Bridging the Affordable Housing Gap



Bridging the Affordable Housing Gap:

Strategies for Municipalities & Developers



As the global population continues to urbanize, the need for affordable housing has become a pressing issue for municipalities worldwide. The International Municipal Lawyers Association (IMLA) provides a crucial platform to address these challenges and explore effective strategies for municipalities to collaborate with developers in tackling the affordable housing crisis. This presentation aims to delve into the complexities of the issue, offering insights, solutions, and real-world case studies to inspire actionable steps.

Meet the Presenters



David N. Tolces
WSHC+B



Chanae L. Wood
WSHC+B



Dan Best
WOLTER



Understanding the Housing Crisis

> **Because cost-burdened households spend a higher share of their income on housing, they have less to spend on other necessities, such as food, childcare, transportation, and healthcare.**

7.3 Million

The shortage of affordable rental housing primarily impacts renters with extremely low incomes. Extremely low-income renters in the U.S. face a shortage of 7.3 million affordable and available rental homes, resulting in only 34 affordable and available homes for every 100 extremely low-income renter households.

30%

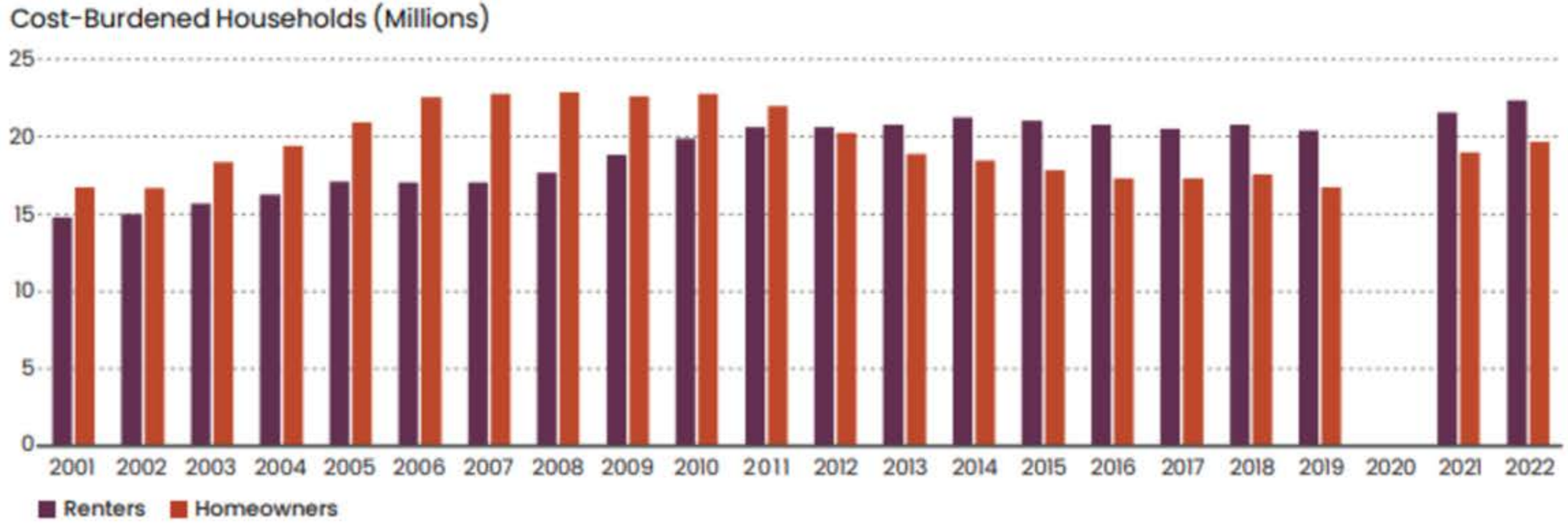
Households are considered housing cost-burdened when they spend more than 30% of their incomes on rent and utilities or mortgages.

$650, 000

650,000 people had slept outside or in shelters on a single night in January 2023.

Cost Burdens Hit New High for Renters

Cost Burdens Hit New High for Renters While Also Rising for Homeowners



Notes: Cost-burdened households spend more than 30% of income on housing and utilities. Estimates for 2020 are omitted due to data collection issues experienced during the pandemic.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.



