qualify based on the provisions of this strategy will be required to repay the balance of the outstanding loan amount provided by the City of Miami.

**f. Recipient Selection Criteria:**

All recipients of assistance must meet the eligibility requirements as stipulated in the Florida Statutes, Florida Administrative Code, the SHIP Ordinance, Resolution and this Plan. Eligible housing includes single family homes, owner-occupied town houses or twin homes only. Manufactured housing and mobile homes are not eligible for assistance under this program. The properties to be assisted must be owner-occupied and located within the corporate limits of the City of Miami.

Applications will be processed on a first-come-first serve basis from all applicants meeting the selection criteria, subject to funding availability and in such a manner as to comply with the statutory requirements.

- Applicants with household income above (120%) of the median area income limit are ineligible for SHIP assistance under this strategy.
- Staff will review actual performance data on a continuous basis to ensure that adjustments are made as necessary to remain in compliance with funding requirements.

Other selection criteria will include the following:

- The property shall consist of one (1) owner-occupied residential unit.
- Preference will be given to eligible handicapped disabled and elderly (62 years or older) households and homeowners.
- The property must be located in the City of Miami.
- The appraised value of the home may not exceed the maximum purchase price limits (value) allowed under the SHIP Program.
- The property must require needed repairs such as roofing, plumbing and electrical work to meet the decent, safe and sanitary standard conditions after rehabilitation.

- The applicant may not be delinquent on any debt owed to the City of Miami.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program. However, if the need for a sponsor should arise, the City of Miami will use a Request for Proposals process in accordance with Chapter 67-37.005(6)b(7) Florida Administrative Code to select an eligible sponsor. Eligible persons, sponsors or other recipients of assistance under this program will be required to contractually commit and comply with all SHIP Program requirements.

Request for proposals will be accepted from both for-profit and not-for-profit corporations. Proposals received will be reviewed based upon a selection criteria which include but not be limited to the following:

- The not-for-profit corporation must have received a tax exempt ruling from the Internal Revenue Service (IRS) under Section 501c(3) of the Internal Revenue code;
- The for profit corporation must be organized and established under the laws of the State of Florida;
- The not-for-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds;
- The organizational capacity and experience of the not-for-profit or for-profit corporation in administering home renovation and/or homebuyers financing programs;
- The soundness of the proposal;
- The cost per family to administer the program

**Name of the Strategy: Single Family Replacement Home Program 1 HA (b)**

**a. Summary of the Strategy:**

The Single Family Replacement Housing Program is designed to address substandard and dilapidated housing units that the cost of repairs or poor housing conditions cannot be addressed through the SHIP and HOME assisted Single Family Rehabilitation Programs.

Under this strategy, only single family residential properties which are beyond repair and unsafe for human habitation will be provided assistance. The Single Family Housing Inspection Unit will determine the economic feasibility (cost) of the rehabilitation and soundness of the structure, in consultation with the City of Miami Building Department.

The SHIP funds will be used to defray the cost of temporary relocation expenses, demolition of the dilapidated structure, soft and hard construction costs associated with the reconstruction of the new home. This strategy will be used primarily to assist existing owners of single family homes where the most appropriate solution to their

housing problem would be to demolish the existing structure and replace it with a newly constructed housing unit on the exiting lot.

**b. Fiscal Years Covered:**

The strategy identifies in this section will cover the following fiscal years: 2010-2011, 2011-2012, and 2012-2013.

**c. Income Categories to be served:**

Available SHIP funds shall be reserved for housing units occupied by income eligible persons or households. To comply with the overall requirements under Chapter 67-37 of the Florida Administrative Code, eligible persons or households will be very low, low and moderate income

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Residents meeting the selection criteria will be awarded a maximum of \$150,000 for temporary relocation expenses, demolition of the dilapidated structure, and all costs associated with the reconstruction of the new home.

**e. Terms, Recapture and Default:**

Financial assistance under the Single Family Replacement Housing Program will be provided to eligible homeowners based on incomes adjusted for household size. The terms will be a zero (0) percent loan that will be repaid in thirty (30) years.

