

We can solve South Florida's affordable housing crisis

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The United States, and South Florida in particular, is in the throes of an affordable housing crisis. Across the nation, too many families — including low-income seniors, people with disabilities, veterans, and families with children — struggle to keep a roof over their heads.

More families than ever before are renting and, as a result, rents are increasing. In South Florida, roughly two-thirds of renters are “cost-burdened” — spending more than 40 percent of their income on rent and utilities.

Many South Florida families, therefore, rely on housing assistance. But many are turned away because of a lack of funding. Because, “The rent eats first,” as sociologist and author of *Evicted* Matthew Desmond says, these families are forced to make harmful tradeoffs and skimp on groceries, medical care, and other basic needs. Every state and congressional district is directly affected.

President Trump's budget proposes to further slash federal investments in affordable housing by \$7.4 billion — or 15 percent — a move that could increase homelessness and housing poverty in our community. This is the wrong approach.

Instead of reducing our nation's investments in affordable housing, we need to make a bold and sustained commitment to ensure that everyone has a safe, accessible, and affordable home. When we invest in affordable homes, we invest in people, communities, and America as a whole — from increased employment and economic mobility to improved health and better education. That's why advocates, elected officials, and concerned citizens are joining together to participate in the national Our Homes, Our Voices week of action from July 22-29. In Miami, and elsewhere, organizations are holding several events to give voice to those struggling and build awareness around housing. Visit: www.ourhomes-ourvoices.com.

As a developer of affordable housing, I have a vested interest in helping the public and our policymakers understand the problem and bringing solutions to the table.

First, I implore the Florida Legislature to stop raiding the Sadowski Trust Fund. Over the past decade, state lawmakers have quietly siphoned \$1.3 billion from a \$1.8 billion statewide fund for affordable housing. This is unacceptable. It is estimated that there is more than \$292 million available for appropriation in the Sadowski fund for fiscal year 2017-18. If this money were used to support Florida's affordable housing programs, as originally intended, it could create more than 5,000 units of new affordable housing, along with 28,779 Florida jobs and \$3.785 billion in positive economic impact.

Second, federal lawmakers should support bipartisan legislation working its way through Congress to expand the Low Income Housing Tax Credit (LIHTC) program. The program is the single most important tool affordable housing developers use to finance new development. Each year, the IRS allocates a finite number of tax credits to each state's housing agency.

The agency then allocates those tax credits to developers in a competitive process and developers covenant to charge reduced rents and lease units only to low-income residents. Once awarded, developers then sell the tax credits to equity providers such as banks and other financial institutions, enabling them to raise up to 80 percent of the capital necessary to build an affordable housing community.

Unfortunately, the number of tax credits allocated each year has not kept up with the demand for affordable housing, and the program is grossly oversubscribed. The proposed legislation, if passed, would enable Florida developers to create approximately 4,200 new affordable units each year (versus the 2,800 or so units we can create now). This would have a profound impact on our ability to solve the housing crisis.

Last, cities, counties, developers, members of the private sector, and non-profit organizations alike, need to work together toward a solution to the affordable housing crisis. Only by leveraging public and private resources effectively can we tackle this issue which affects us all.

We firmly believe that all people deserve an affordable home, and no one should be forced to give up food or healthcare to keep a roof over their heads. Affordable housing can no longer be sidelined — we cannot afford to delay, divert or cut off funding any more to federal and state housing programs if we want to keep our economy strong and our communities safe.

Today's rental housing crisis is the direct result of the housing bubble and crash of the last cycle that forced many hard-working families out of their homes. The public and private sectors created this problem — it's incumbent upon us to work together to solve it.

Matthew Rieger is CEO of Housing Trust Group in Miami, the leading developer of affordable housing in Florida.