

# MIAMI TODAY

WEEK OF THURSDAY, JANUARY 24, 2008

SERVING SOUTH FLORIDA'S MOST IMPORTANT AUDIENCE

*Under the direction of 29-year-old Matthew Greer, the Miami-based Carlisle Development Group strives to provide creative, environmentally friendly housing developments with a wide range of amenities – and rent their units at \$250-\$750 a month.*

*By Mr. Greer's estimation, Carlisle has provided about 7,000 affordable units statewide, with more than 2,000 additional under construction. Though the developments are backed in part by federal funding and are offered to those making 40% to 60% of the community's median income, you can't tell by looking, he says.*

*"No one really notices our developments when they drive through our communities.... We hope a renter would choose our community and then find out the additional benefits."*

*The company is partnering with groups such as the Camillus House and the YMCA to create innovative housing communities locally, and Mr. Greer himself is also involved in community projects, largely as an advocate for foster-care oversight. He was able to change state law to allow foster-care kids to live in affordable housing.*

*Mr. Greer was interviewed in his Coconut Grove office by Miami Today staff writer Risa Polansky.*

**Q: How did you come to be involved in affordable housing?**

**A:** I started here out of graduate school as an analyst. It was a great opportunity. I wrote my thesis in graduate school on affordable housing. Even back then, when you look at the overall demographics of our community, of

## THE ACHEIVER



**Matthew Greer**

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Age: 29

Born: Miami

Education: Columbia University  
(Bachelor's, history; Master's, real estate development)

Personal Philosophy: My parents always taught me to remember Robert Frost's Two Tramps in Mudtime: That my object should be to merge my vocation and my avocation.

South Florida and a lot of other Sunbelt communities, there is a huge portion of the community at a certain demographic level that's not being served. There are efforts to serve them, but it's difficult from a traditional real estate point of view to serve that community with new developments.

I thought that if there was a way to learn to serve them better, then there was a big market there that wasn't as aggressively pursued as some other, higher-end, markets are.

**Q: How did you rise to the CEO position?**

**A:** I progressed from analyst to vice president to COO and then, earlier this year, to CEO. A lot of the credit goes to my partner, Lloyd Boggio. We work very well together and our skills are very complementary. It reached the point where it was something that made sense for both of us, given where I was in my career and where he was in his career.

It really was the best way for us to continue our partnership and grow our company to provide the best opportunities to our employees.

**Q: What is the vision you both share?**

**A:** Lloyd and I both want to keep coming up with creative ways to serve the affordable housing community. I especially wanted to do that by differentiating in the way we went about doing business.

We recruit differently. We provide different types of amenities. We're leading the green building revolution trying to provide better buildings, more energy-efficient, environmentally friendly buildings. We're even providing a differ-

# Matthew Greer brings unique perspective on real estate ...

ent kind of culture for our staff and growth opportunities for our employees. That's something we both saw the same way, but we agreed that was something I would spend the next couple of years trying to build.

**Q: How many employees do you oversee?**

**A:** About 180 in our organization; about 36 in our main office.

**Q: How do you recruit a quality team?**

**A:** We look for young people who have a passion for affordable housing. We get ex-Wall Street people who are interested in finance and want to learn the development business.

**Q: How do you provide green buildings affordably?**

**A:** There's no getting around the costs of building a building, of land, of the entitlement process and of financing. The way we attack the problem is by looking creatively for new financing sources. There are a variety of resources, at the local, state and federal level, to try to serve this very important part of our workforce community, but it's a difficult process to bring all of those stakeholders to the table.

We pride ourselves on creating partnerships between mission-oriented non-profits, local governments and other funding sources. That has been our tactic.

We've been able to raise more than \$700 million through the course of the company's history to provide affordable housing. Many of those dollars come from non-traditional sources.

