

Workforce Housing and Miami's Affordable Housing Needs: Issues and Policy Options

A Policy Paper
February, 2006

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Introduction

Public officials and business leaders have become increasingly concerned that the soaring costs of housing in Miami may dampen plans for urban revitalization. Many observers

In this paper we raise several concerns with the proposed Workforce Housing Ordinance.

have noted that middle- and upper-income professionals can no longer afford housing in Southeast Florida.¹ Moreover, in the aftermath of an unprecedented hurricane season which left many homeless or forced to live in substandard conditions, attention

has been drawn to the fact that Miami's housing market is not affordable for moderate- and lower-income workers.² Thus observers have come to recognize the need for affordable housing for an economically diverse range of workers and households.

Soon the Miami-Dade Board of County Commissioners will consider an Ordinance that intends to make 20% of certain types of newly built housing units affordable to the county's workforce. The proposed Ordinance is a form of inclusionary zoning policy, a powerful tool for increasing the affordability of new housing units in strong real estate markets that is becoming increasingly popular. The county is calling this a Workforce Housing Ordinance and has defined the "target income group" as households earning between 65% and 140% of the "area median income". In addition, language in the Ordinance suggests that new units will cost monthly as much as 65% of a prospective homeowner's monthly income or 40% of a prospective renter's monthly income.

45% of Miami-Dade's single-family households make less than 65% of the median income and are not eligible for Workforce Housing under the proposed ordinance.

In this paper we raise several concerns with the proposed Workforce Housing Ordinance. First, the use of the "area median income" to determine eligibility for workforce housing is misleading since "area" in this case means Miami-Dade County while the ability to afford housing differs greatly at the neighborhood level. Our analysis shows that what is affordable in monthly housing costs to a family earning 140% of the median income in Westchester (\$1,719) or Kendale Lakes (\$1,694) is very different from what a family

The costs of new housing built under the proposed ordinance are far beyond anything affordable for most of Miami-Dade's workforce.

earning 140 of the median in Goulds (\$948) or West Liberty City (\$730) can afford. Unless these differences are taken into account the Workforce Housing program will target a very narrow segment of the workforce: upper-income house-holds that do not have a great need for affordable housing.

Second, our analysis of what typical single- and dual-earner households could afford shows that the costs of housing built under the proposed ordinance would be far beyond affordable for most of the workforce. For example, the monthly cost of new unit built

Miami-Dade County Board of County Commissioners should schedule a meeting or series of meetings to discuss and gather input from a wider group of stakeholders.

under the Workforce Housing Ordinance could be more than \$3,000, but a household supported by the incomes of a family social worker and a high school teacher could only afford to pay \$1,580 in monthly housing costs; a janitor and house cleaner could afford up to \$797; and the individual income of a police officer or a financial analyst is only enough to cover \$1,019 in monthly housing costs.

While inclusionary zoning is a powerful tool for effectively addressing Miami's increasingly significant and widespread affordable housing crisis, this analysis shows that the approach in the proposed ordinance will not address the affordable housing needs of the bulk of the county's workers and families and that drafting and implementing inclusionary zoning policy in Miami merits additional consideration. We recommend that Miami-Dade County Board of County Commissioners schedule a meeting or series of meetings to discuss and gather input from a wider group of stakeholders.

Affordable Housing Costs in Unincorporated Neighborhoods

Policies that intend to create and retain affordable housing should take geography into account as an important factor that impacts affordability. Drafting legislation that defines the target income range according to county-wide affordability indicators is misleading since geographic areas—cities, neighborhoods and block groups—vary widely in their ability to afford new housing and the type of housing development needed. The following analysis provides the affordable housing costs of family households in selected areas of Unincorporated Dade County, in order to describe the geographic differences in housing affordability (for methodology see Appendix I).

Table 1 lists the selected geographic areas and family incomes at 65%, 80%, 100% and 140% of the median family income (MFI) for each area. Neighborhoods that were “moderate-income” had an MFI that was between 80% and 100% of the county’s MFI in 1999. These include Westchester (\$49,108), Kendale Lakes (\$47,245), Carol City (\$45,968), and South Miami Heights (\$44,363). The median family income in 1999 for Flagler Westside (\$37,690), Little River (\$33,345) and Goulds (\$27,075) are considered “low-income” (50-80% of county MFI) and only West Liberty City, with a MFI of \$20,856, is considered “very low income” (30-50% of county MFI).

Table 1
Selected Geographic Areas and Family Incomes at 65, 80, 100 and 140 Percent of the Median Family Income (MFI) in Each Area

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

Source: U.S. Census Bureau, 2000

(i) “Area” refers to geographic area specified in the far left column and is calculated as a percentage of the median family income for each geographic area/neighborhood.

(ii) The median family income for each area was adjusted to reflect inflation from 1999 to 2004.

How much can families in these areas afford to pay in monthly housing costs? Is this enough to afford housing at the prevailing market rates?

According to the U.S. Department of Housing and Urban Development (HUD), a unit is considered affordable if no more than 30% of the household's monthly income is needed to cover monthly housing costs. One approach to examining the gap between incomes and housing costs is to consider fair market rents (FMRs), which are based on the 50th percentile of rental costs for a given metropolitan area.³ Charts 1 through 4 show the relationship between affordable housing costs at different income levels and FMRs for the Miami metro area in 2004. The bars in the charts relate how much a family at the specified income level in each area can afford to pay monthly for housing costs. Thus the yellow bars in chart 1 indicate how much a family earning 140% of the median income for each neighborhood can afford to pay for housing. The four horizontal lines represent fair market rents for three, two, one and zero bedroom or efficiency units (from top to bottom in the chart and legend).

