

Memorandum



Date: February 8, 2022

To: Honorable Chairman Jose “Pepe” Diaz
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor 

Subject: Memorandum in Response to Item 2A/2A Substitute on Thursday’s County Infrastructure, Operations and Innovations Committee (CIOIC) Agenda Related To Single-Family Residential Units

This administration is committed to meeting the housing needs of all County residents. I support the many efforts to use land inside of the Urban Development Boundary (UDB) more efficiently, and therefore support the elements of this legislation that call for a broader allowance for accessory dwelling units (ADU) and for greater density or lot-splitting within single-family residential areas. Creating increased affordability for all residents is critical to building a more inclusive, more resilient, and a more thriving Miami-Dade for many years to come.

While I appreciate the spirit of this legislation, the administration has serious concerns about its requirement to maintain a 10-year land supply in perpetuity for single-family residential housing. The proposed metric would create an immediate and continuous residential deficit precipitating the premature expansion of the UDB. Such a provision would create an instant deficit of approximately 32,400 units countywide to satisfy demand through 2032, requiring approximately 3,200 acres be dedicated to single family uses. Thereafter, approximately 54,000 units would need to be created every ten years to keep pace with this artificial requirement, resulting in the potential depletion of over 5,400 acres of farmland each decade. A metric driving such an intense need for new low density residential use will naturally lead to constant movement of the UDB and the subsequent depletion of valuable agricultural and other non-urban land. Furthermore, a significant amount of analysis is needed to ensure that alternative housing strategies outlined in the legislation are implemented in a way that respects existing residential character. Filing in the next CDMP amendment cycle does not provide sufficient time to do so. Accordingly, the directive should instead be to file as soon as practicable.

The proposed legislation will also create challenges for the County’s strategic investments around transportation and infrastructure by increasing traffic congestion, raising transportation costs for residents, and disinvesting in historic infrastructure gaps, as well as unintentionally threatening Miami-Dade's agricultural industry.

- Single-family housing already makes up 87% of the residential land area within Miami-Dade. Instead of further depleting limited remaining land, we can work to provide a wide range of housing stock by redefining what we consider a single-family

neighborhood. Our shared focus should be on policies that incentivize the development of homes that provide the characteristics families value in our existing residential neighborhoods, rather than on creating metrics for housing types which have traditionally led to more traffic, unsafe streets, and unwalkable neighborhoods far from commerce and jobs. We are a growing community with limited buildable land, and our housing types must be adjusted to that changing reality.

- The requirement for single-family housing undermines the County’s commitment towards improved mobility and increased affordability. This Board has signaled its desire to invest in development around local transit hubs by adopting more favorable land use and zoning standards and making massive investments towards accomplishment of our SMART plan goals. New construction at these locations is only just beginning to realize its full potential and would be undermined by policies that incentivize development far from transit options as they increase congestion, carbon emissions, and transportation costs. Additionally, building along our public transit corridors will support our shared efforts to attract federal and state dollars for mass transit. These investments help to decrease overall transportation costs and increase affordability for Miami-Dade residents. Data presented in the 2021 Urban Expansion Area (UEA) Report has also shown that housing price fluctuations in Miami-Dade County have been consistent with the average price increases of the other large counties in Florida, which supports a conclusion that the UDB does not appear to exert inflationary pressure on housing prices. Additional analysis also shows that single family home prices have continued to trend upward over the last 10 years despite increases insupply. This too is not just a local phenomenon.
- Our community and this Board are rightly prioritizing septic to sewer conversions to protect the health of Biscayne Bay and our drinking water, but what is often overlooked is the key role private sector investment plays on this issue. Approval of any development activity requires that it address any associated infrastructure costs and ultimately mitigate its impacts. When the County encourages development to occur within the urban core, historic sewer infrastructure gaps are more likely to be addressed. The choice of where we encourage development matters not just for septic conversion but also for quality public services like police and fire protection, solid waste, recreation, roadways and transit, among others. The UDB helps to ensure that new development efficiently addresses existing deficiencies in infrastructure across all services upon which all residents rely.
- Lastly, the measures in the item will inevitably lead to encroachment of single-family development on agricultural land outside the UDB. If adopted, a perpetual 10-year single family mandate would all but guarantee the depletion of all agricultural land within 40-50 years. This provision would quickly lead to the "tipping point" after which agriculture could not be sustained as a vital part of our county economy, currently our