Persons or households that qualify and receive financial assistance must execute a Deferred Payment Loan Mortgage and Note that will be filed with the Miami-Dade County Clerk of the Circuit Court for compliance with the recapture provisions for the program. This mortgage will remain against the property for thirty (30) years. If the property is rented, leased or sold during the thirty (30) year period, then the loan and accrued interest will become due and payable to the City of Miami at that time. In the event of death of all eligible homeowner(s), the heir to the property can assume the obligation of the original owner as long as the heirs are income eligible, remain owner-occupants of the property and do not sell or rent the property for the remaining term of the mortgage and note.

**f. Recipient Selection Criteria:**

All recipients of financial assistance must meet the eligibility requirements as provided in the Florida Statutes, Florida Administrative Code, the SHIP Program Ordinance, Resolution, the Plan and this Strategy. Eligible housing includes single family owner-occupied homes that have been determined by the housing inspector, in consultation with the Department of Building, to be beyond repair, unsafe for human habitation and suitable for demolition. Mobile homes or manufactured homes will not be a type of replacement home offered under this strategy. The properties to be assisted must be the primary residence of the owner and the property must be located within the corporate limits of the City of Miami.

Applicants will be selected from an existing waiting list, on a first come first serve basis, subject to funding availability and in such a manner as to comply with the statutory requirements:

- Applicants with household income above one hundred and twenty percent (120%) of the median area income limit are ineligible for SHIP assistance under this strategy.
- For eligible persons or households who are building a new home on land that they own, a State-certified Appraiser will determine the sales price or value of the newly constructed unit. The appraisal must include the land value and the after construction value of the property and must be dated within twelve (12) months of the date construction is to commence.
- The amount of the financial assistance provided will be the full cost of demolition, temporary relocation and reconstruction of the property, to include hard and soft costs, not to exceed \$150,000.

The following costs associated with this strategy are eligible:

- Hard costs, which are typical and customarily viewed as construction cost(s) by institutional lenders;
- Payment of impact fees;
- Infrastructure fees typically paid by the developer;
- Construction soft cost such as architectural and engineering fees, appraisals, if directly related to housing construction.
- Temporary relocation cost associated with the reconstruction of the home.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program. However, if the need for a sponsor should arise, the City of Miami will use a Request for Proposals process in accordance with Chapter 67-37.005(6) b7. Florida Administrative Code to select an eligible sponsor. Eligible persons, sponsors or other recipients of assistance under this program will be required to contractually commit and comply with all SHIP Program requirements.

Request for proposals will be accepted from both for-profit and not-for-profit corporations. Proposals received will be reviewed based upon a selection criteria which include but not be limited to the following:

- The not-for-profit corporation must have received a tax exempt ruling from the Internal Revenue Service (IRS) under Section 501c(3) of the Internal Revenue code;
- The for profit corporation must be organized and established under the laws of the State of Florida;
- The not-for-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds;
- The organizational capacity and experience of the not-for-profit or for-profit corporation in administering home renovation and/or homebuyers financing programs;
- The soundness of the proposal;
- The cost per family to administer the program.

## **Name of the Strategy: SHIP Homebuyers Financing Program 1 HO (c)**

**a. Summary of the Strategy:**

The City of Miami through the Homebuyers Financing Program will provide down payment, closing cost and/or second mortgage financing assistance to eligible persons and households who are first time homebuyers to purchase a newly constructed or existing residential properties within the City of Miami. The strategy will be available to assist very low, low and moderate income residents to purchase a single family home, town home or condominium.

**b. Fiscal Years Covered:**

The strategy identifies in this section will cover the following fiscal years: 2010-2011, 2011-2012, and 2012-2013.

**c. Income Categories to be served:**

This strategy will serve very low, low and moderate income families in proportions as stipulated in the SHIP Statutes and FAC Chapter 67-37.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Residents meeting the selection criteria will be awarded a maximum amount not to exceed the maximum HOME standard subsidy adjusted by unit size or the amount necessary to meet the first lenders credit criteria, whichever is lower.

