

# MIAMI TODAY

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## Mandatory workforce housing set-aside becomes voluntary

By SUSAN DANSEYAR

A proposed Miami-Dade County ordinance to mandate workforce housing development was changed Tuesday to voluntary, both in light of it being two votes shy of passing the county commission and "for developers to put their money where their mouth is," as prime sponsor Barbara Jordan put it.

Her legislation would have required every new housing development of more than 20 units to set aside 5% of units for workforce housing; offered a density bonus of 5%; and set the mix of workforce units at 25% for those earning up to 79% of the median area income, 50% for between 80% and 110% of median income, and 25% with anything up to 140% of median area income.

Sixty percent of Miami-Dade's median area income for a family of four is \$42,600 per year, Ms. Jordan said. Even after meeting 90% to 95% of the building industry's concerns with her proposed legislation, she said, she this week tried to resolve outstanding issues

such as bringing the minimum set aside percentage for multi-family down from 10% to 5%.

Yet while Ms. Jordan's colleagues agreed with her on the desperate need in Miami-Dade for workforce housing, the sticking issue was forcing an industry to build a specific number and type of units. The proposed mandatory program failed 7-5.

Those joining Ms. Jordan in favor were Dennis Moss, Jean Monestime, Xavier Suarez and Daniella Levine Cava. Audrey Edmonson was absent. Opposed to the mandatory program were Joe Martinez, Rebecca Sosa, Javier Souto, Bruno Barreiro, Jose "Pepe" Diaz, Sally Heyman and Esteban Bovo Jr.

The program unanimously passed when Ms. Jordan asked that it be turned around to be voluntary.

She asked for a straw vote, saying "I never come unless I have an alternate plan." That strategy is to now ask the development community to make good on its commitment to help "shape a workforce housing ordinance that can work," as Builders Association of South



*'I never come unless I have an alternate plan.'*

Barbara Jordan

Florida President Ben Solomon wrote in a Dec. 13 letter to the commission.

Ms. Jordan said Tuesday she asked the development community years ago when she was beginning to work on this legislation if members would accept a voluntary program and received positive input.

In his letter, Mr. Solomon said the builders association and its

members requested that the commission strongly consider adopting a better-crafted voluntary workforce housing ordinance rather than a mandatory one, with similar incentives to the proposed one. Ms. Jordan asked the county attorney Tuesday to take the incentives in her proposed mandatory program and put them into a voluntary program.

Before the vote, commissioners voiced their opinions. Mr. Barreiro said it's important to have a lot of incentives for developers but, just as the board mandates a lot of issues as part of development, one could argue that workforce housing should be a requirement. It's not the mandatory part he grapples with, Mr. Barreiro said, but rather the percentage.

Ms. Jordan has come a long way from requiring 15% workforce housing in all new developments down to 5%, he said, but he still believes it should be even lower. "Two percent is a palatable number," he said. "It's not going to happen overnight, but the stock will build up and we'll get there if we do something very small."

Mr. Barreiro said developers don't want the mandates but pointed out the market "is bursting at the seams." No one has asked him to "tweak the voluntary system," he said in reference to Mr. Solomon's statement in the letter. "The biggest reason the current voluntary ordinance has not worked well is that it does not contain the right incentives to encourage builders to want to develop more workforce housing projects. Therefore, it is not fair to state that the reason we need to now create a mandatory workforce housing program is because the current, ineffective voluntary one did not work properly."

Whenever the building industry wants to change something, Mr. Barreiro said, "they are knocking at my doors, but they're not doing that now."

Mr. Bovo said foreign investment is one of the drivers forcing housing prices up in Miami-Dade and encouraged Ms. Jordan to look into that for help with creating workforce housing as well as foreclosures by working with banks to find suitable properties and solutions.

## Workforce housing ordinance was hashed out over months

By SUSAN DANSEYAR

Everyone agrees Miami-Dade needs more workforce housing, but opinions sharply divide when it comes to how developers will create such residences.

County Commissioner Barbara Jordan's proposed legislation to mandate more residences for the middle-income population in new development over 20 units has been long in the making and the subject of numerous meetings with the building industry. It failed 7-5 on Tuesday, but was amended and unanimously passed as a voluntary program.

However, throughout the months of work Ms. Jordan engaged in with officials as well as the building industry and affordable housing agencies, opponents and advocates of her ordinance clearly stated their positions: dictating to the private sector what to do will have unintended and negative consequences; or this legislation attempts to balance housing needs in Miami-Dade from low-income through workforce and should be approved, respectively.

In a letter to the commission last week, President Ben Solomon said the Builders Association of South Florida agrees there's a need for more workforce housing and it will ultimately be up to many of its builder members and the building industry to "fulfill this vital mission."