**Q: What is the difference between affordable housing and workforce housing?**

**A:** A lot of people confuse the two. The words are used interchangeably. When people talk about affordable housing, they might mean public housing or Section 8 housing. When they talk about workforce housing, they might mean something that targets a lower price point.

When we talk about affordable housing or workforce housing, we mean housing serving the working-class members of the community in a certain salary range, between 40% and

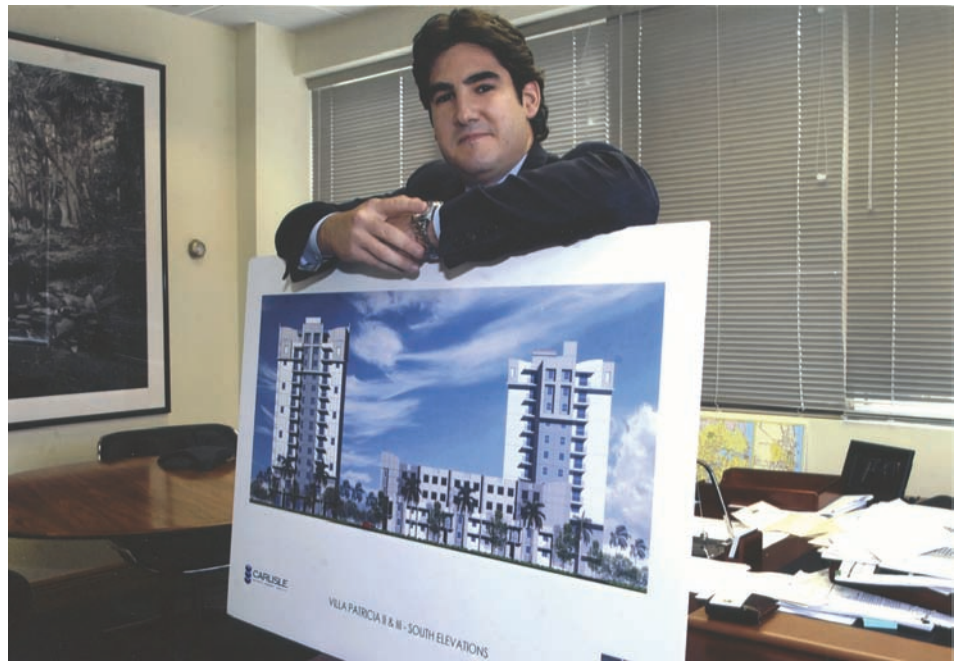


Photo by Marlene Quaroni

Matthew Greer's Carlisle Development has built thousands of affordable housing units in Miami-Dade County and continues to find huge demand in an otherwise slow market.

60% of the community's median income. You're talking about hard-working families who are driving economic growth in the community; people without whom our community can't function, entry-level people in the schools, government, police and fire departments.

To serve them, we have to provide housing that is equivalent in every way to traditional market-rate housing. That's different than serving the public housing or Section 8 needs of a small minority, who earn 0% to 15%-20% of the area's median income.

If you try to serve the workforce housing market without using government funds, you always have to compromise, because the market sets prices very efficiently. Sometimes we're confused with traditional developers who target a lower price point, and often they're providing an inferior product or in an undesirable geographic location, far away from job centers and schools. There are costs to providing that housing, whether it's more cars on the roads or building infrastructure farther out.

We target the workforce community by providing quality, state-of-the-art housing for them in an infill area near

their jobs, schools and transit, so they can minimize trips.

**Q: You use government funding?**

**A:** A huge part of what we do is securing federal funding. We match that federal funding, using 10 federal dollars to one local dollar, or even 20 federal dollars to one local dollar. We're very lucky to have a surtax program that funds local efforts for affordable housing; Miami-Dade is really a leader statewide. Many other counties have similar housing burdens but don't have the local funds to create that last-gap financing.

