

## Many factors are involved in solving affordable housing issue

CEOs were asked: The city of Miami is unveiling a plan to build more affordable housing. Often times, developers say they simply cannot make the math work out on an affordable housing project. Yet the need appears real. How should the issue of housing affordability be addressed?

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The need is real. Over the past 10 years, housing prices have increased 66 percent compared to wage increases of only 14 percent. Simply put, the workforce can't afford rents. One solution is the creation of more blended neighborhoods focused on live, work, play models that incentivize corporations to participate in development of affordable housing and recreation opportunities.

**Michael Balaban**, *president, CEO, Jewish Federation of Broward County*

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Our society is only as good as our ability to be inclusive of all our residents, including those in need of affordable housing. Given the number of developments and developers of luxury residential complexes in Miami, if a portion of the taxes already collected were used as a fund for affordable housing to support tax incentives for developers willing to invest, the math of affordable housing projects would be favorably different. Another contributing factor is how the cost of construction is inflated by mandatory parking minimums, which depress housing supply and furthers Miami's reliance on cars instead of newer, more efficient forms of transportation like micro-mobility. Miami has been thoughtful in peeling back some of these requirements but encouraging developers to instead fill that required parking space with affordable homes could be the best path forward for the city.

**Uhriel Bedoya**, *Florida general manager, Lime*

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Housing affordability is a very important issue to address, as moderate income households spend up to 70 percent of income on housing and transportation. This is something that we must collectively resolve if we want to improve the quality of living in Miami and remain competitive for business growth. It requires decisive community action and political will.

**Claudia Busch**, *founding principal, Berenblum Busch Architects*

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Citizens, business associations and other civil and public institutions will need to weigh in on this issue in order for any solution to work. As with any large economic investment, costs and outcomes need to be measured against reliable metrics. Affordable housing also will require a greater economic commitment from government, and public/private partnerships that are subject to rigorous reviews. Additionally, every community will need to address, within their respective plans, growth management, air rights, resiliency, affordable and reliable transportation to city centers, social support services and infrastructure improvements.

**Anita Byer**, *CEO, Setnor Byer Insurance & Risk*

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Government subsidies are the only short-term solution. It can come in multiple forms, from making affordable land available to developers or providing zoning code incentives for affordable housing development. Giving developers additional development density for projects, in exchange for building affordable housing (being it on-site or off-site), is another possible strategy.

**Ricardo Dunin**, *founding partner, Lionheart Capital*

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There is no silver bullet to address the issue of affordable housing, especially when addressing those at 80 percent or lower of Area Median Income (AMI). To start, we must address the enormous costs and bureaucracy associated with permitting. We then need to find a way to better use surplus land owned by municipalities, county government, state and federal governments to seed development. Banking regulations need to also be modified to incentivize financing of affordable housing stock targeting extremely low, low, and moderate income renters. The state also must stop raiding the Zadowski Fund and allow those dollars to flow to their originally intended purpose. The ongoing raiding is now more than \$2 billion and has prevented over 200,000 rental units to be built for those at 80 percent of AMI or less.

**Carlos R. Fernandez-Guzman**, *president, CEO, Pacific National Bank (PNB)*

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The answer is by building around transit and delivering smaller units with less parking. The math behind providing affordable housing consists of many factors, including costs of construction, programming of product, and design efficiencies. Often times the size of units and the need for parking drives costs far greater than any other factor. As developers, we could adapt to a more modern system of urbanization by bringing people closer to transit and delivering a more attainable priced product with smaller units and less parking.

**Arnaud Karsenti**, *managing principal, 13th Floor Investments*

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Affordable housing projects need the partnership between the private sector and government both working toward the benefit of the population and not their own. Private sector should expect lower ROI and government should stimulate these investments. Usually the fight is for the benefit of the few. We should all work together and benefit while we also “benefit” the community by making housing more affordable.

**Yaeli Merenfeld**, *president, Anny’s Bread Factory*

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It must be addressed twofold: Containing costs and providing prospective homeowners with fair and appropriate financing options. I have been a champion of fair lending practices for decades since our region has sadly been a target of predatory lending tactics. We also have some leading developers who are championing the inclusion of affordable housing in their new construction projects, especially in the urban core, and these companies should be celebrated and others should emulate their approaches. It is possible to achieve this balance. Developers need to be part of the solution and bring innovative ideas that foster affordability. It is also imperative that our cities create more partnerships with businesses and nonprofits which can lead to creative housing solutions. I think cities can still improve in-fill housing programs. Neighborhoods free of empty lots or decaying homes are better and safer.

**Bernie Navarro**, *founder and president, Benworth Capital Partners*

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There needs to be an appropriate public-private partnership to make it work for all parties involved.

Without government engagement on the financial side, it would be difficult for developers to make the numbers work.

**Sanket Parekh**, *founder and managing partner, Secocha Ventures*

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I support the city of Miami's plan to build more affordable housing. While we have a growing young population in South Florida, the GDP per capita in 2017 was not even in the top 100 markets in the U.S.A., so people are having a difficult time finding a place to live. Developers need tax incentives from state and local authorities for new creative solutions to this huge affordability crisis.

**Julio Ramirez**, *president, CEO, JEM Global Consulting*

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Although micro-housing units are not for everyone, they are catching on in cities with a lack of affordable housing and may help alleviate the situation in Miami. Seattle has done a great job with changing their ordinances to allow for higher density and multi-family housing, even in residential areas.

**Evelio C. Torres**, *president, CEO, Early Learning Coalition of Miami-Dade and Monroe*