second largest industry. It is critical that the Board-directed study to assess agricultural land needs is soon accepted by the sponsor, allowing it to move forward for consideration by the full Board, so we can best understand the true impact of such regular encroachment.

I look forward to the discussion at Thursday’s Committee meeting. Should you have questions in the interim, please contact me or Lourdes Gomez, AICP, Director of Regulatory and Economic Resources at 305-375-2886 or Lourdes.Gomez@miamidade.gov.

Attachment

- c: Geri Bonzon-Keenan, County Attorney
- Gerald K. Sanchez, First Assistant County Attorney
- Jess M. McCarty, Executive Assistant County Attorney
- Office of the Mayor Senior Staff
- Lourdes M. Gomez, Director, RER
- Josenrique Cueto, Deputy Director, RER
- Jerry Bell, Assistant Director for Planning, RER
- Nathan Kogon, Assistant Director, Development Services, RER
- Jennifer Moon, Chief, Office of Policy and Budgetary Affairs
- Yinka Majekodunmi, Commission Auditor
- Melissa Adames, Director, Clerk of the Board

Memorandum



Date: February 8, 2022

To: Honorable Daniella Levine Cava
Mayor

A handwritten signature in blue ink, appearing to read "Lourdes M. Gomez". The signature is fluid and cursive.

From: Lourdes M. Gomez, Director
Department of Regulatory & Economic Resources

Subject: CIOIC Resolution Directing the Filing of a CDMP Application to Require that the County Maintain a Minimum 10-year Land Supply of Single-Family Residential Units, and Considering Authorization of Broader Use of ADUs and Greater Density or Lot-Splitting

This memorandum analyzes the impacts of Item 2A Substitute on the County Infrastructure, Operations & Innovations Committee Agenda dated February 10, 2022, directing the filing of a CDMP application to require that the County maintain a minimum 10-year land supply of single-family residential units, and to consider authorization of broader use of accessory dwelling units and greater density or lot-splitting.

The requirement to maintain a 10-year supply of single-family residential would create an immediate land deficit of approximately 3,200 acres and a perpetual need to add 5,400 acres each decade. The proposed legislation must be clarified to ensure that no single housing type drives movement of the UDB.

Furthermore, a significant amount of analysis is needed to ensure that alternative housing strategies outlined in the legislation are implemented in a way that respects existing residential character. Filing in the next CDMP amendment cycle does not provide sufficient time to do that. Accordingly, the directive should instead be to file as soon as practicable.

Adopting a policy to support an unrestrained, stand-alone single-family residential capacity metric risks our larger comprehensive plan goals and the progress this County has made in implementing transit supportive land use policies and fostering infill development. Infill development is critical to retrofitting historic gaps in infrastructure and is particularly significant in realizing our goal of reducing nutrient loads on Biscayne Bay through septic to sewer conversions within the existing UDB. Including a new single-family residential metric will not contribute to housing affordability but will drive encroachment on agriculture, sensitive environmental areas, and other non-urban uses. Our policies must instead continue to emphasize responsible and sustainable development that welcomes families and industry today and into the future.