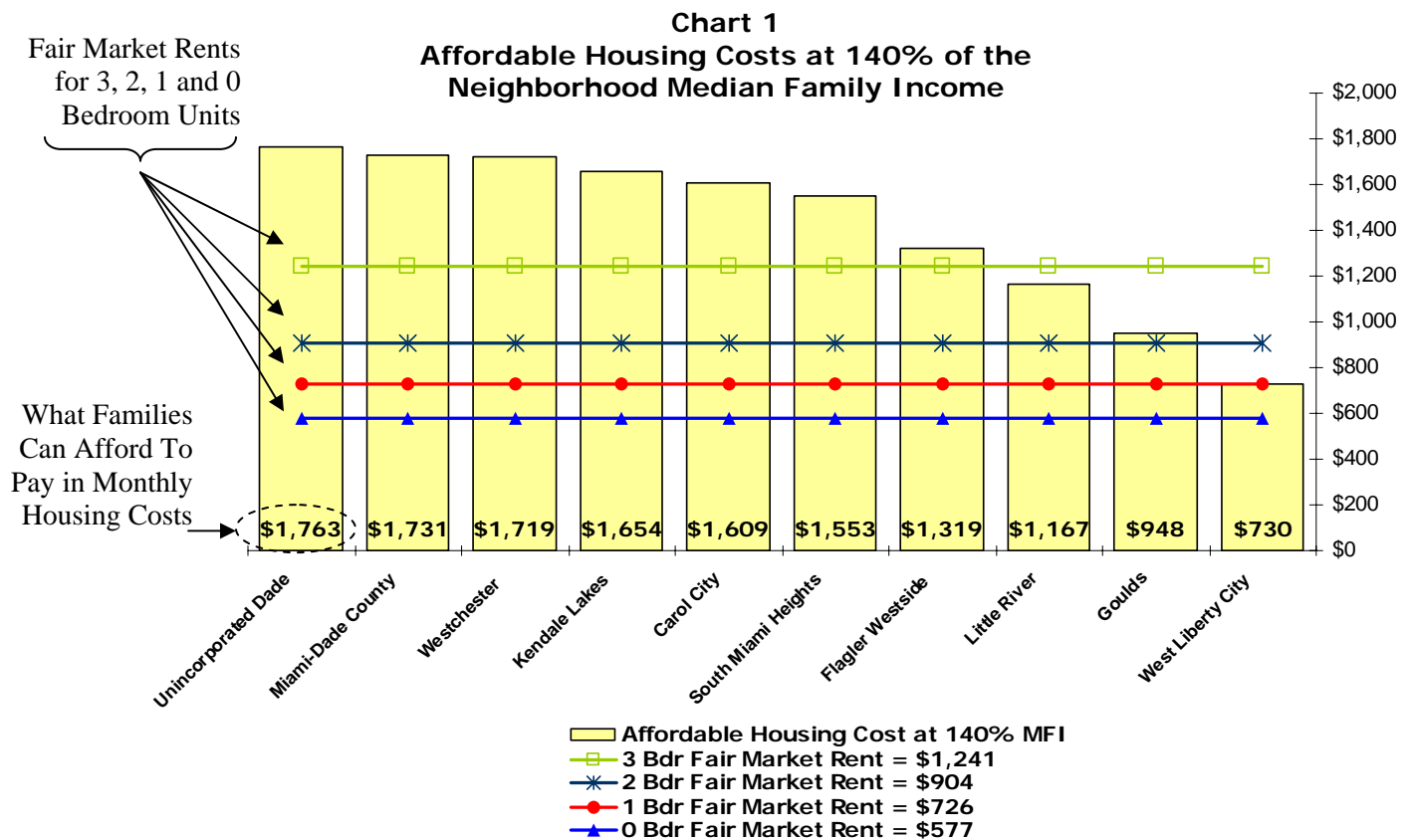
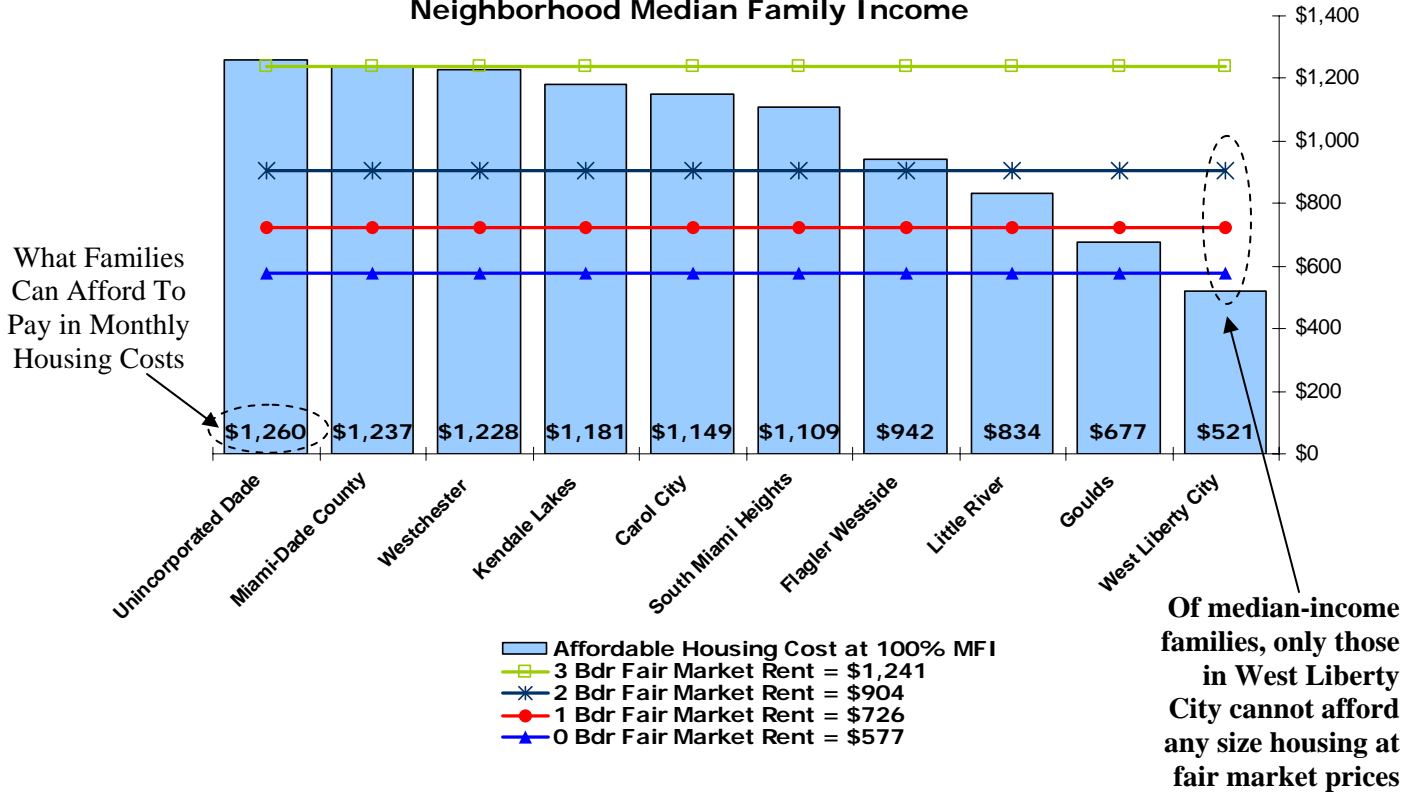