**e. Terms, Recapture and Default:**

Financial assistance to be provided under the SHIP Homebuyer Financing Program will be provided to eligible homeowners in the form of a zero percent, deferred payment, thirty (30) year loan. There are no monthly payment requirements associated with this loan. There is no amortization of this loan. Recipients will be required to resell the property to income eligible homebuyers approved by the City. The principal will be forgiven at maturity of the loan. Homeowners that qualify and receive assistance must execute a Mortgage and Note that will be recorded in the records of Miami-Dade County Clerk of the Circuit Court for compliance with the recapture provisions for the program.

In the case of sale or transfer of the unit, the City will share in the gain realized by the borrower according to the following schedule:

- 0 to 3 years – 100% of the City's pro rata share of the gain generated.
- 3 – 30 years – On the 3rd year, City receives 85% of the City's pro rata share of the gain generated and borrower receives 15%. Thereafter, the borrower receives additional 5% of the City's prorated share per year reducing the City's share by the same percentage.
- Year 20 and above: The borrower receives 100% of the gain.

The above gain sharing proposal will terminate in foreclosure; however, the city will require lenders to provide us a right of first refusal to purchase the loan at a negotiated price.

In the event of death of all eligible homeowner(s), the heirs to the property can assume the obligation based on the original terms and conditions provided to the homeowner as long as the heirs qualify based on income and household size, remain owner occupants

of the property and do not sell or rent the property for the remaining term of the mortgage and note. A heir or prospective purchaser who does not qualify based on the provisions of this strategy will be required to repay the outstanding loan amount provided by the City of Miami.

**f. Recipient Selection Criteria:**

Applications will be processed from existing waiting list on a first-come, first ready, first serve basis from all applicants meeting the selection criteria, subject to funding availability and in such a manner as to comply with the statutory requirements.

Other selection criteria will include the following:

- The property shall consist of one (1) owner-occupied residential unit.
- The property must be located in the City of Miami.
- The appraised value of the home may not exceed the maximum purchase price limits (value) allowed under the SHIP Program for new and existing homes.
- The property must meet safe and sanitary standard conditions at closing or funds must be held in escrow to bring it to safe and sanitary standards after closing.
- The applicant may not be delinquent on any debt owed to the City of Miami or Miami-Dade County.
- Applicants purchasing Manufactured or Mobile homes are not eligible for funding under this strategy.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program. However, if the need for a sponsor should arise, the City of Miami will use a Request for Proposals process in accordance with Chapter 67-37.005(6)b(7) Florida Administrative Code to select an eligible sponsor. Eligible persons, sponsors or other recipients of assistance under this program will be required to contractually commit and comply with all SHIP Program requirements.

Request for proposals will be accepted from both for-profit and not-for-profit corporations. Proposals received will be reviewed based upon a selection criteria which include but not be limited to the following:

- The not-for-profit corporation must have received a tax exempt ruling from the Internal Revenue Service (IRS) under Section 501c(3) of the Internal Revenue code;
- The for profit corporation must be organized and established under the laws of the State of Florida;
- The not-for-profit or for-profit corporation must have financial accountability standards that permit the Department of Community Development to account for and audit SHIP funds;
- The organizational capacity and experience of the not-for-profit or for-profit corporation in administering home renovation and/or homebuyers financing programs;
- The soundness of the proposal;
- The cost per family to administer the program

**Name of the Strategy: SHIP Homeownership Development Program 1 HO (a)**

**a. Summary of the Strategy:**

The SHIP Homeownership Program is designed to promote and create affordable homeownership opportunities for very low, low and moderate income families and individuals. SHIP Program funds reserved for this strategy will be used to assist not-for-profit and for profit housing developers or the City. SHIP funds reserved for this strategy will be utilized by the City of Miami to finance the project cost associated with site development, hard and soft construction financing and permanent financing associated with the development of affordable housing units by for-profit and not-for-profit housing developers or the City.

**b. Fiscal Years Covered:**

The strategy identifies in this section will cover the following fiscal years: 2010-2011, 2011-2012, and 2012-2013.