RELATIONSHIP OF RESIDENTIAL LAND SUPPLY TO UDB MOVEMENT

CDMP Policy LU-8F directs the County to maintain sufficient developable land inside of the UDB to sustain projected countywide residential demand for single and multi-family uses combined for a period of 10 years. In furtherance of that policy, the County's development capacity analysis projects household growth and assesses the development potential of vacant land and the redevelopment potential of parcels, considering land use, zoning, and major approved projects or projects under administrative review. Household demand is then allocated across the County, to the 32 Minor Statistical Areas, according to historic trends and capacity. This methodology has been in use for three decades, has been approved by the State, and has withstood the scrutiny of litigation.

The subject resolution assumes that the County's land supply methodology does not presently distinguish among types of residential units, and that it treats single-family and multi-family dwellings as interchangeable when determining residential land supply. It also assumes that residential supply is solely calculated on a countywide basis, without consideration of supply in subareas and subregions. It further assumes that no methodology is used to determine relative demand for single and multifamily units.

Contrary to these assumptions, the County's methodology does in fact account for differential unit types (thus the ability to project a single-family depletion year). It also considers residential supply by tiers, sub-tiers, and minor statistical areas (MSAs) and includes standards for determining demand for single-family and multi-family units.

The issue is not the County's approach to the land supply methodology, but rather CDMP Policy LU-8F, which does not permit the Urban Development Boundary (UDB) to be moved solely based on the depletion of a specific unit type. In other words, depletion of new single-family capacity alone, particularly when land for other housing unit types remains available, will not demonstrate a "need" to move the UDB. This is an intentional policy meant to address the land intensive nature of single-family residential uses because, absent zero or negative population growth, the requirement to maintain a single-family residential capacity metric - will always create a need to move the UDB.

OVEREMPHASIS ON SIGNIFICANCE OF PROJECTED DEPELETION YEAR

The subject resolution overemphasizes the single-family depletion year of 2024, which was published in the 2021 Final Urban Expansion Area (UEA) Report. But that depletion year estimate was only one of many data points offered in that 500-page report. And single-family residential depletion data has been reported and reanalyzed in every statutorily-mandated

Evaluation and Appraisal Report (EAR) analysis that this County has conducted and is further analyzed multiple times a year when CDMP amendment applications are considered.

The development capacity analysis is updated periodically to account for changing trends. For example, the County’s 2003 capacity analysis estimated that single-family capacity would be depleted by 2015 and that combined capacity would be depleted by 2020. Similarly, the County’s 2011 capacity analysis also estimated that single-family capacity would be depleted by 2016 and that combined capacity would be depleted by 2021. But subsequent assessments extended the depletion year because of changes in population, demand, growth trends, zoning, and land use.

In fact, the January 2022 development capacity analysis projects a single-family depletion year of 2026—two years beyond the May 2021 UEA Report estimate (see table below). This revised depletion year estimate is attributed to a lower-than-expected absorption of single-family units over the last six months. In addition, preliminary 2020 Census data confirmed a slowing population growth rate in Miami-Dade. If current trends continue, the projected depletion years for single-family and multi-family capacity could extend even further out than existing analysis projects. In the next few months, staff will update the capacity analysis with updated data from the 2020 Census and American Community Survey.

Residential Land Supply/Demand Analysis
 Miami-Dade County, 2020 to 2040

Analysis Done Separately for Each Type, i.e. No Shifting of Demand between Single & Multifamily Type	Structure Type		
	Single Family	Multi- Family	Both Types
Capacity in 2022	23,644	257,187	280,831
Annual Demand in 2020-2025	5,478	5,263	10,741
Capacity in 2025	7,210	241,398	248,608
Annual Demand in 2025-2030	5,482	5,007	10,489
Capacity in 2030	0	216,363	196,163
Annual Demand in 2030-2035	5,405	4,806	10,211
Capacity in 2035	0	192,333	145,108
Annual Demand in 2035-2040	5,292	4,587	9,879
Capacity in 2040	0	169,398	95,713
Depletion Year	2026	2040+	2040+

Source: Miami-Dade County, Department of Regulatory and Economic Resources,
 Research and Economic Analysis Section, January 2022.

