

# MIAMI TODAY

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*A Singular Voice in an Evolving City*

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## Builders association sees accord on housing issue

By CATHERINE LACKNER

While members of the Builders Association of South Florida want to see more affordable and workforce housing options, a strict requirement to include that housing in medium to large projects "would stifle the market and discourage development," said Ben Solomon, association president and managing partner of the ALG law firm. "We think you'll get more takers with the right incentives."

Last month, his group and the Latin Builders Association hosted a panel discussion that was attended by County Commissioner Barbara Jordan, who last year sponsored an ordinance mandating workforce housing in all new Miami-Dade residential projects.

Had it passed, the ordinance would have forced all new residential projects of more than 20 units to set aside 10% of units for people who earn \$42,600 to \$99,400 annually. Builders could opt out, however, by paying into a county fund.

Under pressure from developers and lacking support on the commission, Ms. Jordan instead agreed to make the housing creation voluntary.

At the event, Mr. Solomon praised Ms. Jordan "for her willingness to work with industry leaders to make the ordinance the best it could be." He also praised Dennis Kerbel, an assistant county attorney, for his insights and "being very welcoming" to the industry.

"Within the county staff are some extremely smart people, but they don't necessarily know what the industry needs," Mr. Solomon said. "Real estate people deal with this full-time. We're all in agreement that we want to see more affordable and workforce housing, but we want to make sure the market understands the benefits and the risks."

Rather than a mandatory requirement to include workforce or affordable housing, the association would like incentives such as land grants, density bonuses, tax credits and impact-fee waivers, he said.

"The margins in this kind of hous-



Photo by Cristina Sullivan

**"We're all in agreement that we want to see more affordable and workforce housing": Ben Solomon, builders association president.**

ing are difficult, and some of these incentives would relieve pressure on builders," Mr. Solomon said.

People whose incomes fall within 60% to 80% of the county's adjusted median income, or AMI, (\$48,100), have a harder time finding housing than those who earn in the 80% to 120% range, he said.

"So maybe you offer higher incentives at the lower end, and then scale them back as you go into that higher range," he said. "With a density bonus, you can add units, but it costs money to build more units, so

the savings may be illusory." In that scenario, cost management becomes key, observers say.

"Land is scarce and the price is high," so, perhaps with incentives, developers could be persuaded to rehabilitate properties in older neighborhoods, which would be most cost-effective than building on raw land, he said.

"We need to solve this, but not in a way that stifles development," Mr. Solomon said. "The county is taking the issues seriously, and I feel good about where we've landed."

## West Grove development area sought

By JOHN CHARLES ROBBINS

The impoverished West Grove is about to get some extra attention, and the move could lead City of Miami leaders to seek establishment of another Community Redevelopment Area and governing agency.

Miami city commissioners are scheduled today (4/13) to consider a resolution directing the city manager to identify funding to hire all consultants necessary to prepare a study, pursuant to the Community Redevelopment Act of 1969, for the creation of a Community Redevelopment Area (CRA) for the neighborhood commonly referred to as the West Grove.

The resolution directs the city manager to hire all consultants necessary to prepare the study, authorizing up to \$25,000 for it.

The legislation is sponsored by Commissioner Ken Russell, who represents the West Grove as part of District Two.

A CRA's main mission is to enhance the quality of life and improve the public health, safety, morals and welfare of the residents and stakeholders in the redevelopment area.

Mr. Russell's resolution details the history of the community, one of the oldest in the state.

The West Grove is a historically Bahamian, approximately 65-block, half-square-mile section of Coconut Grove, with an eclectic and rich history known for its culture, architecture, arts and festivals.

But in recent years the West Grove has been "plagued by crime, drugs, decay, and lack of affordable housing, which has resulted in the displacement of many longtime residents," the resolution says.

The city commission desires to revitalize the West Grove through the possible creation of a Community Redevelopment Area, the resolution says, which requires the preparation of a Finding of Necessity (study), according to state law.

The statute delegates local governments authority to establish CRAs to carry out community redevelopment in specific areas determined to be slum and blight, based on a Finding of Necessity.

Under the law, it is the county commission that creates Community Redevelopment Agencies within Miami-Dade County. There are about a dozen CRAs in the county.

A CRA agency is funded through a financing tool called Tax Increment Financing, which earmarks a specific portion of property tax dollars collected by the City of Miami and county.

In turn, the CRA board reinvests these funds back into the redevelopment area by funding projects that enhance the quality of life of residents.

Such activities include infrastructure upgrades, façade improvements, economic development incentive programs to attract new businesses to the redevelopment area and the promotion and support of job-creating initiatives.

## Financial 2017 trends

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