**c. Income Categories to be served:**

This strategy will serve very low, low and moderate income families in proportions as

Number of Bedrooms	0	1	2	3	4
Maximum Subsidy	\$45,507	\$52,470	\$63,279	\$80,998	\$95,235

stipulated in the SHIP Statutes and FAC Chapter 67-37.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Developments meeting the selection criteria will be awarded a maximum amount per unit based on the number of bedrooms as shown in the chart below:

**e. Terms, Recapture and Default:**

The financial assistance provided under this strategy to the developer may be provided as a low interest rate loan or in the form of a grant which will be determined based on the economic feasibility and affordability of the housing project(s) to be assisted with SHIP funds. The assistance provided under this strategy will be provided in the form of a construction loan at zero – six (0% - 6%) percent and there will be no monthly payments associated with the loan during the construction phase. Once the developer has successfully completed the construction and all the housing units are purchased and occupied by eligible homebuyers, the City of Miami will fully satisfy the developer’s obligation to the City in connection with the financing of the project. Financial assistance made to the developer as a grant will also be satisfied upon completion of the construction phase and all the housing units have be marketed and occupied by eligible homebuyers.

Financial assistance provided to a project in the form of permanent second mortgage financing for the homebuyers will be provided to eligible households based on the same criteria as described in the Homebuyers Financing Program Strategy as previously outlined in this Plan.

**f. Recipient Selection Criteria**

SHIP funding to be provided by the City of Miami under the Homeownership Development Program strategy will be awarded through a Request for Proposal process.

Any SHIP Program allocation including the term of the loan will be recommended by City staff to the City's Housing and Commercial Loan Committee for approval/disapproval based on the following criteria:

- Project feasibility and ability of the developer/sponsor to commence construction within six (6) months funding award.
- Evidence of availability of construction and first mortgage financing.
- Consistency with the City's Five (5) Year Consolidated Plan (2009-2013).
- Ability to demonstrate project will be affordable to low and moderate income households.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program.

**Name of the Strategy: SHIP Rental Housing Development Program 1 RH (b)**

**a. Summary of the Strategy:**

The SHIP Rental Housing Development Program is designed to promote and create affordable homeownership opportunities for very low, low, and moderate income families and individuals. SHIP Program funds reserved for this strategy will be used to assist not-for-profit and for profit housing developers or the City. SHIP funds reserved for this strategy will be utilized by the City of Miami to finance the project cost associated with site development, hard and soft construction financing and permanent financing associated with the development of affordable housing units by not-for-profit housing developers or the City.

**b. Fiscal Years Covered:**

The strategy identifies in this section will cover the following fiscal years: 2010-2011, 2011-2012, and 2012-2013.

**c. Income Categories to be served:**

This strategy will serve very low, low and moderate income families in proportions as stipulated in the SHIP Statutes and FAC Chapter 67-37.

**d. Maximum award is noted on the Housing Delivery Goals Charts:**

Developments meeting the selection criteria will be awarded a maximum of forty thousand dollars (\$40,000) per unit.

**e. Terms, Recapture and Default:**

The financial assistance provided under this strategy to the developer may be provided as a low interest rate loan or in the form of a grant which will be determined based on the economic feasibility and affordability of the housing project(s) to be assisted with SHIP funds. The assistance provided under this strategy will be provided in the form

of a construction loan at three – six (3% - 6%) percent and there will be no monthly payments associated with the loan during the construction phase.

Once the developer has successfully completed the construction and all the housing units are occupied by income eligible renters, the City of Miami will fully satisfy the developer's obligation to the City in connection with the financing of the project. Financial assistance made to the developer as a grant will also be satisfied upon completion of the construction phase and all the housing units have been occupied.

Recipients of funding under this strategy will be required to make the property affordable for a period of not less than twenty years (20) years.

- Project feasibility and ability of the developer/sponsor to commence construction within six (6) months funding award.
- Evidence of available of construction and first mortgage financing.
- Consistency with the City's Five (5) Year Consolidated Plan (2009-2013).
- Ability to demonstrate project will be affordable to low and moderate income households.

**f. Recipient Selection Criteria:**

SHIP funding under this strategy will be awarded through a competitive Request for Proposals (RFP) process. Through the City of Miami's solicitation, proposals will be received from for-profit and not-for-profit housing developers for the construction of new affordable housing units targeted for very low, low, and moderate income families and individuals.

