

# Affordable housing a cause of concern for CEOs

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This week's question to the Miami Herald CEO Roundtable: **How does the local affordable housing shortage impact your business? What do you think are potential solutions to workforce housing costs?**

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This is one of the most important issues confronting South Florida. When housing costs absorb more than 50 percent of your workforce's annual income, there is little left to fund consumer economic expansion. Aside from creating massive subsidized housing projects that will not meet the forecast demand, only a sizable price collapse will allow the local population back into the market. There is still too much cash chasing too few properties, which only benefits the top economic bracket.

**Steven N. Adkins, president and CEO, Miami-Dade Gay & Lesbian Chamber of Commerce**

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As a technology company, we can offer relatively high paying jobs at all levels within our company. This opens up numerous housing options for our employees. Still, the lack of affordable housing sometimes requires our employees to live farther and farther from work, and in some cases it drives recent graduates out of the market. So the affordable housing shortage impacts our ability to attract and retain talent.

**Ron Antevy, president and CEO, e-Builder**

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We serve families, and we know every penny counts for them, just as it does for our team of therapists. Affordable housing attracts workers and loosens financial restraints on prospective clients. Miami-Dade should engage public-private partnerships to ensure affordable housing and look into leveraging the equity on its current real estate to create additional subsidized affordable housing.

**Maria Arizmendi, behavior analyst and president, Progressive Behavioral Science**

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The shortage of quality, affordable housing in South Florida continues to be a "real" challenge for our industry in real estate development. Simply put: When families pay a higher percentage of their income for housing, they have less money to spend on other basic needs such as food, clothing, child and healthcare. We can see this "quiet" crisis that links the lack of quality, affordable housing and education to the long-term success of a child. Practical and immediate solutions should include more effective housing assistance programs and assistance with child care.

**Noah Breakstone, founder and managing partner, BTI Partners**

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The shortage of local affordable housing frequently drives good employees to other locations where housing is more reasonable. The affordable housing problem in South Florida is seriously aggravated by the lack of effective public transportation from affordable neighborhoods to downtown commercial areas. This could be alleviated somewhat by fixing Metrorail and extending it to the extent possible. Old equipment and frequent breakdowns, together with limited geographic coverage, severely limit the availability of public transportation to employees commuting from affordable suburban neighborhoods to downtown commercial areas.

**Bowman Brown, partner and chairman of the Executive Committee and the Financial Services Practice Group of Shutts & Bowen**

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It's ironic but in our particular case, housing cost is not a problem that affects our business. We are in the Internet business and one of the best things about our business is that many people can work remotely. So that weakness is advantage for us because our employees can work from anywhere, not just in the center of the city.

**Ismael El-Qudsi, CEO, Internet República/SocialPubli.com**

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As an immigration attorney, I represent a good number of minorities. Even with all of the ongoing construction of condos in Miami, the cost of housing is just too high. I am especially worried about communities in Little Haiti, midtown, and the Design District, where residents are being pushed out by developers. In negotiating permits and housing code designation for these buildings, there should be a certain number of units identified and put aside for this group.

**Patricia Elizee, managing partner, Elizee Law Firm**

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The high cost of housing does scare away some people we want to attract to the area. Our employees feel the effects, too. We work to provide competitive benefits and a great work environment and the wonderfulness of South Florida is a benefit few employers outside the region can match.

**Richard Fain, chairman and CEO, Royal Caribbean Cruises Ltd.**

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As a healthcare provider with a large staff, we are cognizant of the impact of this on our employees. We strive to provide public transportation support and flex schedule if possible. This is a serious problem that will only get worse. Governmental bodies must actively engage to ensure that affordable housing is available to all. Tax benefits for projects will be beneficial.

**Jeffrey Freimark, president and CEO, Miami Jewish Health Systems**

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Housing shortages impact The Children's Trust because all the services we fund to improve the lives of children and families can never be enough when the roofs over their heads are precarious, at best. Children cannot thrive and reach their full potential if they live on the brink of homelessness. Leaders must engage in practical urban planning to intentionally create more stable, affordable housing.

**James Haj, president and CEO, The Children's Trust of Miami-Dade County**

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Availability of affordable housing continues to affect not only our students, professors and staff, but those teaching at the K-12 level in South Florida. This is a community-wide problem and needs community-wide solutions. At NSU, we have been able to make affordable accommodations available to our students, and we are currently exploring new on-campus housing options as our residential population continues to grow.

**George Hanbury, president and CEO, Nova Southeastern University**

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Our business is impacted by the overall economy, the total population, their demographics and their proximity. While we haven't studied housing per se, an increase in workforce housing likely would benefit The Youth Fair. I believe one solution would be an aggressive effort to move the South Florida economy from one that is far too dependent on many lower-wage jobs in tourism, hospitality and agriculture, to one with a larger component in technology-based manufacturing and healthcare.

