

EXHIBIT 3



**Builders Association
of South Florida**

BUILDING GREAT CITIES
SINCE 1944

www.basfonline.org

111 NW 183rd Street, Suite 111
Miami Gardens, FL 33169

November 9, 2020

Honorable Dale V.C. Holness and
Broward County Commissioners
115 S. Andrews Ave, Room 421
Fort Lauderdale, FL 33301



Re: Item 26, Legislative Item 20-1894, November 10, 2020, Public Hearing

Dear Mayor Holness and County Commissioners:

I am writing to express the concerns of the Builders Association of South Florida (BASF) regarding the above-referenced item, which comes before you for public hearing on Tuesday, November 10, 2020.

The proposed ordinance would require that a City evaluate its supply of affordable housing before Broward County (“County”) could approve a municipality’s request for a land use change. While the County Planning Council voted not to require the estimation of the housing supply for three categories (very-low, low- and moderate-income residents), **the proposal effectively places a municipality, and the applicant-builder, in the position to have to independently address the shortfall by providing housing units.** Finally, a specific, and more aggressive, methodology was approved on which to base the estimation of supply in each category, based on the a recent Florida International University housing affordability report.

It is important to note that the State Legislature addressed this issue in the 2019 Legislative Session in HB 7103. HB 7103, which is now law, would require that proposals similar to this one, which seek to provide either workforce housing units or payment in lieu, must provide incentives to “fully offset all costs to the developer” of that contribution. Such incentives may include density/intensity bonus or more floor space than allowed under land use or zoning, reduction, or waiver of fees, or “other incentives.”

It is important to note that housing for very low and low income families have always been subsidized by Federal and/or State government programs. The private sector cannot replace these Federal and State affordable housing programs. **If adopted, this provision, would, in effect, require that a municipality, and ultimately a builder looking for a land use change, pay all subsidies now made by Federal and State programs, potentially contrary to State law.** This would inevitably increase the price of a new home in Broward from a current high of \$325,000 to even higher prices, making housing that much more **out of reach of even more families.**

Numerous unanswered policy questions remain about how this policy would work within each city, including the type and value of incentives available and how the Cities will comply with the new provisions of HB 7103. **Until these and related issues have been discussed with the building industry, with the goal of finding common ground on their substance and implementation,** it is respectfully requested that the County Commission vote down this item until they are fully addressed. Thank you for the opportunity to present the views of the BASF’s 250 corporate and associate members.

Sincerely,

Truly Burton

Truly Burton
Executive Vice President



RECEIVED
11/10/2020

November 9, 2020

Re: Item 26, Legislative Item 20-1894, November 10, 2020, Public Hearing

Dear Mayor, Commissioners and other concerned parties,

I am Katherine Catlin and represent the Gold Coast Builders Association (GCBA) and their over 250 member companies and employees. I am writing to express the concerns of GCBA regarding the above-referenced item, which comes before you for public hearing on Tuesday, November 10, 2020.

In the motion to adopt the proposed ordinance / amendment it states there is no fiscal impact for this item, there is in fact a significant impact. While there might not appear to be, consider the lost revenue at all levels when families cannot purchase homes in Broward County due to supply shortage and lack of affordability. There will be a loss of potential tax revenue and lost revenue to Broward County businesses.

In making the process more onerous you cause the cost related to development to increase and the supply of housing to decrease. The result is higher housing costs in a County where over 60% of your residents are priced out of purchasing new already. It is not just about New Construction; this also impacts the cost associated with the residential resale market it's all interconnected.

Broward County's approach to affordable housing makes it more difficult and costly to bring new units to the market will achieve the exact opposite of your intent. Your proposed methodology is flawed.

These endless studies ignore facts; increasing costs leads to decreased affordability and potentially increased homelessness. There is an impending implosion when the executive orders staying foreclosures and evictions expire. The issue of affordable housing and affordability of housing can be resolved. Instead of spending hours and dollars on studies I ask you to spend time not dollars at the table with the housing industry and together let's get this issue resolved.

The best way to increase low and very low units is to keep costs of construction down. Regulatory Fee add 24.3% on average to the cost of a new home. Land costs run on average 25%. Before the builder can begin to put a shovel in the ground 50% of the cost of the unit has been spent! Every \$1000 increase in the cost of housing leaves over 2000 families out of the market. Every item in this amendment adds to or allows for increases to the cost of housing. This bill which hurts the residents of Broward County, the very people you are charged with protecting!

