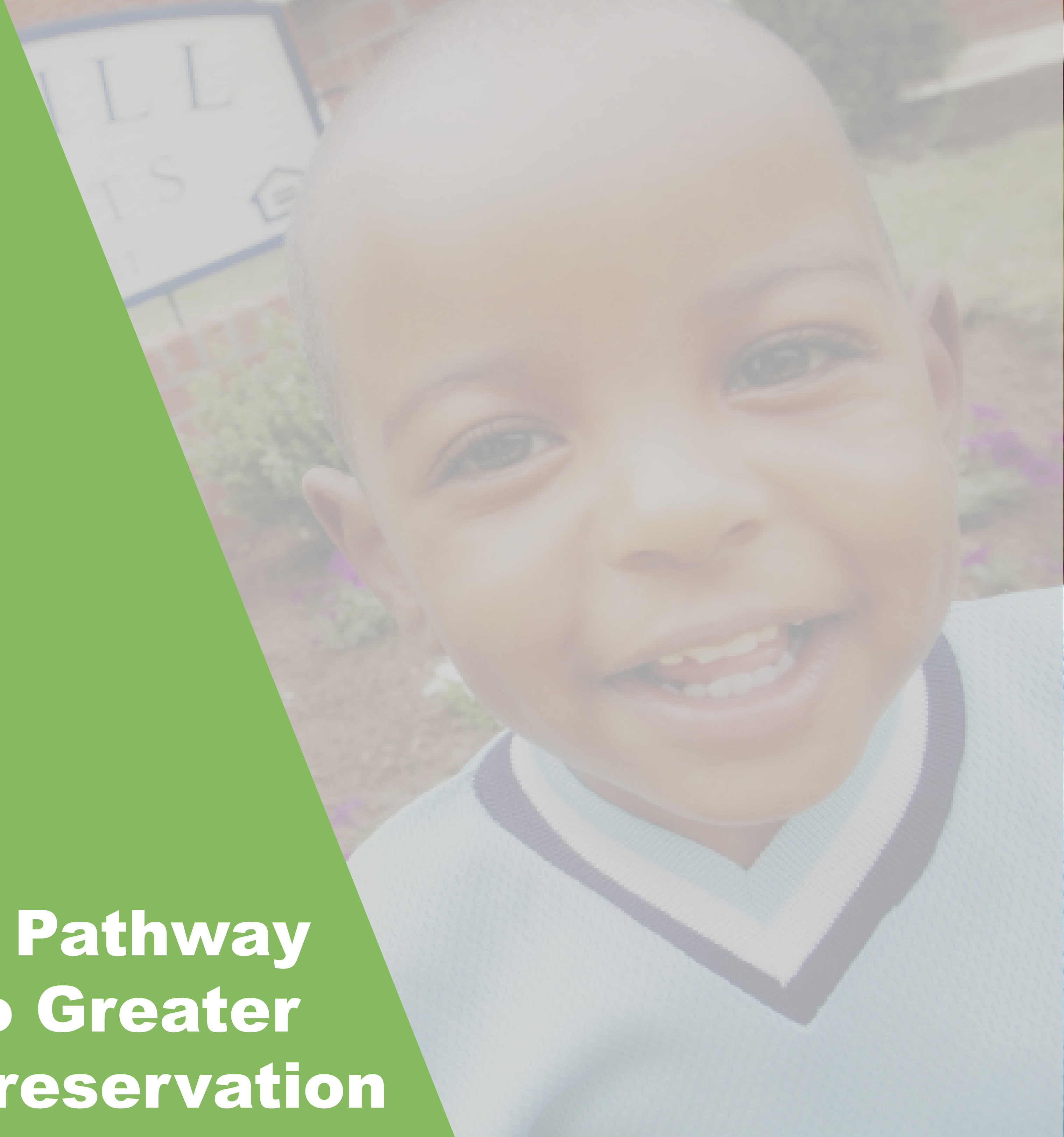

A Pathway to Greater Preservation

Strategies to Preserve the Assisted Housing Stock of Miami-Dade County and the City of Miami

February 2018

Funded by:
HEALTH FOUNDATION of south florida

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This report is prepared by the National Housing Trust (the Trust), the Shimberg Center for Housing Studies (Shimberg), and Miami Homes for All (MHFA) and is the product of interviews, research, and analysis performed between March 2017 and March 2018. Recognizing the urgency of the affordability crisis in Miami, MHFA reached out to both the Shimberg Center and the Trust to quantify and assess the health of the assisted housing stock in Miami-Dade and to create recommendations on how to preserve its affordability following the best practices of communities across the nation. The information offered by Shimberg and the recommendations proposed by the Trust are meant to serve as a guide to Miami-Dade County (MDC) and Miami as they recommit to the preservation of assisted rental housing. This report is also intended to be used by other housing stakeholders in South Florida who are seeking to learn more about the best practices in preservation from across the country and what those practices might look like in the Miami-Dade region.

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A Pathway to Greater Preservation: Strategies to Preserve the Assisted Housing Stock of Miami-Dade County and the City of Miami

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Preservation is a critical component in ensuring a sufficient supply of affordable rental housing. Without preserving its existing assisted housing, Miami-Dade County (MDC) and its cities will never meet the needs of their most vulnerable populations. Recognizing this, Miami Homes for All, the National Housing Trust, and the Shimberg Center for Housing Studies jointly set forth to assess the region's existing assisted housing stock, identify local barriers to preservation of this stock, and make tailored recommendations on how to advance preservation in the City of Miami (Miami) and MDC.[1] *The following report is the result of that work.*

Introduction

The housing affordability crisis in Miami-Dade region and throughout the country has been extensively documented.[2] A boom in population and luxury housing developments have placed upward pressure on the South Florida housing market causing rental prices to skyrocket. An estimated 65 percent of low-income households in MDC live in rental housing.[3] In 2016, four out of five of those renters spent more than 30 percent of their income on housing costs, making them housing cost burdened according to the federal government and triggering a demand for assisted housing that exceeds the number of units available. In MDC and Miami, long waiting periods are common to individuals and families who qualify for affordable housing.

This report focuses on preserving the affordability of the assisted rental housing stock (referred to as assisted housing or assisted rental housing throughout this report), which includes privately-owned, multifamily affordable rental properties subsidized with Low-Income Housing Tax Credits (Housing Credits) and other privately-owned properties subsidized by the Department of Housing and Urban Development (HUD), state, or local governments.

Unfortunately, assisted housing is being lost at an alarming rate due to the expiration of subsidies, deterioration, and financial default. Over the past 15 years, 8,042 rental units have been lost from the affordable stock in MDC.[4] Assisted housing units can be lost when the rent and income restrictions

[1] Throughout this report, the use of "the region" refers to Miami-Dade County and the localities within it.
[2] Elliott, Diana; Srini, Tanaya; Kooragayala, Shiva; and Hedman, Carl. Miami and the State of Low-and Middle-Income Housing: Strategies to Preserve Affordability and Opportunities for the Future. Urban Institute. March 2017 https://www.urban.org/sites/default/files/publication/89311/miami_lmi_0.pdf
[3] U.S. Census Bureau, 2016 1-Year American Community Survey.
[4] The assisted housing developments described here are separate from the *public housing* supply. The risk analysis does not include these units because they should remain affordable in perpetuity according to their program restrictions.

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associated with subsidies expire, owners opt out of renewing subsidy contracts, or subsidies are terminated due to poor property conditions. [5] Once these restrictions are no longer in place, many developments are converted to market-rate rental units or condominiums. Others are demolished and the land is used for new developments.

In the next decade, 95 developments in MDC with 9,694 assisted units are at heightened risk of affordability loss because of expiring subsidies, aging facilities, or both.

When properties convert to market rate, residents are at risk of sharp rent increases and displacement. While tenants in developments subsidized by HUD's rental assistance programs generally receive rent vouchers to stay in their current units or find new housing on the private market with the help of subsidies, residents of other privately-owned, lost properties generally do not receive these protections and are at high risk of rent increases once the affordability term ends. In either case, the affordable units are lost to future tenants.

Fortunately, there is an alternative: preservation. Preservation refers to actions taken to ensure that housing subsidy and affordability restrictions remain in place at a property over the long term. Furthermore, the extended affordability is usually combined with repairs to the property. Often the property is purchased by a new owner who is committed to long-term affordability and renovates and manages the property along with those values. Like new construction, these actions require an infusion of affordable housing development financing from a mix of public and private sources;[6] however, preserving a subsidized rental unit is 25 to 40 percent cheaper than constructing a new one.[7]

The following table lists 40 properties comprising 1,148 apartment homes that are at risk of being lost from the affordable stock by 2027 due to subsidy expirations.[8] The methodology used to identify these properties and a comprehensive table of property information including housing program, total units, target population, and owner type can be found in Appendices B of this report.

This list provides a point-in-time snapshot of property risk factors, one that will need frequent updates. Developments can move on and off watch lists as subsidy terms move closer to their end dates, ownership changes, and property and neighborhood conditions improve or deteriorate.[9] Our procedural recommendation, beginning on page 9 of this report, offers a solution to actively track these properties.

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[5] To learn more about the types of risk threatening Miami's affordable housing stock, see Appendix A, Miami-Dade County's Existing Assisted Housing Stock.
[6] A graphic overview of the options available for preserving at-risk properties is available in Appendix F.
[7] Brennan M, Deora A, Heegaard A, Lee A, Lubell J, Wilkins C. Comparing the Costs of New Construction and Acquisition-Rehab In Affordable Multifamily Rental Housing: Applying a New Methodology for Estimating Lifecycle Costs. Washington D.C.: Center for Housing Policy; 2013. www.nhc.org/media/files/CostComparison_NC_AR.pdf.
[8] For information on the properties at risk of being lost from the assisted stock due to aging facilities, please see Appendix D.
[9] We stress that these factors are markers of risk, not guarantees of an end to affordability. Many of these developments will continue to provide safe, affordable housing well into the future. Moreover, developments without identified risk factors do sometimes leave the assisted housing inventory.

Table 1: Properties at Risk of Subsidy Expiration, MDC

Development Name	Street Address	City	Assisted Units	Expiration Year	
				HUD	Housing Credit/ FHFC
Casa Isabel	300 SW 4th Ave	Miami	14	2017	-
Town Park Village I	1680 NW 4th Ave	Miami	30	2017	-
Villa Sonia	340 SW 5th Ave	Miami	27	2017	-
Villa Elena	636 SW 6th St	Miami	24	2017	-
Town Park Plaza South	1798 NW 5th Ave	Miami	84	2018	-
Phoenix Manor	3941 SW 89 Avenue	Miami	20	2017	-
Villa Margarita	628 SW 2nd St	Miami	20	2018	-
Villa La Nina	520 SW 4th St	Miami	13	2017	-
Villa Sara	435 SW 6th St	Miami	30	2017	-
Villa Beatriz	776 NW 2nd St	Miami	24	2019	-
Federation Towers	757 West Ave	Miami Beach	113	2020	-
Meadowgreen Apartments	1955 W 54th Street	Hialeah	119	2021	-
Russ Allen Apartments	1550 W 44th Place	Hialeah	73	2021	-
Villa Pina	619 SW 2nd St	Miami	21	2021	-
Palmer House	1225 SW 107th Ave	Miami	120	2018	-
Rebecca Towers North	200 Alton Rd	Miami Beach	200	2019	-
Shep Davis Plaza	220 23rd St	Miami Beach	49	2018	-
Villa Maria	2800 Collins Ave	Miami Beach	34	2018	-
Anne Marie Towers	436 NE 82nd St	Miami	20	2022	-
Buena Vista Apartments	521 SW 6th St	Miami	21	2022	-
Orlando Apartments	458 NW 4th St	Miami	24	2022	-
Villa Christina	427 SW 8th Avenue	Miami	12	2018	-
Mayras Court Apartments	1529/1559 NW North River Dr	Miami	56	2022	-

Development Name	Street Address	City	Assisted Units	Expiration Year HUD	Expiration Year Housing Credit/ FHFC
Nathalie's Court Apartments	1521 SW 6th St	Miami	13	2022	-
Buena Vista Villas	13555 NE 3rd Ct	North Miami	20	2018	-
Swezy	1220 Pennsylvania Avenue	Miami Beach	10	-	2022
Riviera Plaza	337 20 Street	Miami Beach	56	-	2023
Cielo	1930 Marseilles Drive	Miami	18	-	2022
Homestead Colony	810 E. Mowry Drive	Homestead	312	-	2025
Hardin Hammock Estates	22555 SW 107 Place	Miami	200	-	2026
Janoski Property	3255 Williams Avenue	Miami	1	-	2019
Coral Gardens Apts	250 SW 14th Ave	Homestead	92	-	2027
Residential Plaza At Blue Lagoon	5617 NW 7 St	Miami	269	-	2019
Vizcaya Villas	8005 NW 8th St	Miami	174	-	2027
Villa Hermosa	11455 West Flagler Street	Miami	76	-	2026
Royal Palm Gardens	1110 East Mowry Drive	Homestead	145	-	2027
Green Vista	18100 Northwest 68th Avenue	Miami	94	-	2027
St. John Island	140 NW 17th Street	Miami	48	-	not avail.
London Arms	727 Collins Ave	Miami Beach	24	-	2022
Caribbean West	12140 SW 200th St.	South Miami Heights	102	-	2024

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory. Data retrieved January 2018.

Without intervention, affordable homes will continue to be lost. A complete analysis of the properties at risk of being lost from the assisted stock due to expiring subsidies, aging facilities, or both, can be found in the Appendices A through E. In many instances, assisted rental housing is being lost in quickly gentrifying areas including Miami Beach, Allapattah, and Little Haiti.[10] The continued erosion of MDC's assisted housing stock threatens the quality of life for the families and elderly who live there. The solution to such a steep decline in affordability necessitates robust housing policy with dedicated resources to preserve existing assisted housing. While new construction using public financing like the

[10] Nehamas, Nicholas. "Little Haiti will be South Florida's hottest neighborhood in 2017, report says." Miami Herald. January 2017. http://www.miamiherald.com/news/business/real-estate-news/article124811349.html

Housing Credit or local housing trust funds provides some opportunities for assisted housing, units are not being built fast enough to address the housing demand of the rental market. Neither Miami-Dade nor Miami can build its way out of the affordability crisis. At the current pace of construction, South Florida will meet less than 40 percent of the demand for additional rental units by 2030.[11] Almost all new units will be placed at market price and, thus, far outside the means of a minimum wage earner.[12]

A committed preservation effort in the region is the only way to stem the current loss of the assisted rental housing stock and protect the County and City's current financial investments. The preservation of existing properties not only extends affordability, but also offers a variety of social benefits by attracting private investment and improving community safety. Preservation stabilizes historically divested neighborhoods, creates opportunity, and is less likely to result in the displacement of existing families and households than new construction.[13]

Barriers to Preservation

Recognizing a need for greater preservation, MHFA conducted a series of interviews with assisted housing stakeholders in the community to identify existing barriers to and opportunities for preservation.[14] Interviews with banks, developers, community development financial institutions (CDFIs), nonprofit organizations, tenant rights' attorneys, and City and County officials provided a comprehensive picture of the assisted housing landscape, pointing to strengths and highlighting a major opportunity to build an institutional commitment to preservation in the Miami-Dade region. In the subsequent analysis, three main themes arose: lack of developer capacity, lack of capital, and lack of communication.

Capital

The availability of gap financing for the acquisition and rehabilitation costs associated with preservation is one of the largest barriers to preservation in MDC, Miami, and around the country. For most Housing Credit projects, there is a "gap" in funding between the equity provided by the Housing Credit, the permanent mortgage financing, and the project budget. Gap financing provides crucial funds that make up the difference between money received from subsidies like the Housing Credit and the actual cost of acquisition and rehabilitation. Although the amount of gap financing needed on any individual product varies drastically by project size, market, and a host of other variables, funding gaps typically range from 30 to more than 50 percent of project costs.[15]

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[11] Rodriguez, Rene. "Miami is getting lots of new apartments, but you may not be able to afford them. Miami Herald. July, 2017. http://www.miamiherald.com/news/business/real-estate-news/article160180729.html

[12] Aurand, Andrew; Emmanuel, Dan; Yentel, Diane; Errico, Ellen; Pan, Marjorie. Out of Reach 2017: The High Cost of Housing. National Low-income Housing Coalition. 2017 http://nlihc.org/sites/default/files/oor/OOR_2017.pdf

[13] Alex Schwartz. 2010. "New York City and Subsidized Housing: Impacts and Lessons of the City's $5 Billion Capital Budget Housing Plan," *Housing Policy Debate* 10:4, 839–77.

[14] Please see Appendix F for a list of interviews conducted by MHFA.

[15] DiPasquale, Denise and Jean L. Cummings. Financing Multifamily Rental Housing: The Changing Role of Lenders and Investors. Joint Center for Housing Studies, Harvard University. Housing Policy Debate. Vol 3. P. 77 https://www.innovations.harvard.edu/sites/default/files/hpd_0301_dipasquale.pdf

In Miami and MDC, a lack of knowledge around funding opportunities and exclusionary policies in funding makes financing resources difficult to access by mission-driven developers. Particularly relevant were interviews with private lending institutions, which almost unanimously affirmed that nonprofit developers, lacking the experience necessary to complete a preservation deal, have not approached them for financing. Furthermore, preservation projects have historically received a relatively small proportion of public financing compared to new construction in MDC, indicating an imbalance of funding opportunities for the acquisition and rehabilitation of existing assisted housing. While each interviewee stated that preservation is a critical component to a healthy housing stock, the inability of preservation projects to compete in competitive funding processes implies a misalignment between funding priorities and actual allocations of money.

Capacity

Stakeholder interviews revealed that the need for preservation is larger than the current capacity of the local preservation developer community. Public sector interviews affirmed that while nonprofit developers are more likely to take on preservation projects because such projects align with their organizational mission and business practices, they are less likely to receive funding than large for-profit developers, who mainly pursue new construction projects. In fact, large for-profit developers have received the large majority of financing from Florida Housing Financing Corporation and Miami-Dade's Documentary Surtax Program over the last five years.[16] While not a problem from an overall affordability perspective, this trend demonstrates an inability among nonprofit developers to compete for financing.

There is a perception among private sector investors that the small number of requests for preservation loans signal a lack of capacity to navigate the technically arduous process of financing a preservation project. They noted that local nonprofit housing developers in the Miami-Dade region require financing and technical guidance from both public and private partners to be able to compete with the sophisticated for-profit developers in the region, and, thus, for preservation funding requests to compete with new construction requests for funding**.**

Furthermore, there is a demonstrated lack of capacity to preserve the assisted rental stock in the public sector as well. In interviews, both MDC and Miami officials provided a congruous vision of assisted housing with an understanding of the different roles and responsibilities of each office. The overwhelming consensus among all interviewees at the City and County was that preservation was necessary and should be integrated into a larger affordable housing strategy; however, the interviews also highlighted that a lack of coordination has diminished the capacity of the public sector to align strategies, especially around preservation. Interviews revealed that the County staff were largely unaware of the City's priorities and vice versa.

[16] The largest source of competitive funding for preservation in South Florida is the Low-Income Housing Tax Credit followed by the Miami-Dade's Documentary Surtax Program.

Communication

Neither MDC nor Miami currently have a formalized institution dedicated to preservation. As a result, stakeholders are not sharing valuable information with other decision makers. The lack of a communication mechanism results in inefficiencies within the affordable housing network of government, developers, nonprofit advocates, and residents. Interviewees across all sectors gave examples of preservation deals being delayed or abandoned because of breakdowns in communications at critical points in negotiations. Multiple interviewees, for example, lamented the loss of Miami's Shep Davis Apartments from the affordable housing stock despite the presence of a mission-driven nonprofit willing and ready to purchase the property and maintain affordability. The consensus among stakeholders was that a lack of transparency and timely action meant that the nonprofit was not able to effectively compete for the property. Furthermore, interviews also highlighted a lack of communication between the HUD regional office and local authorities making it difficult for housing agencies to proactively address the loss of affordability of HUD financed properties.

Other Affordable Housing Initiatives in MDC and Miami

While the aim of this report is to build policy that protects and extends affordability of at-risk, assisted-rental housing, other ongoing initiatives in the region also aim to provide affordable housing. The Miami Housing Solutions Lab at the University of Miami released its Affordable Housing Policy Toolkit in 2017. The toolkit features a Geographic Information System (GIS) mapping tool that culls data from the Shimberg Center and national databases to track assisted housing and neighborhood characteristics in greater Miami. The Lab is currently working on tracking unsubsidized properties, also known as naturally occurring affordable housing (NOAH). Enterprise Community Partners is also working to protect NOAH in Miami by convening an advisory group comprised of public agencies, housing advocates, and the University of Miami. As of the release of the report, both NOAH and preservation community leaders have acknowledged that these initiatives must work side by side.

Additionally, Miami, MDC, and the City of Miami Beach are currently engaged in implementing resiliency programs to address threats to the region's future livability, including making housing more sustainable and affordable. Making homes more resilient has multiple benefits including preserving housing by reducing energy costs. Energy is the largest variable operating cost in affordable multifamily housing. Improving the energy and water efficiency of affordable housing lowers operating costs, which can free up capital for maintenance, repairs and other improvements. Reducing energy costs may also stabilize or increase property cash flow and reduce loan default risk, thereby preserving affordable housing. These concurrent efforts not only solidify the need for comprehensive housing policy, but also enable the region to make a long-standing commitment to protecting all affordable housing.

While this report focuses exclusively on preserving existing assisted multifamily rental housing, we recognize that all of these initiatives are closely aligned. In practice, we hope that the Miami-Dade community will collaborate to best meet the needs of its residents.

Procedural and Policy Recommendations

The following recommendations leverage the strengths of the Miami-Dade community's robust data, existing housing resources, and local housing expertise with the goal of building capacity, streamlining and strengthening communication, and providing more capital to mission-oriented developers to make preservation projects financially feasible.

