



Preservation Next Southeast Academy

Session 5:
*Policy Impacts on Preservation
and Housing Stability*

February 6, 2024



Today's Agenda

- 3** THANK YOU TO OUR FUNDERS
- 4** WELCOME FROM ENTERPRISE
- 7** HOW THE PUBLIC SECTOR IMPACTS SMMF
- 18** KEY POLICIES TO ADVANCE SMMF PRESERVATION

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A Special Thank You to the Funders of Preservation Next

Mackenzie Scott



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What is Preservation Next?

Preserving Affordability in Small to Medium Multifamily Properties and Protecting Residents from Displacement

Solutions at the intersection of renter and owner stability to promote an eviction prevention-first approach



Through **Preservation Next**, Enterprise is committed to preserving affordable small to medium multifamily homes and ensuring that residents have access to safe, healthy, and resilient places to live.

To truly preserve these homes and protect affordability for residents now and into the future, we must:

- Protect existing affordability where it currently exists.
- Provide housing stability and prevent displacement of existing residents and families.
- Invest in healthy, sustainable, and resilient homes.
- Foster responsible stewardship by mission-aligned owners.

Small and medium sized properties provide a crucial foundation for affordable housing in this country: 80 percent of homes in these buildings are available to people who earn less than 80 percent of the area median income

Meet Our Preservation Next Team

Preserving Affordability in Small to Medium Multifamily Properties and Protecting Residents from Displacement



Meaghan Vlkovic

ENTERPRISE, VP AND MARKET LEADER, SOUTHEAST

Meaghan leads Enterprise's programmatic work in the Southeast region, focused on providing an array of resources to affordable housing and community development partners. This includes capacity building assistance for proactive preservation and production of housing, and helping communities plan for future development, such as transit-oriented development opportunities.



Elizabeth Richards

ENTERPRISE, SENIOR PROGRAM DIRECTOR

At Enterprise, Elizabeth leads program development and delivery for the National Preservation Next program. Elizabeth has 20+ years of experience funding and managing nonprofit community development organizations, implementing local, city-level and cross-market initiatives, and delivering policy and finance solutions for affordable homes and communities.



Gabriella Lott

ENTERPRISE, SOUTHEAST FELLOW, HOUSING PRESERVATION AND PRODUCTION

At Enterprise, Gabriella supports the Southeast Market Office's preservation, coordinated investment, and faith-based development programs. She also helps to organize the Southeast Market Office's collaboration with community-based organizations, public agencies, and affordable housing developers.

Join Us!

Southeast Preservation Academy Sessions

October 2023 –
May 2024

Academy Goals:

- **Expand awareness** of SMMF housing preservation and its role in to advancing housing affordability and racial justice.
- **Help you** identify the role you can play in advancing SMMF preservation
- Prepare you **to pursue SMMF preservation deals** as a developer, partner, resource provider, or policy maker.

Dates

October 17, 2023
November 14, 2023
December 5, 2023

January 16, 2024
February 6, 2024
March 26, 2024

April 9, 2024
April 30, 2024
May 21, 2024

Sessions

PART 1: Defining the Opportunity

Understanding Small/Medium Multifamily
Organizational Sustainability and Business Planning
Property Identification, Evaluation, and Acquisition

PART 2: Preparing for Preservation

Preservation Development Models
Policy Impacts on Preservation and Housing Stability
Financing SMMF Preservation (In-Person)

PART 3: Tackling a Project

Sustainability, Resilience, and Health for SMMF
Property & Asset Management
Navigating Rehabilitation and Sustainability



PRESERVATION NEXT
HOW THE PUBLIC SECTOR
IMPACTS SMMF
PRESERVATION

Public Sector Impacts on SMMF Preservation

1

Actions the public sector can take to advance preservation

2

Strategies for advancing public sector support of SMMF preservation

Core Components of a Strong Enabling Environment

Actions the public sector can take to advance preservation

A **systems level approach** to a strong enabling environment that includes:

Data and Information

Accessible data and information guides decision making

Policies

Strong preservation policies strengthen our affordable housing system

Funding

Access to flexible, fast-moving capital resources for preservation deals

Collaboration

Opportunity for coordination and collaboration among preservation stakeholders

Priorities

Setting priorities and goals in local plans that respond to challenges and needs

Stakeholders Building an Enabling Policy Environment

Actions the public sector can take to advance preservation

Who are key stakeholders?

