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BUSINESS MONDAY

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Affordable housing an important factor in hiring, CEOs say



From left to right:

Dr. Alejandro Badia is an orthopedic surgeon who leads a network of orthopedic urgent care centers called OrthoNOW based in Doral. The company has locations in Miami-Dade and Broward counties.

Hilarie Bass is the co-president of Miami law firm Greenberg Traurig, and will lead the American Bar Association as president in 2017.

Meg Daly is founder and president of Friends of The Underline, a nonprofit seeking to turn the underutilized land below Miami's MetroRail into a 10-mile linear park.

Steven J. Perricone is president and owner of Perricone's Restaurant in Miami, celebrating its 20th anniversary this year. He will also open Sullivan Street Bakery this spring.

Craig Robins is president and CEO of real estate development firm Dacra. He has spearheaded the development of Miami's Design District.

This week's question: How important is housing affordability for hiring and retaining employees? How about as a regional policy issue?

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Housing affordability is important for people across all socioeconomic classes. Miami has become a bit opportunistic in terms of pushing what the market will bear. The lack of affordable housing will hurt us as a community if we can't house low income workers. I believe this is more particular to Miami rather than the region itself and therefore is probably not a regional policy issue but a local policy issue that should be addressed.

Alejandro Badia, orthopedic surgeon and founder, OrthoNOW

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Affordable housing is an important element in any community. However, external forces that can affect the hiring and retention of quality employees include educational opportunities in the area, mass transit availability, and access to quality healthcare, among others. A company's culture is also critical to growing an effective workforce. South Florida is moving in the right direction in all of these areas and, I believe, will continue to do so with the public and private sectors working together towards a single goal of continuously expanding our region's quality of life.

Hilarie Bass, co-president, Greenberg Traurig

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Talent currently living here and talent contemplating moving to our community must evaluate the cost of living when evaluating job opportunities. While the cost of living is less than cities like New York, so is the pay scale. To attract and keep talent at all pay levels it is important to encourage affordable and workforce housing. I particularly think it is extremely important that people of all classes live together. The only way we can do that is to integrate housing at all price points. Collision of ideas and cultures creates a more dynamic, creative community.

Meg Daly, president and CEO, Friends of The Underline

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For corporate relocation, aligning workforce with the human resource needs is incredibly critical and is one of the drivers in the relocation decision process. Organizations evaluate labor availability and quality across municipalities and state to state. Depending on the nature of the talent needs, housing affordability may or may not be a criteria in the evaluation process. It depends on the business's objective. For example, if you are a call center that pays minimum wage, you are going to want to locate your operations in locations where the housing cost supports the labor force you are seeking and where there is adequate access to public transportation. When you look at highly desirable markets with class A office space such as downtown Miami, Brickell and Coral Gables, those tenants are not making the decision based on affordability of housing. Rather the primary driver for these institutions is proximity to business ecosystem and address. From a regional policy perspective, it's important to have all categories of housing for a local economy be sustainable for the community to flourish. State and local government entities should use tax incentives and subsidies to help promote the development of affordable housing. It should be noted that this is not simply a Miami challenge. Municipalities across the country and the world are all wrestling with this important topic. One would hope that information is being shared amongst municipalities in an effort to scale successful solutions.

Alan Kleber, managing director, JLL (Jones Lang LaSalle)

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Housing costs are always of concern, however, I believe that while they are rising in our area, overall costs remain low compared to other major metro areas, such as New York, Los Angeles, San Francisco and Chicago, which happen to be our competitors for skilled workers. Costs are rising fast in these areas too, but they have the disadvantage of a state income tax. When it comes to affordability, I think it's

critical that we look at housing costs directly attributed to government including the expenses for permits and impact fees. The system remains plagued with layers of government and red tape, requiring developers to pay lawyers, lobbyists, expeditors and other assorted consultants in order to get projects approved. In addition, rising cost are directly related to our region's latest and ongoing economic successes. Our prosperity has as much to do with the rising housing costs as the current price of lumber, nails or concrete. As a region, we need to look for solutions to long commutes and traffic. Housing closer to city centers will always be more expensive, but we have to find ways to make it so those living in affordable homes in the suburbs can get to work without a major hit to their quality of life.

Mario Murgado, president and CEO, Brickell Motors

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Housing affordability for Miami's workforce is essential to our city's growth and prosperity. Stability in our local economy starts with human capital, the core component of any business. South Florida's urban sprawl coupled with extremely limited public transportation, creates a significant difficulty and challenge for the labor force to "live and work" in harmony. We should not expect to hire, retain, and develop employees without reasonable and accessible housing and adequate mass transit. Soaring rents that have not corrected in years clearly demonstrate the need for increased lower and midmarket housing — while exposing a glut in the luxury market. Regionally, South Florida's policymakers should act in the interest of our local economy, supporting housing initiatives and creating a network of public transportation connecting our greater region.

Steve Perricone, president and owner, Perricone's Restaurant

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General quality of life is what determines the desirability of our city, and that comprises housing, transportation and wages, and other issues. Affordable housing is indeed one key factor to making Miami viable. Public transportation has increased in importance as our traffic has gotten more congested. Wages are equally a factor in this complex equation because when we earn more, we can afford more. Ultimately, we need the right balance to offer opportunity and quality of life to those living and working in our community.

Craig Robins, president and CEO, Dacra

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The availability and affordability of safe, quality housing is critical for our society, not only regionally but nationally. As a company with nearly 9,000 employees around the state, we look at many factors when it comes to hiring and retention. We focus on providing a diverse, inclusive and supportive culture; competitive compensation; and outstanding benefits. Affordable housing will always be important to hiring and retaining the workforce we need.

Eric Silagy, president and CEO, Florida Power & Light

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