In developing these recommendations, the National Housing Trust conducted a series of interviews with preservation experts and practitioners from around the country to better understand how proven preservation models might work in MDC and Miami.[17] Ultimately, we focused on five communities with innovative and successful solutions to the preservation barriers facing the Miami-Dade region. [18]

1. The Trust identified the **Colorado** Housing Preservation Network run by the Colorado Housing and Finance Authority (CHFA) because of the similarities and existing relationships between Miami-Dade and the Denver region. Like Miami, Denver is also experiencing a surge in rental prices, stagnating wages, and a large homeless population. CHFA is home to a nascent preservation network that has engaged affordable housing owners through data analysis, policy innovation, and regular education and trainings.
2. **Massachusetts** runs a statewide preservation effort that regularly convenes two interagency groups and created a national model for prioritizing preservation projects.
3. **Portland, Oregon** launched an ambitious campaign that preserved 100 percent of their at-risk subsidized properties in 2008. The ultimate success of the campaign was attributed to a highly collaborative initiative undertaken by public and private partners.
4. **Washington, D.C.** has successfully run a preservation network of housing advocates and allies for over a decade and has the strongest tenant protection laws in the nation.

> The National Housing Trust possesses expertise in preservation lending, policy, and real estate development; however, nothing can match the local knowledge and perspective of stakeholders in the Miami-Dade community. As such, the Trust recognizes that the success of these recommendations rests in the ability to rightfully apply national models to the unique context of the Miami-Dade region. Stakeholder engagement continued well after the initial interviews, and a successful preservation initiative in Miami-Dade necessitates the continued engagement of all stakeholders committed to affordable housing.

[17] See Appendix F for a complete list of interviews.

5. Finally, NHT also drew lessons from the Preservation Compact of **Cook County, Illinois**. Founded in 2007, the Preservation Compact was formed in response to growing losses in the region's affordable rental housing and is now a leader is rental preservation strategy.

After synthesizing the tools created and policies implemented by these communities to effectively preserve properties, the Trust and MHFA returned to key stakeholders in MDC and Miami to construct two types recommendations – procedural and policy – based on the region's capacity to undertake a preservation initiative. The procedural recommendation details the infrastructure needed to establish a public/private approach to preservation while the policy recommendations identify strategies to further incent and assist preservation.

Procedural Recommendation

Procedural Recommendation 1: Public agencies and local nonprofit organizations can better monitor and direct resources to preservation projects through interagency and cross-sector collaboration

Public agencies and local nonprofit organizations play crucial roles in the preservation of assisted rental housing. The ability to coordinate policy related to and funding of the assisted housing stock will be optimized through county-wide preservation management administered by a public agency. Local nonprofits will assist this governmental effort by providing policy expertise and community-based advocacy. This dynamic approach leverages the expertise of both the public and private sectors and optimizes the capacity of individual organizations to preserve housing. This strategy is informed by the activities already underway at the Housing Finance Authority of Miami-Dade (HFA Miami) and MHFA. At the end of this recommendation (see page 24), we've included a graphic that depicts the relationship between public and nonpublic partners. The structure of this proposal is divided into 3 inter-related components:

Component 1: Prioritize preservation and direct public resources to assisted rental housing by establishing the Preservation Interagency Collaborative (PIC) convened by HFA Miami

Component 2: Appoint a preservation manager to facilitate the Preservation Interagency Collaborative and coordinate preservation activity among public agencies

Component 3: Convene a preservation innovation network (PIN) of non-government housing stakeholders facilitated by Miami Homes for All

Component 1: Prioritize preservation and direct public resources to assisted rental housing by establishing the Preservation Interagency Collaborative (PIC) convened by HFA Miami

Across the country, the first step towards successful preservation has been an institutionalized recognition that preservation is a priority. The common thread among communities with successful preservation initiatives is a formalized convening of housing stakeholders with the express purpose of facilitating the preservation of existing assisted rental housing. In fact, each of the five communities that the Trust analyzed convenes an interagency collaborative with the sole function of preserving affordable rental housing with existing subsidies. While each community takes a unique approach to the ownership and facilitation of an interagency collaborative, the two common factors are regular meetings of housing agencies and a dedicated manager to set agendas and build consensus.

An interagency preservation collaborative serves three main functions:

- First, the collaborative acts as a formalized communication tool to share information and build consensus among public agencies;
- second, the collaborative allows agencies to align their respective goals such as location, property type, and tenant group priorities to create a preservation strategy that is easily communicated to stakeholders outside the public sector, including developers and advocates; and
- third, because of functions one and two, the collaborative increases the capacity of public actors to fund and monitor existing affordable housing.

In Cook County, Illinois, the Preservation Compact convenes the Interagency Council comprised of leaders from Cook County, the City of Chicago, the Chicago Housing Authority, the HUD regional office, and the Illinois Housing Development Authority to streamline and consolidate documents and processes for government assisted buildings. Housed at the Community Investment Corporation (CIC), the Chicago area's leading lender for the acquisition, rehabilitation, and preservation of affordable rental housing, the Preservation Compact uses data to identify at-risk properties, receives real-time information from tenant and community groups, brainstorms preservation strategies, and reaches out to owners about available resources and options to preserve properties. Since 2008, 50 government assisted properties with 5,000 affordable rental units have been preserved due to the Preservation Compact and Interagency Council working together.[19]

A similar initiative is underway in Colorado, where the Colorado Housing Preservation Network convenes a special subcommittee of government agencies to align strategies for at-risk properties. Formed in 2016, the Colorado Housing Preservation Network combines the expertise and resources of local governments, state organizations, federal agencies, and the nonprofit sector to preserve the state's affordable rental housing stock. In addition to elevating preservation as a priority throughout the state, the Colorado Housing Preservation Network is viewed as a first stop for preservation questions, projects, and initiatives. In the Network's first year of existence, almost 5,000 affordable rental

[19] *2017 Preservation Compact Biannual Report*. The Preservation Compact. Chicago, IL. 2017

apartments in 65 properties were preserved by member organizations and government agencies through an unprecedented level of collaboration, engagement, and cooperation.[20]

Chicago and Colorado are only two examples of how interagency collaboratives are successfully preserving affordable housing. The table below illustrates how each of the communities analyzed as part of this report use the strength of an interagency convening to advance preservation in their respective communities.

Table 2: Composition of Interagency Collaboratives

Network	Convener Type	Convener	Members
Colorado	State HFA	Colorado Housing Finance Agency (CHFA)	Colorado Housing and Finance Authority (CHFA), Colorado Department of Local Affairs-Division of Housing (DOLA-DOH), HUD, USDA, local governments such as City and County of Denver, Adams County, City of Colorado Springs, City of Golden, and local housing authorities
Massachusetts	Nonprofit	Community Economic Development Assistance Corporation (CEDAC)	HUD, Department of Housing and Community Development, the City of Boston, and other public and quasi-public agencies involved in preservation
Portland, OR	Nonprofit/CDFI	Network for Oregon Affordable Housing	Oregon Housing and Community Services, Portland Housing Bureau, HUD's Portland Office
Washington, D.C.	Nonprofit and D.C. government	Coalition for Nonprofit Housing and Economic Development (CNHED) and D.C. government	HUD, D.C. HFA, D.C. Department of Housing and Community Development, D.C. Housing Authority, D.C. Office of the Tenant Advocate
Cook County, IL	CDFI	Community Investment Corporation (CIC)	City of Chicago, the Chicago Housing Authority, the HUD regional office, and the Illinois Housing Development Authority

[20] Colorado Housing & Finance Authority's Entry Form for NCSHA's 2017 Annual Awards for Program Excellence

The Trust recommends that Miami-Dade Office of Public Housing & Community Development, HFA Miami, the Miami Department of Community and Economic Development, and the HUD regional office form the Preservation Interagency Collaborative (PIC) and serve as its initial members.[21]

We recommend these four groups because they comprise the largest source of local public-sector funds for assisted rental housing in MDC and Miami. While other public agencies such as the Florida Housing Finance Corporation (Florida Housing) also provide a considerable amount of funding for affordable housing and will be a partner to PIC, the effectiveness of PIC depends on the aforementioned groups aligning their priorities before bringing in state partners.

By completing the specific tasks outlined in this report, PIC will establish both a short-term strategy to preserve the at-risk properties identified by the Shimberg Center (Appendices B and D) and a longer-term strategy of building out an institutional commitment to the preservation of existing affordable housing.

Since MHFA, the Trust, and the Shimberg Center started working together on preservation in the Miami-Dade community, tangible progress in building a commitment to preservation has already been made. Prior to the release of this report, HFA Miami, led by Cheree Gulley, recognized the value of an interagency collaborative dedicated to preservation. HFA Miami has committed to convening such a group. In this role, HFA Miami will facilitate PIC as described throughout this report.

Other Local Partners

The majority of Miami-Dade's affordable housing stock, including a majority of the at-risk properties identified in Appendices B and D, are owned by for-profit entities. For-profit owners are more likely to have properties that convert to market-rate rents than nonprofit and mission driven owners. Preserving at-risk properties will require that PIC develop its own relationship with developers and owners to better understand their intentions and motivations.

In addition to talking to local owners, the Trust suggests that PIC develop relationships with high capacity national nonprofits who can be incented to preserve properties both in Miami and throughout MDC and aid in building the capacity of local developers to preserve housing long-term. Many national nonprofit developers have preserved and continue to own affordable housing properties in the region

[21] Throughout our engagement with local stakeholders, several key players expressed an interest in being part of PIC, including:

- Clarence Brown, Division Director, Community and Housing Management, Miami-Dade Office of Public Housing & Community Development
- Cheree Gulley, Executive Director, Housing Finance Authority of Miami-Dade County
- George Mensah, Director, City of Miami Director of Community and Economic Development

and, thus, have a vested interest in preservation in the community.[22] PIC should consistently seek to understand these developers' intentions, motivations, and encourage their continued contribution to the region.

Throughout the interview process, the South Florida Community Development Coalition (SFCDC) consistently expressed interest in increasing the developer capacity of member CDCs. PIC should consider facilitating relationships between SFCDC and national nonprofit developers. There are several different roles that a national nonprofit could take on in such a relationship, including serving as a development consultant, serving as a mentor, or hosting trainings.

Furthermore, many of the at-risk properties are in cities and towns outside of Miami. While we believe that a close working relationship between Miami-Dade and the county's biggest city is an essential part of PIC's success, PIC will also need to engage other municipalities throughout the County as preservation needs arise.

In an effort to help form an initial agenda, the Trust has outlined four initial tasks for PIC, which will depend on the cooperation of all members to accomplish.

Initial Tasks for PIC

- **Task 1: Communicate Funding Priorities Through the Development of a Preservation Matrix**
- **Task 2: Build Relationship with Florida Housing Finance Corporation**
- **Task 3: Engage Owners and Determine the Scope of Intervention**
- **Task 4: Identify Preservation Projects for Action**

The Trust recommends that PIC's initial meetings focus on tasks outlined in this report with the goal of preserving the specific properties identified in Appendix B as they are at imminent risk of being lost from the affordable stock. Like the other recommendations in this report, these tasks were developed from careful analysis of successful preservation initiatives. The Trust recognizes that public servants in Miami-Dade and its municipalities best understand the local affordable housing landscape and, thus, can and should change the agenda as appropriate.

[22] National nonprofits with properties in Miami-Dade include, but are not limited to, Preservation of Affordable Housing (POAH), National Church Residences, National Housing Trust-Enterprise Preservation Corporation, and Volunteers of America.

Task 1: Communicate Funding Priorities Through the Development of a Preservation Matrix

In Massachusetts, the Interagency Working Group (IWG)[23] structures their priorities in a preservation priority matrix, with the goal of "provid[ing] transparency to project owners, tenants, developers, lenders, and other stakeholders including those parties who are making decisions at an early stage of the development process."[24] Put simply, the matrix identifies which preservation project characteristics will receive priority for funding consideration from public financing sources.

Many communities have since followed in Massachusetts' footsteps, including the Colorado Housing Preservation Network. The Massachusetts model is particularly innovative because it is not a static document. Creating the matrix is an iterative process that accounts for the IWG's and Massachusetts's changing priorities on an annual basis. The process of creating and updating the matrix annually encourages a continued commitment to cross-agency collaboration and establishes a formalized tool to clarify and disseminate evolving goals and priorities.

The Trust recommends that PIC model a preservation matrix for properties throughout MDC and Miami after the 2016 version of Massachusetts Priority Matrix, included below. We recommend that developing the priority matrix be one of the first tasks undertaken by PIC as the matrix serves as the foundation for further engagement. As a substantive deliverable, the matrix helps agencies explicitly state their goals around financial investments and streamlines communication between all stakeholders. Miami-Dade Office Public Housing & Community Development, HFA Miami, and the Community Development Office of Miami should work collaboratively to build a preservation matrix that reflects the priorities of all three agencies while also aligning those priorities within the agencies.

Furthermore, the collaborative should take into careful consideration the fast-paced changes in affordability in certain neighborhoods in Miami caused by gentrification, reflected in Risk Factor 1 in Table 3. Traditionally affordable neighborhoods like Little Haiti are under increased market pressure that are quickly driving rental prices up and out of reach for many residents. In 2017, the average home in Little Haiti was valued at $191,500, representing a 19.6 percent increase from 2016.[25] The increasing prices of single family homes is likely to only increase the scarcity of affordable rental apartments. The collaborative may decide to prioritize neighborhoods that face increased market pressure because of gentrification.

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[23] IWG members include senior staff from Mass. Department of Housing and Community Development, MassHousing, Mass. Housing Partnership, MassDevelopment, Community Economic Development Assistance Corporation (CEDAC), Mass. Housing Investment Corporation, HUD, and the City of Boston

[24] Herzog, Roger , and Bill Brauner, CEDAC. "State Housing Preservation Priorities ." Received by Massachusetts Preservation Advisory Committee , 22 June 2009. http://www.prezcat.org/sites/default/files/MA%20Preservation%20Matrix_0.pdf

[25] Nehamas, Nicholas. "Little Haiti will be South Florida's hottest neighborhood in 2017, report says." Miami Herald. January 2017. http://www.miamiherald.com/news/business/real-estate-news/article124811349.html

Table 3: Massachusetts's Priority Matrix for Preservation Properties, 2016[26][27]

Risk Factor	Tier 1 Higher Priority	Tier 2 Middle Priority	Tier 3 Lower Priority	Comments
1. Risk of Loss to Market Conversion	Strong rental market with no impediments to conversion and likelihood of substantial rent increases		Weak market or inability of project to compete for market rate tenants	Need to evaluate regulatory issues, costs, project marketability, owner mission, etc.
2. Risk of Loss Due to Physical Condition	Imminent loss due to condemnation proceedings or governmental action to close the property	Likely to have significant code and safety issues or probable loss of the property in the next 3-5 years	Significant code and safety issues. Possibility of condemnation or governmental action, but not for several years	Factors to consider: Yr. facility was built, no. of years since last rehab, replacement reserve balance & contribution
3. Risk of Loss Due to Financial Viability	Lender has declared a default	Property is not current on loan or covenants, but no default has been declared	Property is financially troubled, but able to maintain loan payment	Analysis based on 3 yrs. of financials and vacancy, municipal liens, sponsor financial condition, property mgmt. quality
4. Market Condition Opportunity	Unique opportunity to purchase a project at a below-market price due to seller motivations	Sale price based on present value of reduced income stream – value will increase as expiration date approaches	Property for sale – no particular economic benefit to purchase at this moment	Availability of non-state resources to take advantage of the opportunity is important
5. Timing of Risk Factor	Less than 3 years	3-7 years	More than 7 years	

[26] Low-income Housing Tax Credit Program: 2016 Qualified Allocation Plan. Common of Massachusetts, Department of Housing and Community Development.
http://www.mass.gov/hed/docs/dhcd/hd/lihtc/2016qap.pdf

[27] While Massachusetts has an updated matrix for 2017, this most recent iteration excludes many factors that are still relevant to South Florida's housing needs. We believe that the approach in the 2016 matrix is best suited for adaption by public agencies in MDC and Miami.

Risk Factor	Tier 1 Higher Priority	Tier 2 Middle Priority	Tier 3 Lower Priority	Comments
6. Family Units	At least 10% 3 bedroom or greater, units	General family occupancy	Restricted to elderly occupancy only	
7. Section 8 Assistance	Mostly Section 8	Some Section 8	No Section 8	Includes Mod Rehab
8. ELI Units at the Project	High % of ELI units	Some ELI units	No ELI Units	ELI = extremely low-income
9. Risk of Tenant Displacement	No tenant protections	Some tenants protected	Vouchers (regular or enhanced) for all tenants	Relates to Existing Tenant Income Profile
10. Relationship of Project to % of Affordable Housing in Municipality	>30%	<30%	<10%	Relevant for smaller jurisdictions, not cities
11. Scale – No. of Units	>70	10-69	<10	
12. Investment Opportunity	In a neighborhood or community with a relatively low concentration of poverty (below 15%) based on U.S. Department of HUD data and that offers access to jobs, health care, high performing school systems, higher education, retail and commercial enterprise, and public amenities; OR other similar indices of opportunity consistent with DHCD fair housing principles and policies	In a neighborhood with access to hobs, health care, high performing schools, higher education, retail and commercial enterprise and public amenities, and/or provides resources on-site or within the immediate area that address the lack of any such elements	Does not address investment in opportunity	

Source: http://www.mass.gov/hed/docs/dhcd/hd/lihtc/2016qap.pdf

PIC should not be compelled to simply adopt Massachusetts's priorities, but instead should use the model as inspiration for solidifying the unique preservation priorities of Miami and MDC. PIC may also want to consider what other neighborhood characteristics could be incented through the priority matrix. For example, the Colorado Housing Preservation Network uses opportunity as a priority measure where properties in high opportunity areas are defined by their proximity to good schools, transit, and other amenities. South Florida has unique neighborhood characteristics that are deeply tied to cultural heritage, which may also be a consideration for priority in the preservation matrix.

Stakeholder interviews conducted by MHFA underscored the need for a decision-making process that effectively directs limited public sector resources to high priority preservation properties. Such a process can be facilitated through more frequent and consistent communication between public sector stakeholders including HUD's regional office, Florida Housing, Miami-Dade Office Public Housing and Community Development, HFA Miami, and the Community Development Office of Miami. While some of these partners are inaugural members of PIC, facilitating conversations with other stakeholders, such as Florida Housing and HUD, is critical. Having a preservation matrix that clearly articulates PIC's own preservation priorities positions the collaborative to more work efficiently and effectively with other agencies to prioritize the use of public sector resources.

Through more consistent communication and the creation of a preservation matrix:

- **a.** MDC and Miami public agencies should seek to clarify and communicate their respective preservation priorities and goals to each other; and
- **b.** state, county and city agencies should, where appropriate, align preservation efforts to allow for more efficient use of public funds.

Task 2: Build Relationship with Florida Housing Finance Corporation

After PIC establishes its priorities, the collaborative is well positioned to engage with Florida Housing, the public agency responsible for administering state and federal resources to help build new and preserve existing affordable housing throughout the state. At a minimum, Florida Housing has a financial investment in many properties previously identified in this report as being at-risk and, therefore, has a vested interest in their preservation. Furthermore, Florida Housing can facilitate PIC's outreach to certain owners. Beyond working on the individual property level, Florida Housing administers the Housing Credit and the State Apartment Incentive Loan program (SAIL), allocating over $100 million annually for affordable housing. As such, Florida Housing is a critical ally in the successful preservation of affordable housing in MDC and Miami.

Low-income Housing Tax Credit (Housing Credit): The Housing Credit program provides the private sector with an incentive to invest in affordable rental housing. Since inception, the Housing Credit has financed more than 2.8 million affordable apartments nationwide, at a rate of nearly 100,000 per year. Developers use the Housing Credit to raise equity capital from investors, which reduces the debt that would otherwise be required to acquire and rehabilitate the property, making it possible to offer apartments to low-income residents at an affordable rent. In Florida, the Florida Housing Finance Corporation allocates nearly $50 million in competitive federal Housing Credits annually for the construction and preservation of affordable housing.

The State Apartment Incentive Loan program (SAIL): SAIL provides low-interest loans on a competitive basis to affordable housing developers each year. This money often serves to bridge the gap between the development's primary financing and the total cost of the development. SAIL dollars are available to individuals, public entities, not-for-profit or for-profit organizations that propose the construction or substantial rehabilitation of multifamily units affordable to very low-income individuals and families. The program funding is subject to approval by the Legislature each year. In 2015, a total of $48 million was available through the SAIL program.

Task 3: Engage Owners and Determine the Scope of Intervention

It is impossible to preserve affordable housing without understanding what, specifically, is at stake. Forty of the properties identified by the Shimberg Center, which are described in this report and throughout the appendices are at risk of losing affordability in the next 7 to 10 years due to the expiration of subsidy. Saving these properties is essential to the health of MDC's and Miami's affordable housing stock. PIC should put an immense effort into engaging owners and modifying financial structures so that as many units as possible may be preserved.

Additionally, a substantial portion of the assisted rental stock may be reaching the end of its building lifecycle, making these properties particularly vulnerable to deterioration, default, and conversion to market-rate rents. Monitoring these properties now can help public agencies decide which properties need capital/physical needs assessments. The Shimberg Center identified 70 such aging properties (Appendix D).

A number of at-risk properties are funded by MDC and Miami public agencies. To the extent that PIC member agencies are already funders of at-risk projects, PIC may be able to modify existing financial arrangements with the owners to extend affordability (e.g. changing rent or tenant restrictions, deferring or restricting debt, etc.). Furthermore, it is the Trust's experience that property owners often lack information on public funding sources that would otherwise be available for their use. PIC, in its outreach, should ensure that all owners are aware of public funding sources, their eligibility requirements, and contacts for technical assistance related to the application if such a resource exists.