**Bob Hohenstein, president and CEO, Miami-Dade County Youth Fair and Exposition**

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Miami has solidified itself as one of the top cities in the world to live, work, play, shop, eat and stay. Commercial real estate is growing for all asset types. Condo developers have seen the live, work and play trend becoming more popular and are taking advantage of the increased demand. With the increased supply in housing, there is high probability for housing costs to become more affordable. According to the Downtown Development Authority, the number of residential units in downtown Miami (including Brickell) has increased by 27,000 units since 2003, with an additional 12,500 units (condos and apartments) currently under construction. The monumental increase in supply will put pressure on rents, creating more affordable housing options for young professionals.

**Arden Karson, senior managing director, CBRE**

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For our restaurants, an increase in real estate prices provides both opportunities and struggles. While higher income families have more disposable income and lead to higher entertainment expenditures and revenues for our stores, it does affect staff members that have to commute from farther distances in order to work at our establishments. Social media, the Internet, and popular housing websites have proved quite valuable in creating a very competitive market for housing, as well as a reduction in costs from realtor fees and others. Continuing this trend will allow true market pricing to be available to consumers, as they navigate through multiple properties and decide what is best for them.

**Juan Carlos Marchan, COO, Centurion Restaurant Group**

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We need to rethink our planning and zoning guidelines, given that there are very few subsidies and tax credits available for affordable and workforce housing. Most of our regulations were created at a time when affordable housing in an urban setting was the most economical option, but land prices in these areas are too expensive now and construction costs remain high. Developers have little financial incentive to build affordable residences on a property that lends itself to condos, market rate apartments or commercial space. One logical solution is increasing our affordable housing supply in suburban neighborhoods adjacent to commercial zones. We have more than 30 cities in Miami-Dade, and 80 percent or more of our residential land is zoned for single family homes. This is a disproportionate ratio at a time when more and more people are looking for urban living and the need for affordable housing is so great.

**David Martin, president and co-founder, Terra**

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Many of our employees at the marina rely on market-rate housing, and while the city and county have gone to great lengths to ensure our housing stock remains affordable, we can always do more — especially at the state and federal level. In addition to operating Rickenbacker Marina, I've been involved in real estate development and investment, so I understand that affordable housing deals are difficult and the opportunity for making a profit is small. That's why the public sector needs to incentivize developers to take on risk.

**Aabad Melwani, president, Rickenbacker Marina and managing principal, Marina PARC**

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The shortage of affordable housing options has a direct impact on the employees on our team. The long commutes during rush hour for our employees who live in Kendall to our offices in MiMo affects their quality of life and their productivity at work. To combat this dynamic, I believe that we need to get more creative with incentives for developers to build affordable housing options, establish legislation to create more equity in the rental market, and seriously factor how transit and transit-oriented development options can play a role in solving our challenges.

**Kevin V. Michael, co-founder and managing partner, Invizio, LLC**

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When we look at our student population, we know 73 percent are currently working, 74 percent are part time, and 68.5 percent are receiving some sort of federal financial support. We have many first generation students — those who are the first in their families to attend college. We have single moms and second career students looking to improve their standings. We are the institution where they can change their lives and realize their dreams because we do what we can to remain affordable. We also work diligently to ensure receiving an education doesn't hinder their American Dream because we know real-life situations like homelessness may derail their education. In fact, we've only raised tuition once in five years and offer an American Dream Scholarship to eligible students who have completed 75 percent of their programs and need the extra push to complete their degrees. As such, we know homelessness is a real issue for our students. We currently work with the Coordinating Council of Broward County, whose number one issue is to address affordable housing. They recently held a summit to identify solutions to include state and federal support and reviewing land use, zoning, and more. Finding ways to incentivize developers to carve out affordable housing in their developments is one way to address this persistent concern.

**Avis Proctor, vice president of academic affairs and president, North Campus at Broward College**

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Because our primary business is developing affordable housing in Florida and throughout the U.S., it has a huge impact on our business. There are numerous potential solutions, but chief among them I believe would be creating a workforce tax credit and continuing to use documentary stamp surtax funds to facilitate the development of workforce housing, as Miami Dade Public Housing and Community Development is currently doing.

**Matthew Rieger, president and CEO, Housing Trust Group**

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It hasn't affected our employee retention yet, but like everyone, we're keeping an eye on it. It's a challenge for growing urban landscapes, but you can't look at workforce housing without also tackling transportation. The issue isn't necessarily the distance between home and work, but the travel time between the two. Public-private partnerships that incentivize developers to create more inventory around proposed transportation hubs would help. The two issues are twin predictors of a city's resilience.

**Jackie Soffer, co-chairman and CEO, Turnberry Associates**

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Affordable housing is a challenge for all sectors in South Florida and makes it challenging to hire and retain employees. A solution is increased wages and accessibility with improved transportation. On Lincoln Road, our ownership is constantly at work identifying new potential tenants that will positively impact our community and provide a steady stream of jobs. The new Nike store, Apple and T-Mobile are providing jobs with higher wages.

**Ivannia Van Arman, executive director, Lincoln Road Business Improvement District**