



TRADEOFF: Biscayne Landing will include up to 6,000 condos and townhomes. The project's developers must create an equal number of affordable homes elsewhere in North Miami.

► Response ...

INCLUSIONARY ZONING

Pay to Play

As they permit big developments, some cities are requiring developers to build affordable housing as part of the process.

At 193 acres, Biscayne Landing in the city of North Miami stands out as the largest tract being developed east of I-95 in Miami-Dade and Broward counties. The \$1-billion project, on land leased from the city on Biscayne Bay, will feature up to 6,000 condos and townhouses, a town center and hotel.

Biscayne Landing also stands out as an affordable housing generator — perhaps the most aggressive example in Florida of what's called inclusionary zoning. Inclusionary zoning requires developers, in return for permission to build a particular project, to create affordable housing. For every condo and home Biscayne Landing builds and sells at the market rate, North Miami is requiring the developer to build an affordable unit elsewhere in the city — potentially 6,000 homes.

North Miami needs the help. A fifth of the city's families live below poverty level, with a median household income of \$30,000 compared with \$42,000 nationally, according to the 2000 Census. Nearly half of the city's 60,000 population is foreign born; 65% of residents speak a language other than English at home.

In 2001, the city asked for proposals from the private sector to develop an old landfill on the bay and required developers to address affordable housing. A joint pitch by Deerfield Beach-based Boca

Developers and Coconut Grove-based Swerdlow Group beat two rivals to win the competition. The developers agreed to create a for-profit partnership called North Miami Housing that would build the affordable units with its only "profit" a flat 15% administrative fee over costs.

Moreover, while the developers own the majority of North Miami Housing, minorities with local ties own 49% of it.

The city's community redevelopment agency will supply the buyers for the affordable housing by offering people who were city residents when the plan was made a second "mortgage" to bridge the gap between what they can afford and the purchase price of the units. That mortgage will have neither principal nor interest payments and only must be repaid if the buyer sells the home. The redevelopment agency gets its money in large part from the property taxes paid by Biscayne Landing property owners.

"What (Biscayne Landing) does is it creates money to subsidize affordable housing," says Swerdlow Group CEO Michael Swerdlow. The city's community redevelopment agency "is really the one that makes it happen."

CRA Executive Director Frank Schnidman says North Miami Housing also will rehabilitate apartments and residents' homes. "What we're doing is saying the people who lived here when the plan



LESSONS: "We are learning and teaching in this great social effort to really use 200 acres of municipal land as the economic engine for the redevelopment of the entire community," says Frank Schnidman.

went into effect are in effect the owners of Biscayne Landing," he says. The extra tax revenue Biscayne Landing generates "is their money because it comes from their return on their Biscayne Landing site."

The first North Miami project will be 71 townhouses selling in the low \$200,000s, 51 of which will go to subsidized buyers. "There are so many people pushing for this to happen," says Schnidman. "Whether they're Haitian, Hispanic or white, it doesn't seem to matter. We actually have everybody marching in the same direction. We have issues of trust that have to be addressed on a daily basis, but that's true anywhere in America."

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