Your residents deserve safe, clean, affordable housing. This bill will not provide that especially for families needing low, very low, and moderate housing. It is important to remember housing for very low- and low-income families is already subsidized by Federal and/or State government programs. The private sector cannot replace these Federal and State affordable housing programs. If adopted, this provision, would, in effect, require that a municipality, and ultimately a builder looking for a land use change, pay all subsidies now made by Federal and State programs, potentially contrary to State

law. This would inevitably increase the price of a new home in Broward from a current median of \$410,00 (2019) / \$480,000 (2020) to even higher prices, making housing that much more out of reach of even more families. Please see attached tables.

The proposed ordinance would require that a City evaluate its supply of affordable housing before Broward County (“County”) could approve a municipality’s request for a land use change. While the County Planning Council voted not to require the estimation of the housing supply for three categories (very-low, low- and moderate-income residents), the proposal effectively places a municipality, and the applicant-builder, in the position to have to independently address the shortfall by providing housing units. Finally, a specific, and more aggressive, methodology was approved on which to base the estimation of supply in each category, based on a recent Florida International University housing affordability report. This alone will make it virtually impossible for the developers to move forward. The single biggest cost to development is land (25 to 35% of the project on average) yet, this amendment is set to increase that cost.

The State Legislature addressed this issue in the 2019 Legislative Session in HB 7103. HB 7103, which is now law, requires proposals similar to this one, which seek to provide either workforce housing units or payment in lieu, must provide incentives to “fully offset all costs to the developer” of that contribution. We fail to see where that is outlined in this proposal.

Numerous unanswered questions remain about how this policy would work within each city, including the type and value of incentives available and how the Cities will comply with the new provisions of HB 7103.

We respectfully requested that the County Commission deny this proposal and instead create a task force that includes individuals from our industry and Associations (GCBA & BASF) to come up with fiscally sound, easily managed ways to create Affordable Housing in Broward County.

Please feel free to contact me any

time. Regards,

Katherine “KT” Catlin

Katherine “KT” Catlin

Executive Officer GCBA

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Broward County, FL Households Priced Out of the Market by Increases in House Prices, 2020

| Area | MortFLge Rate | House Price | Monthly MortFLge Payment | Taxes and Insurance | Minimum Income Needed | Households That Can Afford House |
|--------------------|---------------|-------------|--------------------------|---------------------|-----------------------|----------------------------------|
| Broward County, FL | 3.00% | \$410,051 | \$1,705 | \$572 | \$97,565 | 219,426 |
| Broward County, FL | 3.00% | \$412,928 | \$1,717 | \$576 | \$98,250 | 217,232 |
| Difference | | \$2,877 | \$12 | \$4 | \$685 | -2194 |

Calculations assume a 10% down payment and a 73 basis point fee for private mortFLge insurance.
 A Household Qualifies for a MortFLge if MortFLge Payments, Taxes, and Insurance are 28% of Income

| Broward County, FL Household Income Distribution for 2020 | | | | |
|--|--------------|------------|------------|--|
| Income Range: | | Households | Cumulative | |
| \$0 | to \$10,649 | 48,077 | 48,077 | |
| \$10,650 | to \$15,975 | 30,289 | 78,365 | |
| \$15,976 | to \$21,300 | 32,658 | 111,024 | |
| \$21,301 | to \$26,625 | 33,315 | 144,339 | |
| \$26,626 | to \$31,950 | 30,639 | 174,978 | |
| \$31,951 | to \$37,275 | 37,041 | 212,019 | |
| \$37,276 | to \$42,601 | 30,205 | 242,225 | |
| \$42,602 | to \$47,926 | 35,540 | 277,765 | |
| \$47,927 | to \$53,251 | 33,113 | 310,877 | |
| \$53,252 | to \$63,901 | 58,711 | 369,588 | |
| \$63,902 | to \$79,877 | 68,517 | 438,105 | |
| \$79,878 | to \$106,503 | 85,328 | 523,433 | |
| \$106,504 | to \$133,129 | 60,641 | 584,074 | |
| \$133,130 | to \$159,755 | 39,108 | 623,182 | |
| \$159,756 | to \$213,007 | 39,758 | 662,940 | |
| \$213,008 | to More | 51,273 | 714,212 | |