The Trust recommends that PIC immediately reach out to the owners of the at-risk properties identified in the appendices to better understand the intentions of each owner, the financing needed to preserve each individual property, and the scope of the intervention needed. In the case that the owner is interested in maintaining their affordability contract, PIC should seek to fund rehabilitation, recapitalization, and other financing needs.

In cases where the owner wishes to sell, PIC should seek a mission-driven owner to buy the property and maintain affordability. In Cook County, the Preservation Compact reaches out to owners about available resources and options to preserve priorities, including selling to preservation buyers. Similar work is underway in Colorado, where the Preservation Network has surveyed owners of affordable housing across the state to identify resource and technical assistance needs. In Portland and Washington, D.C., preservation collaboratives regularly match at-risk properties with potential preservation buyers. Fostering relationships with owners, whether for-profit or nonprofit, is critical to advancing preservation in MDC and Miami.

Task 4: Identify Preservation Projects for Action

PIC's goal should be to preserve as many assisted housing properties and apartments as possible. After completing Tasks 1, 2, and 3, PIC will have a clear sense of its own preservation priorities and, from engaging with owners, the resources needed to immediately preserve at-risk properties. Beyond serving as preservation advisors and facilitators as members of PIC, the Miami-Dade Office of Public Housing & Community Development, HFA Miami, the City of Miami Department of Community and Economic Development, and the HUD regional office comprise the largest source of local public-sector funds for assisted rental housing in MDC and Miami. PIC needs to assess its ability to preserve some or all of these properties, based on capacity and availability of their resources. Using the project characteristics identified in the priority matrix created in Task 1, PIC can identify the preservation projects most in need of scarce public funding to advance the collaborative's goals. Having a dedicated, institutionalized preservation group creates the capacity for this necessary collaboration across agencies. By streamlining and coordinating their own preservation funding processes, PIC members can more efficiently and strategically allocate existing funds to preserve at-risk properties.

> Florida Housing plays an important role in the preservation of affordable housing statewide and has provided financing to many of the assisted rental properties in MDC. Florida Housing's multifamily programs provide Housing Credits, loans, and grants that should be leveraged for local preservation efforts. As PIC members quantify the resources they will commit to preserving existing affordable housing, Florida Housing should be relied on to provide financing for MDC priorities.

The success of setting specific preservation goals can be seen in cities like Portland, which spearheaded a campaign around preserving the city's affordable housing stock.[28] In 2008, Portland launched the "11 x 13" campaign with the intention of preserving 11 at-risk properties consisting of 717 apartment homes by 2013. The Portland City Commissioner and the Director of the Portland Housing Bureau stewarded the campaign and partnered with HUD, the State of Oregon, the Network of Oregon Affordable Housing, other local nonprofits, and private funders to coordinate "11x13". The campaign successfully preserved 100 percent of the units' affordability.[29]

By setting realistic, tangible preservation goals, PIC can focus funding on the highest needs cases, making sure the public dollars are used efficiently and appropriately.

[28] Abernathy, Laura and Bodaken, Michael. *Preserving Affordable Housing in Denver: Recommendations to Strengthen the City Ordinance and Create and Institutionalized Commitment to Preservation.* National Housing Trust and Mile High Connects. December 2013

[29] "11X13 Housing Preservation Campaign." Housing Blog RSS, 12 Aug. 2013, www.portlandoregon.gov/phb/article/458801.

Component 2: Appoint a preservation manager to facilitate the Preservation Interagency Collaborative and coordinate preservation activity among public agencies

The preservation manager will facilitate the Preservation Interagency Collaborative and coordinate preservation activity among public agencies. This role will function similar to the preservation manager position created by the Colorado Housing and Finance Authority (CHFA) in 2016. At CHFA, the preservation manager facilitates interagency work around preservation, convenes the Colorado Housing Preservation Network, and maintains the data on the affordable housing stock originally gathered by the Urban Land Conservancy (ULC). The preservation manager's work includes the development of jurisdictional tool-kits focused on providing resources to owners including information on recapitalization, Rental Assistance Demonstration (RAD), property taxes, green upgrades, and utility allowances.

> In its role as convener of the Preservation Interagency Collaborative, HFA Miami also pledged to staff the effort, a commitment that speaks to the Agency's own dedication to preservation in the greater Miami-Dade community. This role has already been filled by Carla Webster, who will facilitate PIC, ensure that the tasks previously discussed are achieved, and carry out the tasks assigned to the preservation manager as described in this report.

HFA Miami will need to adapt this position according to the needs of the county. Miami-Dade's preservation manager may assume many, if not all, of the responsibilities assumed by CHFA's preservation manager. With that in mind, we have outlined two ongoing tasks the preservation manager must complete for efficient coordination between public agencies. These two tasks will comprise the vast majority of the preservation manager's initial work and will require buy-in and support from other public agencies including the public housing offices in Miami-Dade and Miami, Florida Housing, and the HUD regional office.

Initial Tasks for the Preservation Manager

- **Task 1: Convene PIC**
- **Task 2: Create Early Warning System to Monitor all Existing Affordable Rental Properties**

Task 1: Convene PIC

The HFA's preservation manager will facilitate regular meetings of public agencies with financial investments in assisted housing. Described at length earlier in this report, PIC is a formalized institutional mechanism that both strengthens and aligns preservation strategies. By providing administrative and research support, the preservation manager plays a critical role in all the tasks assigned to PIC.

Task 2: Create early warning system to monitor all existing affordable rental properties

With 43,529 affordable apartment homes in Miami-Dade, it is imperative that housing agencies continually monitor the stock so that properties can be saved when preservation needs arise. By developing a data driven early warning system (EWS), the preservation manager and PIC can proactively identify and monitor at-risk properties. The intention of the EWS is to advise PIC when existing income-restricted housing developments are nearing expiration of their affordability or else have characteristics that put affordability at risk (i.e. failing physical inspection scores from HUD's Real Estate Assessment Center (REAC), foreclosure, prepayment, etc.).

The Washington, D.C. Preservation Network uses data to create a survey of the affordable housing stock, which, in turn, informs their risk assessment tool to monitor subsidized housing. [30] This information is reported to an interagency working group at regular intervals so that they may develop responses and strategies to preserve affordable housing for low-income residents.

Likewise, the Urban Land Conservancy created an early warning system for the Colorado Housing Preservation Network. The ULC system relies on data provided by Denver and CHFA.[31] In both cases, stakeholders are armed with an accurate picture of the affordable housing landscape, thereby increasing the chances of intervention before properties lose affordability. An EWS has the potential to promote proactive, informed decision making, ultimately leading to more preservation.

Fortunately, MDC and Miami have access to one of the most well-established affordable housing databases in the country. The Shimberg Center's affordable housing data provides much of the pertinent data needed to monitor the existing stock. Ahead of this report, the Shimberg Center launched an interactive map of Miami-Dade with property-level information regarding the assisted housing stock.[32] Furthermore, the Miami Affordability Project under the University of Miami also maps assisted housing within Miami. The team behind this tool is currently working to track a variety of housing variables that contribute to increase risk in their database.

The Trust recommends that the preservation manager work with the Shimberg Center to develop a customized mapping tool to facilitate the monitoring of assisted housing and serve as an early warning system.

The Shimberg Center has the capability to create the EWS as an interactive map with property information that tracks risk factors associated with the loss of affordability. Using this data, housing

[30] "2017, Issue 1." Community Scope, 2017, Issue 1 - Federal Reserve Bank of Richmond, www.richmondfed.org/publications/community_development/community_scope/2017/community_scope_2017_no1?cc_view=mobile.
[31] Abernathy, Laura and Bodaken, Michael. *Preserving Affordable Housing in Denver: Recommendations to Strengthen the City Ordinance and Create and Institutionalized Commitment to Preservation.* National Housing Trust and Mile High Connects. December 2013
[32] Please reference the appendices for more information regarding the map and how to access the tool.

agencies can develop a comprehensive assessment of the housing stock including proprieties currently financed by HUD, Florida Housing, and bond financing from HFA Miami. The preservation manager will play a critical role in facilitating the relationship, communicating local needs, and regularly reporting the findings of the EWS to both housing agencies and other preservation stakeholders.

The EWS turns data in action. It is also an important mechanism to protect low-income tenants. When the preservation manager becomes aware of a potentially at-risk property through the EWS, not only will she have adequate time to alert funding agencies and try to preserve the property, but, in the event that the property cannot be saved, the City and County can ensure tenants' needs are met. Many communities around the country have adopted formal tenant protection laws and notification requirements that enable tenants to play an active role in preserving affordable housing. For more information on these and how MDC and Miami could adopt similar protections, refer to Policy Recommendation 2: Create City and County ordinances to require increased notice and notice of intended sale.

Component 1 and 2, the Preservation Interagency Collaborative and a funded preservation manager, are co-dependent pieces that together create the infrastructure to help develop and implement the public sector's preservation strategy. While the preservation manager facilitates PIC's meetings and monitors the EWS, she is not PIC's sole decision maker. PIC's success depends on a collaborative effort where input from the Miami-Dade Office of Public Housing & Community Development, HFA Miami, and the City of Miami Department of Community and Economic Development are all given equal weight.

Component 3: Convene a preservation innovation network (PIN) of non-government housing stakeholders facilitated by Miami Homes for All

As the preservation manager and PIC build capacity, MDC and Miami will also benefit from a larger preservation initiative focused on consistently engaging funders, affordable housing owners, for-profit and nonprofit developers, and housing advocates to coordinate preservation activity. The institutional commitment to preservation developed through PIC needs to be supplemented by an equal commitment outside the government. Convened by MHFA, the Preservation Innovation Network (PIN) achieves many of the same functions of PIC including building capacity, aligning strategies, and communicating effectively, but serves to translate these benefits into the non-governmental sector while also facilitating public-private partnerships.

> Miami Homes for All is currently underway with this recommendation and has connected with key stakeholders to form the foundation of PIN. Convening PIN will allow MHFA to collaborate with the other affordable housing initiatives throughout the region including ongoing efforts by Enterprise Community Partners and the University of Miami.

The table below describes the various nonprofit and private sector players who may participate in PIN and their roles in preservation.

Table 4: Nongovernment Stakeholders in Preservation

Potential PIN Members	Role in Preservation
Profit and Nonprofit Developers	▪ Acquire properties or obtain site control ▪ Assemble preservation financing ▪ Oversee rehab ▪ Own and manage property or turn over property to owner
Owners	▪ Own and manage property
Funders	▪ Finance acquisition, rehabilitation, recapitalization, and other capital needs for the property
Housing Advocates	▪ Provide expertise on policy ▪ Engage with elected officials on housing issues ▪ Facilitate collaboration ▪ Raise potential threats to affordable housing
Tenant Rights Organizations	▪ Advocate for tenant protections ▪ Raise potential threats to affordable housing ▪ Inform policy around affordable housing

In addition to the Interagency Council, the Preservation Compact in Cook County comprises owners, developers, and housing advocates, which allows the Compact to engage in policy work and implementation around energy efficiency (EE), property taxes, building codes, education/capacity building, and financing in low and moderate-income neighborhoods. The impressive successes of the Interagency Council cited earlier in this report would not have been possible without collaborating with non-governmental players of the greater Preservation Compact.

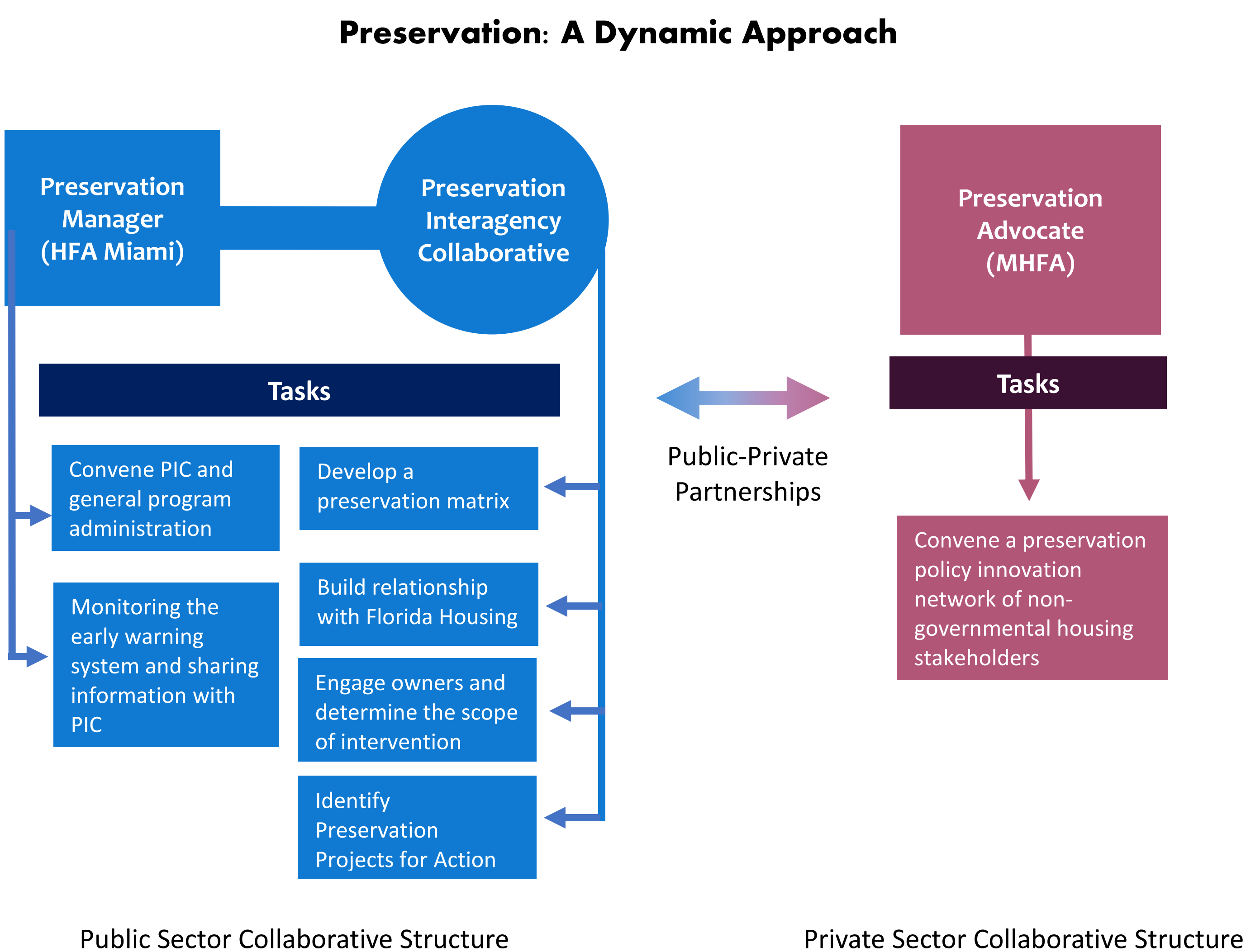
The Trust is aware of an affordable housing working group that is currently hosted by the Greater Miami Chamber of Commerce. MHFA may consider using this coalition as a launching point for a county-wide initiative dedicated to preservation. Furthermore, the work underway by Enterprise Community Partners also represents an opportunity for collaboration as both PIC and PIN are engaged with Enterprise's NOAH Advisory Group. Although NOAH and assisted housing are two distinct subsets of affordable housing, aligning these two initiatives will help to leverage the capacity of both groups.

Summary of Procedural Recommendation

The three components described on the previous pages work together to build an infrastructure for preservation. By making space and requiring input from housing stakeholders at all levels, the proposed networks leverage the strengths of the Miami and MDC's housing communities. Furthermore, they optimize individual organizational capacity to preserve assisted housing by providing necessary data and creating a systematic approach to aligning priorities and assisting individual properties.

The chart below shows the structure of the procedural recommendation proposed in the previous pages of this report. In the chart, the preservation manager and PIC exist as two independent but related entities that work side by side. Preservation advocates have a separate but parallel organizational structure, which allows partnerships between public and private entities.

Figure 1: Organizational Chart for Preservation Initiative



Policy Recommendations

Institutionalizing preservation among both public and private sector stakeholders is a necessary first step to building capacity throughout MDC and Miami. Only when there is a solid commitment to preservation can specific policy and legislative mechanisms serve their function of protecting existing affordable housing.

The policy recommendations, below, consist of both legislative and program measures that contribute to successful preservation initiatives. PIC and/or PIN may choose to champion one or more of these policies.

Policy Recommendation 1: Increase availability of gap financing to encourage preservation

As discussed previously in this report, the availability of gap financing is one of the largest barriers to preservation in MDC and Miami. Directing more funds to preservation, specifically, will incent affordable housing developers to pursue preservation projects.

Policy Recommendation 1.1: Modify the county surtax program to make preservation projects more competitive

While the Housing Credit program remains the largest source of financing for affordable housing in the country, developers using the Housing Credit still need to secure additional gap financing to complete preservation deals. In Miami-Dade, one of the most consistent and well-funded programs providing gap financing is Miami-Dade's Documentary Stamp Surtax Program. The Trust identified opportunities for two enhancements to current funding processes to make preservation projects better able to compete and, ultimately, win more funding.

Include a Preservation Set-Aside

The Trust recommends that the Documentary Stamp Surtax Program include a preservation set-aside. In the implementation of this recommendation, a preservation set-aside is not meant to function as a cap on preservation funding, but, rather, as a minimum threshold for preservation and rehabilitation spending to ensure the high priority properties have their best chance at receiving funding.

Give Equal Weight to Preservation Projects in the Scoring Process

High capacity developers in Miami and MDC often rely on the surtax program to fund affordable housing projects; however, preservation projects are at a distinct disadvantage in the competitive application process. For example, the 2017 application shows a preference for new construction projects by assigning a heavier weight to new construction permit documents: master permit issuance on a new construction project receives 10 points while the same permit issuance on an existing project only receives 8 points.[33] This unbalanced scoring system puts preservation projects at a clear and unfair disadvantage when competing for these necessary funds.

In addition to a set-aside, the Trust recommends that the Surtax Program application should give equal weight to new construction and preservation projects, thereby allowing preservation projects to continue to receive funding in the general pool.

Establishing a preservation set-aside and providing equal competitive weighting to existing projects and new construction projects would align the County's Surtax Program with financing programs around the country. In Pennsylvania, the Philadelphia Housing Trust Fund provides funding for the production or preservation of affordable housing through a $1.5 million bond offering and a document recording fee. A full 50 percent of the fund goes exclusively towards preservation and rehabilitation projects. Since 2005, the year it was created, the fund has preserved or modified 16,650 homes in Philadelphia.[34] Taking a slightly different approach to prioritizing preservation, the Minneapolis Affordable Housing Trust Fund awards more points to preservation projects in the competitive scoring application than are available exclusively for new construction. This distinct preference for preservation has allowed the Minneapolis Affordable Housing Trust Fund to preserve over 2,400 units in 29 projects in a 4-year period.[35]

Around the country, communities solidify their commitment to preservation by dedicating a portion of their affordable housing funds specifically to preservation projects. As Miami-Dade recommits to preservation, dedicating a portion of the Documentary Surtax Program to preservation demonstrates that the County is willing to act to support its stated priorities.

Policy Recommendation 1.2: Dedicate a portion of Miami-Dade's Affordable Housing Trust Fund and Miami's $100 million bond for affordable housing to preservation initiatives

MDC has a nascent housing trust fund that can and should be structured to fund preservation projects. The County's Affordable Housing Trust Fund should rely on PIC's priority matrix to identify projects that will best serve the Miami-Dade community. Furthermore, the fund should consider incentive structures including set-asides and preference points for preservation projects.

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[33] Miami-Dade County Request for Application, FY 2017 https://www.miamidade.gov/housing/library/guidelines/rfa2017/2017-surtax-ship-housing-development-rfa-final.pdf

[34] Expanding Housing Opportunities and Revitalizing Neighborhoods: 10 Year Anniversary of the Philadelphia Housing Trust Fund. http://ohcdphila.org/wp-content/uploads/2015/12/htf-ten-year-report.pdf

[35] "Minneapolis Affordable Housing Trust Fund." *National Housing Trust*, www.prezcat.org/catalog/minneapolis-affordable-housing-trust-fund.
Request for Proposals Affordable Housing Trust Fund Program, 2017 http://www.ci.minneapolis.mn.us/www/groups/public/@cped/documents/webcontent/wcmsp-199554.pdf,

Funding opportunities exist at the municipal level as well. The 2017 ballot-approved $100 million for housing aid as part of a $400 million bond issuance for resiliency is a laudable achievement for Miami.[36] The new funds represent a chance for Miami to engage deeper in the preservation of affordable units in rapidly gentrifying neighborhoods and in areas with access to jobs, mass transit, and quality schools as well as balancing investments in low-income communities. As Miami moves forward with developing the priorities for the fund, it is imperative that preservation be center stage. Planners should explicitly dedicate a portion of these funds for existing affordable multifamily rental properties. Many of the at-risk properties in this report lie within the jurisdiction of Miami. As such, the $100 million bond should be strategically leveraged to preserve as many of these properties as possible, thereby maintaining affordability and protecting the fabric of individual neighborhoods.

The Trust recommends that PIN engage consistently with the resiliency offices in MDC, Miami, and Miami Beach to help develop policy that preserves affordable housing.

Policy Recommendation 2: Create City and County ordinances to require increased notice and notice of intended sale

Currently, neither the City nor County have statutory mechanisms for advanced notice prior to the sale of subsidized housing or when an owner proposes to terminate an affordability contract. When an owner intends to sell or otherwise wishes to end affordability, municipalities and residents need time to consider their options. Advanced notice is a particularly powerful tool when localities wish to maintain affordability, and it gives tenants, nonprofits, and municipalities time to negotiate the terms of purchase.[37]

A notice ordinance significantly strengthens an early warning system, such as that recommended previously in this report, by adding a legal mechanism to gather information. Most importantly, it is the only mechanism through which the government and tenants become aware of an owner's intent to sell their affordable property.