Chart 2
Affordable Housing Costs at 100% of the
Neighborhood Median Family Income



In all areas families earning 80% of the median family income cannot afford 3 bedroom units at fair market prices

Chart 3
Affordable Housing Costs at 80% of the
Neighborhood Median Family Income

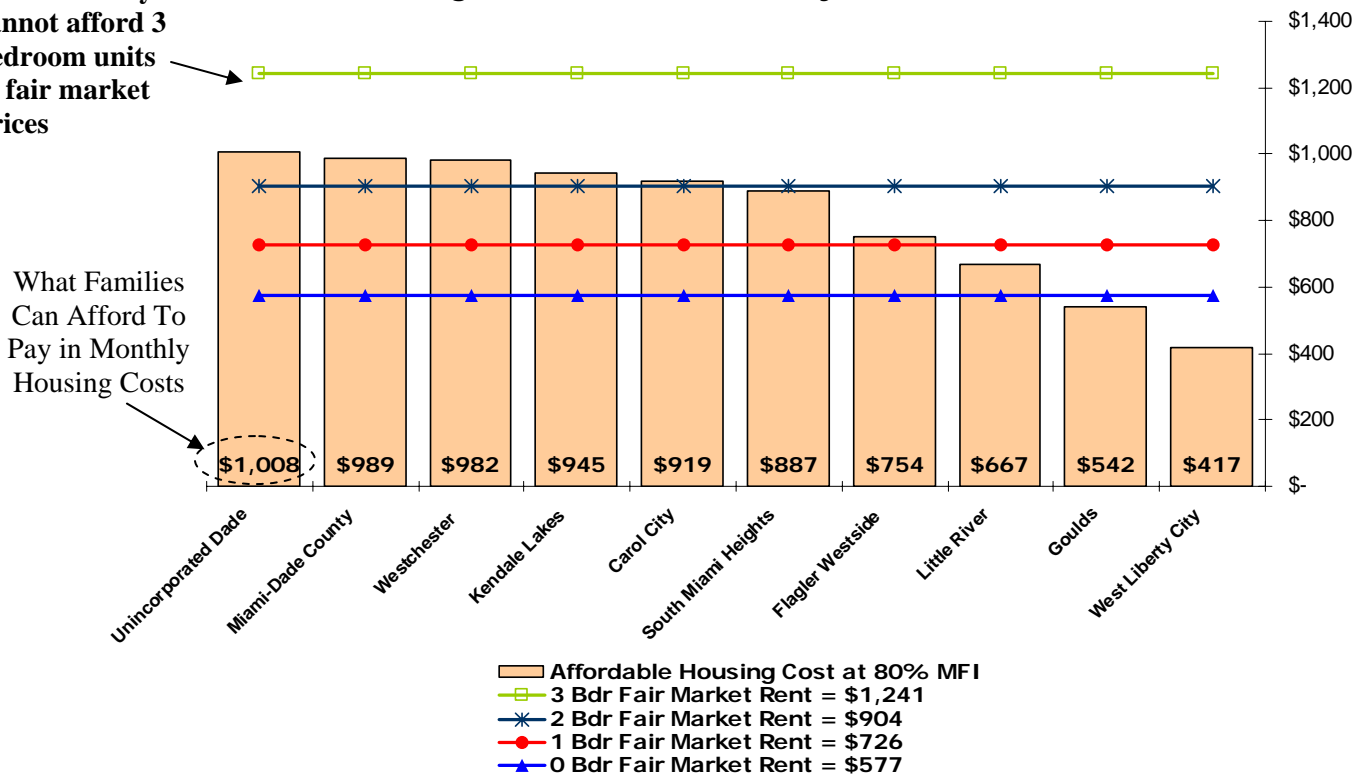
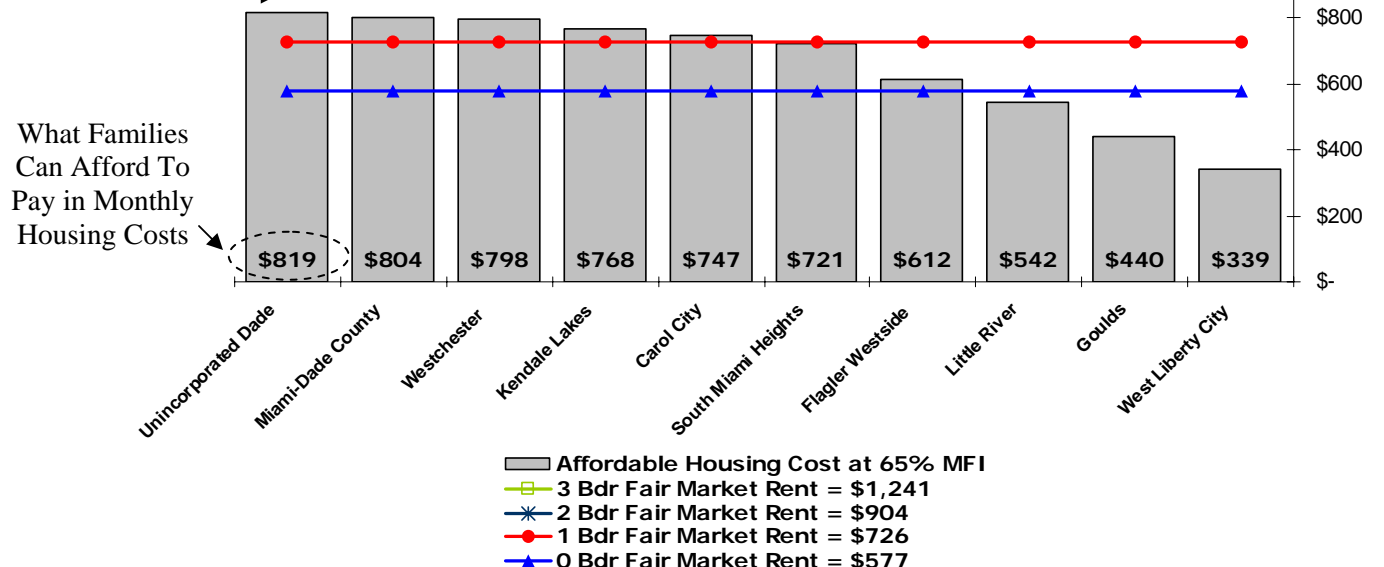


