

An aerial photograph of a residential neighborhood in Miami, Florida. The image shows a dense grid of houses with red-tiled roofs and lush greenery. In the background, the city skyline is visible, including several high-rise buildings and the ocean. A green semi-transparent box is overlaid on the left side of the image, containing white text.

Capstone Project: Reinventing the Housing Trust and Innovative Funding

The University of Miami Office of Civic and Community Engagement - Community Scholars in Affordable Housing Program (CSHP) 2023 Cohort

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Our Team

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Our Team

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Our Team

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Problem Statement

- How do we incentivize greater affordable housing in South Florida by leveraging new funding sources and/or enhancing the existing housing ecosystem while attracting foreign investment?



Capstone Project: Reinventing the Housing Trust and Innovative Funding

Reinventing a South Florida Housing Trust

- Quasi-governmental agency efficiencies – process and delivery
- Establish Organizational Capacity
- Leadership Diversity
- Clear Mission and Deliverables



Capstone Project: Reinventing the Housing Trust and Innovative Funding

Best Practices Across the US

- San Antonio Housing Trust Fund
- Louisville Affordable Housing Trust Fund
- New York City



Best Practices Across the US

San Antonio Housing Trust

- **Mission**

Committed to creating and preserving housing that is primarily affordable, accessible, attainable, and/or sustainable to residents and to support community development efforts that build and sustain neighborhoods, empower residents, and provide for positive equitable outcomes.

- **Purposes and Goals**

Provide additional and continuing housing opportunities for low- and moderate-income families; to promote public health, safety, convenience, and welfare by mitigating the extent to which households are unable to afford decent housing and to revitalize neighborhoods.



The Baldwin

The San Antonio Housing Trust partnered with the NRP Group to construct 271 rental units with 138 units reserved for those at 80% Area Median Income (AMI)

Best Practices Across the US

Louisville Affordable Housing Trust Fund

- **Mission**

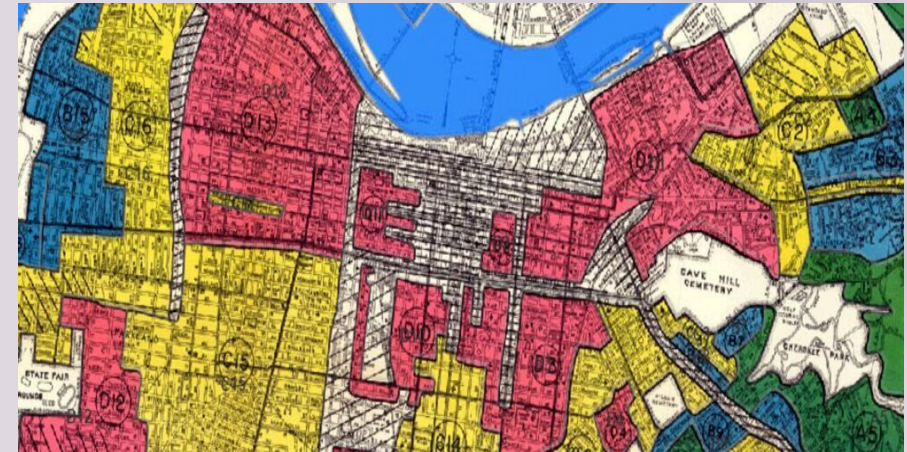
To facilitate the development and rehabilitation of decent, affordable housing by making grants and loans, providing technical support, and enabling builders and developers to construct affordable housing with less financial risk.

- **Purposes and Goals**

Invest additional local public funds to address the affordable housing shortage for individuals such as working families, seniors, people with disabilities, veterans, or others whose wages are not enough to maintain a stable place to live.

Improve Homes in Previously Redlined Areas

Louisville Affordable Housing Trust is offering \$50,000 to 200 families to clean up and purchase homes in neighborhoods that were previously affected by redlining (a discriminatory practice of denying or offering less favorable loans for housing to people in certain neighborhoods or areas based on their demographics or risk).



Best Practices Across the US



Pine of Perinton in the Village of Fairport

A \$137 million project to acquire and rehabilitate a 508-apartment HUD Section 236 (Preservation Initiative) multifamily housing property with five historic two-story buildings by the Winn Companies.

New York – Home and Community Renewal (HCR) Housing Trust Fund Corporation

- **Established**
HCR's Housing Trust Fund Corporation was established as a subsidiary public benefit corporation of the New York State Housing Finance Agency.
- **Mission**
To develop, preserve, and protect affordable housing and invest in economically vibrant communities. They work with many private, public, and non-profit partners to create safe, healthy, and affordable housing opportunities for all New Yorkers.

Best Practices Across the US

Common Practices

- Housing Trust Fund is managed by a separate agency or established corporation
- Uses a variety of tools to create and preserve housing that is affordable, accessible, sustainable, and attainable
- Utilizes both non-profit and for-profit developers
- Establishes a 5-year comprehensive affordable housing plan

Innovative Revenue Sources for Affordable Housing

Given the affordable housing shortage that is pressuring many cities across the nation, many states, counties, and cities are considering various tax options to create more funding revenue for affordable housing programs.

Tax options

- **Empty homes/ vacancy tax**
- **Transfer tax**
- **Meal Taxes / Foreign Homebuyer Tax**



Empty homes/vacancy taxes

- Premise is to *increase* the supply of existing homes in the market
- Other cities across North America have already implemented a Vacancy tax
- From 2017 to 2021, Vancouver collected \$115M
- Their number of vacant properties also fell by 36% between 2017 to 2021
- Other cities also considering similar taxes: San Francisco, Honolulu



Transfer taxes

- Many cities are also considering implementing *transfer taxes* to create more funding revenue for affordable housing
- MA is considering a multi-tiered transfer tax arrangement to allow cities to levy 0.5-2.0% on real estate transactions above \$1M; places with median house sales below \$750K can opt out of tax
- Voters in Los Angeles approved a similar *mansion tax* to fund affordable housing, charging additional 4% on all sales above \$5M or more, or 5.5% on sales > \$10M
- Chicago and NY/NYC have/are considering similar taxes



Other Alternative Types of Taxes

Meal Taxes

- Meal taxes that are levied against places that sell hot foods, meals, etc.
- City of Alexandria, VA expecting to receive \$4.5M annually to fund affordable housing
- In MDC, a 2% Food and Beverage tax is already being levied on hotels/motels to fund the County's tourism board; 1% tax levied on food/drinks served at bars to fund homeless programs
- Ask: re-direct existing 2% to affordable housing or increase either program levy

Foreign Buyer Taxes

- Canada enacted a complete ban on foreigners purchasing real estate for 2 years to clamp down on run-away real estate market AND instituted 1% tax on underutilized vacation properties
- Previously, provinces such as Ontario and British Columbia implemented foreign buyer taxes anywhere from 20-25%
- Ask: given Miami's status as a haven for Latin American/Caribbean expats, consider implementing a similar tax

Possible Solutions

- Housing Trust Fund that is managed by a separate agency or established corporation that uses a variety of tools to create and preserve housing that is affordable, accessible, sustainable, and attainable
 - Use both non-profit and for-profit developers
 - Establishes a 5-year comprehensive affordable housing plan
- Consider leveraging novel funding sources
- Tax-Bond Funding Resources



Questions and Contact Information

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