Mr. Solomon said that's why the builders association attended dozens of meetings over the past several months with Ms. Jordan and her staff, the county attorney and the county's staff, other commissioners and their staff, major law firms, and industry leaders including the Latin Builders Association and Miami Association of Realtors, "all in the genuine hopes of helping shape

a workforce housing ordinance that can work."

Despite such efforts, Mr. Solomon wrote, unfortunately "we do not believe the current proposed mandatory ordinance will provide a true solution to the problem. Instead, it will likely have unintended consequences that discourage development in unincorporated areas of Miami-Dade County, reduce jobs, and pass on higher housing costs to working class consumers."

Generally, Mr. Solomon said, mandatory programs like this don't work.

"Since the beginning, [the builders association] and our members have advocated that we need a better voluntary ordinance that provides real incentives to builders and encourages them to want to build more new workforce housing units rather than penalize and tax builders if they don't," he wrote in the Dec. 13 letter. "Commissioner Jordan has stated that since the existing, voluntary workforce housing ordinance did not work successfully, that another better-drafted voluntary ordinance would not work either. We respectfully disagree."

Among other factors, Mr. Solomon said, the current voluntary workforce housing ordinance, which was created in 2008, was adopted on the cusp of the Great Recession and, therefore, had no real chance of working during what turned out to be a long-term, local housing market collapse.

Additionally, he said, the county's implementing order for the existing voluntary ordinance was never even formally adopted until late 2015.

The biggest reason the current voluntary ordinance has not worked well, Mr. Solomon said, is that it doesn't contain the right incentives "to encourage builders to want to develop



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Ben Solomon

more workforce housing projects. Therefore, he maintains, "it is not fair to state that the reason we need to now create a mandatory workforce housing program is because the current, ineffective voluntary one did not work properly."

The Builders Association of South Florida, he wrote, believes that when you mandate to the private sector it can hurt the same people you are trying to help.

"That will likely be the case here because the increased costs of the program on the building industry will inevitably be passed on to consumers and factored in to increasing the overall costs of housing," Mr. Solomon said. "This can negatively impact working class families who are just barely able to afford

housing in the first place, by passing on such increased costs directly to them."

Before such a complicated new mandatory program could be adopted, the builders association and its members requested that the commission strongly consider adopting a better-crafted voluntary workforce housing ordinance rather than a mandatory one, with similar incentives to the proposed one.

Attorney Melissa Gallo, policy and program director with Miami Homes for All, said mandatory inclusionary zoning programs have been successful in many places nationally. The county's current housing needs are far too great and it needs bold leadership to enact model programs like this that work, she told Miami Today last week. "I am hoping our political leadership will put the needs of the community first in this case."

In a letter to the commission before the meeting Tuesday, Ms. Gallo said several successful inclusionary programs nationally are more restrictive than one proposed here. She said there are over 500 inclusionary programs nationally, over 80% of which are mandatory.

Ms. Gallo pointed to a study conducted by the Lincoln Institute of Land Policy in 2014, which analyzed inclusionary zoning programs and policies in 20 locations. She cited five locations "where inclusionary zoning programs were implemented in the last 30 years, remain in use, and have created more affordable housing units."

The locations include Montgomery County in Maryland, the San Francisco Bay area, New Jersey, Boston and Cambridge, MA. They were chosen "because they are more restrictive than the current proposed policy for Miami-Dade County," Ms. Gallo

said in her Dec. 2 letter, and are within the same range of area median incomes as Miami-Dade.

Miami Homes for All is a nonprofit 501(c)(3) organization that Ms. Gallo described as dedicated to ending and preventing homelessness primarily through community collaboration. "We are grateful for your continued support on providing affordable housing opportunities in our community, and we strongly urge you to support the mandatory inclusionary zoning proposal as it was proposed," she wrote to commissioners.

Over the past several weeks, she said several concerns have been shared from the development community. Her group "believes that the most recent changes to the proposed program are generous and address many of the concerns that were shared earlier," she wrote.

A program that requires a minimum set-aside of 10% of housing units for workforce housing, where 5% will truly hit the households with a significant need, is feasible and fair, Ms. Gallo said. Discussions about amendments to the proposed legislation continued to this week and, by Tuesday, had been revised to 5% minimum set aside for workforce housing units for single-family and multi-family developments.

"As advocates, our passion continues to lie with the households who face the greatest need in our community, the extremely low-income households," Ms. Gallo said. "However, we have firmly embraced the continuum of housing needed in our community, as we also strongly believe that everyone deserves to have safe, stable housing that is affordable. There is no better way to ensure the socio economic vitality of our community."