Chart 4
Affordable Housing Costs at 65% of the
Neighborhood Median Family Income

In all areas families earning 65% of the median family income cannot afford 2 bedroom units at fair market prices



Affordable Housing Costs at the Median Family Income (chart 2)

Families earning the median income for their area should be able to afford adequate housing, meaning at least a two bedroom unit, which would be suitable for a family of three. While median-income families in most neighborhoods could afford two bedrooms, many families in low-income neighborhoods could not afford adequate housing.

A majority of families in Westchester, Kendale Lakes, Carol City and South Miami Heights can afford at best a 3 bedroom apartment at fair market prices.

Throughout Unincorporated Dade County 132,327 families earned less than or equal to the area median family income in 2000 and could afford no more than \$1,260 in monthly housing costs, enough for a three-bedroom unit at the fair market rent.

In moderate-income neighborhoods, such as Westchester, Kendale Lakes, Carol City and South Miami Heights, a combined total of at least 23,840 families could not afford a three bedroom apartment at the FMR of \$1,241. The 4,160 families in Flagler Westside earning less than or equal to the area MFI could afford no larger than a two bedroom dwelling.

A majority of families in Flagler Westside can only afford a 2 bedroom unit at fair market prices.

In low-income neighborhoods most families struggled to afford one bedroom and efficiency units. At least 4,139 families in Little River could not afford a two bedroom dwelling at the FMR of \$904. At least 1,080 families in Goulds could afford no larger than a one bedroom dwelling and at least 3,064 families in West Liberty City could not afford a zero bedroom, or efficiency housing unit. With families on average consisting of 3.77 members, in West Liberty City, the inability of these families to afford even an efficiency size unit suggests that many of these households are forced to live in overcrowded conditions to make ends meet.

Half of the families of West Liberty City cannot afford an efficiency apartment at fair market prices but the average family size of this neighborhood is almost 4. This suggests that many of these households are forced to live in severely overcrowded conditions to make ends meet.

Affordable Housing Costs for Families in the “Target Income Group” (charts 1, 3 and 4)

In low and very-low income neighborhoods families earning 140% of the MFI could afford larger dwellings. Families earning 140% of the area MFI in Flagler Westside could afford no more than \$1,319 in monthly housing costs, enough for a three bedroom unit. In Little River and Goulds, these families could afford at most \$1,167 and \$948 in monthly housing costs, respectively, enough for a two bedroom unit. In West Liberty City, the same statistic was \$730, just enough for a one bedroom unit.

At eighty percent of the area MFI, many low-income neighborhoods could not afford adequate sized housing units. Eighty percent of the median family income (low-income) for Unincorporated Dade County was \$40,305 and ranged from \$39,286 in Westchester to \$16,685 in West Liberty City. If these families were to pay no more than 30% of their monthly income on housing costs they could afford no more than \$1,008 throughout Unincorporated Dade County, and as much as \$982 in Westchester or as little as \$417 in West Liberty City. These figures tell us that low-income families in Westchester could afford at best two bedroom units at fair market prices while low-income families in West Liberty City could not even afford a studio apartment.

Families earning 80% of the median family income in low income neighborhoods could not afford adequate sized housing units.

Families earning 65% of the median family income in Westchester could afford at best a one-bedroom unit at fair market prices.

and ranged from \$31,920 in Westchester to \$13,557 in West Liberty City. If these families were to pay no more than 30% of their income on housing costs they could afford no more than \$819 in monthly housing costs throughout Unincorporated Dade County, as much as \$798 in Westchester and as little as \$339 in West Liberty City. While families at the lower end of the target income group in Westchester could afford no more than a one-bedroom unit, this group of families in West Liberty City, Goulds, and Little River could not afford any fair market housing.

Finally, we considered whether any families earning 65% of the area median family income—the lowest extreme of the target income group—could afford fair market housing costs. Sixty five percent of the median family income for Unincorporated Dade County was \$32,748

Families earning 65% of the median family income in West Liberty City, Goulds, and Little River could not afford any size housing at fair market prices.

These findings illustrate that **one of the most negative effects of neighborhood gentrification, residential displacement, could have devastating impacts on low-income families, particularly those in poor neighborhoods like Little River, Goulds and West Liberty City.** These low-income neighborhoods are close enough to major transportation routes and central city commercial corridors that they may experience increased demand from middle- and upper-income outsiders for the relatively affordable housing that likely exists there. Moreover, portions of these neighborhoods and other low-income neighborhoods have been targeted for redevelopment and revitalization and

If low-income areas undergo dramatic and rapid transformations the thousands of families that presently could afford at best an efficiency apartment at fair market prices would be forced to live in crowded conditions or find other poor neighborhoods to move to.

are likely to play an important role in strategic plans for regional economic development. If these areas undergo dramatic and rapid transformations the thousands of low-income families there that presently could afford at best an efficiency unit at fair market prices would be forced to live in crowded conditions or find other low-income neighborhoods to move to.

Housing for Miami-Dade's Workforce?

Implications of the Proposed Ordinance

A new Workforce Housing Ordinance will only add new affordable housing (beyond what would happen without it) down to a price level that it requires. In the case of this ordinance, that means housing costs down to the level of families earning 140% of the area median income. However, the ordinance's unorthodox methods for determining "affordability" suggests that for households to be able to reasonably afford Workforce Housing units their income will have to be higher than 140% of the median.

Throughout Miami-Dade County 315,270 single-family households make less than 65% of the median income and are not even eligible for Workforce Housing under the proposed ordinance.

The ordinance states that monthly housing payments (principal and interest) may be as much as 65% of monthly income (Sect. 17-130(18)), making the monthly cost of purchased units as high as \$3,104 if based on the county's median family income in

For the households that do qualify for Workforce Housing, they face monthly costs as high as \$3,104 for purchased units and \$1,910 for rentals.

