

Affordable housing crisis can't be ignored

BY TIMOTHY WHEAT



Wheat

Paul Owers' April 17 story, "South Florida Nears the Top in Housing Costs," is the latest in a series of revelations that those in the South Florida workforce have long known —

that quality, affordable housing is barely attainable, and when it can be found, it is a severe drain on the pocketbook of working families.

Whether it be the sheer pent-up demand or families who are adversely "cost burdened" by paying more than 30 percent of their income on housing (in many cases more than 50 percent, making them "severely cost burdened"), the crisis in affordable housing is widespread and undeniable. Numerous published reports reflect a sobering fact — South Florida is among the least affordable places to live in the nation.

Rental housing, which many millennials and workforce households rely upon, shows particular strain. Harvard's Center for Affordable Housing Studies released a detailed survey of cost-burdened households last year, and the warning to South Florida was a stark one — a staggering 61.6 percent of renters, or 508,600, are cost burdened and 35.2 percent or 290,500 renters are severely cost-burdened. This makes South Florida the seventh-most cost-burdened market out of 381 markets in the United States. By comparison, New York is only 85th, Chicago is 143rd and Boston is 191st. The current environment of rising land and construction costs, plus

governmental fees, make it increasingly difficult to produce good quality housing that our population can afford.

Our economic growth and your tax bill are negatively impacted by unaffordable housing. If our workforce cannot afford to live near employment, we then pay for the new roads and public transit to get them there. If a major employer decides that Dallas is a better bet to relocate to vs. Fort Lauderdale because their employees will have a better quality of life, then we lose critical high-paying jobs.

We face a generational loss of innovation, economic growth and prosperity, with South Florida continuing to be known more for migration of talent away from our area than into it.

We must demand greater accountability from our elected officials to direct the available resources that you already are contributing to as a taxpayer and make adjustments to tax laws to incentivize more affordable housing.

Here are some examples. Since 1992, the Sadowski Act has allowed the capitalization of a Housing Trust Fund through the collection of a tax on documentary stamps in real estate transactions. Past and current governors and state legislatures traditionally attempt to sweep the Housing Trust Fund to fund other budgetary priorities. Every dollar of the funds we pay into this Housing Trust Fund should be used for housing, and we should also demand every dollar that leaves South Florida for Tallahassee's coffers is returned here for more housing investment.

At the federal level, we must adjust the most successful private investment vehicle in creating affordable rental housing — the Low Income Housing Tax Credit. While the tax credit targets families at modest income levels by leveraging private investment in new developments, Congress must act on industry proposals to allow an "averaging" of the income guidelines for new developments to ensure more optimum income mixes, including moderate income earners, all of whom are cost-burdened in some way. Lastly, Congress must act on the bipartisan proposal of Sens. Maria Cantwell, D-Wash., and Orrin Hatch, R-Utah, to increase the tax credit allocations to states by 50 percent.

Now is time for action, as the economic vitality and societal well-being of South Florida is at stake if we do not take measurable steps to address the affordable housing crisis.

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