All housing developers applying for financial assistance under the strategy will be awarded SHIP funding using criteria, including, but not limited to the following:

- Financial capacity and strength of the not-for-profit or for-profit housing developer;
- Ability of not-for-profit or for-profit housing developer to complete the housing project by the expenditure deadline requirements established by the SHIP Program and State of Florida;
- Ability to document/demonstrate that construction will be underway within six (6) months from the date of funding award by the City;
- Firm evidence of site control;
- Document and/or identify other project financing from other public and/or private sources which would leverage financial assistance provided by the City at a minimum of one (1) to five (5) for rental projects as stipulated by City of Miami's Resolution No. 98-587 adopted June 9, 1998.
- Consistency with the City of Miami's Five Year Consolidation Plan (2009-2013) and SHIP Local Housing Assistance Plan (2007 – 2010).

All recipients or households that will receive housing or assistance under this strategy once the housing project has been completed must meet the eligibility requirements as stipulated in the Florida Statutes, Florida Administrative Code, the SHIP Program Ordinance, Resolution, the Plan and this strategy. Only multi-family housing will be

eligible under this strategy. The properties to be developed must be located within the corporate limits of the City of Miami.

The non-for-profit or for-profit housing developer(s) must rent the newly constructed housing units to an eligible household on a first come first-served basis.

The following expenditures shall qualify and will be eligible under this strategy:

- Those hard costs which are typical and customarily treated as construction costs by institutional lenders;
- Construction costs, such as architectural, engineering studies and appraisals, if directly related to housing construction;
- Infrastructure expenses typically paid by the developer;
- Payment of impact and permitting fees.
- Costs associated with land acquisition and site development.

Any SHIP Program allocation including the term of the loan will be recommended by City staff to the City's Housing and Commercial Loan Committee for approval/disapproval based on the criteria enumerated above.

**g. Sponsor Selection Criteria:**

The City of Miami intends to administer this program

## ***LHAP INCENTIVE STRATEGIES***

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### ***Section 420.9071(16), F.S.***

In addition to Strategy A and Strategy B listed below, list all incentives as provided in 420.9076(4) FS.

**A. Name of the Strategy: Expedited Permitting**

Permits as defined in s. 163.3164(7) and (8) for affordable housing projects are expedited to a greater degree than other projects.

- Established policy and procedures: In March, 2007, the City of Miami revamped its policy and procedures related to expedited permitting. A copy of the Policy and Procedure is attached as Exhibit I

**B. Name of the Strategy: Ongoing Review Process**

The City has an ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

- Established policy and procedures: Department of Community Development conducts on-going reviews of actions being considered by the City of Miami's Planning Advisory Board, Zoning and Code Enforcement Boards and the City Commission that are being considered and may have an impact on affordable housing

# XIII. Local Affordable Housing Incentives for Developers

The City of Miami will continue to provide incentives to developers through the implementation of Affordable Housing Incentive Plan. This plan provides developers of affordable housing projects with a number of local incentives that are intended to expedite the pre-development process and reduce certain cost(s) in connection with the production of affordable housing projects in the City of Miami. The incentives include:

- Expedited Permitting for Affordable Housing Projects.
- Review of Legislation, Policies and Plans that Impact Affordable Housing.
- Impact Fee Deferral.
- Reduction of Parking and Setback Requirements.

The requirements of the plan will be amended to limit the incentives to projects that are located within the Model Block and the NDZ areas.

## *DESCRIPTION OF LOCAL AFFORDABLE HOUSING INCENTIVES*

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Below is a detailed description of the Affordable Housing Incentives.

### **Expedited Permitting**

Priority is given to affordable housing developments by expediting the permitting process. The City of Miami Department of Community Development works closely with the Building Department in assisting developers through this process. Developers of affordable housing projects whose projects have been certified as affordable by the City of Miami Department of Community Development are eligible for certain incentives that assist with expediting the permitting process. This process can shorten the permit approval process by 15 days or more. There is no charge for this service to developers of certified affordable housing projects.

### **Ongoing Review Process**

The Department of Community Development conducts on-going reviews of actions being considered by the City of Miami's Planning Advisory Board, Zoning and Code Enforcement Boards and the City Commission that are being considered and may have an impact on affordable housing.