2004. Workforce Housing Unit (WHU) monthly rent, which "will be calculated on the basis of forty percent (40%) of gross monthly income" (Sect. 17-135(3)), could be as much as \$1,910. These costs are way out of line with anything that U.S. HUD considers to be affordable for people living at incomes indicated earlier in this paper.

Based on the housing costs proposed by the Workforce Housing Ordinance, families would have to be earning close to \$125,000 annually to afford the monthly principal and interest payments on a mortgage of a purchased unit or over \$75,000 to afford monthly rent on an apartment. While this excludes middle-income members of the workforce such as financial analysts, school teachers, policeman, fighters and mail carriers from "affordable" housing opportunities the price of WHU's will also ensure that the thousands of low-wage service workers that staff the restaurants, hotels and office buildings throughout the county cannot afford to live near their places of work.

These monthly costs are beyond the reach of the thousands of low-wage service workers that staff downtown restaurants, hotels and office buildings, but also unaffordable for middle-income professionals like teachers and financial analysts.

Throughout Miami-Dade County, **315,270 or about 45% of single-family households would not even be eligible for “Workforce Housing” under the proposed ordinance**, let alone be able to afford housing at the suggested prices.⁴ **Table 2** reports the number and share of families in each of the selected areas that would not qualify for Workforce Housing based on the definition of the target income group and **Maps 1 and 2** in the appendix show where these families lived in 1999.

Table 2
Families Not Eligible for Workforce Housing under the proposed ordinance by Selected Area

Name	Families	Families Not Eligible For Workforce Housing ⁽ⁱ⁾	
Unincorporated Dade County	348,340	88,311	25%
Westchester	18,989	4,583	24%
Kendale Lakes	15,891	3,540	22%
Little River	15,145	4,174	28%
West Liberty City	12,908	3,867	30%
Flagler Westside	7,764	1,781	23%
South Miami Heights	7,627	1,923	25%
Goulds	3,957	1,335	34%
Carol City	1,405	465	33%

Source: U.S. Census, 2000

(i) Reports the number of families in each area that earned up to \$24,999 or about 62% of the county’s median family income in 1999. Since the target income group is for households earning 65 to 140% of the area median income, these figures underestimate the number of families that would not qualify.

In unincorporated Miami-Dade County more than 88,000 or one quarter of all families would not be eligible for Workforce Housing.

Focusing on specific neighborhoods reveals that the share of families excluded from the “target income group” is higher in lower-income neighborhoods like Goulds, Carol City

and West Liberty City. However, **Table 3** below and **Map 2** (see appendix II) show that middle-income neighborhoods like Westchester and Kendale Lakes also have thousands of families that are excluded. Of the selected neighborhoods, Westchester has the greatest number of families (4,583) that do not qualify for Workforce Housing under the proposed

The exclusion of thousands of families from Workforce Housing opportunities under the proposed ordinance negatively affects middle-income as well as low-income areas of the county.

ordinance. The exclusion of poorer families from Workforce Housing opportunities negatively affects middle-income as well as lower-income areas of the county.

Beyond the problem with the definition of the “target income group” there are questions as to whether WHU’s would be affordable for family households that do qualify. **Table 3** reports specific affordable housing costs that would not be addressed by the proposed ordinance. If an inclusionary zoning policy intends to address the housing

needs of Miami’s actual workforce it cannot ignore the fact that about 21% of families need housing at \$500 or less in monthly costs and another 22% of families need housing at \$875 in monthly costs. **If these specific housing needs are not addressed, over 40% of the county’s family households (239,520 families) would not be able to afford newly built housing units.**

Address the Actual Need

About 21% of the county’s families need housing at \$500 or less in monthly costs and another 22% of families need housing at \$875 or less in monthly costs.

Table 3
Family Income Categories, Number and Percent of Families and Affordable Housing Costs

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

Source: American Community Survey, 2004

To further illustrate the mismatch between the proposed ordinance and Miami-Dade's workforce, consider the incomes of the following single- and dual-earner households. As **Table 4** illustrates, fairly typical households would have to take on enormous cost-burdens to afford the rental or mortgage payment costs of Workforce Housing Units. These households and family members work in jobs that range from janitors and cleaners to biomedical engineers to police officers and financial analysts. These are the families and households that comprise Miami-Dade's workforce and housing must be built and sold at prices they can afford.

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Table 4
Hypothetical Single and Dual Earner Households and Affordable Housing Costs

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

Source: Miami MSA Occupational Employment and Wages, 2004

(i) Percentage of median household income for Miami-Dade County (ACS, 2004).

(ii) An entry wage is the wage an entry-level worker might expect to make. It is defined as the average (mean) wage earned by the lowest third of all workers in a given occupation. An experienced wage represents what an experienced worker might expect to make. It is defined as the average (mean) wage earned by the upper two-thirds of all workers in a given occupation.