The Trust recommends that the county and city require a notice period for intended sale and opt-outs on subsidized housing that allows ample time for the county, city, and residents to collaborate and act. The ordinance should cover all federally and locally funded affordable housing projects and require notice of potential affordability loss.

[36] The $400 million bond is part of the city of Miami's plan to support the region's resiliency initiative, of which housing is large component, under the 100 Resilient Cities project.

[37] Abernathy, Laura and Bodaken, Michael. *Preserving Affordable Housing in Denver: Recommendations to Strengthen the City Ordinance and Create and Institutionalized Commitment to Preservation.* National Housing Trust and Mile High Connects. December 2013

The ordinance should apply to all assisted properties where:

1. The owner or intended buyer plans to terminate section 8 contracts; or
2. the owner or intended buyer plans to convert residential property to a nonparticipating use; or
3. the owner or intended buyer is negotiating with HUD regarding an extension of an expiring contract; or
4. there is an intended date of sale or transfer, or the property is for sale.

The HUD Section 8 Program consists of both tenant based and project-based contracts. Project-based contracts provide subsidies to private owners of newly constructed, rehabilitated and existing rental and cooperative apartment projects with an affordability term of 20 years. Section 8 project-based contracts can only be renewed at the discretion of the owner and, thus, are at risk of losing affordability upon the expiration of the contract.

As seen in the table below, it is not uncommon for communities to require notification to both the city and tenants as part of a strategy to track housing affordability.

Table 5: Notification Requirements to City and Tenants

	Notice	
	To Tenants	To City
Denver	X	X
Chicago[38]		X
Portland	X	X
Washington, D.C.	X	X

[38] Though the City of Chicago's ordinance does not require giving notice to tenants, Illinois' Federally Assisted Housing Preservation Act requires owners to submit notice of intent to terminate, sell or dispose of an assisted property to each affected building tenant.

The amount of time required for notice varies, as illustrated in the table below.

Table 6: Requirements for Length of Notice

	Notice Requirements			
	Expiring Section 8	Opting out of federal assistance		Intent to Sell
		Long-term contract	One-year contract extension	
Chicago[39]	12 months	12 months	12 months	12 months
Portland	12 months	210 days	150 days	n/a
Washington, D.C.	12 months	12 months	12 months	n/a[40]
Denver	12 months	12 months	12 months	12 months

The Trust recommends that both the City and County require adequate notice to allow potential preservation purchasers significantly more time to prepare an offer, while also being in line with common practice from around the country.

Policy Recommendation 3: Increase the availability of weatherization and energy efficiency programs for multifamily rental properties

In South Florida, low-income families face an acute energy burden. Low-income families in Miami are more likely to spend a disproportionate amount of their income on utility costs than any other household in the region holding all else equal. [41] In a 2012 report on opportunities for energy savings in multifamily buildings, the authors note that "multifamily building owners are among the first to feel the squeeze of rising energy prices. As energy bills rise, upward pressure is put on rents, financial institutions become increasingly concerned about risk to their loan portfolios, and tenants continue to

[39] Though the City of Chicago's ordinance does not require giving notice to tenants, Illinois' Federally Assisted Housing Preservation Act requires owners to submit notice of intent to terminate, sell or dispose of an assisted property to each affected building tenant.
[40] D.C. does not require a notice of intended sale; however, through the Tenant Opportunity to Purchase Act, landlord must provide tenant(s) with an absolute 15 day right of first refusal. During this time, the landlord must also give notice to D.C. government
[41] Drehoble, Ariel and Lauren Ross. *Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities*. Energy Efficiency for All and American Council for an Energy Efficiency Economy. April, 2016

demand comfortable homes."[42] Furthermore, a 2016 energy burden study cites that "[in] affordable multifamily housing, the cost of energy is typically the highest controllable operating expense."[43]

Affordable housing is particularly vulnerable to energy increases; yet, affordable housing often receives disproportionately less funding for efficiency.[44] Fortunately, there are substantial opportunities for cost savings in assisted housing through energy efficiency upgrades. The cost savings, which can range up to 20 percent in reduced energy bills, frees up money to pay for other building improvements, ultimately extending the affordability of a property.[45] In regions like Chicago, Denver, and Boston, municipal and local authorities partner closely with nonprofits to commit to energy efficiency goals, coordinate with utilities, develop programming, and offer education and trainings to buildings owners.

Policy Recommendation 3.1: Invest County and City resources to support energy efficiency in affordable multifamily housing

The Trust identified opportunities to leverage public resources to preserve affordable housing through energy efficiency and strategic partnerships with utilities, weatherization offices, offices of resiliency, and other non-public organizations.

Public-Private Partnerships

County and city-wide initiatives across the country have taken a variety of effective approaches to capture the energy savings in the affordable housing sector. For example, Cook County's Preservation Compact partnered with CNT Energy (now Elevate Energy) to create the Energy Savers program in 2008. Energy Savers offers a one-stop-shop for energy efficiency upgrades and has served 15,000 units since its inception.[46] Likewise, Denver's energy efficiency programs span across four different agencies: the

A **one-stop- shop** optimizes the energy savings potential by centralizing the process for enrolling buildings in energy efficiency programs. By using a single point of contact, the one-stop-shop helps owners identify upgrade options, navigate various program offerings, secure financing, hire contractors, and more to ensure owners reach their level of intended savings.

[42] *Engaging as Partners in Energy Efficiency: Multifamily Housing and Utilities*. CNT Energy and American Council for an Energy Efficient Economy. January 2012. http://aceee.org/sites/default/files/publications/researchreports/a122.pdf
[43] Drehoble, Ariel and Lauren Ross. *Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities*. Energy Efficiency for All and American Council for an Energy Efficiency Economy. April, 2016
[43] *Engaging as Partners in Energy Efficiency: Multifamily Housing and Utilities*. CNT Energy and American Council for an Energy Efficient Economy. January 2012. http://aceee.org/sites/default/files/publications/researchreports/a122.pdf
[44] Ibid
[45]*Engaging as Partners in Energy Efficiency: Multifamily Housing and Utilities*. CNT Energy and American Council for an Energy Efficient Economy. January 2012. http://aceee.org/sites/default/files/publications/researchreports/a122.pdf
[46] "Where We've Been: A Brief History of CNT Energy." *Elevate Energy*, 3 Feb. 2014, www.elevateenergy.org/brief-history-cnt-energy/.

Denver Department of Environment Health, the Office of Strategic Partnerships, the Department of Finance, and the Office of Community Planning and Development.[47] In both regions, the preservation manager plays an active role in creating program guidelines by coordinating with other public agency and ensuring that comprehensive housing policy is well represented.

The Trust recommends that the preservation manager pursue opportunities to partner with utilities and public agencies on energy efficiency program for multifamily owners.

Ordinances

Legislation is another path that communities have taken to promote EE. In Austin, Texas, the city passed the Energy Conservation Audit and Disclosure Ordinance to require energy audits of large multifamily buildings that are 10 years or older. A new energy audit must be completed every subsequent 10 years. The ordinance also obligates the building owners to make the energy audit results available to current and prospective tenants.[48]

Like Austin, Denver also passed an EE ordinance, Energize Denver, which requires that all commercial and large multifamily buildings receive an Energy Star score. The city also offers a voluntary program for building benchmarking that allows building owners to track their energy and water usage.[49]

The Trust recommends that MDC and Miami adopt ordinances that properly incent energy efficiency investments in multifamily homes.

Policy Recommendation 3.2: Partner with Florida Power and Light to increase spending on low-income programs

Many utilities operate programs to help owners of single and multifamily housing invest in efficiency repairs and improvements; however, they often lack the capacity or expertise to effectively reach the community of affordable housing owners and developers. To help develop and implement better policy and programs, utilities need guidance from housing experts in the public sector to navigate the unique context of multifamily affordable housing.

According to the American Council for an Energy-Efficient Economy (ACEEE), utility spending on EE programs is expected to more than double by 2020 from 2010 levels. Unfortunately, Florida based utilities lag many states in their dedication to offering programming for their low-income customers. In Miami, low-income customers are more likely to face a higher energy burden than any other customer.[50] Out of all major metropolitan areas in the United States, Florida Power and Light (FPL) spends the least

[47]"Denver Scorecard." *Denver | ACEEE*, database.aceee.org/city/denver-co.
[48] "Austin Scorecard." *Austin | ACEEE*, database.aceee.org/city/austin-tx.
[49] "Denver Scorecard." *Denver | ACEEE*, database.aceee.org/city/denver-co.
[50] Drehoble, Ariel and Lauren Ross. *Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities*. Energy Efficiency for All and American Council for an Energy Efficiency Economy. April, 2016

amount on low-income energy efficiency programs by number of low-income customers. Rocky Mountain Power in Salt Lake City, taking the penultimate place in lowest investment on low-income energy efficiency programs, still spends five times more than FPL. The highest spender, Eversource Energy in Boston, MA invests over 1,000 times more than FPL.[51]

Table 7: Electric Utility Spending on Low-Income EE Programs per Low-Income Customer

Electric Utility	City	State	2015 spending per low-income customer
Highest spending per customer			
Eversource Energy	Boston	MA	$91.81
CPS Energy	San Antonio	TX	$88.84
Narragansett (National Grid)	Providence	RI	$80.15
PG&E	San Francisco & San Jose	CA	$71.56
Eversource Energy	Hartford	CT	$69.21
Lowest spending per customer			
Memphis Light, Gas & Water	Memphis	TN	$2.37
City of Riverside Public Service	Riverside	CA	$1.49
Orlando Utilities Commission	Orlando	FL	$1.40
Rocky Mountain Power	Salt Lake City	UT	$0.30
Florida Power and Light	Miami	FL	$0.06

Five highest and lowest electric utility 2015 spending on low-income energy efficiency programs by estimated number of low-income customers (Source: ACEEE)[52]

Utilities can be encouraged to pursue aggressive energy savings in multifamily buildings. Rules established by state regulatory commissions can enhance or impede utilities' abilities to create comprehensive, robust multifamily energy efficiency programs and provide multifamily owners access to energy consumption data needed to make informed energy management decisions. Energy efficiency portfolio standards (EEPS) and public benefit funds (PBF) that set utility energy savings and funding targets are solutions that drive energy efficiency investment in multifamily housing.[53] Local governments can spur increased investment in multifamily energy efficiency by making it a priority in franchise negotiations with utilities.

[51] Drehobl, Ariel and Castro-Alvarez, Fernando. *Low-Income Energy Efficiency Programs: A Baseline Assessment of Programs Servicing the 51 Largest Cities.* American Council for an Energy-Efficiency Economy. July 2017.
[52] Drehobl, Ariel and Castro-Alvarez, Fernando. *Low-Income Energy Efficiency Programs: A Baseline Assessment of Programs Servicing the 51 Largest Cities.* American Council for an Energy-Efficiency Economy. July 2017.
[53] ACEEE offers a comprehensive overview of EEPS here: https://aceee.org/topics/energy-efficiency-resource-standard-eers

Policy Recommendation 3.3: Expand PIN’s members to include energy efficiency experts

Energy efficiency has the potential to extend the affordability of properties in which the County and City invest by lowering operation and maintenance costs. Cost savings garnered through energy efficiency retrofits can be reinvested by the owner into the building to prolong the building lifecycle and reduce capital expenditure, keeping the building affordable for longer. Furthermore, efficiency upgrades result in many non-energy benefits including creating local jobs, catalyzing local investment, and improving community health, resiliency, and self-reliance.[54] [55] [56] To ensure the success of these programs, it is important that the right experts are committed to the effort. The PIN coordinated by MHFA should expand its membership to environmental nonprofits and energy efficiency and green construction companies that have investments in housing. By assembling such a broad coalition, MDC and Miami will be able to effectively advocate for greater utility spending including pilot programs for low-income multifamily programs.[57]

Furthermore, the Trust recommends that PIN should seek the participation of its resiliency partners in MDC, Miami, and Miami Beach to help guide policy around energy efficiency, resiliency, and multifamily assisted housing.

Policy Recommendation 4: Require recipients of local financing to commit to long term affordability

As a proactive approach to preservation, the City and the County have an opportunity to provide affordable housing options to their communities well into the future.

The Trust recommends that both the City and the County require recipients of local financing to commit to long term affordability.

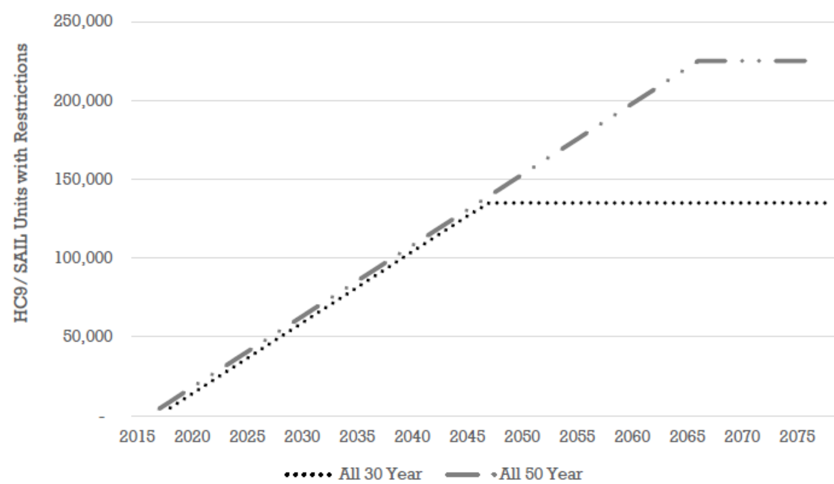
While this approach will not preserve currently at-risk properties, it will create long-term affordability requirements on any new or existing properties seeking additional funding.

Under federal law, properties financed through the Housing Credit are required to be kept as affordable for a minimum of 30 years. Many state housing finance agency, including Florida Housing, have opted to extend that period. Properties allocated an award of 9 percent Housing Credits or SAIL funds by Florida Housing must commit to 50 years of affordability.

[54] “Local Energy Efficiency Policy.” *ACEEE*, aceee.org/portal/local-policy.
[55] December 12, 2016 Sheryl Carter. “Energy Efficiency Jobs: Nearly 1.9 Million and Growing.” *NRDC*, 15 Dec. 2016, www.nrdc.org/experts/sheryl-carter/energy-efficiency-jobs-nearly-19-million-and-growing.
[56] “Protecting Our Health through Energy Efficiency and Building Upgrades.” *Protecting Our Health through Energy Efficiency and Building Upgrades | | ENERGY STAR*, www.energystar.gov/about/newsroom/the-energy-source/protecting_our_health_through_energy_efficiency_and_building_upgrades.
[57] Good program design is an essential part of capturing energy savings. Recommendation of EE in MFAH is available here: http://energyefficiencyforall.org/sites/default/files/EEFA%20PROGRAM%20GUIDE.pdf

As an analysis of existing 9 percent Housing Credit and SAIL properties in Florida illustrates: "extended income and rent restrictions can have a substantial effect on future affordability of housing."[58] Requiring long-term affordability on newly-financed affordable housing allows the stock to grow, as new housing adds to an existing supply, rather than filling a hole left by properties exiting affordability when income and rent restrictions expire. This is illustrated in the figure below, which shows the size of the affordable housing stock under two scenarios: one with a 30-year affordability period, and one with a 50-year affordability period. The longer affordability period leads to a larger affordable housing stock.

Figure 2: Rental Housing Affordability Periods



Source: "Rental Housing Affordability Periods: The Housing Credit and SAIL Inventory Shimberg Center for Housing Studies, University of Florida," Shimberg Center for Housing Studies, University of Florida

One practical concern raised around long-term affordability during some of our interviews was the financial feasibility of underwriting an affordable property for 50 years or longer. Typically, affordable properties require an infusion of new capital after 15 or 20 years; the solution is to underwrite the property for the entire duration of the affordability covenant. Fortunately, the National Housing Conference (NHC) found that underwriting properties for an additional 30 years of affordability only requires a slight increase in initial project costs (2 percent to 4.3 percent on average).[59] NHC developed a lifecycle cost modeling tool to help developers understand the long-term capital needs of their properties.[60]

To maximize the supply of affordable housing in MDC and Miami, long-term affordability requirements should be established on the City and County level. This way, properties not financed with either the

[58] "Rental Housing Affordability Periods: The Housing Credit and SAIL Inventory Shimberg Center for Housing Studies, University of Florida," Shimberg Center for Housing Studies, University of Florida,
[59] For more information on the effect of underwriting affordable properties for a 50 year affordability period, visit the NHC website at http://www.nhcopenhouse.org/2013/02/moving-forward-long-term-viability-and.html
[60] The modeling tool is available here: http://www.lcycle.org/

competitive 9 percent Housing Credit or SAIL will continue to provide affordable housing to low-income renters long-term.

Conclusion

Affordable housing that serves some of Florida's most vulnerable communities including low-income seniors, veterans, young children, and people with disabilities is at risk throughout Miami-Dade and Miami. Preserving assisted housing is a crucial component of ensuring housing for all households no matter the income level, and saving this critical stock requires an institutional commitment to preservation. Coordinated work across relevant public agencies will be best facilitated by adopting the following recommendations:

Public agencies and local nonprofit organizations can better monitor and direct resources to preservation projects through interagency and cross-sector collaboration.

1. Prioritize preservation and direct public resources to assisted rental housing by establishing the Preservation Interagency Collaborative (PIC) convened by HFA Miami.
    - Task 1: Develop a preservation matrix.
    - Task 2: Build relationship with Florida Housing Finance Corporation.
    - Task 3: Engage owners.
    - Task 4: Set specific preservation goals.
2. Appoint a preservation manager to facilitate the Preservation Interagency Collaborative and coordinate preservation activity among public agencies.
    - Task 1: Convene PIC.
    - Task 2: Create an early warning system to monitor all existing affordable rental properties.
3. Convene a preservation innovation network (PIN) of non-government housing stakeholders facilitated by Miami Homes for All.

Furthermore, we recommend the following set of robust housing policy to support preservation activity:

1. Increase availability of gap financing to encourage preservation
    a. Modify the county surtax program to make preservation projects more competitive
    b. Dedicate a portion of Miami-Dade's Affordable Housing Trust Fund and Miami's $100 million bond for affordable housing to preservation initiatives
2. Create City and County ordinances to require increased notice and notice of intended sale
3. Increase the availability of weatherization and energy efficiency programs for existing multifamily rental properties
    a. Invest County and City resources to support energy efficiency in affordable multifamily housing

   b. Partner with Florida Power and Light to increase spending on low-income programs
   c. Expand PIN's members to include energy efficiency experts
4. Require recipients of local financing to commit to long term affordability

By taking action to preserve housing affordability, MDC and Miami can ensure that people of all incomes are able secure stable housing and, therefore, protect diversity, opportunity and a labor force that is essential to the region's community.

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Appendices

Appendix A: Miami-Dade County's Existing Assisted Housing Stock

The Current Inventory

Miami-Dade County has 365 assisted housing developments, which provide 43,529 affordable units. Table A1 shows the characteristics of the county's assisted housing supply. The most common profile for a development in the county is: 1) newer housing stock, with units built in the 1990s or 2000s; 2) funding from Florida Housing; 3) designation as "family" occupancy – a general category that includes single persons and unrelated individuals as well as related adults and children; and, 4) for-profit ownership.

Table A1. Assisted Housing Characteristics in Miami-Dade County

	Properties	Assisted Units
Funders		
HUD	132	13,704
USDA RD	5	805
Florida Housing	250	32,829
HFA Miami	56	10,254
Target Population		
Family	263	34,769
Elderly	128	12,713
Homeless	15	1,180
Persons with Disabilities	17	713
Year Funded		
1964-1979	22	3,379
1980-1989	68	6,399
1990-1999	103	13,769
2000-2009	99	13,006
2010-2017	70	6,896
Owner Type		
For-Profit	220	29,656
Nonprofit	138	13,018
Limited Dividend	5	760

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory. Properties and units may appear in more than one funder and target population category. Data retrieved January 2018.

The assisted housing developments described here are separate from the *public housing* supply. In Miami-Dade County, over 10,000 public housing units are provided by public housing authorities associated with the county, Hialeah, Homestead, and Miami Beach. The risk analysis below does not include these units because they should remain affordable in perpetuity according to their program restrictions. However, the public housing stock also bears watching because it is aging. More than three-quarters of the county's public housing units were built before 1980.

Types of Risk

The assisted housing supply is subject to two types of risk:

Subsidy expiration. Tenant income and rent restrictions associated with subsidy programs are time-limited, threatening the affordability of units. Under most programs, income and rent restrictions end after a set number of years unless new subsidized financing is added. This is the case for HUD- and USDA-subsidized mortgages, local bonds, and the federal Low-Income Housing Tax Credit (Housing Credit), State Apartment Incentive Loan (SAIL), and bond programs, all three of which are administered by Florida Housing. For example, in the earliest years of the Housing Credit program, affordability restrictions were in place for just 15 years. This period was soon extended to 30 years by the federal government, and Florida Housing now generally requires 50 years of affordability for Housing Credit developments.

HUD rental assistance contracts, on the other hand, are renewable upon expiration. The contracts provide ongoing rent subsidies to property owners to enable tenants to pay 30 percent of their incomes for rent and utility costs. Contracts can be renewed for terms varying from a single year to as much as 20 years or more. Upon contract expiration, the owner has the option either to renew assistance or to opt out of further subsidies and affordability restrictions. In most cases, the owners choose to renew the contracts, but the properties are at risk each time the contract comes up for renewal.

Table A2 lists the housing programs that are tracked in the Shimberg Center's Assisted Housing Inventory (AHI). Only the programs that impose income and rent restrictions are included.

Table A2. AHI Assisted Housing Programs by Funder

HUD	USDA	Florida Housing	HFA Miami
Rental Assistance	Rental Assistance	Housing Credit	Local Bonds
HUD Use Agreement	Section 515 Mortgage	SAIL	
Section 202 Direct Loan	Section 514/516 Farm Labor Housing	State Bonds	
Section 236 Mortgage		State HOME	
Section 202/811 Capital Advance		FDIC	

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory User Guide. Other programs such as Florida Housing's Predevelopment Loan Program are not included because they do not impose time-limited income and rent restrictions independent of other funding layers.