- Policymakers and municipal staff
- Financial institutions and funders
- Real estate professionals and actors
- Community-based organizations and advocacy partners
- Residents + community members

How do we get there?

- Keep a **long-term** mindset.
- Build towards **scalable models**.
- Identify and work to **remove** regulatory and program **barriers**

Data – Improving Accessibility and Application

Actions the public sector can take to advance preservation

Best Practices on Data and Information:

- Create accessible, regularly updated, user-friendly tools
- Partner with research and real estate industry professionals
- Maintain open databases / Data share
- Pass policies on preservation metrics and analyses
- Balance quantitative and qualitative information

Key Data:

- Property-level characteristics
- Demographic and economic data
- Housing market data
- Neighborhood and place-based characteristics

Funding Efforts to Support Preservation

Actions the public sector can take to advance preservation

Access

To low-cost, fast-moving capital for acquisition

Flexibility

In structure, as loans and grants with reasonable repayment terms

Alignment

With broader housing goals and plans

Complementary

To the relationships and capacity that needs to be built

Core Components of a Strong Enabling Environment

Actions the public sector can take to advance preservation

A **systems level approach** to a strong enabling environment that includes:

Data and Information

Accessible data and information guides decision making

Policies

Strong preservation policies strengthen our affordable housing system

Funding

Access to flexible, fast-moving capital resources for preservation deals

Collaboration

Opportunity for coordination and collaboration among preservation stakeholders

Priorities

Setting priorities and goals in local plans that respond to challenges and needs

Coordination and Collaboration to Support Preservation

Actions the public sector can take to advance preservation

Coordination can focus on local policy priorities at any level...

- ***A city using place-based preservation collaboration: **E.g., Mayor's Housing Cabinet*****
- ***Regional coordination on preservation: **E.g., Regional Housing Task Force*****
- ***Development model collaboration across a State: **E.g., CLT Initiative*****

Priority Setting case study: [Detroit Preservation Action Plan](#)

Actions the public sector can take to advance preservation

- 5-year plan to preserve of 10,000 units of regulated and unsubsidized affordable units by 2023
- Focus on coordination and use of a preservation database
- Strengths:
 - Clear, measurable goals
 - Dedicated funding
 - Staffing capacity for implementation
 - Prioritizing properties most at risk
 - Improving city coordination on funding requests



Practices to Influence the Public Sector

Strategies for advancing public sector support



Build Relationships
with elected
leaders and staff



Find or build
coalitions within
community



Identify
your “**asks**,”
grounded in **data**



Attend public
hearings to
provide
testimony

REVIEW: Public Sector Impacts

- **Key Actions for Public Sector:**
 - Set specific preservation **priorities** in city plans
 - Allocate **public resources**, including **funding** and staff for program implementation
 - Coordinate and facilitate **collaboration** across agencies that touch preservation
 - Collect, disseminate, and publish **data** to inform efforts
 - Adopt new preservation **policies and programs** that fill in existing gaps
- **Key Strategies to Advance Public Sector Support:**
 - Build **relationships** with elected leaders and staff
 - Find or build **coalitions** with interested community members
 - Identify tangible **asks**, grounded in data
 - Attend City/County Council **meetings** to provide testimony

PRESERVATION NEXT
KEY POLICIES TO ADVANCE
SMMF PRESERVATION

Key Policies to Advance SMMF Preservation

1

Preserving existing SMMF stock

2

Supporting stewardship of unsubsidized units

3

Transfer rental stock and data to mission-aligned actors

4

Protecting renters from destabilization and displacement

Policies to preserve the existing SMMF stock

Policies to support preservation of units

Policies that discourage demolition or conversion:

Preservation Zones / Overlays

Land use tool for specific locations. Can be used as an incentive or to require preservation or replacement.

Equitable Code Enforcement

Property maintenance and data collection tool for public agencies to connect owners to resources

Single Room Occupancy Preservation Ordinances

Source of low-cost housing that is often endangered.

