

# Riding to Success

*Partnering With Transit Agencies Is Key  
for Florida Developer*



Rendering of  
Brownsville Transit Village  
Miami, Florida

Partnering with transit agencies has been key to Matthew Greer's success in developing transit-oriented affordable rental housing projects in South Florida. These types of developments have utilized non-traditional financing and readily attract tenants, making them highly competitive in the local apartment market.

"We've done over a thousand units of strictly transit-oriented development – development on a publicly owned transit-funded piece of land, directly connected to a rapid transit site," says Greer, CEO of Miami-based Carlisle Development Group, the largest affordable housing developer in Florida. "I think we're one of the leaders in the country, by that metric."



Matthew Greer

The thousand-plus units have been in low-income housing tax credit (LIHTC) properties, primarily in Miami-Dade County, which includes the city of Miami.

### Brownsville Transit Village

A recent example is Brownsville Transit Village, which Greer describes as "the crown jewel of Miami-Dade [County's] evolution toward mixing affordable housing and transit."

When completed, the five-phase \$130 million urban infill project will contain 467 affordable apartments over 5.8 acres in five phases of mid- to high-rise buildings with ground-floor retail. Groundbreaking occurred last June for Phases 1 and 2, both LIHTC jobs. Phase 1 will contain 96 apartments for low-income families; Phase II, 100 apartments for low-income seniors. Projected initial monthly net rents, depending on household income, will range from \$319 to \$660 for a one-bedroom unit; \$374-\$784, two-bedroom; and \$404-\$877, three-bedroom. Amenities for residents will include a community center, computer lab, exercise center, and on-site community programs. Carlisle plans to seek LEED certification for all phases.

The site, in Miami's Brownsville neighborhood, is adjacent to the Brownsville Metrorail Station – a stop on the county's commuter rail line. The development is being built on a former ancillary parking area that is owned and will be leased by Miami-Dade Transit, the county transit agency. Carlisle will build a structured parking facility to provide parking for commuters and its residents.

Funding sources for the overall Brownsville Transit Village include housing tax credit equity, loans from Citibank and the Florida Housing Finance Corporation, and roughly \$4 million contributed from the Miami-

Dade County Surtax Program.

Miami-Dade County Commissioner Barbara Jordan, who also chairs the county's transit committee, said, "Joint-development projects like Brownsville Transit Village give local residents more than just easy access to public transportation. They also create an environment where residents can live, work, and play – all without having to go too far from their community."

One of the earliest transit-oriented projects that Carlisle did was Santa Clara Apartments, an eight-story, 208-unit LIHTC project adjacent to the Santa Clara Metrorail Station, close to downtown, medical facilities, and Miami's Civic Center. Completed a number of years ago, it was followed by Santa Clara Apartments II, another affordable development.

### Most Projects on Rapid Transit

Carlisle's transit-oriented projects have all been in South Florida so far. Most have been in Miami-Dade County, Greer says, because "that's where you have one of the larger heavy rail rapid transit systems in the country." Most of its transit developments have been located at rapid transit stations. "That's where you have the real impetus to create housing that can rely on the transit." However, Carlisle has also done some projects on bus lines. In fact, the company just received an award to develop an LIHTC project at the site of a new bus terminal where four bus lines converge. The transit agency is using a federal transit grant to fund the acquisition of the land and the build-out of the infrastructure. "We'll actually be building their bus terminal and bus driver rest area and the transfer area," he notes.

Greer identifies several advantages to developing LIHTC projects at rapid transit stations in partnership with the transit agency. One is the availability of transit agency-owned land for development, usually through a ground lease. These parcels usually are currently being used for parking or some other minor purpose.

These sites also provide added appeal in attracting renters, because of easy access to work and other attractions via the transit line, and for economic advantages. In marketing to prospective renters, Carlisle makes the case that residents don't need a car if they live at an apartment development at a Metrorail station. By saving tenants money on their combined housing and transportation costs, Carlisle effectively widens the income band of households that can qualify to live in

Carlisle, continued on page 4

Carlisle, continued from page 3

one of its LIHTC projects. “If [my property] is on a transit line and yours is not, even if my unit is 5 or 6 years older than yours, my net rent to my tenant is \$810 a month, and your net rent to your tenant [\$800 rent plus \$400 monthly cost of a car] is \$1,200 a month. So you’re not even remotely competitive with me.”

Notes Greer, “With our tenants, the incentive to ditch the car is much higher.” In addition, Carlisle has been able to obtain waivers allowing it to provide less parking at its developments than is normally required.

According to Greer, an affordable housing project on rapid transit needs to meet three criteria to be successful. It has to be on a transit network that is dense enough that residents can get to all the places that they need to without a car. It has to be safe to walk there at all times. And it has to be walkable in all conditions. Carlisle typically builds a bridge that takes residents straight from the apartment lobby into the transit station.

### Making the Case

Miami-Dade Transit has a joint-development program under which it has been entering into long-term ground leases of land at its Metrorail stations to support development of housing and commercial buildings. A long-term ground lease, at a favorable rent, can reduce the total development cost of, say, an LIHTC project.

Early on, Carlisle landed transit-oriented affordable housing projects by responding to requests for proposals issued by transit agencies. More recently, though, Greer is approaching transit agencies informally to try to persuade them to partner on projects at transit stops – a trend he expects to grow going forward.

Part of this shift, he indicates, is the changing attitudes of public transit officials as they gain more experience with transit-oriented development. Still, Greer says it’s important for a developer to approach a transit agency in the right way; initially they’ll usually be wary that a developer will be trying to take away some of their resources.

“For the transit authority, it needs to be all gain, no pain initially” says Greer. One key point to make to transit officials is that a housing project at their station will increase their ridership, by supplying additional, loyal customers – critical for transit agencies facing red ink. “The goal of the transit agency is to improve the ridership and the success of their network,” says Greer, “not necessarily to maximize the income they can generate



*Santa Clara Apartments, Miami, Florida*

on that site. And that’s been the revelation to them; that they don’t have to have one or the other. They don’t have to sell the site to an office developer or give it away to a tax credit developer. [By leasing the site for development] they can get a lot of the economics, but they can also get a far superior return on what they care about, which is the quality and quantity of ridership.”

Greer describes a “virtuous cycle” that is created by successful housing development at transit stations. Project residents, many jettisoning their cars, become regular transit riders, making the transit agency gain customers and feel good. This, in turn, generates favorable PR, which attracts additional riders on that segment of the line, gets the attention of government officials, and can even help the transit agency obtain federal grants that provide them with new opportunities to support additional projects.

To other developers contemplating doing a transit-oriented LIHTC project, Greer advises, “The first step is to figure out what you can bring to your local transit authority or agency. They have enough on their plate that they don’t need another priority interjected into their planning process. But, what we have to convince them of – and there’s ample research to prove this – is that affordable housing and transit work together perfectly, and they’re very synergistic, and we can be a great way to take cars off the road and put people into rapid transit. Because once you break the link between a low-income tenant and their car, you’ve got a public transportation user for life.” **TCA**