**Impact Fee Deferral**

Affordable housing projects are exempted from the payment of Development Impact Fees, as stipulated in Ordinance No. 10426, adopted April 25, 1998. The Department of Community Development is required to certify to the Office of Zoning that the proposed housing project(s) will be affordable to low and moderate income families and individuals, which results in the developer securing a deferral of impact fees. This incentive is functioning as intended.

**Reduction of Parking and Setback Requirements**

Affordable housing projects are afforded an opportunity to receive a reduction in parking by the City of Miami, as stipulated in Section 917.5 of Ordinance No. 11000, adopted September 4, 1990. The Department of Planning and Zoning is responsible for facilitating this incentive for providers of housing affordable to low and moderate income. This incentive is functioning as intended.

# XIV. Monitoring

The Community Development Director, Assistant Directors and Program Managers oversee the planning process and budgeting process to ensure that projects are developed in accordance with grant requirements. This planning process also ensures that each funded project is consistent with the Consolidated Plan and makes progress toward identified community development objectives. The aforementioned staff members make certain that projects are being completed in a timely manner and that the expenditure deadlines for various grants are being met.

## *CDBG- SUB-RECIPIENT CONTRACTS*

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For sub-recipient contracts, the Contract Compliance Analysts approve the scope of service. As a result, contract analysts engage in contract negotiations consistent with HUD regulations and with the priority needs identified in the Consolidated Plan. This process ensures compliance with applicable laws and HUD guidelines. Then, the plan is reviewed by the Program Manager/Assistant Director who makes sure conformity is exercised and that the plan coincides with program directives. Finally, the City Law Department prepares a contract consistent with applicable laws and guiding principles.

Upon execution of the contract between the sub-recipient and the City, the sub-recipient commences program operations. It will then forward expenditures for reimbursement to the Department of Community Development Administration Division. Fiscal Assistants process payment requests and review the information rendered for eligibility, compliance, and reasonableness with the scope of service and the approved budget. Once a payment reimbursement has been processed by the Administration Division, it is given to the Assistant Director for final approval.

The Contract Compliance Analyst also administers implementation of the funded program to secure that the work is carried out in accordance with guidelines stipulated in the contract. The forthcoming sub-recipient agencies will be monitored on-site at a minimum of once per year for compliance with contractual, administrative, financial, and internal control guidelines.

Each sub-recipient with significant findings on such a monitoring will be typically monitored, on a more frequent basis in the future. All recipient agencies must provide periodic reports which describe the activities carried out and identifying the beneficiaries for the project. Moreover, the agencies must also submit performance and reimbursement reports on a monthly basis. These reports help to identify and ensure that minority outreach is occurring in conformity with HUD's program objectives.

## *HOME- CONTRACT COMPLIANCE MONITORING*

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For projects carried out with the use of HOME funds Contract Compliance Analysts are assigned to monitor the progress of each project. All payment requests for HOME construction projects will be cleared and verified by City of Miami Inspectors. The inspectors will assume responsibility for inspecting construction projects prior to authorization of payment. Payments for reimbursement are reviewed and approved by Fiscal Assistants, whom then obtain final approval from the Assistant Director of the Administration Division. This operation protocol preserves a checks and balance system that minimizes overpayment and promotes sound fiscal management practices. In addition, Contract Analysts assure that all prerequisites have been finalized, as it concerns to environmental reviews, Section 3 compliance, and Davis-Bacon monitoring in an attempt to coincide with federal regulations. Consequently, all pertinent documentation will be in accordance with Federal Mandates prior to submission for reimbursement and payment.

The Department of Community Development (“DCD”) will continue implementing an outcome-based Consolidated Plan. The goal is to increase the focus, accountability, impact, and ease of monitoring funded projects. Funds expended through the fiscal years will be tied to performance benchmarks. A formal monitoring strategy is utilized to evaluate the viability, reliability and impact of funded projects. The decision to provide continuing funding for an organization should be shaped, in large part, upon review of their success in meeting established outcomes.