Can provide “first look” to mission aligned developers when up for sale

Demolition Fees & Surcharges

Can help discourage buyers from demolishing unsubsidized affordable housing and replacing with higher cost uses.

Condominium Conversion Limits

Can provide notice, resource, or relocation assistance when a property owner seeks to convert rental units into condos.

Supporting mission-driven stewardship of unsubsidized units

Stability and operations for small, mission-aligned nonprofit and for-profit housing providers

Property Tax Incentives

- Relief for property owners to enable affordable rents

Building Code Changes

- Can help reduce cost of rehabilitation and repairs and prolong life of major systems

Foreclosure Prevention /Assistance

- Connect providers with housing counselors, rental/mortgage assistance, loan modification

Property & Asset Mgt Tools

- Help owners streamline operations, increase capacity, and lower time commitment

Transfer rental stock and data to mission aligned actors

Transfer unsubsidized SMMF affordable rental stock to mission aligned actors who can preserve the affordability

Rent data collection policies

- Require property owners to report rent data, often in tandem with rental registry or licensing programs
- Can fill in gaps from existing data sources and proprietary databases which often miss small properties with fewer than 5 units.

Right of First Refusal (ROFR)

- Enables the government or another buyer to purchase a property and preserve affordability
- Also known as Tenant or Community Opportunity to Purchase (TOPA/COPA) programs

ROFR Keys to Success:

1. Education and messaging that organizes tenants to exercise their rights
2. Sufficient time to engage tenants, build trust, and assemble financing
3. Organizational capacity and experience
4. Access to flexible financing
5. Technical assistance to navigate the development process and legal negotiations
6. Affordability restrictions that reduce housing cost burden
7. Complementary policies and tenant protections

Protecting renters from destabilization and displacement

Policies to support renters and landlords of units to be preserved

Tenant Protections

- Relief for property owners to enable affordable rents
- Programs may require continued or new affordability

Right-to-Return Preferences

- Can help reduce cost of rehabilitation and repairs and prolong life of major systems
- Changes can include reduced requirements for light/moderate rehab, streamlined permitting

Renters' Notice Periods

- Connect providers with housing counselors, rental/mortgage assistance, loan modification
- For those already in foreclosure, help facilitate ownership transfer to mission-aligned buyer/org

Eviction Prevention as preservation

- Help owners streamline operations, increase capacity, and lower time commitment

REVIEW: Key Policies to Advance SMMF Preservation

- Policies that preserve the existing SMMF stock can help discourage demolition or conversion by using zoning overlays, code enforcement, fee enhancement and conversion limits to encourage long-term affordability
- Mission-driven stewards of SMMF units can be supported by policies that make rehab easier and more financially feasible, while maintaining safety and livability for residents.
- Sharing data and effective ROFR/TOPA/COPA policies can facilitate transfer of ownership that preserves SMMF properties.
- Providing policy protections to renters, such as the right to return to rehabilitated units, notice periods, and eviction prevention support helps keep families stay stable and present in SMMF units.

Market-specific opportunities for advocacy

Policy-related opportunities and resources throughout the Southeast

Upcoming Events

- February 12-16: [City of Atlanta Affordable Housing Week](#)
- March 13: [GeorgiaACT Housing Day at the Capitol](#)

Membership Opportunities

- *Metro Atlanta:* [HouseATL Rental Housing Preservation Working Group](#) and [Georgia ACT](#)
- *South Florida:* [Greater Miami Housing Alliance](#) and [Florida Women's Affordable Housing Network](#)

Newsletter Resources

- *Metro Atlanta:* [Atlanta Civic Circle](#) and [HouseATL](#)
- *South Florida:* [Miami Homes for All](#) and [Florida Housing Finance Corporation](#)
- *Southeast:* [Enterprise Newsletters](#) (be sure to check SE!) and [North Carolina Housing Coalition](#)

GUEST PRESENTATION POLICY

Meet Our Guest

Policy and its Impacts on Preservation and Housing Stability



Beth Stephens

PROGRAM DIRECTOR, STATE AND LOCAL POLICY, ENTERPRISE SOUTHEAST

Beth Stephens is the state and local policy program director for the Southeast market office. In her role, Beth advocates for tenant protections, resources for the creation and preservation of affordable housing, homelessness prevention services and programs, and policy solutions that promote equity. Beth also provides local support on federal housing issues.