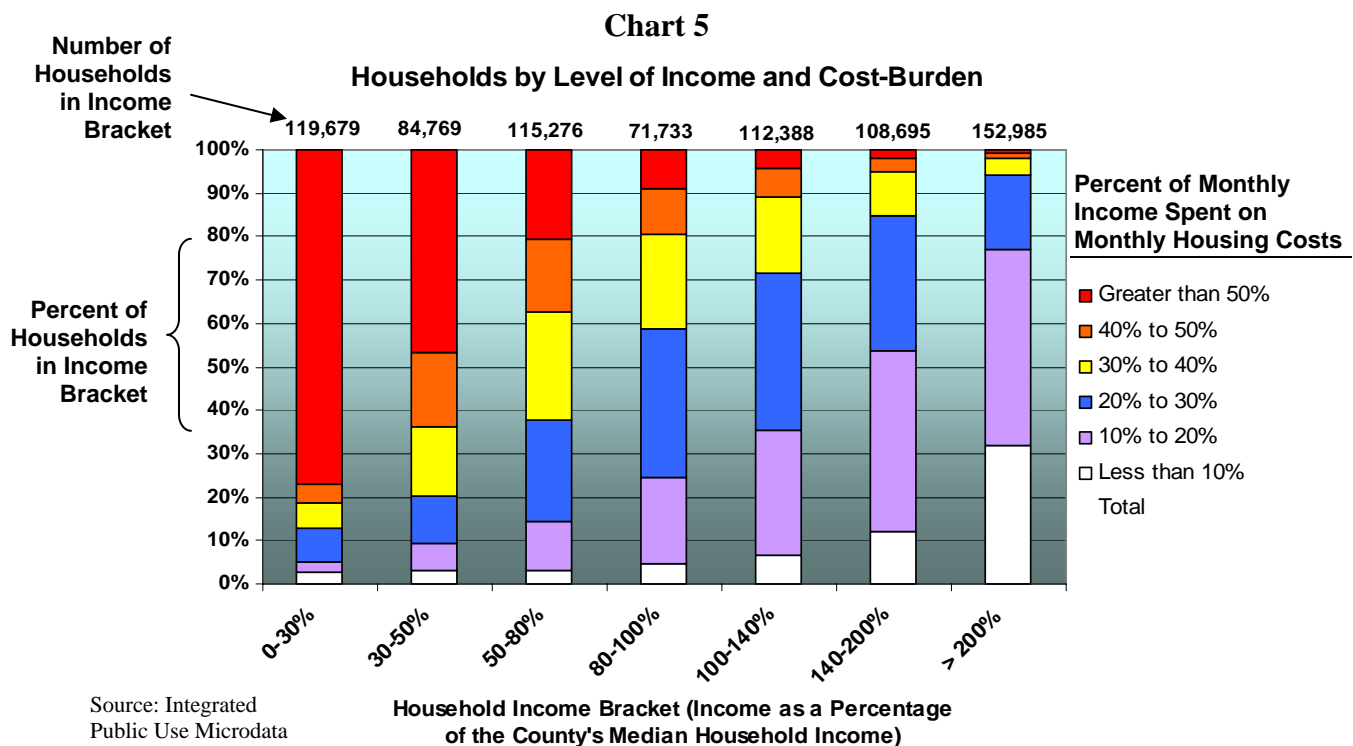
If Workforce Housing Units are priced to sell to households earning 140% of the area median income (AMI) most typical households will be priced out of the market for newly built housing. Targeting households that earn 140% of the AMI simply does not address the bulk of housing affordability problems in Miami. As **Chart 5** shows, housing cost-burden was concentrated among moderate- and especially lower-income households.⁵

If Workforce Housing Units are priced to sell to households earning 140% of the area median income most households will be priced out of the market for newly built housing.

In addition, as Map 1 illustrates (see appendix II), the neighborhoods in which the greatest share of families are excluded from the “target income group” tend to be areas that are ripe for new development, including neighborhoods in the central city, along major transportation routes and near the southern edge of the Urban Development Boundary.

Chart 5 shows that most of the housing affordability problems (yellow, orange, red in bars) are concentrated among households that earn less than 80% of the median household income.

With opportunities for affordable housing limited and as economic development sweeps through these neighborhoods, moderate- and lower-income households are faced with greater housing cost-burdens, overcrowded living conditions and displacement from their homes.



Conclusion

Cities throughout the United States have increasingly embraced the notion that mixed-income residential environments are more desirable and more economically feasible than income-based residential segregation. Excluding moderate- and lower-income households from affordable housing opportunities encourages sprawl and exacerbates an already strained transportation infrastructure in Miami. Moreover, in sprawled, economically segregated areas it is more costly to fund schools, develop high quality parks and public spaces, and more difficult to conserve land and natural habitats.

It is vital for the social and economic future of Miami-Dade County that inclusionary zoning policy is designed to be effective for a much broader range of the county's workers and families.

On the other hand, by making housing affordable to households at moderate and low income levels more employees are able to live near their place of work, which saves them (and the county) money on transportation, allowing for more disposable income and alternative investments (again, by both citizens and government). These are some of

the most important issues that make a city a desirable place to live or a place to avoid, and they are crucially affected by housing affordability.

It is vital for the social and economic future of Miami-Dade County that inclusionary zoning policy is designed to be effective for a much broader range of the county's workers and families. One option might be to use multiple tiers of eligibility for Workforce Housing, thereby ensuring new units are built to be affordable for moderate- and lower-income as well as middle-income

One possible approach might be to use multiple tiers of eligibility for Workforce Housing to ensure that newly built units are affordable for moderate- and lower-income as well as middle-income households.

households. For example, an alternative ordinance might use a three tiered system that requires some share of new units to be affordable to households earning up to 50% of the area median income (AMI), another share for households earning up to 80% of AMI and a third share for households earning up to 100% of AMI.

Rather than vote on the Workforce Housing Ordinance as it is presently drafted, the Board of County Commissioners should meet to discuss and gather input from a wider group of stakeholders.

While such a multi-tiered approach represents one possible option, it is clear that additional input and consideration is needed to develop a more broadly effective Workforce Housing policy. Rather than vote on the Workforce Housing Ordinance as it is presently drafted, Miami-

Dade County Board of County Commissioners should schedule a meeting or series of meetings to discuss and gather input from a wider group of stakeholders.

APPENDIX I: METHODS FOR NEIGHBORHOOD-LEVEL ANALYSIS

In selecting the neighborhoods for analysis we considered the geographic implications of the proposed Workforce Housing Ordinance. Since municipalities may choose not to adopt county-sponsored legislation, it is most likely that the proposed Workforce Housing Ordinance will only directly affect the unincorporated areas of the county. Thus we selected Unincorporated Miami-Dade County (Miami-Dade County minus its municipalities) and eight unincorporated neighborhoods for analysis. Within each neighborhood we determined the maximum monthly housing cost that would be affordable (i.e., the “affordable housing cost”) to families earning 65, 80, 100 and 140 percent of the median family income (MFI). The 65th and 140th percentile of MFI’s correspond to the target income range of the county’s proposed Workforce Housing Ordinance and the 80th percentile of the MFI is the standard established by the U.S. Department of Housing and Urban Development (HUD) to define low-income family households. Finally, we compared the affordable housing cost at the selected percentiles of the median family income (after adjusting incomes for inflation) to the fair market rent (FMR) for 2004 for the county as a whole. While the actual cost of housing may be more or less than the county-wide FMR, the FMR’s provide an approximate benchmark for measuring the gap between what families can afford and the prevailing cost of housing.