The land supply analysis alone also does not mean single-family units will cease to be available, because the analysis does not include turnover within the existing housing stock. Although existing housing stock would not satisfy demand induced by population growth, this existing stock is available supply and will continue to exist regardless of projected depletion of the development capacity for new units.

It is important to note that the County has never maintained a single-family capacity metric, yet it has been able to meet the demand for residential units generated by increased population. Furthermore, single-family housing affordability in Miami-Dade has not historically depended on capacity, as recently shown in the 2021 UEA Study and addressed more fully below.

THE PROPOSAL RISKS GOALS OF PRESERVING AGRICULTURE AND DISCOURAGING URBAN SPRAWL

The County's capacity analysis is key to determining "need" for additional development land and ensures that the UDB isn't moved prematurely. Tightly controlling UDB movements not only preserves agricultural and non-urban areas, but also it ensures the efficient extension of County infrastructure. Justifying UDB movement by assigning a new 10-year supply for single-family housing capacity will pose challenges to these important goals by encouraging growth in areas that are not supported by, and cannot be efficiently served by extension of existing infrastructure and services. The proposed new metric would thus challenge efforts to contain sprawl and to promote infill development and investment inside of the UDB.

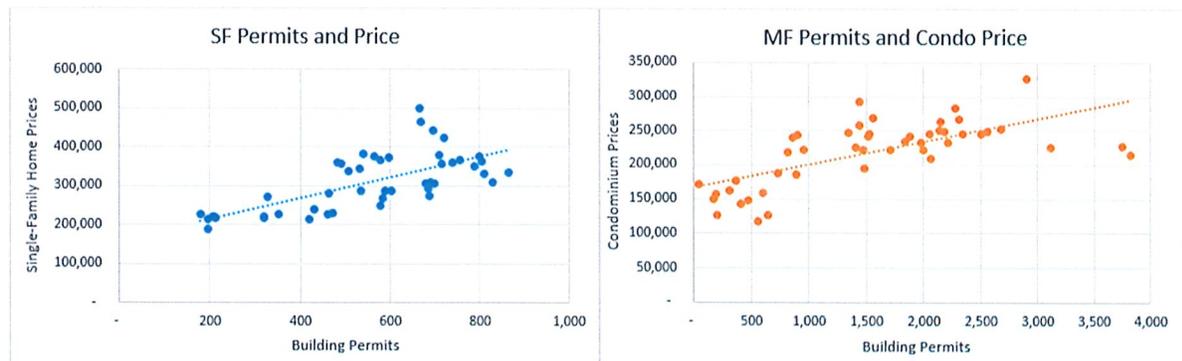
A policy of simply maintaining a single-family residential supply capacity without significant criteria or conditions to properly guide UDB movement may compromise existing CDMP goals to promote compact urban form, preserve agriculture and environmentally sensitive areas, and accommodate other non-urban uses such as rock mining. The 2021 UEA Report illustrated this point. The UEA Report evaluated the environmental and economic value of land outside of the UDB and detailed the various policy trade-offs associated with development outside of the UDB.

A single-family policy that does not first consciously prioritize creation of housing inside the UDB will inevitably lead to encroachment of single-family development on agricultural land outside the UDB. The proposed policy would create an immediate deficit of approximately 32,400 units countywide to satisfy demand through 2032, which would require adding approximately 3,200 acres; maintaining a perpetual 10-year policy would require an additional 5,400 acres each decade. Under our current development standards, complete depletion of all agricultural land could be expected within 40-50 years if a perpetual 10-year single-family capacity mandate is adopted. Staff has prepared and negotiated an agreement with the University of Florida's Institute of Food and Agricultural Sciences (UF-IFAS) for the scope of work associated with an assessment of agricultural land as directed by the Board and legislation to approve that agreement is pending acceptance by the legislation sponsor. It is critical that this study be completed and considered in the context of any future residential land use changes, because many CDMP policies are premised on protecting the economic viability of agriculture.