Prior to joining Enterprise, Beth was the senior director of public policy and advocacy at Georgia Watch, a statewide consumer advocacy organization. At Georgia Watch, Beth advocated at the state and federal levels on issues critical for Georgians' health and wellbeing, including eliminating predatory lending and improving access to quality, affordable healthcare. Beth started her career as an attorney at the Atlanta Legal Aid Society, Inc. where she represented low-income Georgians in a variety of civil legal matters, including eviction defense, housing conditions cases, public benefits, and healthcare matters.

Beth received a Juris Doctor (JD) degree, magna cum laude, from the University of the District of Columbia David A. Clarke School of Law and a Bachelor of Arts in English and Political Science from Emory University. In 2016, Beth received the Anti-Defamation League's Stuart Eizenstat Young Lawyer Award for her advocacy work to protect Georgia's healthcare consumers.



Preservation & Anti- Displacement Policies

Beth Stephens,
Program Director,
State & Local Policy - Southeast



GEORGIA STATE POLICY LANDSCAPE

Preserving Affordability & Community in State Policy

- **Funding**
 - Surplus allocation to State Housing Trust Fund for the Homeless
 - Dedicated revenue for state and/or local housing trust funds in Georgia
- **Preservation**
 - Property tax exemptions for non-profit low-income housing providers
- **Advancing Housing Stability**
 - Increasing tenant protections
 - Rent stabilization efforts



House Bill 404 – Safe at Home Act

Tenant Protections



- Georgia’s eviction filing rates are among the highest and fastest in the United States. Georgia law allows for an eviction filing as early as one day following a missed payment or lease violation and provides very few protections for tenants who are experiencing unsafe or unhealthy living conditions.
- HB 404 requires that all rental housing be “fit for human habitation,” caps security deposits at two months’ rent, and provides a 3 business day right to cure the nonpayment or resolve a lease violation after receiving written notice before the landlord can file for an eviction. These protections would be an important step forward and bring Georgia tenant protection laws more in line with long standing norms in almost all other states. Forty other states provide at least some notice period that ranges between 1 and 15 days.
- Status of legislation: During the 2023 legislative session, HB 404 passed the House unanimously but failed to receive a Senate floor vote in the final minutes of the session. It remains alive for enactment in 2024.
- HB 404 is awaiting a hearing in the Senate Judiciary Committee. ***Calls to [Senate Judiciary Committee members urging passage are needed now!](#)***

Increasing State Funding to Support Preservation of Affordable Housing

- Georgia State Housing Trust Fund for the Homeless



Advocate for one-time funding (\$100M) from nearly \$11B state budget surplus to the existing Georgia State Housing Trust Fund for the Homeless

- Focus on populations under 50% AMI

Funds from the State Housing Trust Fund for the Homeless can be disbursed to finance “**residential housing projects**” that are “designed to enhance residential housing opportunities for low-income persons. Such projects include, but are not limited to, financing in whole or in part the **acquisition, rehabilitation, improvement** or construction of residential rental housing and interest rate or down payment assistance programs designed to enhance home ownership opportunities.” O.C.G.A. §§ 8-3-301(6), 308(4), 309 and 310(a).

Dedicated Revenue for Housing Trust Funds in Georgia

- Cities and counties in Georgia have the authority to create housing trust funds and to appropriate existing funding streams to them. However, authorization from the Georgia General Assembly would be required for a local government to expand its authority to levy new or additional taxes or to dedicate funds to a housing trust fund.
- Georgia currently has city housing trust funds in Atlanta and Savannah. State legislation that enables cities and counties in Georgia to access and dedicate revenue sources would give localities more options to fund and advance local housing trust funds.
- Fourteen states have passed legislation that encourages and/or enables local jurisdictions to dedicate public funds to affordable housing.

Potential dedicated sources of revenue in Georgia:

- Real estate transfer taxes
- Document recording fees related to real estate
- Intangible recording taxes
- Development or housing impact fees
- Specific Sales and Use Tax Revenue

Georgia could also dedicate a tax or fee to the State Housing Trust Fund for the Homeless, but doing so would also require action by the Georgia General Assembly.