**Q: What's your view of mixed-income housing?**

**A:** I'm a strong believer in mixed-income communities. It creates a healthier culture. In really thriving cities like San Francisco and New York, you see vastly different incomes in close proximity. People haven't had trouble making that work. In automobile cities you see more segregation by income. We want to avoid that, to layer different incomes together and give all those people a chance to live in the same community.

**Q: What is the greatest challenge in building affordable housing?**

**A:** Affordable housing has all the

## ...to Carlisle's mission of housing Miami-Dade's workforce

elements of traditional housing but it has additional elements because you're bringing together multiple stakeholders, some of whom are government entities that have strong ideas about managing their programs. No matter how big or small, how simple or complex the construction, it's still a major public-private partnership.

Entitlement gets more difficult, construction and liability become more complex, and you still have to bring all the stakeholders to the table within a feasible time frame.

### **Q: How has the real estate bust affected your progress?**

**A:** The real estate bust doesn't affect us as directly, because the demand in our target demographic is tremendous. The demand for real workforce housing, with the location and amenities to raise a family, is huge.

The turmoil in the financial markets has an impact on us because so much of our financing comes through Wall Street. Wall Street's interest in affordable housing is driven by a lot of complex factors. When there's a real downturn in the economy, it ripples through financing.

### **Q: As foreclosures increase, does the demand for affordable housing?**

**A:** As we move away from unreasonable products, like the ARM loans, and people realize the virtues of renting, there is more demand for high-quality apartment rentals than in the past. Some governments have begun to suffer the financial impact of a slowing economy; when they cut funds, affordable housing is a place where they economize.

Some of the pressure on the housing market has eased. The vast majority of the workforce community isn't impacted by the ability of a high-rise Biscayne condo to sell out at \$600,000 per unit. They're looking for a three-bedroom, two-bath near Jackson Memorial, where they work. Those apartments weren't in their price range before, and they're not now.

### **Q: Is it difficult to obtain federal dollars?**

**A:** Yes. The trick is that federal dollars can make up to 70% of these

developments, which keeps rents low and leverages local dollars, but every community is fighting for those dollars. We've had a great track record of pulling these dollars into the community. We've partnered with local housing authorities that have land or other assets; we're the developer who drives the procurement process.

### **Q: Is there competition from other companies?**

**A:** There are other affordable housing developers; anyone who wants to can apply. We have more than a decade of experience in securing these funds, with more than \$700 million in funds in Florida. That doesn't always carry the day, but we're much bigger than our next-biggest competitor and much more likely to successfully win one of these applications. It's a better bet for a community trying to get an affordable project out of the ground in the shortest time possible.

### **Q: What are some of your current projects?**

**A:** We've got 25 projects around the state. In the past couple of years, we've had the opportunity to do some groundbreaking projects here in Miami.

We'll be in partnership with Camillus House to create the first LEED-certified housing development serving the previously homeless, along with low-income and workforce housing, all in one building. That will be downtown.

The great thing is working with Camillus, who knows how to serve the low-income community, and creating the first-of-its-kind LEED-certified building in Miami-Dade, gave us a lot of opportunities to work in areas that we weren't familiar with. We're continuing to build our lead in transit-oriented

developments.

We built the first couple of transit-oriented affordable housing developments in Miami and we're now engaged in an exciting partnership with the Transit Workers' Union and Miami-Dade Transit Authority to build one at their Brownsville station. It will be the first environmentally friendly

building of its kind, and will be mixed-use, with a retail component hopefully anchored by a local grocery store, a training facility for the transit workers, and an affordable housing component. It will give people a real opportunity to utilize our transit system.

### **Q: Where does that project stand?**

**A:** We received financing on the first phase and are well into the design and planning process. We hope to break ground by the end of this year.

In the Allapattah area, we started construction on a project with the YMCA of Greater Miami, which is groundbreaking nationally. It allows the YMCA, which had an obsolete facility, to donate their land to a joint project.