A SINGLE-FAMILY DEVELOPMENT CAPACITY REQUIREMENT DOES NOT ADDRESS HOUSING AFFORDABILITY

Proliferation of single-family housing, even on green fields,¹ does not produce more affordable housing. Additionally, single-family attached (rather than detached) housing provides an important housing option for moderate income families. Sales data from the Miami-Dade County Property Appraiser (2019) shows that while single-family detached housing is approximately 40% more expensive than multi-family residential, single-family attached housing is only 8% more expensive.

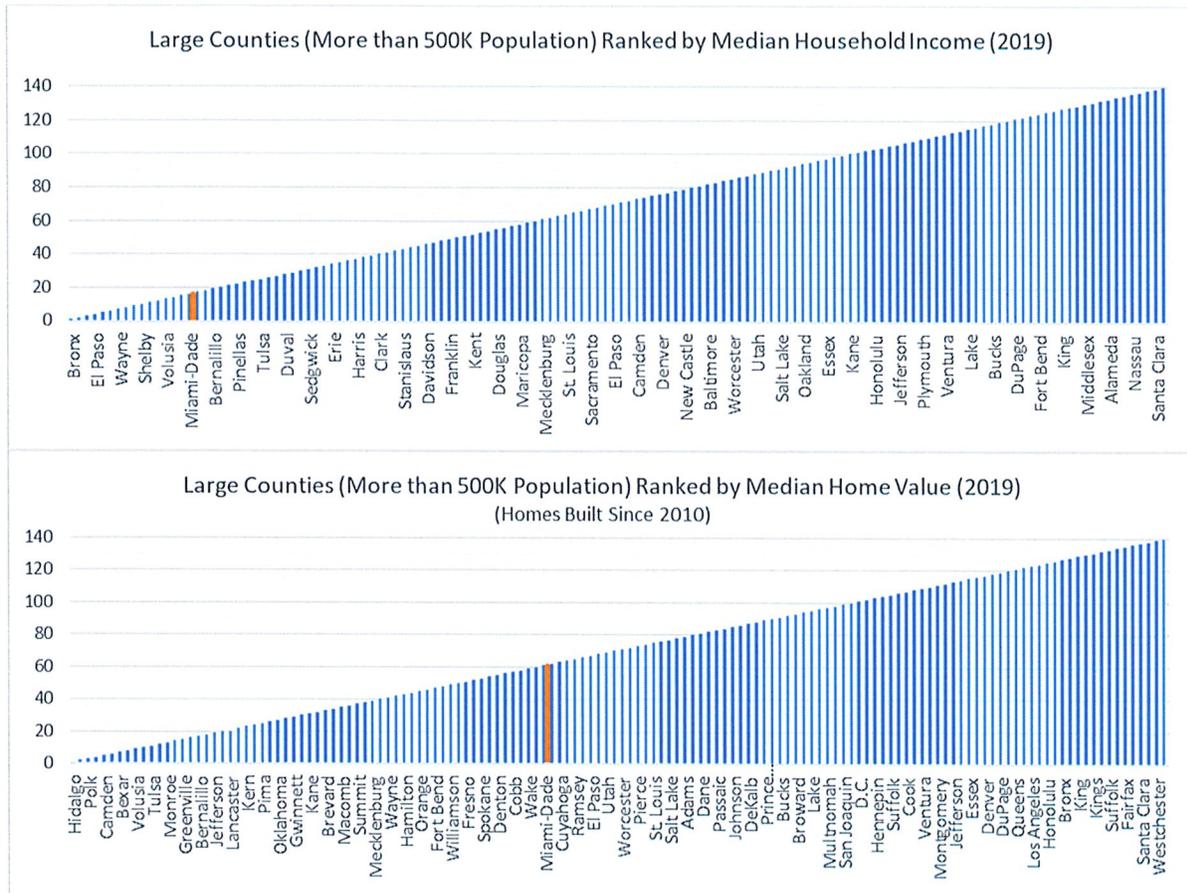
If the last decade provides any indication, the County cannot simply build itself into greater affordability. The following charts illustrate the correlation between building permits and housing prices for the period 2010 through 2021. The data shows a positive correlation of the sales price of both single-family and condominium homes with building permits and prices. This counterintuitive result indicates that even as the supply increases, prices continue to rise at record rates. Possible reasons for correlation may be construction costs over the last decade. The consumer price index for housing has increased 30% in that time. Another possibility may lie with the types of homes and condos that are being built. The home-price increases seem divorced from trends with household incomes in the County. Housing production may be targeting an external market rather than County households.