The City understands that all efforts using Federal, State and Local resources must be in accordance with established laws, regulations, and sound management accounting practices. All programs awarded Federal monies will be monitored and reported according to the program statutory and regulatory rules of those programs. Affordable housing programs are monitored on an on-going basis by contract compliance analysts. DCD has established a sub-recipient monitoring plan which calls for the submission of periodic reports and audited financial statements.

A description of the standards and procedures that the City uses to monitor activities carried out in furtherance of the plan and assurance of long term compliance with requirements of the programs involved, including minority business outreach. The objectives of DCD’s monitoring system are:

- To minimize the City’s liability by identifying and correcting major program deficiencies before resulting in financial payment or funding sanctions.
- To conduct production monitoring as part of an overall process.
- To conduct quality control and compliance monitoring, by assessing the quality of the process and product delivery.

DCD will continue to comply with HUD’s requirements by preparing the following documents:

- Five-Year Consolidated Plan
- Annual Action Plan
- Consolidated Annual Performance and Evaluation Report (CAPER)

## **Davis-Bacon Prevailing Wages**

This section provides a brief overview of Davis-Bacon Streamlining and Labor Standards Administration and Enforcement Objectives:

- Apply Federal labor standards properly. Make certain that labor standards, including Davis-Bacon prevailing wage rates, are applied where required. Ensure that any exemptions or exclusions are identified.
- Through education and advice, support contractor compliance with labor standards. Provide basic training and technical support to contractors to ensure that they understand their obligations under prevailing wage and reporting requirements.
- Monitor contractor performance. Perform reviews of payroll submissions and other information to help ensure contractor compliance with labor standards provisions and the payment of prevailing wages to workers.
- Investigate probable violations and complaints of underpayment. Thoroughly explore any evidence of violations, especially allegations of underpayment.
- Perform periodic site inspections and employee interviews.
- Pursue debarment against repeat labor standards violators. HUD will not tolerate contractors who violate the law.

The Davis-Bacon Act (DBA). The Davis-Bacon Act requires (when applicable) the payment of prevailing wage rates (which are determined by the U.S. Department of Labor) to all laborers and mechanics on Federal construction projects. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works.

The City makes sure that all project sponsors awarded Federal funding are aware and in compliance with the prevailing wages and required documentation of the prevailing wages for compliance with labor monitoring requirement.

Conversely, many of the workers hired for such projects are better paid attributed to Davis-Bacon requirements. This is vital for low income limited skilled workers who are intended to be the beneficiaries of this federal law. The City of Miami will continue to enforce Davis-Bacon in full compliance with Federal requirements.

## **Section 3**

In compliance with the Code of Federal Regulations 24 CFR 135, recipients and covered contractors must demonstrated compliance with the “greatest extent feasible” requirement of Section 3 by meeting the goals set forth for providing training, employment and contracting opportunities to section 3 residents and section 3 business sectors.

Under Section 3 of the Housing and Urban Development Act of 1968, wherever HUD financial assistance is given for housing or community development construction projects, to the greatest extent feasible, economic opportunities will be given to residents and businesses in that area. The assistance may be in the form of job training, employment or contracts. The Housing and Urban Development Act was amended by Congress in 1994 to help give citizens deprived of economic activity increased access to employment and job training. The Section 3 Act requires recipients of HUD funds and the contractors they employ to ensure that the economic opportunities generated by the expenditures go to benefit low-income persons “*To*

*the greatest extent feasible*". The City of Miami will continue to enforce Section 3 compliance in all applicable programmatic requirements.

## **Environmental Reviews**

The environmental review process for entitlement jurisdictions is outlined in the Code of Federal Regulations 24 CFR 58. The procedures outlined in this regulation are used by entities that assume HUD's environmental review responsibilities in determining program compliance with the intent of satisfying the National Environmental Policy Act (NEPA). Jurisdictions must assume this responsibility in all applicable federal programs through a system of enforced rules and policies.

DCD maintains an effective system of communication with HUD to sustain departmental regulatory compliance. The City endows compliance monitoring by adhering to the following categories:

- Exempt
- Categorically Excluded
  - Not Subject to 58.5
  - Subject to 58.5
- Environmental Review Assessment

- Attachment 1: HUD Tables
- Attachment 2: Certifications
- Attachment 3: HUD Application forms
- Attachment 4: Newspaper Ads