Florida Housing Crisis

> ***Florida is least affordable place to live in US, 2022 report says***

In just two years, the median rent in Florida surged by over 30 percent, rising from approximately $1,340 in February 2020 to about $1,760 in February 2022. To afford a modest one-bedroom rental at fair market rent, an individual earning $10 per hour (the state's minimum wage for most of 2022) would need to work 86 hours per week. More than 2.1 million low-income households in Florida spend over 30 percent of their income on housing. While Florida's natural beauty and cultural attractions continue to draw people to the state, the escalating housing costs threaten its appeal and pose a risk to its economic prosperity.

> ***Miami has one of the least affordable housing markets in US, report says***



Florida's Response?

Live Local Act (SB 102)

Largest investment in
housing in the state's history.

The Live Local Act contains an array of funding and **incentives** including:

Funding and tax credits. Up to **$811 million** for affordable housing programs.

Tax incentives. Three new property tax incentives and sales tax exemption for specified affordable housing developments.

Land use tools & role of local government. Facilitating affordable housing in commercial, industrial, and mixed-use areas & more.

Publicly-owned land. Encouraging local governments to adopt best practices.

The Result: Infringement on Home Rule Powers?

The end of Wynwood? Massive projects would remake Miami's hippest neighborhood

Miami Herald



Live Local Act Proposed Development

- **48-Story Building** - 35 stories taller than the highest building allowed by right.



- **544 Rental Units**
- Likely **217 affordable rental apartments**, mostly studios, aimed at people making up to **120%** of the median household income in Miami-Dade County.

Miami Beach's iconic Clevelander Hotel and Bar to be replaced with affordable housing development







So where does that leave municipalities?



Role 1

Regulatory Framework

Municipalities play a crucial role in addressing the affordable housing crisis through legal frameworks and policies that shape their involvement in housing.

Role 2

Collaboration With Developers



The Role of Municipalities

Legal and regulatory barriers often hinder affordable housing development. Addressing these challenges requires reforms and adaptations that streamline the development process. Building effective collaborations between municipalities and developers involves creating incentives, reducing regulatory barriers, and providing support throughout the development process.



Role 1

Municipalities play a crucial role in addressing the affordable housing crisis through legal frameworks and policies that shape their involvement in housing.

Reducing Regulatory Hurdles

The Role of Municipalities

For instance, upzoning existing zones to allow higher density development can significantly increase the supply of affordable housing. Additionally, municipalities can implement policies that reduce the cost of development, such as waiving fees or providing tax incentives. Case studies illustrate that regulatory adaptations, such as simplifying the approval process, can lead to successful affordable housing projects.

Case Study: Municipality as Market Regulator, Tequesta Reserve

Six acre parcel of land, a portion designated Multi-family, with a large reserved for water rention. Town worked with the developer to rezzone the property to Transit Oriented Corridor.

Expedited Permitting Process and timely reviews to allow for developer to meet loan deadlines, etc.

219k Impact fee exemptions for AFH and Senior Housing. Town assisted developer in getting HOME Funds.



Davie, Florida + Broward County Housing Authority



Role 2

Municipalities play a crucial role in addressing the affordable housing shortage by leveraging government assets and becoming market participants.

Collaboration With Developers

The Role of Municipalities

Public-private partnerships are essential for fostering affordable housing solutions. Successful initiatives often include using publicly held land to develop affordable housing, creating incentives for developers, and implementing zoning reforms. For example, some municipalities have consolidated multiple government buildings to free up prime land for housing development. Others have made publicly owned land available for affordable housing developements as seen in several cities where government agencies have repurposed vacant or underutilized properties for housing.

Case Study: Omni CRA

16 Corner: Multi-family Mixed-Income Affordable Housing Project in Miami

Leveraged a public-private partnership to preserve historic 1950s garden apartments.

Aging and in disrepair, the buildings were up for sale at a price that most likely would have led to demolition and speculation or a rent increase, if left to private market factors.

All 44 units were gutted and rehabbed, with improvements such as new roofs, plumbing, electrical wiring, new air conditioning units, kitchens, windows and landscaping.





