Case Study

Model City Redevelopment

Nature of the Dispute

This potential dispute revolves around the building of new affordable single-family and multi-family homes and apartments to replace the units that were lost when federally subsidized (Section 8) Miami Limited and Miami Limited II were demolished by the City of Miami displacing over 2500 residents. In 2000 the City of Miami condemned the substandard, crime riddled, rat-infested structures and had them demolished as part of an initiative from its Community Development Department that identified the Model City neighborhood as a Community Revitalization District. The displaced residents were given rental federal housing vouchers so they could relocate to other buildings whose landlords are authorized to receive housing funds. Because few such subsidized rentals remain in Model City, the residents had no choice but to leave the area. The original goal was to construct 5,000 new homes in seven target areas, including Model City, which low-income residents could actually afford to buy. In order to meet this goal the City wanted to build 1,000 homes in the first two years and the remainder by October 2004. To do this, they would have to purchase many more parcels in the area than it already owned and/or fund private companies and non-profits interested in building on privately owned lots. As of today’s date, less than 500 units have been built or contracted out. Several principal parties have raised legitimate concerns over the lack of redevelopment in Model City. There has not been a formalized dispute as of yet, but there is the potential for one. This case study will identify all principal parties and their positions as they relate to a potential dispute. Most of the information in this report was gathered from newspaper articles, minutes from neighborhood association meetings, minutes from City Council meetings, Community Development Department meetings, as well as phone interviews and email responses.
Case History

As there has not been an actual dispute brought forward, this section will identify the principal parties and their positions. Most of the dispute will evolve around the issue of trust. The City of Miami has had a long history of corruption in its ranks, and many of the citizens feel that they cannot trust the City officials. The Community Development Department had not made good on a lot of promises to the citizens of Model City, to the local business owners, or to the local banks and developers. This had lead to a lack of communication, which had bred contempt towards any effort the City has made to revitalize Model City.

City of Miami/Community Development Department:

In July 2001 the city commission created a Model City Community Revitalization Trust to oversee the development of single-family and multi-family units. The trust put together a plan to spend $31 million dollars to acquire over 400 parcels of land in Model City for this purpose. So far $8 million dollars has been spent to purchase 75 parcels. According to the trust chairperson, Gwendolyn Warren, “if things progress smoothly, the City will open a bid process later this year to hire a private contractor to actually start building, though construction is not expected to begin until sometime next year.” The Community Development Department, which operates the Community Revitalization Trust, asserts that the major problems with the Model City project are communication and implementation. There has been a lack of communication between different levels of city and county government agencies essential to the redevelopment process that has caused the process to come to a standstill. And the lack of a workable implementation plan has drastically hindered the City’s ability to move forward with the plan. The City has also taken the position that it is not “systematically” working to keep displaced residents from moving back into the Model City neighborhood. However, they do concede that they have put mechanisms in place to ‘monitor’ who is returning, to reduce the risk of the new development evolving back into the crime infested area it once was. The City feels that it is working to the best of its ability to usher in redevelopment and revitalization in Model City but
understands the need to reevaluate the current plan and make changes as necessary.

**Displaced Model City Residents:**

Several displaced residents of Model City claim that the City assured them that once the redevelopment was complete they would be able to move back into their neighborhood, and into new units at a subsidized rate. Due to a lack of subsidized rental units available in Model City at the time they were displaced, many had to relocate to areas outside of the neighborhood. Many say that they are too far from their jobs, and that their children have had to change schools due to the displacement. Also, because of the lack of City monitoring of subsidized housing, many have been forced to move into units with conditions just as bad as Miami Limited, if not worse. Of the 500 units that have been built, only 9% have been sold or rented to displaced residents of Model City. The rest have been sold or rented at market rates to the general public. Former residents complain that the screening process that has been initiated works to keep them from returning to their neighborhood. The screening process includes doing a criminal background check and a credit and employment check. The City has not released its exact criteria, but former residents complain that even the slightest blemish on their record is being used as a basis of keeping them from returning to Model City. Their overall position is that: 1) the City has not supplied enough units in an adequate amount of time and 2) the City has created an unfair hurdle to keep them from returning.

**Current Model City Residents:**

According to Lida Rodriguez-Tasee, president of the Miami ACLU and a member of a community coalition made up of residents of Model City and Liberty City, “the current plan by the city would shrink the affordable housing stock and price most project tenants out of the neighborhood.” A large number of residents have attempted to organize themselves into community groups and organizations focused on addressing the issues in Model City. They have also partnered with other neighborhoods deemed Community Revitalization Districts. The residents feel that they are being treated unfairly because they are mostly low-income. This along with a major concern over the time it is taking
to redevelop the area is what Model City residents have a problem with.

**Model City Business Owners:**

Lorraine Hibbert owns and operates a small seafood restaurant on a lot adjacent to where Miami Limited once stood. She says that, “When business was good, we had people coming in and going out all the time. Now, there’s hardly anyone around, we barely break even and most months we lose money. They shipped out those people so fast, it’s like it happened overnight.” This concern is echoed by many of the business owners in the Model City Neighborhood. They blame the City for removing their customer base, and dragging its feet to bring them back. Also, according to several business owners, the City promised them grant money to remodel and upgrade their establishments as a part of the Community Redevelopment Plan. They all say that the money never came. Their primary issues are that: 1) the loss of customers is seriously impacting their businesses and 2) the City has not made good on its promise of grant money for remodeling and upgrades.

**Developers:**

Based on information gathered from local developers, their primary concern is that the development process is not happening quickly enough and that the City of Miami has not established an equitable way to determine which developers are assigned contracts. They claim that there is “rank corruption” in the City government and that favoritism plays a major role in issuing contracts that get City funding. As it is, developers willing to build affordable housing units are eligible for large grants, up to $100,000, to assist in the development of these projects.

**Local Banks:**

Representatives at SunTrust Bank and First Union/Wachovia have been quoted as saying, “We expect to play a significant role in the revitalization of this neighborhood. We have a commitment to the people to be a resource of funding for first time home loans and home improvement loans.” The local banks have taken the position that since a part of the Community Development Department’s strategy is to partner with local banks to provide low interest loans to first time homebuyers as well as home
buying seminars and financial counseling services, they have an interest in the prompt redevelopment of Model City. The main issues they have are; 1) How will the local banks be chosen and 2) How soon will the City begin contracting out more development?

Conclusions

Based on the above information the breakdown was bedded in several factors. First, the City of Miami started out with a feasible plan, but did not have the mechanisms in place to implement it. The planning necessary to undertake such a lofty goal was not done. The support staff needed to oversee the daily operations of the Community Development Trust was not in place. The plan looked good on paper, but lacked the element of effective implementation. The plan called for the purchase of several hundred lots in Model City that would be used as sites for new home construction, but the plan did not include any directives on how the City would acquire the land, what specific department would be responsible for securing title to the property and then transferring ownership to the developer, or any specific instructions on what criteria the developer seeking to purchase the property must meet. Also, part of the original revitalization plan called for the issuance of grants to local business owners to upgrade their facilities. The process to distribute these funds was never clearly established in the plan, nor has there been any work done by the CDD to establish one. Again, effective means of implementation is a major issue in this case. The original plan was also developed by my city planners without any input from the community. There was no sense of ownership or responsibility amongst the principal parties; everything was done by the City of Miami. Including the parties on the planning process might have helped make the process more understandable to Model City residents that could have lead to more active participation by them in the redevelopment of their community. It is imperative to formulate an effective conflict resolution plan to assist in the building of a shared understanding of the goals of revitalization for Model City and the creation of a Community Redevelopment Plan that is satisfactory to all parties.