We're going to rebuild all of the YMCA's facilities for them – a day care center, a gym, a mixed-use facility and all the associated parking – and build affordable housing on top of that. That allows us to pay the YMCA a ground lease for the next 50 years, which will cover the operating deficits, it will create a place for their programs, and our residents can use their daycare facilities.

We were able to utilize underutilized land, the YMCA got a great new facility and a reliable ground-lease payment, and our residents got a great new infill location with day care onsite.

### **Q: What are some of the other projects?**

**A:** We've got two LEED-certified projects in Deerfield Beach, which will be the first in the affordable housing industry in the state. The Camillus House project will be the third.

We're taking a very aggressive role in green building. We're working on the next generation of our developments with some of Miami's leading architects who previously were doing a lot of high-profile projects. That's the next step. Their designs blend in with the other market-rate communities.

### **Q: Are mainstream developers breaking into affordable housing?**

**A:** We haven't seen a lot of that. We see people trying to figure out how to tap into affordable housing sources,

but it's a complicated process. We partnered with the Related Group of Florida, with United Homes and Caribe Homes, looking to utilize the assets they have in this slower market and see their land be developed.

**Q: How does Miami's affordable housing demand compare with the rest of the state?**

**A:** There's need throughout the state, but the need in Miami-Dade is tremendous, representing 20-25% of the state's need. The county is critically lacking 50,000 or more affordable housing units. In a very good year, the industry could provide 2,000 units.

**Q: How many units does your company provide per year?**

**A:** I don't have year-to-year stats. We've probably got stabilized about 7,000 units statewide, and about 2,000 or 2,500 under construction.

**Q: How lucrative is building affordable housing?**

**A:** Not very. You can't compare it to building luxury condos or a regional shopping mall. The triple bottom line is financial success, social reward and environmental reward. The state sets parameters as to how much profit we can make in a deal, up to 16% of eligible costs, and we rarely meet that.

**Q: How has affordable housing changed?**

**A:** For a long time, we encountered a misunderstanding of what we do, and a reaction to public housing, or Section 8 housing. Affordable housing is really a reaction to public and Section 8 housing. Public housing was the government's effort to be an owner and a landlord; in the 1970s, they decided it wasn't working so they created Section 8 vouchers. That didn't work, either, and their costs to provide rental subsidies kept going up.

Our program is totally different. It's privately owned; the mortgages are signed for by the developers, and they have a requirement to manage the property for a long time. Federal and state governments don't put in operating subsidies; it's a one-time investment. It's much more efficient.

No one really notices our developments when they drive through our communities. The renters don't necessarily know, either. We hope a renter would choose our community and then find out the additional benefits.

**Q: What is the typical rent?**

**A:** It varies, because the government sets the rents. In Miami-Dade, for a well-located two-bedroom, two-bath apartment, the cost to the renter would be \$250-\$750 per month.

**Q: What are some critical issues in the industry now?**

**A:** The state in the 1980s created the

Sadowski Fund, funded through a surtax on documentary stamps. Most of the hundreds of millions collected over the past 10 years hasn't gone to affordable housing, as it was supposed to. It's been swept into general revenues by the state legislature. As the real estate market heated up, more transactions meant more docs stamp fees, but now there is a state budget crisis, so the temptation is to sweep all of those funds into general revenues.

**Q: How are you involved in the community?**

**A:** I'm very involved in Our Kids, which is the foster-care oversight organization for Miami-Dade and Monroe counties, helping kids exiting foster care to find housing opportunities. I was able to change the state law to allow foster-care kids to live in affordable housing, which they couldn't do before, and we were able to move some foster kids into one of our buildings. We're now building, pro bono, with Camillus House, a second building for them.

I'm also involved with the Jewish Federation's non-profit organization to stimulate the arts in Miami-Dade.

**Q: Do you have any hobbies?**

**A:** Reading that's not related to my industry or my company is my biggest guilty pleasure. Golf is a hobby that gets ignored a lot. 