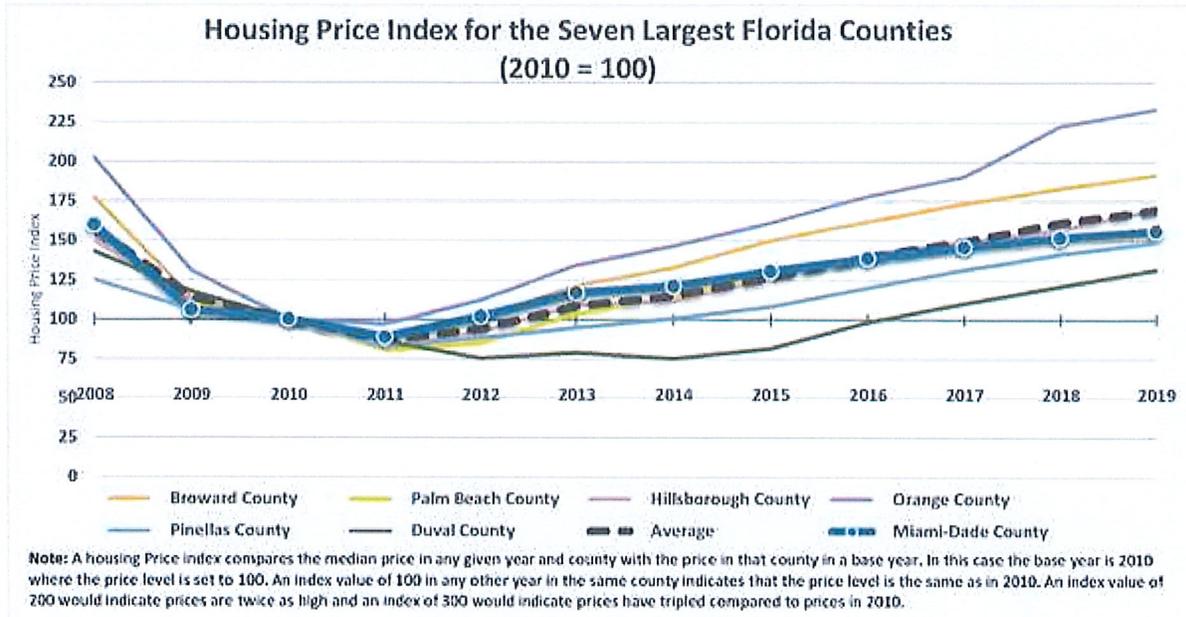
Using 2019 American Community Survey data, staff looked at the largest counties in the nation --those with over 500,000 residents in population. The charts below illustrate that among these 140 large counties, Miami-Dade ranks 16th from the bottom for median household income and 61st from the bottom for median home value. Even though the County is faced with a below average median home value in this group of large counties, the lack of affordability is driven by relatively very low median income. Based on the trends presented above, merely increasing

¹ Green field development is any kind of real estate development in previously undeveloped areas. (www.Planetizen.com/definition 2022)

the supply of single-family housing seems unlikely to have a significant impact on their affordability for the County's households.