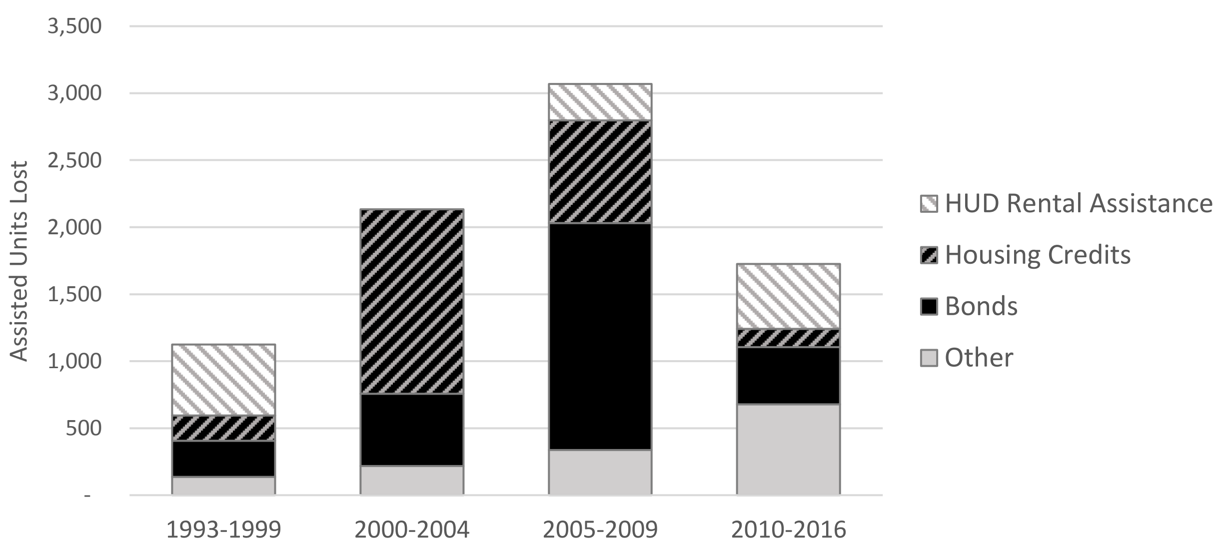
Deterioration and default. Aging developments are also at risk of physical deterioration and financial default unless they receive additional capital investment. Unlike with subsidy expirations and contract opt-outs, deterioration does not necessarily lead to a clearly defined moment when the property leaves the assisted housing stock. Nevertheless, deterioration can lead to several outcomes that either actually or effectively prevent the property from continuing to provide affordable housing to low-income tenants. The property may continue to operate, but with tenants living in dangerous or unhealthy conditions; the government funder may terminate rental subsidies or a mortgage, enabling the property to be sold without affordability restrictions; the property may be shut down due to local code violations; or the owner may go bankrupt because the property does not generate sufficient cash flow to meet business expenses.

Often the two types of risk go together, since the oldest developments are also those closest to their subsidy expiration dates.

Previous Losses to the Assisted Housing Inventory

Since 1993, Miami-Dade County has lost 8,042 assisted housing units to subsidy expirations, opt-outs, and deterioration and default. Figure A1 shows the losses over time and by housing program. Losses of HUD rental assistance units were heaviest in the 1990s, when a few large developments left the inventory, and in 2010-2016, when a number of small and medium-sized properties were lost. Losses of Housing Credit units were heavy between 2000 and 2009, as properties developed in the early years of the program reached the end of their 15-year affordability periods. Most recently, a large number of properties with state or local bond funding began reaching the end of their affordability periods after 2005.

Figure A1. Lost Assisted Housing Units, 1993-2016, Miami-Dade County



Source: Shimberg Center for Housing Studies, Lost Properties Inventory. Units in properties with both Housing Credits and bond financing are placed in the Housing Credits category.

Appendix B: Risk of Loss of Affordability to Miami-Dade County's Assisted Housing Stock

Assessing Preservation Risks

Local communities may consider a number of factors when prioritizing developments for preservation:

- *Imminence*: What's at risk *first*? These are the properties with the earliest subsidy expiration or renewal dates (expiration risk) and the oldest properties without recent rehabilitation work (deterioration and default risk).
- *Severity of risk*: Which properties have *additional risk factors* that make them more likely to lose affordability? Research has identified property characteristics associated with higher risk of opt-out from HUD rental assistance. These include:
    - Properties with fewer than 50 units;
    - With a profit-motivated owner (for-profit or limited dividend corporation), rather than a nonprofit;
    - Family target population, as opposed to elderly or disabled occupancy;
    - In neighborhoods with strong housing markets;
    - With failing physical inspection scores from HUD's Real Estate Assessment Center (REAC).[61]

  These factors are most relevant to continued affordability in properties with expiring HUD rental assistance contracts, where owners are making an active choice either to opt out of subsidies or to continue them. However, they can also be relevant to developments where rent and income restrictions are expiring entirely, such as properties with expiring Housing Credit restrictions. Owners of properties with these risk factors may be less motivated to seek out new subsidized financing that will extend affordability restrictions, and they may be more likely to increase rents substantially when restrictions do end.
- *Value*: Which properties offer *benefits* to tenants and the community that would be particularly difficult to replace? These benefits might include rent and income restrictions targeted at extremely low-income tenants; location in neighborhoods that are mixed-income, rising in home prices and rents, or convenient to transportation and jobs; properties in good physical condition; and housing with services for special needs populations.

As a starting point, we identified developments at the most imminent risk of loss from expirations and deterioration and default, with additional risk factors flagged. These lists can be further refined using a preservation matrix, described in PIC Task 1. The matrix can incorporate data to screen properties for all three – imminence of subsidy expiration, severity of risk, and value provided by the property. The Shimberg Center's Assisted Housing Inventory[62] database provides a host of additional physical,

[61] Anne Ray, Jeongseob Kim, Diep Nguyen, and Jongwon Choi, *Opting In, Opting Out a Decade Later*, May 2015, https://www.huduser.gov/portal/publications/mdrt/opting_in_opting_out.html.
[62] http://flhousingdata.shimberg.ufl.edu/AHI_introduction.html

financial, neighborhood, and tenant characteristics that can be used to run the properties through the matrix screens.[63]

Properties at Imminent Risk of Subsidy Expiration

Table B1 lists two types of properties that are at high risk of imminent subsidy expiration. First, we identified properties with HUD rental assistance contracts that are expiring within the next five years. In all, 25 developments with 1,181 units have contracts expiring by the end of 2022 and do not have other subsidy layers keeping them affordable for a longer term. The HUD developments provide some of the most deeply subsidized and affordable units in Miami's assisted housing stock. Average tenant income is $11,183 per year. Tenants generally pay 30 percent of their income for rent and utilities, with HUD subsidies making up the remaining rent to the landlord. Average tenant payment for rent and utilities is just $275 per month.

Second, we identified 15 developments with 1,621 assisted units funded by federal Housing Credits and other Florida Housing-administered programs that are reaching the end of their 30-year affordability periods by end of 2027.[64] These are developments funded in the early to mid-1990s, before Florida Housing began requiring 50-year affordability periods in most cases. The Housing Credit developments are less deeply subsidized than the HUD units but still have rent and income levels well below typical amounts for Miami-Dade County. Average tenant income is $26,964, compared to a median of $33,048 for all renters in the county. Average tenant-paid rent including utilities is $814/month, compared to a median of $1,143 per month for all rental units.[65]

The watch list excludes developments with other subsidy layers that keep them affordable for a longer term. For example, the HUD risk list excludes a number of elderly housing developments that received funding from HUD's Section 202 Capital Advance program. These grants impose a 40-year affordability term; none of the developments will exit affordability restrictions until at least 2035.

Table B1 also provides a basic set of characteristics for each development. Data values that signify heightened risk are highlighted in **bold**. These include property size under 50 total units, family occupancy, for-profit ownership/limited dividend ownership, and a HUD REAC inspection below the passing score of 60.

[63] Shimberg database can be viewed via the following link: http://flhousingdata.shimberg.ufl.edu/AHI_introduction.html

[64] For brevity's sake, this is referred to as "Housing Credit Risk" below. All but two of the developments have expiring Housing Credit restrictions. The other two do not have active Housing Credit assistance but have expiring subsidies from Florida Housing's SAIL and HOME programs.

[65] Data for all renters come from U.S. Census Bureau, 2016 1-Year American Community Survey. Note that "all renters" figures include tenants of subsidized housing as well as market-rate units, so rents and incomes for market-rate units alone are likely higher.

Table B1. Properties at Risk of Subsidy Expiration, Miami-Dade County

Risk Type	Development Name	Street Address	City	Zip Code	Housing Programs	Total Units	Assisted Units	Target Population	Owner Type	Year Built	HUD REAC Score	Expiration Year	
												HUD	Housing Credit/ FHFC
HUD	Casa Isabel	300 SW 4th Ave	Miami	33130	Rental Assistance/HUD	14	14	**Family**	**For-Profit**	1972	95b	2017	-
HUD	Town Park Village I	1680 NW 4th Ave	Miami	33136	Rental Assistance/HUD	151	30	**Family**	Non-Profit	not avail.	65c	2017	-
HUD	Villa Sonia	340 SW 5th Ave	Miami	33130	Rental Assistance/HUD	27	27	Elderly	**For-Profit**	1929	**16c**	2017	-
HUD	Villa Elena	636 SW 6th St	Miami	33130	Rental Assistance/HUD	24	24	Elderly	**For-Profit**	1925	72b	2017	-
HUD	Town Park Plaza South	1798 NW 5th Ave	Miami	33136	Rental Assistance/HUD	116	84	**Family**	Non-Profit	not avail.	89c*	2018	-
HUD	Phoenix Manor	3941 SW 89 Avenue	Miami	33165	Rental Assistance/HUD; Section 202 Direct Loan	20	20	Persons with Disabilities	Non-Profit	1995	90b	2017	-
HUD	Villa Margarita	628 SW 2nd St	Miami	33130	Rental Assistance/HUD	20	20	Elderly	**For-Profit**	1933	66b	2018	-
HUD	Villa La Nina	520 SW 4th St	Miami	33130	Rental Assistance/HUD	13	13	Elderly	**For-Profit**	1949	84c	2017	-
HUD	Villa Sara	435 SW 6th St	Miami	33130	Rental Assistance/HUD	30	30	Elderly	**For-Profit**	1926	46c*	2017	-
HUD	Villa Beatriz	776 NW 2nd St	Miami	33128	Rental Assistance/HUD	24	24	Elderly	**For-Profit**	1924	80c	2019	-
HUD	Federation Towers	757 West Ave	Miami Beach	33139	Rental Assistance/HUD; Section 202 Direct Loan	114	113	Elderly	Non-Profit	not avail.	99c	2020	-
HUD	Meadowgreen Apartments	1955 W 54th Street	Hialeah	33012	Rental Assistance/HUD	119	119	**Family**	**For-Profit**	not avail.	83c*	2021	-

Risk Type	Development Name	Street Address	City	Zip Code	Housing Programs	Total Units	Assisted Units	Target Population	Owner Type	Year Built	HUD REAC Score	Expiration Year HUD	Expiration Year Housing Credit/ FHFC
HUD	Russ Allen Apartments	1550 W 44th Place	Hialeah	33012	Rental Assistance/HUD	74	73	**Family**	**For-Profit**	1981	91c	2021	-
HUD	Villa Pina	619 SW 2nd St	Miami	33130	Rental Assistance/HUD	22	21	Elderly	**For-Profit**	1999	81c	2021	-
HUD	Palmer House	1225 SW 107th Ave	Miami	33174	Rental Assistance/HUD; Section 207/223(f)	121	120	Elderly	Non-Profit	1988	99a	2018	-
HUD	Rebecca Towers North	200 Alton Rd	Miami Beach	33139	Rental Assistance/HUD	200	200	Elderly	Non-Profit	1978	93c	2019	-
HUD	Shep Davis Plaza	220 23rd St	Miami Beach	33139	Rental Assistance/HUD	49	49	Elderly	**For-Profit**	1926	64c*	2018	-
HUD	Villa Maria	2800 Collins Ave	Miami Beach	33140	Rental Assistance/HUD; Special Housing Assistance & Development Program	34	34	Elderly	Non-Profit	1924	71c	2018	-
HUD	Anne Marie Towers	436 NE 82nd St	Miami	33138	Rental Assistance/HUD	20	20	Elderly	**For-Profit**	1973	80c	2022	-
HUD	Buena Vista Apartments	521 SW 6th St	Miami	33130	Rental Assistance/HUD	21	21	Elderly	**For-Profit**	1926	93b	2022	-
HUD	Orlando Apartments	458 NW 4th St	Miami	33128	Rental Assistance/HUD	24	24	Elderly	**For-Profit**	2001	91b	2022	-
HUD	Villa Christina	427 SW 8th Avenue	Miami	33130	Rental Assistance/HUD	12	12	Elderly	**For-Profit**	1926	33c*	2018	-
HUD	Mayras Court Apartments	1529/1559 NW North River Dr	Miami	33125	Rental Assistance/HUD	56	56	Elderly	**For-Profit**	1962	86c	2022	-
HUD	Nathalie's Court Apartments	1521 SW 6th St	Miami	33125	Rental Assistance/HUD	15	13	**Family**	**Limited Dividen d**	1925	76b	2022	-

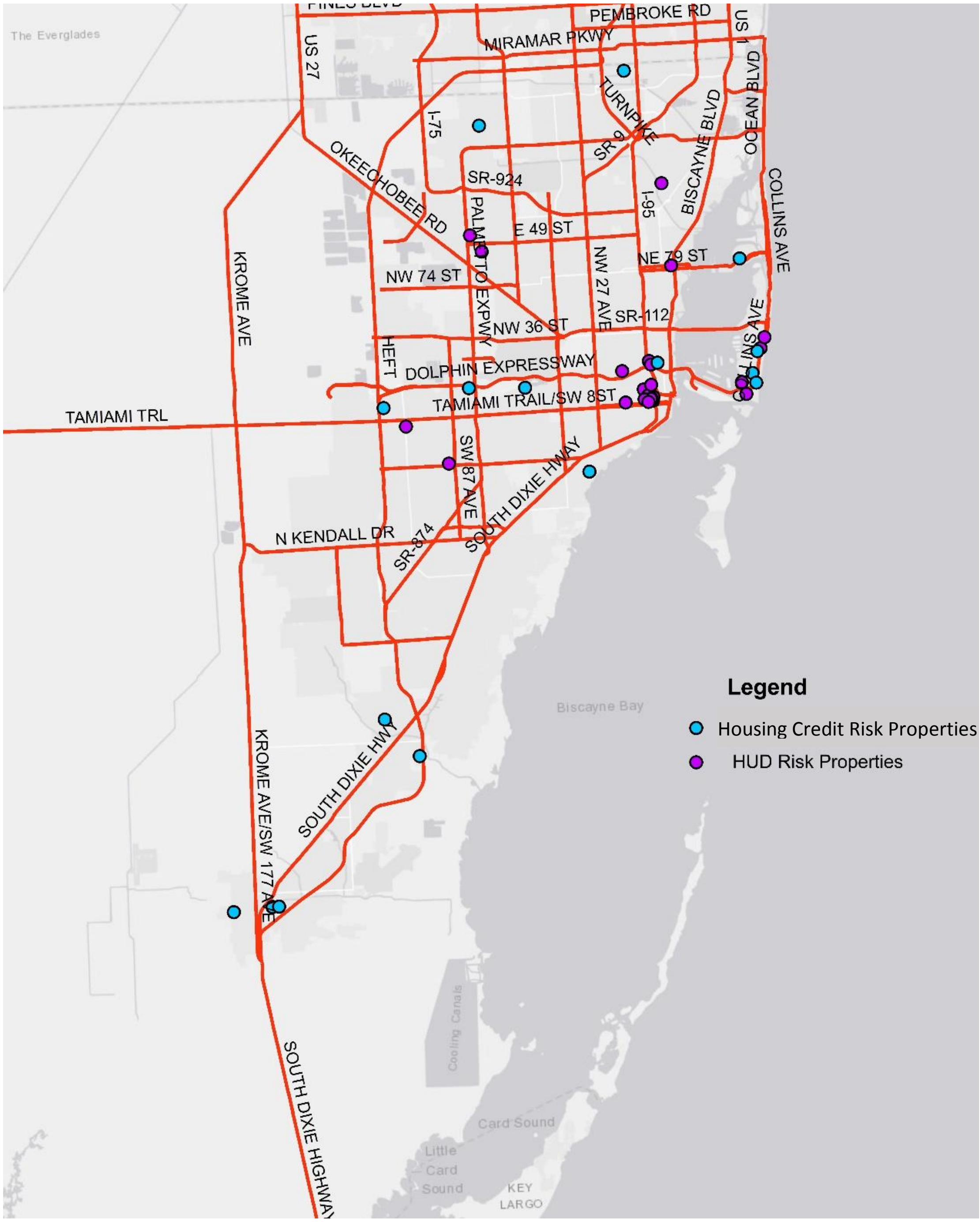
Risk Type	Development Name	Street Address	City	Zip Code	Housing Programs	Total Units	Assisted Units	Target Population	Owner Type	Year Built	HUD REAC Score	Expiration Year	
												HUD	Housing Credit/ FHFC
HUD	Buena Vista Villas	13555 NE 3rd Ct	North Miami	33161	Rental Assistance/HUD; Section 202 Direct Loan	20	20	Persons with Disabilities	Non-Profit	1964	78c	2018	-
Housing Credit	Swezy	1220 Pennsylvania Avenue	Miami Beach	33139	Housing Credits 9%	10	10	**Family**	**For-Profit**	1940	-	-	2022
Housing Credit	Riviera Plaza	337 20 Street	Miami Beach	33139	Housing Credits 9%;SAIL	56	56	Elderly; Family	**For-Profit**	1926	-	-	2023
Housing Credit	Cielo	1930 Marseilles Drive	Miami	33141	Housing Credits 9%	18	18	**Family**	**For-Profit**	1946	-	-	2022
Housing Credit	Homestead Colony	810 E. Mowry Drive	Homestead	33030	Housing Credits 9%;State HOME	312	312	**Family**	**For-Profit**	1995	-	-	2025
Housing Credit	Hardin Hammock Estates	22555 SW 107 Place	Miami	33170	Housing Credits 9%;Section 542	200	200	**Family**	**For-Profit**	1997	-	-	2026
Housing Credit	Janoski Property	3255 Williams Avenue	Miami	33133	Housing Credits 9%	1	1	**Family**	**For-Profit**	1953	-	-	2019
Housing Credit	Coral Gardens Apts	250 SW 14th Ave	Homestead	33030	Housing Credits 9%;Rental Assistance/HUD; SAIL; Section 221(d)(3) MR	92	92	**Family**	**For-Profit**	1964	-	-	2027
Housing Credit	Residential Plaza At Blue Lagoon	5617 NW 7 St	Miami	33126	Housing Credits 9%	448	269	**Family**	**For-Profit**	1990	-	-	2019
Housing Credit	Vizcaya Villas	8005 NW 8th St	Miami	33126	Housing Credits 4%;Section 207/223(f)	174	174	**Family**	**For-Profit**	1997	-	-	2027

Risk Type	Development Name	Street Address	City	Zip Code	Housing Programs	Total Units	Assisted Units	Target Population	Owner Type	Year Built	HUD REAC Score	Expiration Year	
												HUD	Housing Credit/ FHFC
Housing Credit	Villa Hermosa	11455 West Flagler Street	Miami	33174	Housing Credits 9%	76	76	**Family**	**For-Profit**	not avail.	-	-	2026
Housing Credit	Royal Palm Gardens	1110 East Mowry Drive	Homestead	33030	Housing Credits 9%	145	145	**Family**	**For-Profit**	1996	-	-	2027
Housing Credit	Green Vista	18100 Northwest 68th Avenue	Miami	33015	Housing Credits 4%	94	94	**Family**	**For-Profit**	1997	-	-	2027
Housing Credit	St. John Island	140 NW 17th Street	Miami	33136	Housing Credits 9%	48	48	**Family**	**For-Profit**	1949	-	-	not avail.
Housing Credit	London Arms	727 Collins Ave	Miami Beach	33139	SAIL	25	24	**Family**	**For-Profit**	1930	-	-	2022
Housing Credit	Caribbean West	12140 SW 200th St.	South Miami Heights	33177	State HOME	102	102	**Family**	**For-Profit**	1973	-	-	2024

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory. Data retrieved January 2018. Characteristics showing increased risk in **bold**. HUD REAC scores are physical inspection scores on a 0-100 scale. A score below 60 is considered failing. The letter 'a' is given if there are no health and safety (H & S) deficiencies; 'b' if there are one or more non-life threatening H & S deficiencies; and 'c' if there are one or more life-threatening H & S deficiencies, also known as exigent or fire safety deficiencies. An asterisk indicates a smoke detector deficiency.

The locations of properties at risk of Housing Credit and HUD subsidy expiration are shown in Figure B1. The HUD properties are heavily concentrated in Little Havana and Miami Beach. Housing Credit properties are more dispersed throughout the county, including a number of properties near the Miami airport and in the southwestern part of the county.

Figure B1. Properties at Risk of HUD and Housing Credit Expiration, Miami-Dade County



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory. Data retrieved January 2018.

Appendix C: Neighborhood Market Characteristics Surrounding At-Risk Properties

Figures C1-C6, below, are maps showing information on neighborhood market characteristics surrounding the at-risk properties.[66] The maps display Census tract-level poverty rates and average property values for multifamily and condominium developments. For each indicator, we provide a countywide map and a close-in view of the property clusters around downtown and Miami Beach.

