

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Eric Carpenter, City Manager

DATE: February 21, 2025

TITLE: DISCUSS THE CREATION OF A UTILITY COST RELIEF PROGRAM TO INCENTIVIZE LANDLORDS TO ABSORB INCREASED UTILITY FEES, PROTECTING LOW-INCOME TENANTS AND SUPPORTING HOMESTEAD PROPERTY OWNERS AMID RISING UTILITY RATES.

RECOMMENDATION

City staff has reached out to Miami-Dade County (County) and State offices to inquire about programs and/or grant opportunities for eligible homesteaded property owners (landlords). While there were opportunities for electric bill relief (based on income and funding availability), there were no opportunities for water bill payment assistance. Moreover, if considering funding from within the City, the City's Water and Sewer Fund does not have the authority to offer free or deeply discounted services to landlords. As such, the Administration recommends continuing to explore funding opportunities and evaluating potential programs through the Housing and Community Services Department.

BACKGROUND/HISTORY

On September 25, 2024, at the request of sponsoring Commissioner Alex Fernandez, the Mayor and City Commission (City Commission) approved a referral to the Finance and Economic Resiliency Committee (FERC), Item R9 (Attachment A), to discuss the creation of a program designed for homesteaded property owners (landlords), as an incentive to absorb recent increases in utility fees, thus, protecting low-income tenants, particularly seniors.

The discussion originates from an announcement of an October 1, 2024 Miami-Dade County (County) Water and Sewer Department wholesale decrease of sewer rates and increase of water rates, consequently increasing City of Miami Beach residents' water bill. Commissioner Fernandez believes that the rising of utility costs can place a significant burden on low-income residents, especially seniors and others living on fixed incomes. By providing financial incentives, landlords can potentially absorb these costs rather than transferring them to tenants.

ANALYSIS

City staff has been exploring programs and grant opportunities for landlords and tenants, as a way of maintaining affordable housing and stability to the local rental market in the City. Efforts include:

- Reaching out to the office of the Miami-Dade County Property Appraiser to determine the number of senior homeowners receiving the senior exemption in Miami Beach: According to the Property Appraiser's records, there are 769 folios and 830 senior exemptions, which include parcels that are exempt from public disclosure.
- Reaching out to Miami-Dade County (County) and State offices: While there are opportunities for electric bill relief (based on income and funding availability), there are no opportunities for water bill payment assistance. If there were, however, Federal funds for

utility assistance could only be applied to bills in the tenant's name and not the landlord's (since utilities are commonly billed directly to tenants). Similarly, tenants may qualify for utility relief through HUD (Housing and Urban development), however, landlords themselves cannot directly access such programs.

- City staff also looked within the City's own resources: The City's Water and Sewer Fund does not have the authority to offer free or deeply discounted services. The creation of any such program would require specific provisions (income-based eligibility, criteria, duration, scope, etc.), all of which would need to be approved by the City Commission as part of a budget enhancement for the upcoming FY 2026 budget cycle. If approved, a transfer from the General Fund to the Water & Sewer Fund would be required, once the program's provisions have been determined.

The above is presented to the members of the Finance and Economic Resiliency Committee for consideration and further direction.

FISCAL IMPACT STATEMENT

To be determined.

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CONCLUSION

City staff has reached out to Miami-Dade County (County) and State offices to inquire about programs and/or grant opportunities for eligible homestead property owners (landlords). While there are opportunities for electric bill relief (based on income and funding availability), there are no opportunities for water bill payment assistance. Moreover, if considering funding from within the City, the City's Water and Sewer Fund does not have the legal authority to offer free or deeply discounted services to landlords. As such, the Administration recommends continuing to explore funding opportunities and evaluating potential programs through the Housing and Community Services Department.

Applicable Area

Citywide

<u>Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?</u>	<u>Is this item related to a G.O. Bond Project?</u>
Yes	No

Department

Public Works

Sponsor(s)

Commissioner Alex Fernandez

Condensed Title

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TENANTS AND SUPPORTING HOMESTEAD PROPERTY OWNERS AMID RISING UTILITY RATES.