We selected neighborhoods that were found to be representative of moderate and low family incomes in relation to the county-wide MFI. According to the income thresholds used in “Chapter 1: Housing Needs Assessment” of Miami-Dade County’s Comprehensive Plan (2002), moderate-income households earn 81 to 95 percent of the MFI, low-income households earn 51 to 80 percent of the MFI and very-low income households earn 0 to 50 percent of the MFI.

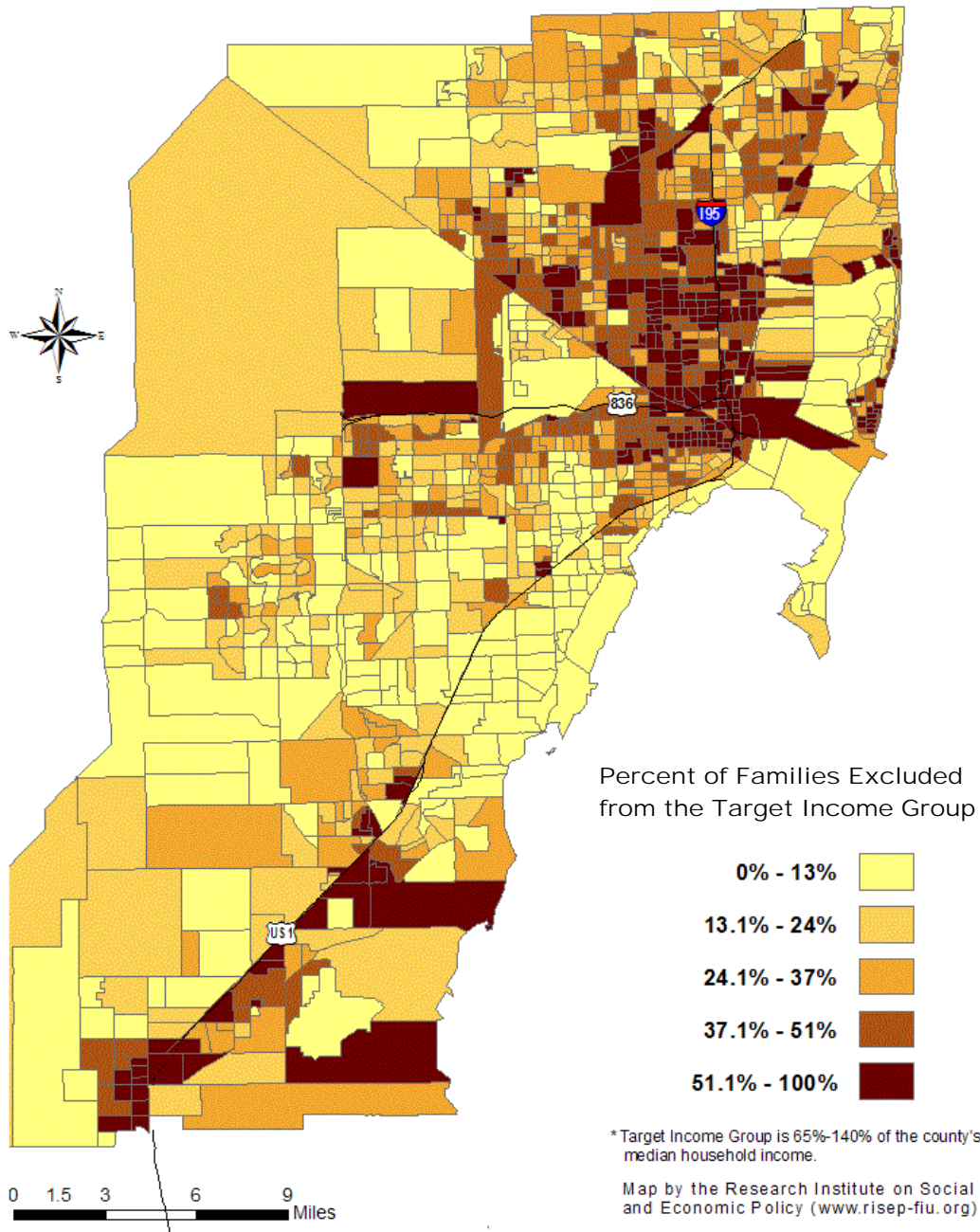
We used family data as opposed to household data because we were interested in what families can afford without the help of other household members. Moreover, family households make up 87 percent of the county’s household population. Our focus on “neighborhoods” required that we use data at the block group level. The most recent source that provides family income data for geographic units small enough for our purposes is the 2000 Census. While the U.S. Census Bureau has defined the selected neighborhoods as metropolitan “places,” the Census-defined place boundaries are different from those used by Miami-Dade’s Department of Planning and Zoning, which refers to these geographic areas as neighborhoods. To be consistent with the County’s geographic designations we used a Geographic Information System (GIS) to layer the Planning and Zoning department’s neighborhood boundaries⁶ over Census defined block groups. For each neighborhood we selected the block groups whose centers were located within the boundaries of the neighborhood. To select unincorporated Miami-Dade we extracted the census block groups whose centers were located within the boundaries of the county’s municipalities and cities, as defined by the Miami-Dade Information Technology Department’s municipal boundary file.⁷ Thus we removed from the county-wide Census block group data those block groups that comprised municipalities—the incorporated areas within the county—thereby isolating the census block groups whose centers were located within unincorporated Dade County.

The 2000 Census reports the number of families and the median family income by block group. We weighted the median family incomes by the population of families for each block group to determine a weighted median family income for the selected neighborhoods. We then calculated 65, 80 and 140 percent of the weighted median family income for each geographic area to determine the affordable housing costs. All figures were adjusted to reflect inflation by using the annual Consumer Price Index (CPI) factor for 1999 to 2004. Housing cost refers to monthly rent or monthly mortgage payments including utilities. In order to estimate the affordable housing cost we calculated 30 percent of the median family income divided by 12 months. Families that spend more than 30 percent of their income are considered to be “cost burdened” since they may not be able to afford basic necessities such as food, clothing, transportation and medical care.⁸ Thus we assert that the housing cost for a family should be no more than 30 percent of its income.