Rehab of Exiting Structure With No Displacement

Case Study: Lake Worth Beach CRA + Affiliated Development

Transit-oriented mixed-income mixed-use multifamily rental development comprised of approximately **200 units**, including **40 workforce housing units.**

"First Look" pre-market to local firefighters, police officers, government employees, and teachers 60 days prior to marketing the project to the general public.

Transit Orientated Development.



THE BOHEMIAN

KEY CHALLENGES FOR MUNICIPALITIES



Overcoming Opposition from Local Communities

Involving the community in affordable housing initiatives is crucial for their success. Effective community engagement strategies include conducting public consultations, forming advisory committees, and involving residents in the planning process. Case studies highlight successful community-led planning efforts that focus on urban infill and redevelopment of commercial properties into mixed-use developments. By fostering a sense of ownership and collaboration, municipalities can ensure that affordable housing projects meet the needs of the community and gain broader support.





> **Redfin finds white households could afford far more listings than Hispanic and — especially — Black households, who've faced decades of housing discrimination. Only 7% of listings this year were affordable for a typical Black household.**

Addressing affordable housing requires acknowledging the historical impact of racial zoning practices that have led to current economic disadvantages and housing shortages for marginalized communities. To foster diversity and inclusion, municipalities should implement equitable zoning policies that promote mixed-income, diverse neighborhoods. This can only be accomplished by actively including members of these communities in the planning and decision-making processes, ensuring that their needs and perspectives shape the solutions.

Case Study: West Palm Beach CRA

382 Units. Notably, 10% of the units will serve as workforce housing, ensuring diversity and inclusivity within the community.

Extensive Community Outreach, Including Quarterly Community Meetings.

Staffed Anthropologist.



The District at Northwood



Embracing Innovative Solutions

Diverse Housing

Modern housing concepts, such as tiny homes, 3D-printed homes, manufactured homes, and accessory dwelling units, offer innovative solutions to the affordable housing crisis. These housing models provide cost-effective and flexible options for increasing the housing supply.

Efficient Land Use

Efficient land use through high-density, mixed-use projects can address affordability challenges while creating more vibrant communities.

Employer Buy-In

Employer-assistance partnerships where employers donate land for housing development or offer financial incentives to employees. Municipalities can facilitate these programs by providing support and creating incentives for employer participation.

Employer Buy-In

Disney Supports Affordable Housing in Florida

Disney in FLORIDA

1,400 units 1,000 of which AFH.

Walt Disney World is dedicating nearly 80 acres of land for a new housing community in Central Florida. In collaboration with developer, The Michaels Organization.

Case Studies

Ground breaks on Universal's new affordable housing project in Orlando

$350 million Project set on 20 acres. **1,000 units 75% AFH**.



Case Study: Australia





Key Takeaways

1 Financial Support

- Allocate funds and offer tax incentives.
- Utilize housing tax credits and grants.

2 Public Private Partnership

- Collaborate between governments and private developers.
- Provide incentives for private investment.

3 Regulatory Flexibility

- Streamline permits and zoning processes.
- Reduce construction cost barriers.

4 Community Engagement

- Involve local stakeholders in planning.
- Build public support through education.

5 Innovative Solutions

- Explore modular and micro-housing.
- Support adaptive reuse of buildings.

