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Affordable housing solutions key to economic growth

By Kevin Cregan

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The need for affordable rental housing in [Broward County](#) continues to grow. Since 2000, the number of Broward households paying more than 30 percent of income toward housing costs has doubled, and we see no signs of improvement.

At the [Broward County](#) Housing Authority, we see this disturbing trend played out daily. With 40-plus years of experience operating traditional public housing and rental assistance programs, we provide affordable housing and services to nearly 12,000 Broward residents daily. Unfortunately, we have to turn away many more because of funding limitations.

Several years ago, facing the probability of little or no increase in federal housing dollars and a spiraling need for services, we began to study alternatives to meet the challenges facing Broward. We were determined to find new ways to meet the housing needs of county residents.

We identified private equity funding sources not dependant on the U.S. Department of Housing and Urban Development and developed a new way to address Broward's affordable housing deficit.

This led us, in 2002, to initiate our Affordable Housing and Development Plan. We assembled a team of consultants with national expertise to evaluate and advance the plan, incorporating the use of tax credit financing to tap private equity funding and create new opportunities to develop affordable housing without relying on HUD.

While developers have previously used tax credit financing for private projects, we found that there were advantages to the Housing Authority taking the lead. For example, most private projects are allowed to return to market rates after 15 years; we commit ours to affordable housing for 99 years. Also, our experience and financial leverage allow us to deliver projects at a lower capital cost with savings passed along as lower rents.

Since 2003, our model has attracted private funds in excess of \$100 million to create affordable rental housing units. Additionally, several new projects are designed and ready to go, awaiting the return of stability to U.S. financing markets.

The development of these affordable housing solutions is key to the continued economic growth of [Broward County](#).

It means the opportunity for a better life.

Kevin Cregan is the CEO of the [Broward County](#) Housing Authority.

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