Developments in neighborhoods with stronger housing markets are at higher risk of opt-out and loss of affordability. Lost properties in strong markets are harder to replace with new affordable developments because of high land costs. The neighborhoods often provide amenities to low-income tenants that are unavailable in more affordable areas.

Viewing the maps together, the neighborhoods fall into a few categories that can help us consider the risk of market-rate conversion:

High value, low poverty. Unsurprisingly, the data indicate high risk to affordable properties in Miami Beach. Most of the tracts in Miami Beach with at-risk properties have poverty rates below 10 percent. All of the tracts are high value neighborhoods, with multifamily values averaging near or above $200 per square foot and condominium values averaging $300-400 per square foot.

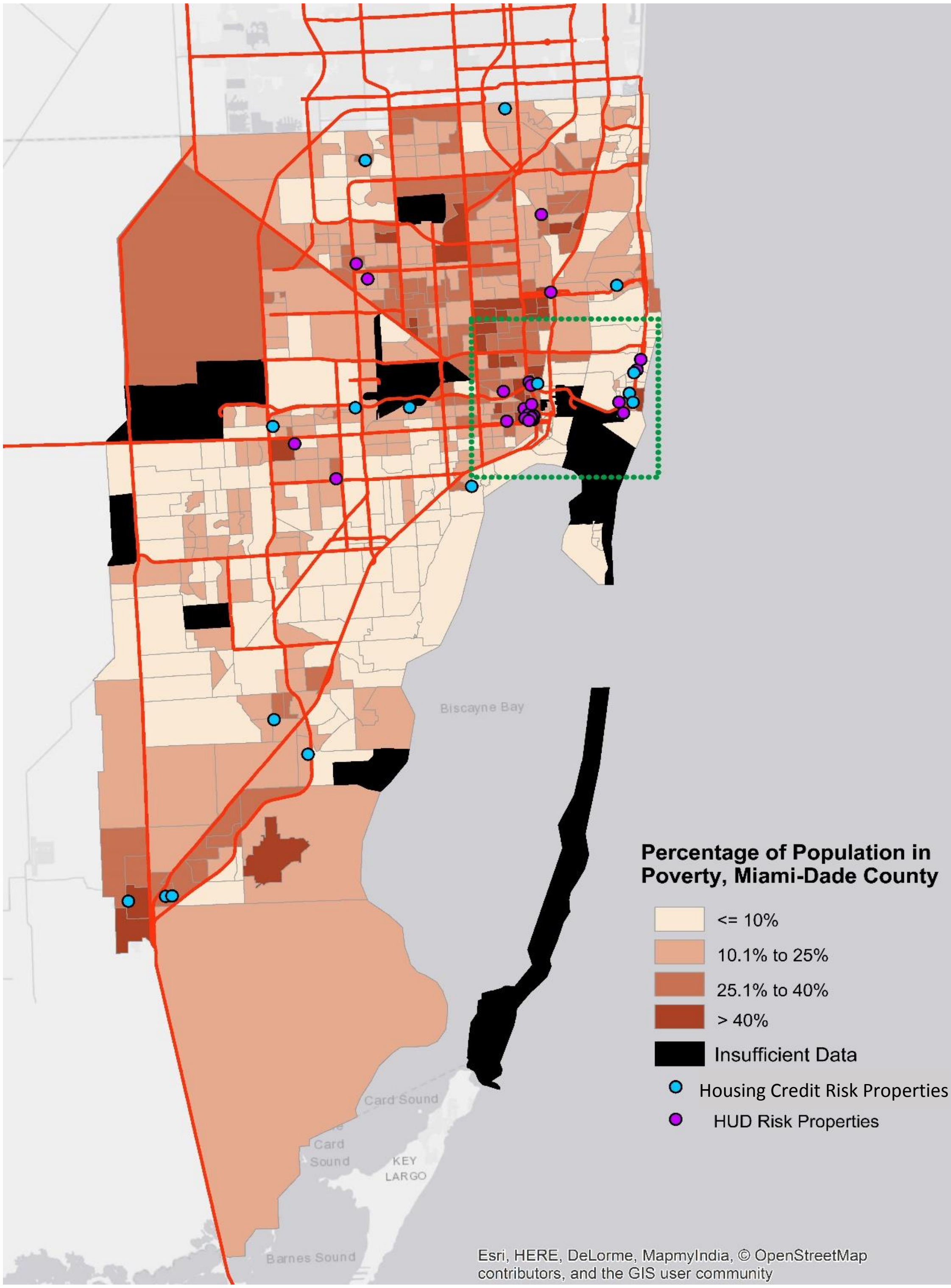
Low value, high poverty, but adjacent to stronger neighborhoods. At-risk properties clustered around Little Havana and downtown are located in tracts with high poverty rates, ranging from 30 to 50 percent and above, and low to moderate multifamily/condominium property values. These are weak market indicators. However, the tracts immediately to the east are far stronger, with some of the lowest poverty rates and highest property values in the county. This places both the Little Havana/downtown subsidized housing cluster and the area's naturally occurring affordable rental housing stock are at-risk as gentrification moves west from downtown.

Low to moderate poverty, low value. Many of the properties farther from downtown are located in tracts with less concentrated poverty (10-25 percent poverty rate), signaling potential risk for market-rate conversion. These include northern tracts near Hialeah, western tracts near the airport, and southern tracts near Cutler Bay. Condominium and multifamily property values in these areas are low, however, which may mitigate the risk.

High poverty, low value. Finally, the tracts around Homestead have both high poverty rates and low property values. These weaker markets may discourage market-rate conversion of affordable properties.

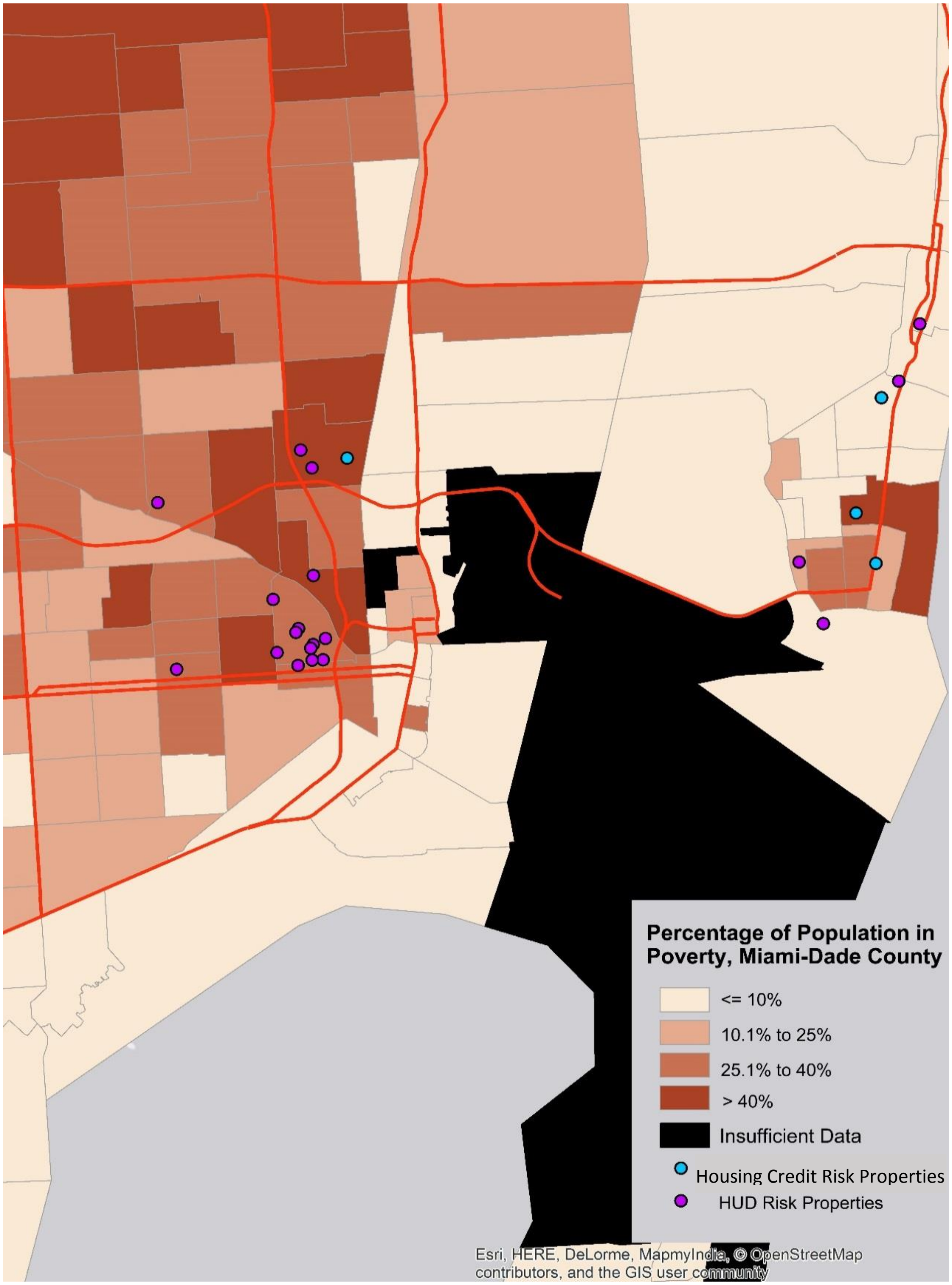
[66] These maps are also available in an online, interactive form at http://arcg.is/1SGeW.

Figure C1. Poverty Rate and Properties at Risk of HUD and Housing Credit Expiration, Miami-Dade County Census Tracts



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory, data retrieved January 2018; U.S Census Bureau, 2011-2015 American Community Survey.

Figure C2. Poverty Rate and Properties at risk of HUD and Housing Credit Expiration, Downtown and Miami Beach Census Tracts

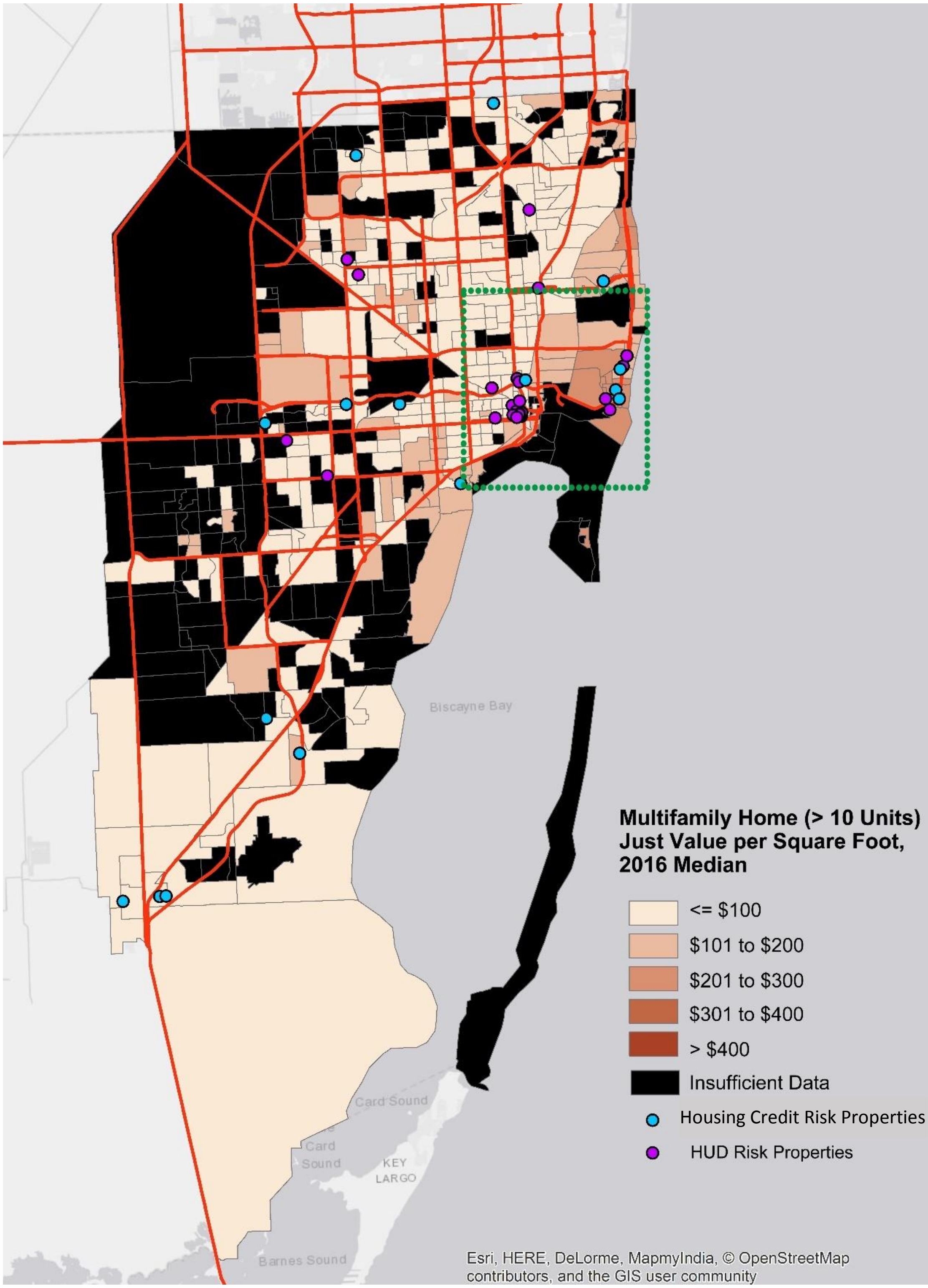


Source: Shimberg Center for Housing Studies, Assisted Housing Inventory, data retrieved January 2018; U.S Census Bureau, 2011-2015 American Community Survey.

Report supported by: Health Foundation of south florida

Report prepared by: Miami Homes for All; National Housing Trust; Shimberg Center for Housing Studies

Figure C3. Multifamily Property Values and Properties at Risk of HUD and Housing Credit Expiration, Miami-Dade County

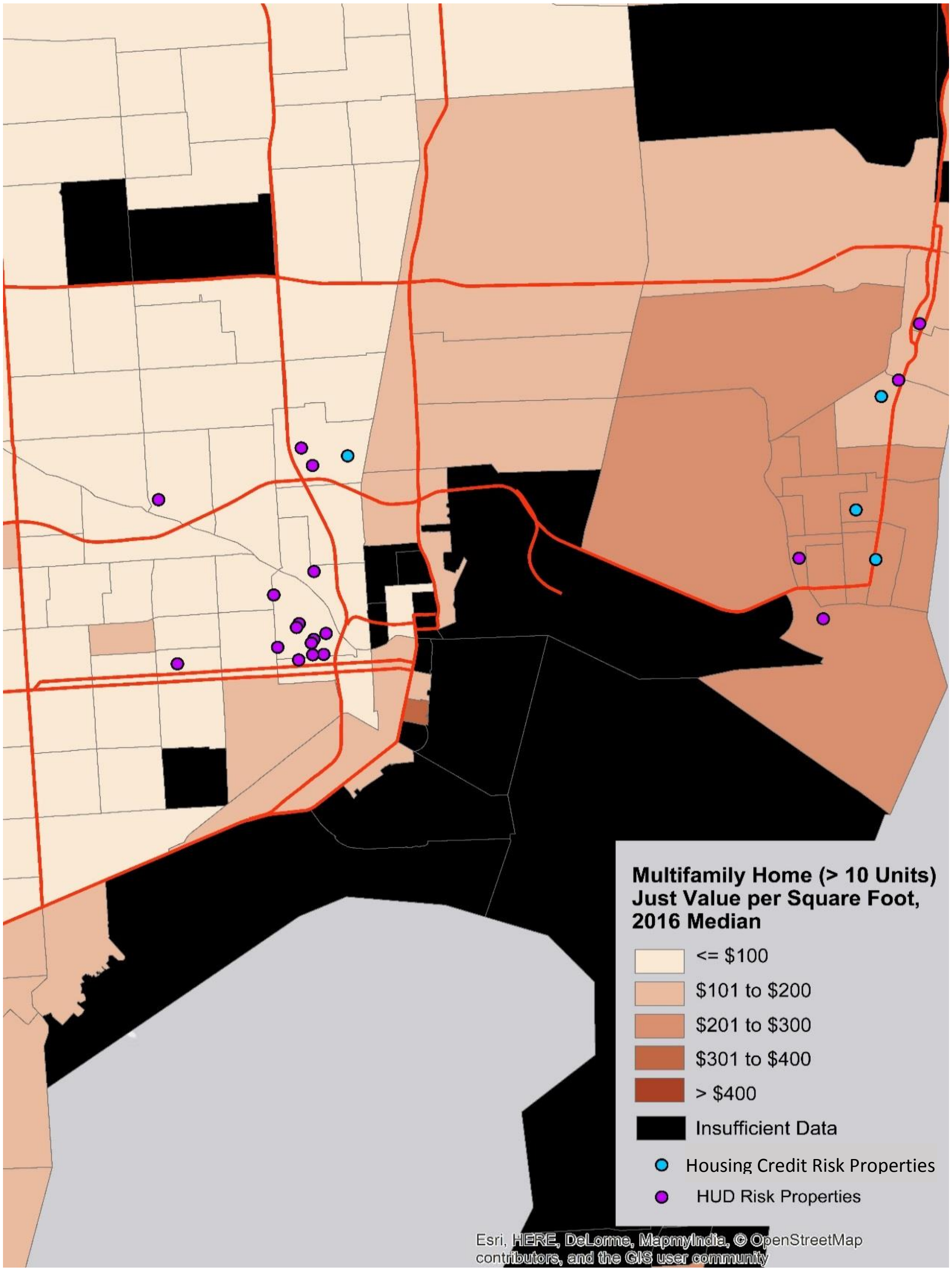


Source: Shimberg Center for Housing Studies, Assisted Housing Inventory, data retrieved January 2018; Florida Department of Revenue, 2016 Name-Address-Legal File.

Report supported by:

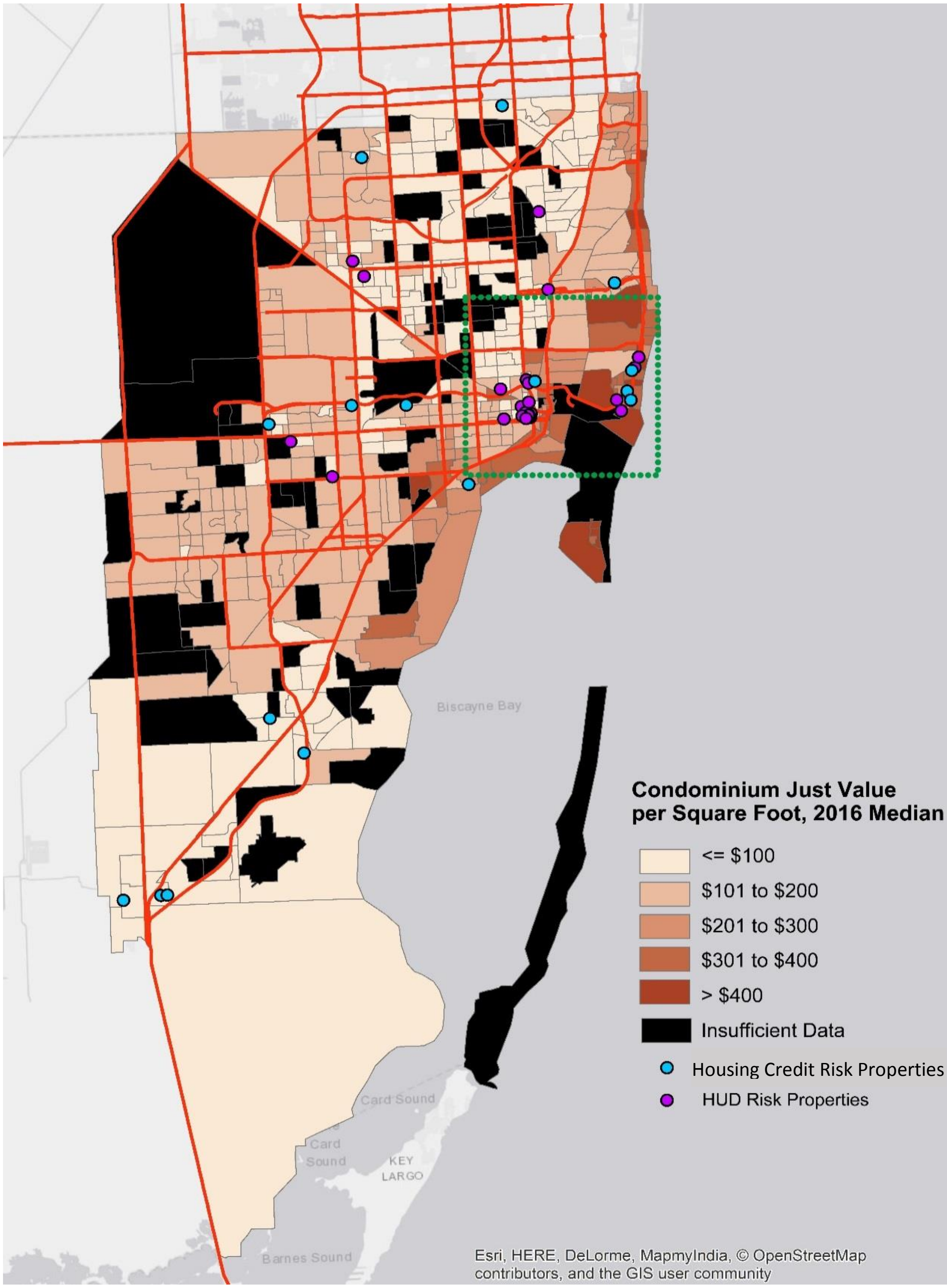
Report prepared by:

Figure C4. Multifamily Property Values and Properties at Risk of HUD and Housing Credit Expiration, Downtown and Miami Beach Census Tracts