Data presented in the May 2021 UEA Report also demonstrated that it is not possible to isolate the UDB as a contributing factor to housing price inflation. Housing price changes were compared among the 7 largest counties in Florida. Like Miami-Dade, the comparison counties noted in the chart below have policies that constrain development in certain areas and prioritize development in other areas. However, none of the comparison counties have growth boundaries as restrictive as Miami-Dade. The data shows that price fluctuations in Miami-Dade over time were consistent with the average price increases of the comparison counties, which supports a conclusion that the UDB does not appear to be exerting inflationary pressure on housing prices.



Data Source: Zillow.com accessed on October 21, 2019; Planning Research and Economic Analysis

Transportation costs are also aggravated for households farther away from employment centers. Location affordability measures the share of income spent on housing and transportation costs. Miami-Dade County is one of the least affordable urban areas in the country when housing and transportation costs are combined. According to the Center for Neighborhood Technology, moderate-income families in Miami-Dade are spending up to 70% of their income on housing and transportation costs. This is higher than Los Angeles County (67%), Harris County, Texas (56%) and Orange County, Florida (68%). Lower income families are particularly impacted by this combined housing and transportation cost burden.

THE PROPOSAL MAY RISK SMART PLAN GOALS AND DIVERT FROM INFILL INVESTMENT

A requirement for detached single-family housing also proposes challenges to this County’s investment in SMART Plan goals. Infill and redevelopment are inhibited when green fields are prioritized, and the viability of transit over automobile transportation invariably suffers in low density settings. The Board has signaled its desire to invest in development potential around our transit hubs by adopting land use and zoning standards at our planned mass transit stations that support transit by fostering pedestrian activity. New construction at these locations is only just beginning to realize its full potential and would be diminished by policies that incentivize development far from transit options that will increase transportation costs for households.

The transformative power of infill and redevelopment is perhaps most urgent today in connection with Biscayne Bay. A key precipitator of septic to sewer conversions is private sector investment as it occurs through the development process. Approval of any development activity requires that it address its associated infrastructure costs and mitigate its impacts. Hence, when development and redevelopment occur within the urban core, infrastructure deficiencies such as lack of sewer are likely to be addressed. Sewer conversion, along with other infrastructure retrofits, are a key outcome of infill and redevelopment, and cannot take root in their most transformative manner when green fields are prioritized.

Septic to sewer conversion is but one example of the importance of prioritizing where we choose to allow new development. Levels of service around police and fire protection, solid waste, recreation, roadways and transit, among others, are also impacted by choices to develop away from the urbanized area. CDMP policies promoting infill help to ensure that new development addresses existing deficiencies in infrastructure across all services relied upon by our community.

THE COUNTY SHOULD REEVALUATE THE POTENTIAL FOR SINGLE-FAMILY HOUSING INSIDE THE UDB

To maintain consistency among existing CDMP policies, the CDMP should instead reevaluate the meaning of single-family housing as something other than detached structures at relatively low densities. Exploration of ADU implementation and concepts around lot splitting are a significant step but will not alone be adequate long-term to provide a perpetual new 10-year capacity of single family, and the proposed metric will inevitably require intrusion on agricultural land. Any policy to specifically address the supply of single-family residential housing, however defined, should therefore focus on increasing the housing capacity inside the UDB rather than competing with other existing goals.

The County's current development capacity analysis is premised on accommodating population growth through a variety of housing types. Although our current capacity analysis only assesses single-family and multi-family units, these categories contain some nuance. The single-family category includes everything from large lot estate homes to attached townhomes. The multi-family category includes everything from triplexes to high-rise buildings. While the housing preferences of families are not homogenous, the common preferences, such as open space and quiet, are represented in both the single and multi-family housing types. Rather than creating a perpetual requirement for detached single-family housing now, the Board would benefit from a study that assesses housing needs based on family housing preferences to inform policy decisions.