Contact us



David N. Tolces

dtolces@wsh-law.com

WEISS SEROTA



Chanae L. Wood

cwood@wsh-law.com

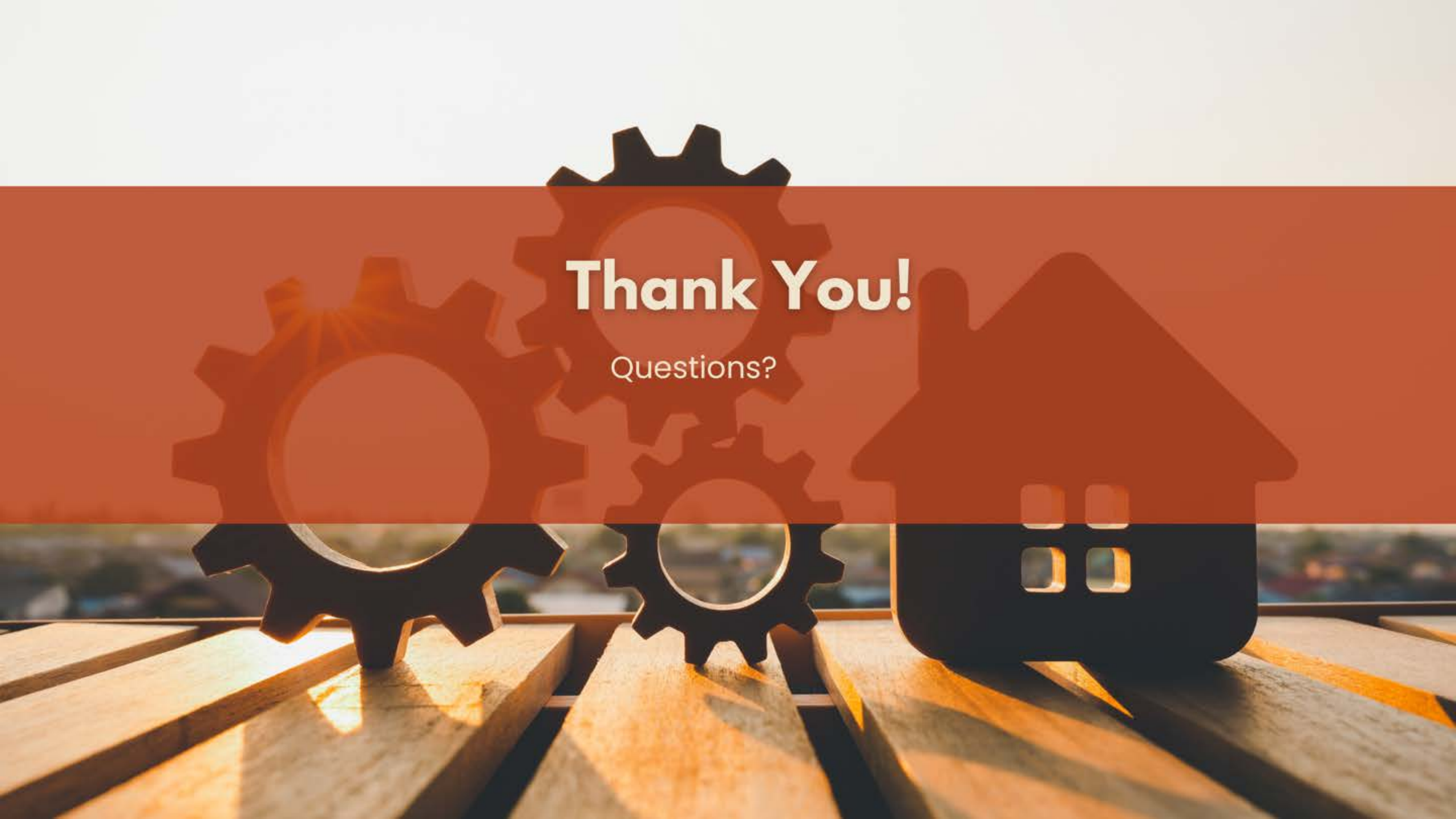
WEISS SEROTA



Dan Best

dbest@wolterconsulting.com.au

WOLTER consulting group



Thank You!

Questions?



Sources

- Andres Viglucci, The Miami Herald, The end of Wynwood? Massive projects would remake Miami's hippest neighborhood, June 22, 2024.
- Apartment List Research Team, Apartment List, Apartment List National Rent Report, August 2024.
- Erik Gartland, Center on Budget and Policies Priorities, 2019 Income-Rent Gap Underscores Need for Rental Assistance, Census Data Show, September 18, 2020.
- Florida Housing Coalition, Florida Housing Coalition Helps Local Governments and Nonprofits Navigate the Live Local Act, (last visited August 9, 2024).
- Jacqueline Pinedo, Miami Herald, Miami has one of the least affordable housing markets in US, report says. Here's why, May 7, 2024
- Jennifer Ludden, NPR, Most homes for sale in 2023 were not affordable for a typical U.S. household, December 24, 2023.
- Joint Center for Housing Studies of Harvard University, America's Rental Housing 2022, (last visited August 9, 2024).
- National Low Income Housing Coalition, The Gap A Shortage of Affordable Homes, March 2024,
- OPPAGA Report, Affordable Housing Strategies in Other States, 2023, December 2023.