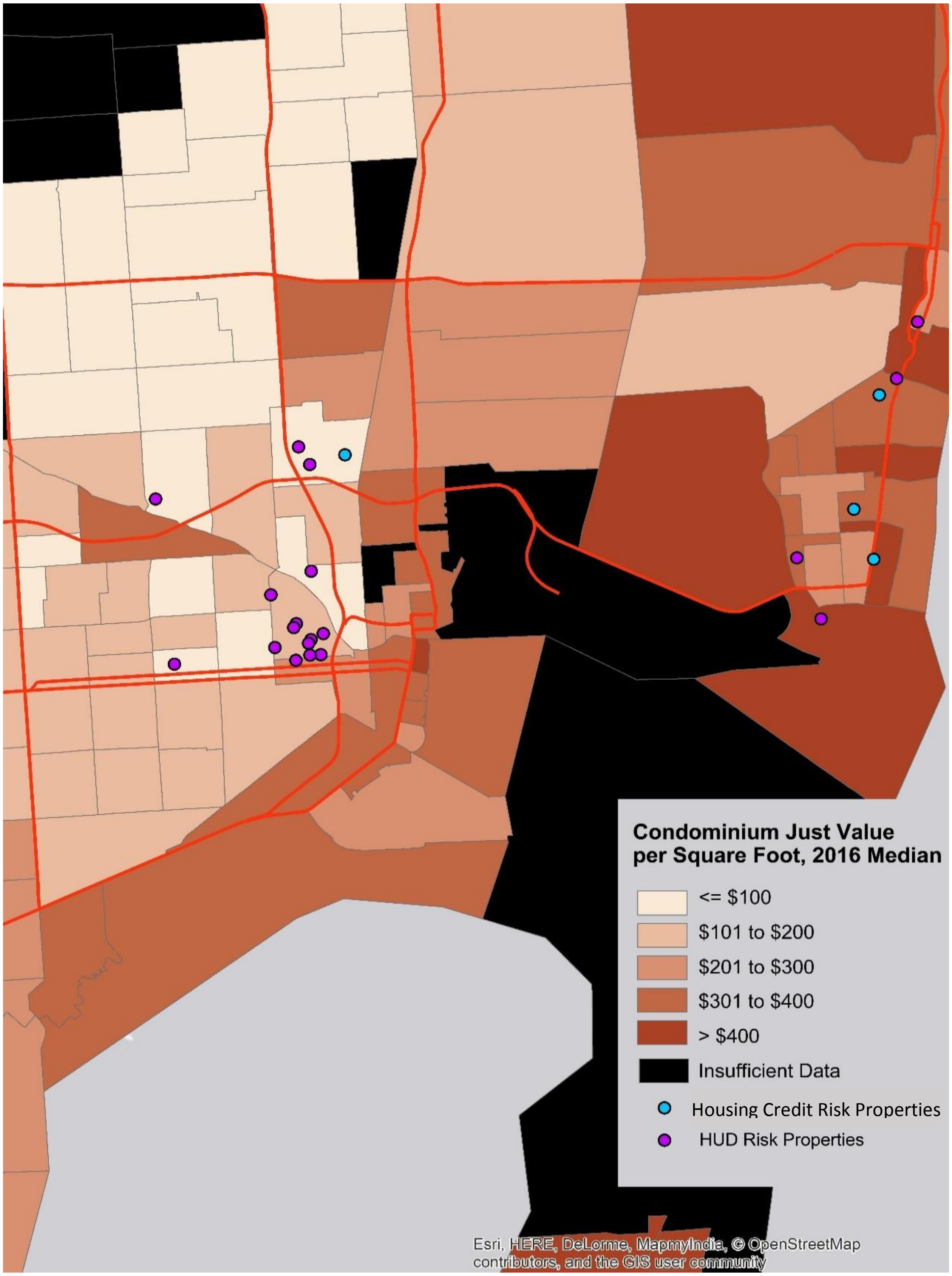
Source: Shimberg Center for Housing Studies, Assisted Housing Inventory, data retrieved January 2018; Florida Department of Revenue, 2016 Name-Address-Legal File.

Figure C5. Condominium Property Values and Properties at Risk of HUD and Housing Credit Expiration, Miami-Dade County



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory, data retrieved January 2018; Florida Department of Revenue, 2016 Name-Address-Legal File.

Figure C6. Condominium Property Values and Properties at Risk of HUD and Housing Credit Expiration, Downtown and Miami Beach Census Tracts



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory, data retrieved January 2018; Florida Department of Revenue, 2016 Name-Address-Legal File.

Appendix D: Aging Properties

Aging Properties

As properties age, they are at risk of loss due to deterioration and default. The properties listed in Appendix B with expiring HUD and Housing Credit subsidies are older properties, and they should be evaluated for their potential to leave the assisted housing inventory due to poor physical and financial conditions as well as their market-rate conversion risk. Other aging properties are also at risk of loss due to deterioration, even if their owners have a mission to maintain affordability or the properties' subsidy restrictions stretch well into the future.

We analyzed the Assisted Housing Inventory to find properties that were last funded for construction or rehabilitation at least 20 years ago. Specifically, construction or rehabilitation of these properties was funded before the end of 1997 by Housing Credit, SAIL, State HOME, HUD or USDA subsidized mortgages, state or local bonds, or HUD's Section 202 and 811 Capital Advance programs. The properties on the list have not received additional funding for rehabilitation from these programs since then.

While these properties may not be at imminent risk, capital needs arise as properties pass the 15-20 year mark. The developments should be monitored to ensure that funding is sufficient to meet replacement and rehabilitation needs as the properties age.

Table D1 below provides a list of 70 developments with 8,513 assisted units that were last funded 20 or more years ago. It includes all of the properties at risk of Housing Credit expiration from Table 3, since these properties were funded by Housing Credit in the early to mid-1990s, as well as other 1990s-era construction and rehabilitation projects. Properties on both lists are flagged in the last column.[67]

[67] Most of the expiring HUD assisted properties are not included in this list because they do not have currently active financing from one of the capital funding sources. However, the expiring HUD properties represent some of the oldest assisted housing stock, and they should also be assessed for their risk of deterioration and default.

Table D1. Properties Last Receiving Capital Funding in 1997 or earlier, Miami-Dade County

Development Name	Street Address	City	Zip Code	Housing Programs	Total Units	Assisted Units	Target Population	Owner Type	Year Built	Latest Year of Capital Funding	On Expiring Housing Credit List
Madison	259 Washington Ave	Miami Beach	33139	Housing Credits 9%; State HOME	17	17	Family	For-Profit	1922	1996	
Shelbourne House	710 Jefferson Ave	Miami Beach	33139	Rental Assistance/HUD; Section 811 Capital Advance	24	24	Persons with Disabilities	Non-Profit	1925	1995	
Riviera Plaza	337 20 Street	Miami Beach	33139	Housing Credits 9%; SAIL	56	56	Elderly; Family	For-Profit	1926	1992	x
London Arms	727 Collins Ave	Miami Beach	33139	SAIL	25	24	Family	For-Profit	1930	1991	x
Swezy	1220 Pennsylvania Avenue	Miami Beach	33139	Housing Credits 9%	10	10	Family	For-Profit	1940	1990	x
Cielo	1930 Marseilles Drive	Miami	33141	Housing Credits 9%	18	18	Family	For-Profit	1946	1990	x
St. John Island	140 NW 17th Street	Miami	33136	Housing Credits 9%	48	48	Family	For-Profit	1949	1990	x
Rio Towers	905 SW 1st Street	Miami	33130	Housing Credits 9%; SAIL	82	82	Elderly; Family	Non-Profit	1951	1991	
Janoski Property	3255 Williams Avenue	Miami	33133	Housing Credits 9%	1	1	Family	For-Profit	1953	1990	x
The Gardens Apartments	13180 Port Said Road	Opa-locka	33054	Housing Credits 9%; Rental Assistance/HUD; Section 221(d)(4) MKT; State HOME	328	328	Family	For-Profit	1953	1992	
Arena Garden	1023 NW 3rd Avenue	Miami	33136	Housing Credits 9%	65	65	Family	For-Profit	1956	1991	
Rivermont House	789 NW 13 Ave	Miami	33125	Housing Credits 9%	76	76	Elderly; Family	Non-Profit	1959	1996	
Keys III	15405-15425 SW 288th Street	Homestead	33033	Housing Credits 9%; SAIL	48	48	Family	For-Profit	1963	1996	
Southpoint Crossing	897 NW Lucy Street	Florida City	33034	Housing Credits 9%; SAIL	123	123	Family	Non-Profit	1963	1994	

Development Name	Street Address	City	Zip Code	Housing Programs	Total Units	Assisted Units	Target Population	Owner Type	Year Built	Latest Year of Capital Funding	On Expiring Housing Credit List
Coral Gardens Apts	250 SW 14th Ave	Homestead	33030	Housing Credits 9%; Rental Assistance/HUD; SAIL; Section 221(d)(3) MR	92	92	Family	For-Profit	1964	1994	x
Stein Gerontological Institute,inc	8725 SW 152nd St	Miami	33176	Rental Assistance/HUD; Section 811 Capital Advance	5	4	Persons with Disabilities	Non-Profit	1965	1997	
Cabana Club	19701 SW 110 Court	CUTLER RIDGE	33175	Housing Credits 9%; State HOME	332	332	Elderly; Family	For-Profit	1969	1995	
Landings	201-301 NE 11 Street	Homestead	33030	Housing Credits 9%; SAIL; State HOME	101	101	Family	Non-Profit	1970	1994	
Keys I & II	15401-15425 SW 288th Street	Homestead	33033	Housing Credits 9%; SAIL	80	80	Family	For-Profit	1971	1993	
Campbell Arms	800 NE 12th, Ave.	Homestead	33030	Section 236	201	201	Family	Limited Dividend	1971	1973	
Biscayne Palm Club	15495 SW 288th Street	Homestead	33033	Housing Credits 9%	114	114	Family	For-Profit	1972	1993	
Teal Pointe	151 SE 8th Street	Homestead	33030	Housing Credits 9%; State HOME	45	45	Family	Non-Profit	1973	1993	
Park City At Golden Lakes	830 N.w. 155 Lane	Miami	33169	Housing Credits 9%; State HOME	180	180	Family	Non-Profit	1973	1996	
Caribbean West	12140 SW 200th St.	SOUTH MIAMI HEIGHTS	33177	State HOME	102	102	Family	For-Profit	1973	1993	x
Robert Forcum Towers	220 W 74th Pl	Hialeah	33014	Rental Assistance/HUD; Section 202 Direct Loan	128	128	Elderly	Non-Profit	1973	1984	
Council Towers	1040 N Collins Ave	Miami Beach	33139	Rental Assistance/HUD; Section 202 Direct Loan	252	250	Elderly	Non-Profit	1979	1980	
Federation Gardens II	10911 SW 112th Ave	Miami	33176	Rental Assistance/HUD; Section 202 Direct Loan	50	49	Elderly	Non-Profit	1982	1991	
Federation Gardens I	10905 SW 112th Ave	Miami	33176	Rental Assistance/HUD; Section 202 Direct Loan	111	110	Elderly	Non-Profit	1982	1984	

Development Name	Street Address	City	Zip Code	Housing Programs	Total Units	Assisted Units	Target Population	Owner Type	Year Built	Latest Year of Capital Funding	On Expiring Housing Credit List
Darc Group Home	720 SW Krome Ter	Homestead	33030	Rental Assistance/HUD; Section 202 Direct Loan	7	7	Persons with Disabilities	Non-Profit	1982	1984	
Northwest Dade A.r.t.s	7981 NW 37th Ave	Miami	33147	Rental Assistance/HUD; Section 202 Direct Loan	10	10	Persons with Disabilities	Non-Profit	1986	1988	
Saint Agustin Villas	1919 NW 15th Ave	Miami	33125	Rental Assistance/HUD; Section 202 Direct Loan	100	99	Elderly	Non-Profit	1987	1989	
Ahepa 421 Apts	350 NE 141st St	North Miami	33161	Rental Assistance/HUD; Section 202 Direct Loan	80	80	Elderly	Non-Profit	1989	1991	
Residential Plaza At Blue Lagoon	5617 NW 7 St	Miami	33126	Housing Credits 9%	448	269	Family	For-Profit	1990	1990	x
Biscayne Senior Housing	28655 SW 153rd Avenue	Homestead	33033	Rental Assistance/HUD; Section 202 Direct Loan	31	30	Elderly	Non-Profit	1990	1994	
Memorial Highway Apts	13633 Memorial Hwy	Miami	33161	Rental Assistance/HUD; Section 202 Direct Loan	15	15	Persons with Disabilities	Non-Profit	1991	1997	
Saint John I	1300 N.w. 2nd Avenue	Miami	33136	Housing Credits 9%; SAIL	35	35	Family	Non-Profit	1992	1992	
Colonial Place Apartments	13898 NE Third Court	North Miami	33161	Rental Assistance/HUD; Section 202 Direct Loan	9	9	Persons with Disabilities	Non-Profit	1992	1997	
Everglades Farm Village	19308 SW 380th Street	Florida City	33034	Rental Assistance/RD; Section 514/516	466	465	Family; Farmworker	Non-Profit	1993	1995	
Leisure Villas	15203 S.w. 288th Street	Homestead	33033	Housing Credits 9%	30	30	Family	Non-Profit	1994	1993	
Riverwalk II	301 SE 6 Ave	Homestead	33030	Housing Credits 9%; SAIL	112	112	Family	For-Profit	1994	1992	
Richmond Pine	14700 Booker T. Washington Blvd.	Miami	33176	Housing Credits 9%; SAIL	80	80	Family	Non-Profit	1995	1993	
Garden Walk	21354 SW 112th Avenue	Cutler Bay	33189	Housing Credits 9%; SAIL	228	228	Family	Non-Profit	1995	1995	
Villa Biscayne	15350 SW 284th Street	Homestead	33033	Housing Credits 9%; SAIL	180	180	Family	For-Profit	1995	1995	

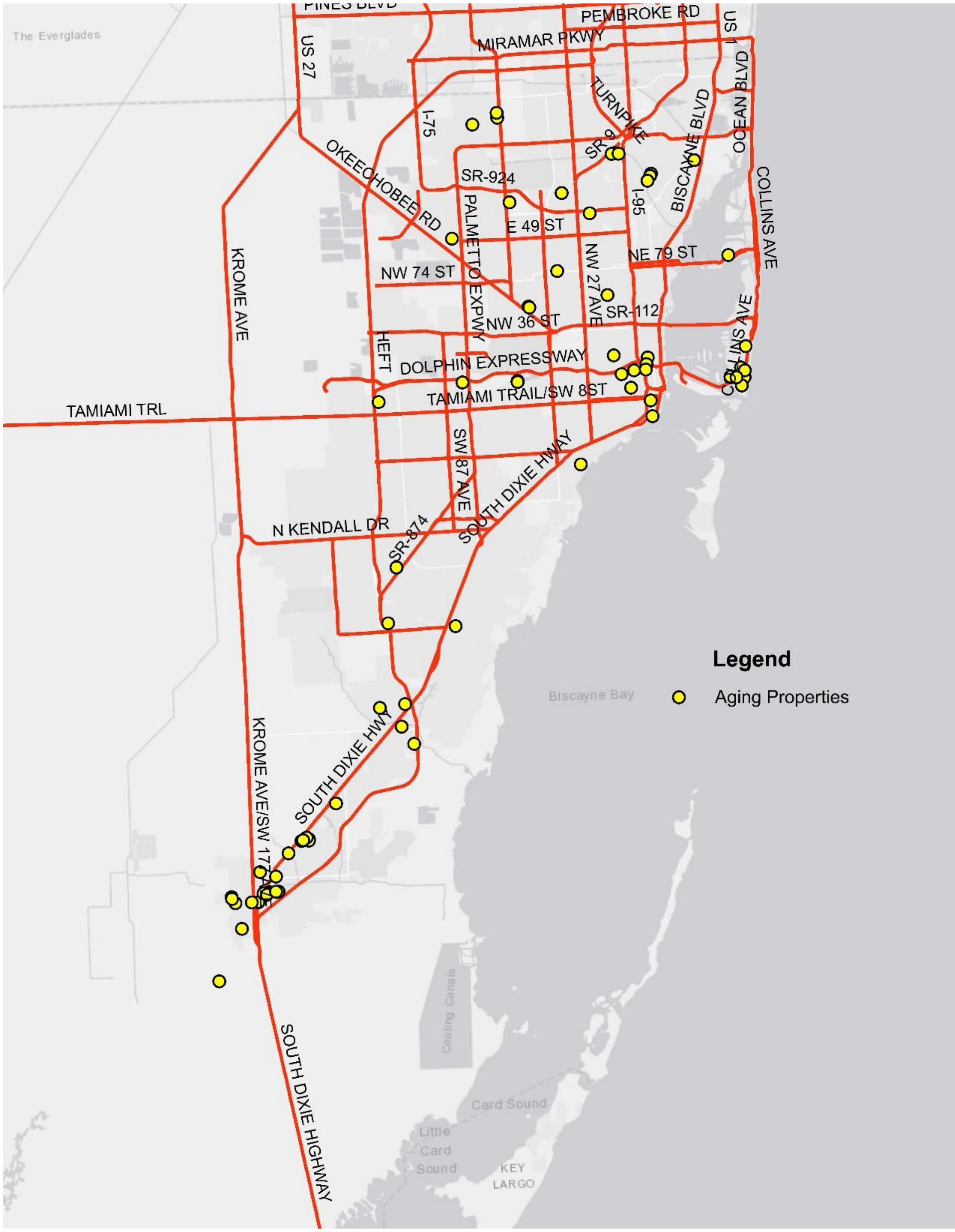
Development Name	Street Address	City	Zip Code	Housing Programs	Total Units	Assisted Units	Target Population	Owner Type	Year Built	Latest Year of Capital Funding	On Expiring Housing Credit List
Homestead Colony	810 E. Mowry Drive	Homestead	33030	Housing Credits 9%; State HOME	312	312	Family	For-Profit	1995	1994	x
Palm Villas	50 SW 6 Ave	Florida City	33034	Housing Credits 9%; State HOME	91	91	Family	Non-Profit	1995	1995	
Central City	701 N.w. 10th Street	Miami	33136	Housing Credits 9%	35	35	Family	For-Profit	1996	1994	
Royal Palm Gardens	1110 East Mowry Drive	Homestead	33030	Housing Credits 9%	145	145	Family	For-Profit	1996	1995	x
South Wind	149 East 3rd Street	Hialeah	33010	Housing Credits 9%; SAIL	68	68	Family	For-Profit	1996	1995	
San Sherri Villas	440 E Mowry Dr	Homestead	33030	Housing Credits 9%; SAIL	80	80	Family	For-Profit	1996	1996	
M & M Maison II	1621 N.w. 60th Street	Miami	33142	Housing Credits 9%; SAIL	21	21	Family	Non-Profit	1996	1994	
West Brickell	955 SW 2 Ave	Miami	33130	Housing Credits 9%; SAIL	130	130	Elderly; Family	For-Profit	1997	1996	
Hardin Hammock Estates	22555 SW 107 Place	Miami	33170	Housing Credits 9%; Section 542	200	200	Family	For-Profit	1997	1995	x
Green Vista	18100 Northwest 68th Avenue	Miami	33015	Housing Credits 4%	94	94	Family	For-Profit	1997	1997	x
Vizcaya Villas	8005 NW 8th St	Miami	33126	Housing Credits 4%; Section 207/223(f)	174	174	Family	For-Profit	1997	1997	x
Blue Lagoon Apartments	725 NW 57th Avenue	Miami	33127	Rental Assistance/HUD; Section 202 Capital Advance	110	109	Elderly	Non-Profit	1997	1995	
Deedco Gardens	105 SE 12th Ave	Homestead	33030	Rental Assistance/HUD; Section 202 Capital Advance	77	76	Elderly	Non-Profit	1997	1997	
Lakeview	11505-11755 NW 22nd Avenue	Miami	33167	Housing Credits 9%; SAIL	40	40	Family	Non-Profit	1998	1991	
Park Place - Hialeah	250 E 2 Ave	Hialeah	33010	State HOME	34	34	Family	Non-Profit	1998	1995	
Golden Lakes	1200 Northwest 155th Lane	Miami	33169	Guarantee; Housing Credits 4%; Local Bonds; SAIL	280	280	Family	For-Profit	1998	1997	

Development Name	Street Address	City	Zip Code	Housing Programs	Total Units	Assisted Units	Target Population	Owner Type	Year Built	Latest Year of Capital Funding	On Expiring Housing Credit List
Siesta Pointe	5800 NW 186th Street	Miami	33015	Housing Credits 4%; Local Bonds	392	392	Family	For-Profit	1998	1997	
Harvest Center	1250 SW 4th St	Homestead	33030	Rental Assistance/RD; Section 514/516	38	37	Family; Farmworker	Non-Profit	2006	1993	
Villa Hermosa	11455 West Flagler Street	Miami	33174	Housing Credits 9%	76	76	Family	For-Profit	not avail.	1994	x
Naranja Villas	14015 SW 263rd Lane	NARANJA	33032	Housing Credits 9%; State HOME	90	90	Family	For-Profit	not avail.	1996	
Housing Auth City Of Homestead	29355 South Federal Highway	Homestead	33030	Rental Assistance/RD; Section 514/516	265	258	Family; Farmworker	Non-Profit	not avail.	1979	
Stanley Axlrod Towers	1809 Brickell Avenue	Miami	33129	Section 202 Direct Loan	271	271	Elderly	For-Profit	not avail.	1967	
Center Court-miami	14795 NE 18th Avenue	North Miami	33181	Housing Credits 4%	588	588	Family	For-Profit	not avail.	1996	
Spinnaker Cove	18900 NW 57th Avenue	Hialeah	33015	Housing Credits 4%; Local Bonds; State Bonds	220	220	Family	For-Profit	not avail.	1997	
Twin Lakes Apartments	1007 NW 155th Ln	Miami	33169	Rental Assistance/HUD; Section 202 Capital Advance	100	99	Elderly	Non-Profit	not avail.	1996	
Federation Towers	757 West Ave	Miami Beach	33139	Rental Assistance/HUD; Section 202 Direct Loan	114	113	Elderly	Non-Profit	not avail.	1981	
Samari Towers	10251 NW 80th Ct	Hialeah Gardens	33016	Rental Assistance/HUD; Section 202 Direct Loan	124	123	Elderly	Non-Profit	not avail.	1985	

Source: Shimberg Center for Housing Studies, Assisted Housing Inventory. Data retrieved January 2018.