Communities all over this nation have faced the growth strains that Miami-Dade now faces. And those that have continued to find themselves attractive to families have found sound housing policy alternatives that work hand in hand with responsible growth. As noted above, even at our present minimum density of 10 units/acre for applications proposing residential development on land currently outside of the UDB, the proposed single-family metric could result in a complete depletion of all agricultural land within the next 40-50 years. The County must take steps to create policies that will continue to maximize the efficient use of our land.

Exploration of the single-family residential potential inside the UDB will require thoughtful and context-sensitive changes to our existing land use policies and our zoning code that respect established neighborhoods and existing development patterns while exploring alternatives. These changes must foster the appropriate market conditions to incentivize our development community to invest in the design of new single-family housing types inside the UDB. It may also require the County to define single-family living differently than we are accustomed to today. Housing stock that includes outdoor space and family-oriented amenities can come in many forms and can be built in an attractive and more efficient manner than the traditional detached single-family house without overwhelming the aesthetic of existing neighborhoods. Although current development practices in Miami-Dade do not provide a substantial variety of alternative single-family living styles, other communities do have such house-scale residential development models. These models can support a broad range of interior options with exteriors that naturally integrate into surrounding single-family structures and include modest yards and open space on a more sustainable scale.

These new family housing types more effortlessly support transit by fostering walkable neighborhoods and localized commercial development. They are generally more affordable than traditional single-family developments, yet they achieve the same sense of livability and quality of life that attracts families to neighborhoods of choice. These unit types include duplexes, fourplexes, bungalow courts, and multiplexes that provide residential options on the scale of houses but that support residential uses at efficiencies double and triple to those we are accustomed to seeing in our suburbs. While not developed extensively within our County now, they have the potential to significantly enhance housing diversity, and they are appropriately located inside the UDB because they lend themselves to walkable contexts where retail and transit are available. In the unincorporated areas, such models may work best along corridors and transitional areas near traditional neighborhood amenities. Wide-spread implementation of such residential models can at once preserve our natural resources and pervious land surface, sustain agriculture, promote infill, support our SMART Plan goals, and create a more sustainable and affordable housing inventory.

The creation of an alternative single-family capacity requirement will hinder efforts to address deficiencies inside the UDB that prevent maximum development of current single-family

areas. A significant amount of the County's single-family residential supply is concentrated within the lower density land use categories. Efforts to increase capacity within existing single-family areas, as directed by the legislation, should focus on increasing the supply of attached single-family housing and new housing models that offer sustainable open space and amenities attractive to families. Although the CDMP permits densities up to 13 dwelling units per acre in the Low Medium Density land use category, even these areas are currently only developed at approximately 5.8 dwelling units per acre. Preliminary analysis shows that some of these areas lack sewer service, which may be contributing to underdevelopment in those areas.

We have had incredible success with planning for land uses around transit, which has led to a robust supply of multi-family residential that is expected not to be depleted until beyond 2040. This combined total residential capacity within the UDB includes 281,000 unbuilt units. The analysis directed in this legislation should seek to accomplish this same success with single-family housing stock by identifying and removing any barriers to maximum development of alternative housing styles in the single-family residential areas.

Currently, the County assesses the adequacy of land supplies to meet future demand countywide. Over 40% of the County's single-family areas are located within municipalities. The unincorporated areas cannot bear the full burden of addressing an issue that is countywide, our municipalities must be partners with us. The Department recommends the resolution identify strategies to address the deficit in single-family residential in the unincorporated area as well as the municipalities, and this goal should be clearly expressed within the legislation.

CONCLUSION

We have already begun to analyze changes to land use and zoning patterns that will foster the development of the alternative housing strategies outlined in this legislation. A full analysis will require significant community input and support from both you and our Board so that implementation occurs in a way that respects existing residential character.

I look forward to working with you and the Board to construct responsible policies that will continue to make our County a desirable place to live. Please do not hesitate to contact me if you have questions regarding this information.