APPENDIX II: MAPS

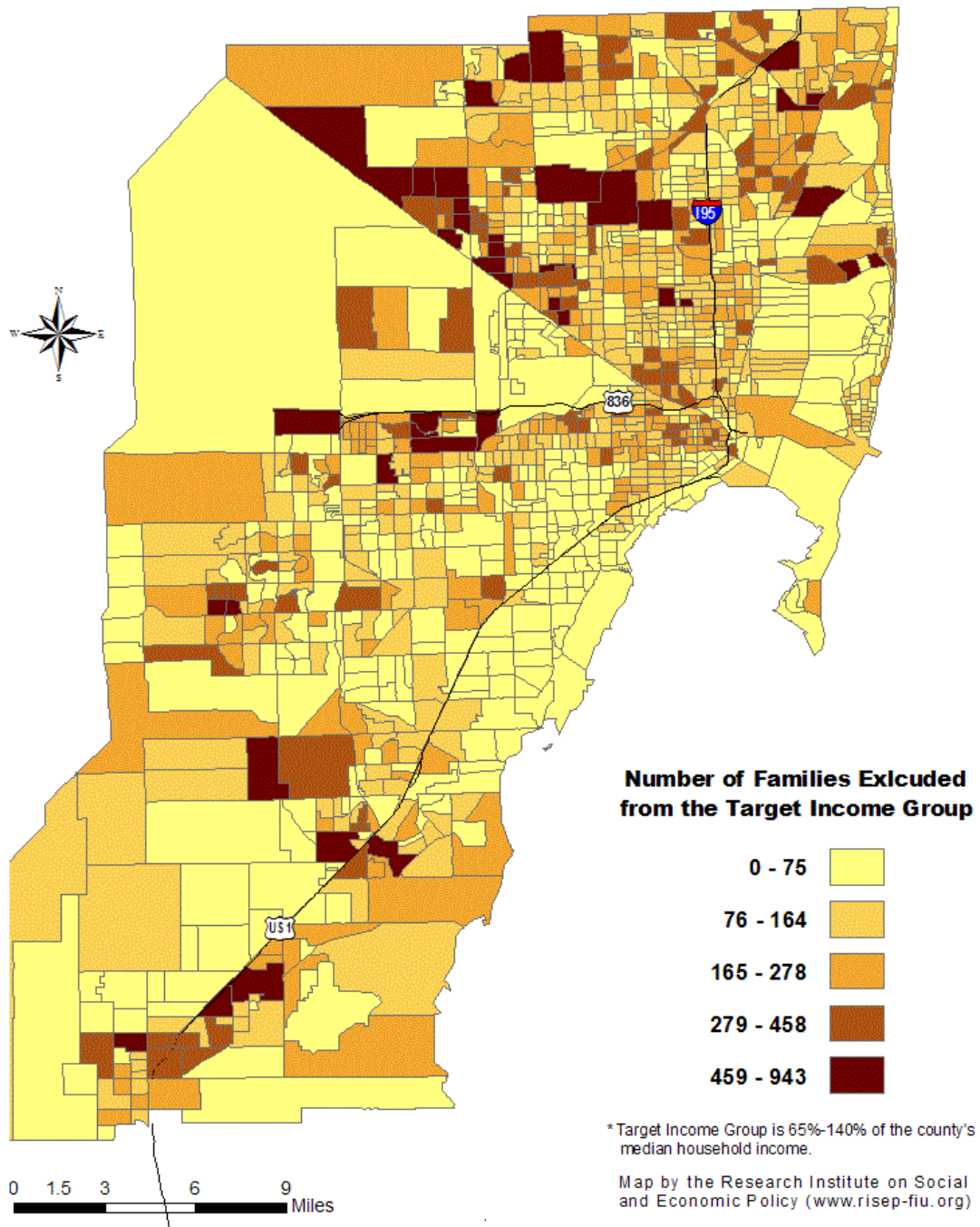
Map 1

MIAMI-DADE COUNTY: GEOGRAPHY OF THE TARGET INCOME GROUP*



Map 2

**MIAMI-DADE COUNTY:
GEOGRAPHY OF THE TARGET INCOME GROUP***



End Notes

¹ See for example, Shirley B. Andrades, “Can Our Workforce Afford Housing in Miami-Dade County?” *The Beacon Council, Inc.* (February, 2006); Harold L. Lewis, “Relocation boom or housing crisis? Unless rising housing prices across the region are curtailed, South Florida will fall off the short list of desirable places for companies to relocate,” *South Florida CEO* (October, 2004); and Matthew Haggman, “Gap between home prices, income widens in Florida,” *The Miami Herald* (2005). There have also been several workshops held on the subject, including a recent one sponsored by the Urban Environmental League and the Miami Beach CDC, “The South Florida Housing Crisis: Challenges, Opportunities, Program Successes” (1-18-2006).

² See, for example, Lisa Arthur And Matthew Haggman, “Governments set to discuss laws to address housing crisis,” *The Miami Herald* (11-14-2005); Theresa Bradley, “Affordable Housing Dwindling After the Storm,” *The Miami Herald* (11-9-2005); Peter Bailey, “Resentment is Rising as Communities are Remade,” *The Miami Herald* (9-11-2005); Marcos Feldman and Jen Wolfe-Borum, “Affordable Housing Cost for Families Residing in Low-Income Miami-Dade Neighborhoods,” *The Research Institute on Social and Economic Policy* (August, 2005), available at www.risep-fiu.org.

³ Housing costs are likely to be lower than the county-wide FMR’s in low-income neighborhoods and higher in upper-income neighborhoods. But housing costs do not go down or up as drastically as do incomes, meaning that in low-income neighborhoods the gap between incomes and housing costs will still be larger than elsewhere.

⁴ This figure is based on our analysis of a micro-data sample of 2000 Census data and is not comparable to the data used for Table 2.

⁵ Source of data used in Chart 5: Steven Ruggles, Matthew Sobek, Trent Alexander, Catherine A. Fitch, Ronald Goeken, Patricia Kelly Hall, Miriam King, and Chad Ronnander. *Integrated Public Use Microdata Series: Version 3.0* [Machine-readable database]. Minneapolis, MN: Minnesota Population Center [producer and distributor], 2004.

⁶ For more information see the metadata at <http://gislab.fiu.edu/metadata/dade%20itd/pallneig.htm>.

⁷ For more information see the metadata at <http://gislab.fiu.edu/metadata/dade%20itd/pmunic.htm>.

⁸ See the U.S. Department of Housing and Urban Development’s (2005) discussion of affordable housing at <http://www.hud.gov/offices/cpd/affordablehousing/index.cfm>.