As Figure D1 shows, the aging developments are located throughout the county, with large clusters downtown, in Miami Beach, and in and around Homestead.

Figure D1. Properties Last Receiving Capital Funding in 1997 or Earlier, Miami-Dade County



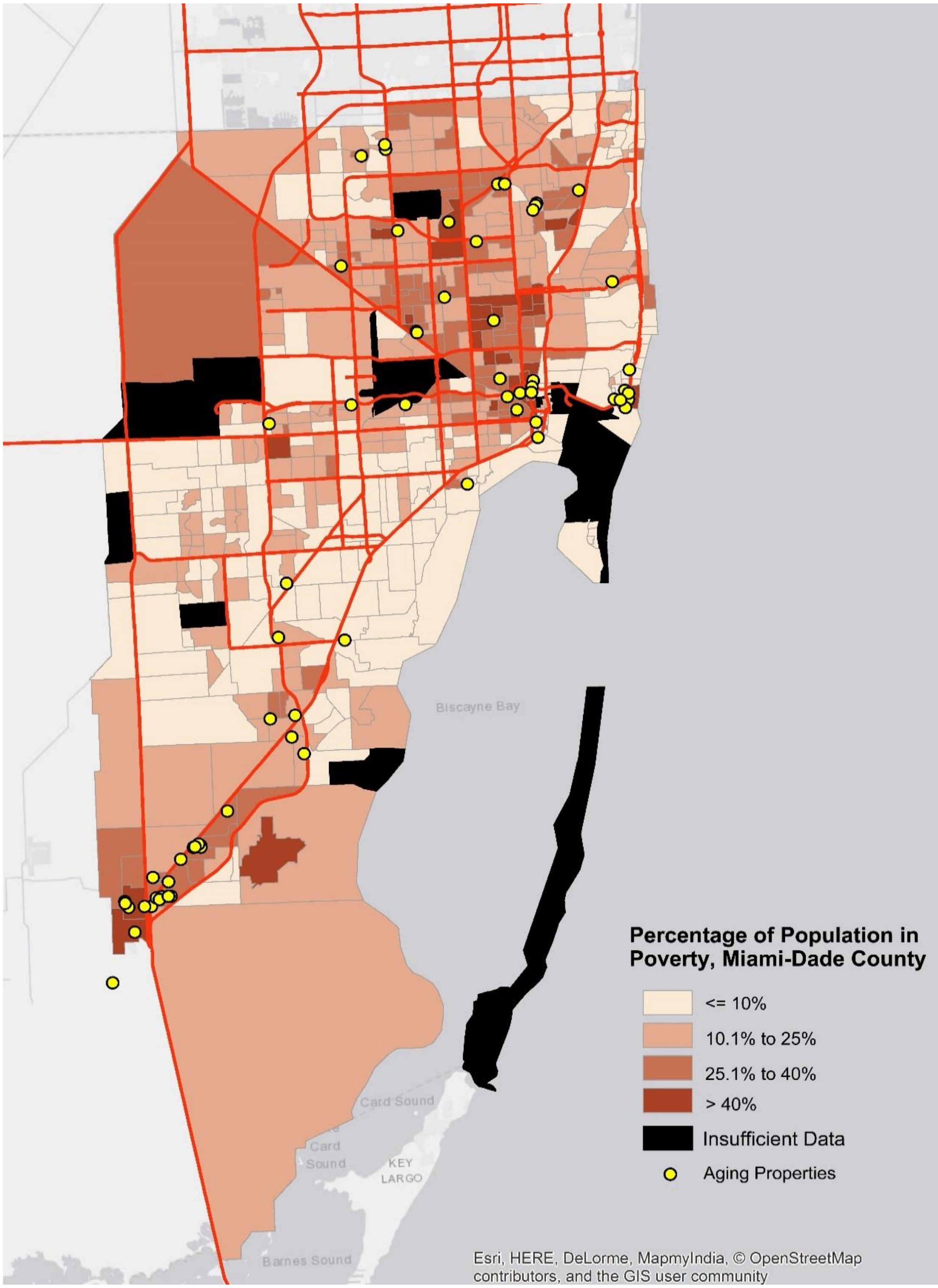
Source: Shimberg Center for Housing Studies, Assisted Housing Inventory. Data retrieved January 2018.

Figures D2-D4 are county maps with the locations of the aging properties and the tract-level poverty rate and multifamily/condominium property value indicators. Unlike with subsidy expiration, deterioration and default risk is not necessarily higher in strong market neighborhoods. In fact, research shows that foreclosure and contract abatement in HUD properties is more common in weaker neighborhoods (those with lower rents and home prices and higher poverty rates).[68] In these areas, weak neighborhood rental submarkets may not generate occupancy rates and rents sufficient to fund property upkeep.

As the maps show, a number of aging properties are in neighborhoods with high poverty rates and low multifamily/condominium values, including the Homestead area and neighborhoods stretching northwest from downtown Miami up to Hialeah. These developments merit particular attention.

[68] Ray et al., *Opting In, Opting Out a Decade Later*, p. 19.

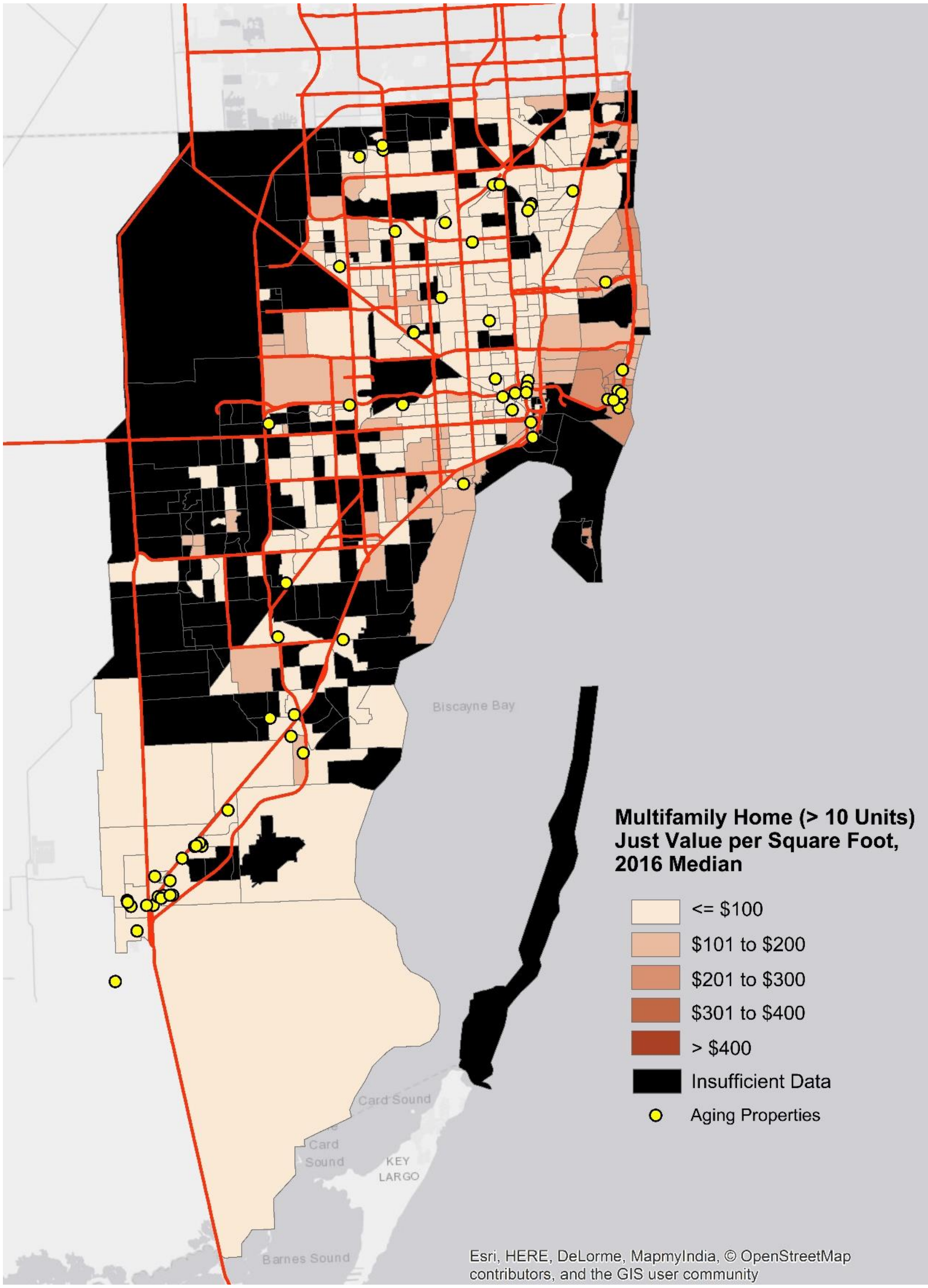
Figure D2. Poverty Rate and Properties Last Receiving Capital Funding in 1997 or Earlier, Miami-Dade County Census Tracts



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory, data retrieved January 2018; U.S Census Bureau, 2011-2015 American Community Survey.

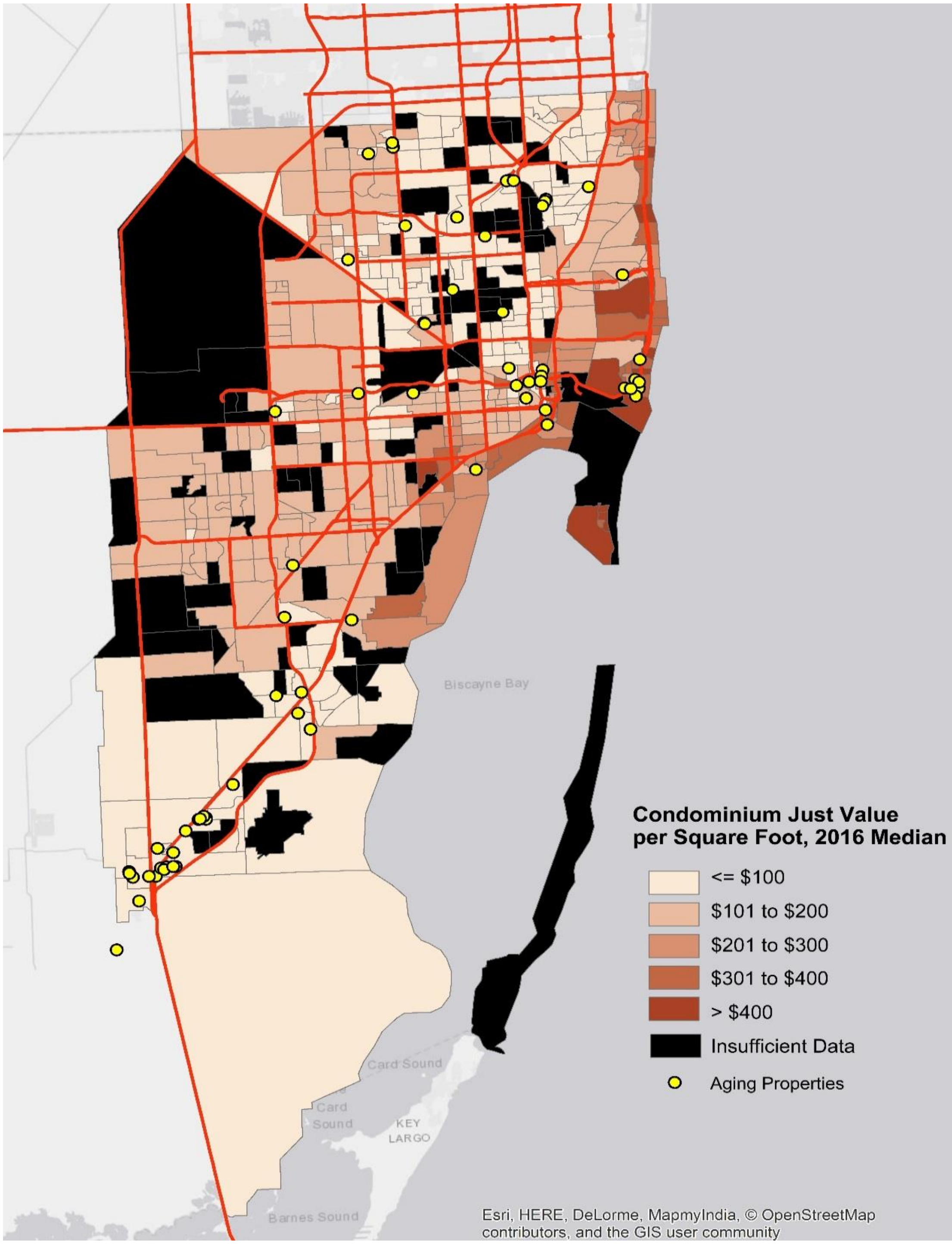
Report supported by: HEALTH FOUNDATION of south florida
Report prepared by: MIAMI HOMES FOR ALL; NATIONAL HOUSING TRUST; SHIMBERG CENTER for Housing Studies

Figure D3. Multifamily Property Values and Properties Last Receiving Capital Funding in 1997 or Earlier, Miami-Dade County



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory, data retrieved January 2018; Florida Department of Revenue, 2016 Name-Address-Legal File.

Figure D4. Condominium Property Values and Properties Last Receiving Capital Funding in 1997 or Earlier, Miami-Dade County



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory, data retrieved January 2018; Florida Department of Revenue, 2016 Name-Address-Legal File.

Appendix E: Data Summary

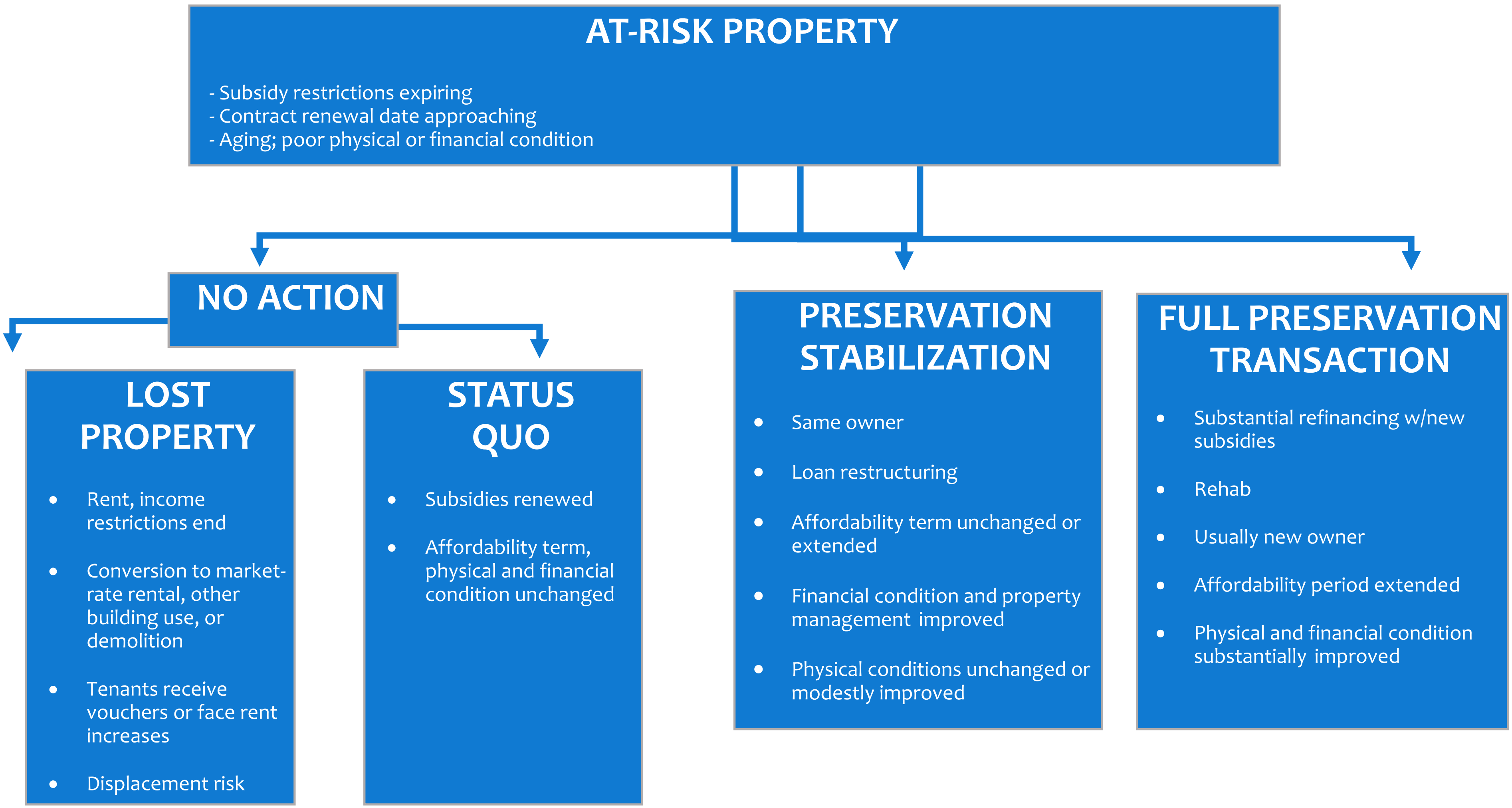
In summary, 95 developments with 9,694 assisted units are at heightened risk of affordability loss because of expiring subsidies, aging facilities, or both. This amounts to 22 percent of Miami-Dade County's assisted housing stock–an amount similar in scale to the 8,000+ units that have left the assisted inventory in the county since 1993.

These lists provide a point-in-time snapshot of property risk factors, one that will need frequent updates. Developments can move on and off of watch lists as subsidy terms move closer to their end dates, ownership changes, and property and neighborhood conditions improve or deteriorate.

We stress that these factors are markers of risk, not guarantees of an end to affordability. Many of these developments will continue to provide safe, affordable housing well into the future. Moreover, developments *without* identified risk factors do sometimes leave the assisted housing inventory. For example, during the recession, several Florida Housing developments less than 15 years old defaulted on loan obligations and exited the assisted inventory. Data and risk analysis need to be paired with local, on-the-ground knowledge of the housing inventory to identify properties truly in need of preservation intervention.

Appendix F: At-Risk Property Option Tree

Figure F1. At-Risk Property Option Tree



Report supported by: HEALTH FOUNDATION of south florida

Report prepared by: MIAMI HOMES FOR ALL, NATIONAL HOUSING TRUST, SHIMBERG CENTER for Housing Studies

Appendix G: List of Interviews

This work could not have been done without the generous time spent by many affordable housing preservation experts from around the country and stakeholders in the Miami area speaking with the authors. Below is a list of those interviewees, presented alphabetically:

- Ana Castilla, Vice President of Community Development, TD Bank
- Arden Shank, Neighborhood Housing Services of South Florida
- Beth Truby, Preservation Program Manager, Colorado Housing and Finance Authority
- Bill Brauner, Director of Housing Preservation & Policy, Community Economic Development Assistance Corporation
- Charles Elsesser, Board of Directors, Community Justice Project
- Diana Elliott, Senior Research Associate, Center on Labor, Human Services, and Population, Urban Institute
- George Mensah, Director, City of Miami Community Development
- Hana Eskra, Florida Market President, Gorman & Partners
- Jeff Hearne, Director of Litigation, Legal Services of Greater Miami
- Tatyana Manning, VISTA Fellow, Legal Services of Greater Miami
- Jessica Cassella, Staff Attorney, National Housing Law Project
- Jim Grow, Senior Staff Attorney, National Housing Law Project
- Jim Walker, Community Development Loan Officer, Florida Community Loan Fund
- Jimmy Gastner, Research Assistant, Policy Advisory Group, Urban Institute
- Joe Schilling, Senior Research Associate, Metropolitan Housing and Communities Policy Center and Policy Advisory Group, Urban Institute
- Jose Cintron, Field Director, USHUD-Miami
- JP Johnson, CRA Team, Florida Community Bank
- Lynn Ross, Founder and Principal, Spirit for Change Consulting, LLC
- Mark Shelburne, Senior Manager, Novogradac & Company, LLC
- Michael Liu, Director, Miami-Dade County Public Housing and Community Development
- Nancy Merolla, Senior Vice President & CRA Officer, Florida Community Bank
- Nancy Muller, Director of Policy and Special Programs, Florida Housing Finance Corporation;
- Rob Prasch, Preservation Director, Network for Oregon Affordable Housing
- Sam Diller, Executive Director, Haitian American Community Development Corporation
- Shekeria Brown, Executive Director, South Florida Community Development Coalition
- Stacie Young, Director, The Preservation Compact
- Toby Halliday, independent affordable housing policy consultant
- Vince O'Donnell, Senior Advisor, Preservation of Affordable Housing

End of Report

For more information on affordable housing preservation in the Miami area, please contact
Annie Lord (alord@miamihomesforall.org), or
Sabrina Velarde (SVelarde@miamihomesforall.org) at
Miami Homes for All.

For more information on statewide housing policy, planning, and data in Florida, please contact
Anne Ray (aray@ufl.edu) at the
Shimberg Center for Housing Studies.

For more information on affordable housing preservation around the country, please contact
Raisa Johnson (rjohnson@nhtinc.org) at the
National Housing Trust.

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