Property Tax Exemption Efforts & Rent Stabilization

- **Property tax exemptions for non-LIHTC affordable housing:**

- Residential parcels owned by non-profits and rented to income qualified families at deeply affordable price points should be tax exempt
- Legislation for statewide exemption from all ad valorem taxes for the above
- Advocacy with counties that are not providing exemptions (ex., Troupe County provides an exemption while Fulton County does not)
- Reach out to Center for Community Progress for more information on these efforts

- **Rent stabilization legislation:**

- Senate Bill 125 sponsored by Senator Donzella James (35th District) and House Bill 852 sponsored by Representative Eric Bell (75th District) would repeal restrictions on rent regulation by local governments
- Senate Urban Affairs Committee has held hearings on this issue in 2023 and 2024

LOCAL EFFORTS CITY OF ATLANTA

Local - City of Atlanta

Quality Housing for Everyone

Atlanta Mayor Andre Dickens has committed to build or preserve 20,000 affordable housing units across the city by 2030

- 40% of the way toward the goal as of 10/2023
- City leveraging \$300M in public and private investment
- Affordable Housing Strike Force – identifying and moving forward with development projects on 40 underutilized public land sites in the City
- In June 2023, the City allocated \$800,000 to boost interventions against multifamily properties having code violations. The goal is to inspect all properties with code violations by the end of 2024.
- \$2M eviction diversion rental assistance program with Star-C
- Access to counsel program with Atlanta Volunteer Lawyers Foundation
- Housing Help Center opened fall 2023



FLORIDA POLICY RECENT DEVELOPMENTS

Florida Legislation to Fund Affordable Housing

The Sadowski Act and Sadowski Coalition

Sadowski Housing Coalition

- A nonpartisan collection of more than 40 statewide organizations. The coalition came together in 1991 to obtain a dedicated revenue source for Florida's affordable housing programs.
- The Sadowski Act (passed in 1992) increased the document stamp tax on all real estate transactions, and money goes to dedicated state and local housing trust funds
- 70% of monies go to the Local Government Housing Trust Fund for the State Housing Initiatives Partnership (SHIP) program which funds housing programs in all 67 counties and larger cities
- 30% of monies go to the State Housing Trust Fund for Florida Housing Finance Corporation programs such as the State Apartment Incentive Loan (SAIL) program.

SHIP and SAIL

- SHIP funds can be used for repair of existing housing stock to allow seniors to age in place or to provide retrofitting for persons with special needs, as well as to rehabilitate existing housing.
- SAIL funds can be used to rehabilitate existing apartments or to build new units where needed; apartments that house Florida's most vulnerable populations, such as the frail elderly and persons with disabilities.



Florida

Recent policy

Live Local Act

- Live Local Act (SB 102) – priority of Senate President Kathleen Passidomo, passed in 2023
- Legislation provides an array of affordable housing policies and includes \$711 million in funding for affordable housing programs – the largest investment in housing efforts in the state’s history
- Included in the legislation are:
 - Three new property tax incentives and sales tax exemption for specified affordable housing development
 - Land use tools to facilitate affordable housing in commercial, industrial, and mixed-use areas
 - Encouragement that local governments adopt best practices for publicly-owned land
 - State guidance and technical assistance on affordable housing policy for local governments
 - Removal of provision allowing local governments to impose rent control under certain emergency circumstances

- **Property Tax Exemptions:**

- Local option property tax exemption
- Nonprofit land with a 99-year ground lease exemption
- “Missing Middle” property tax exemption



Live Local Act

Local option affordable housing property tax exemption

Authorizes local governments to provide property tax exemptions for specified affordable housing developments.

Eligible developments:

- Contain at least 50 or more units
- At least 20% of the units must be affordable to households at or below 60% AMI

Local governments have the option to provide exemption to units that serve up to 60% AMI or just up to 30% AMI

Tax exemptions only apply to the affordable units

FHC interpretation: Can apply to new and existing developments

Property tax exemptions allowed are based on % of affordability:

- <100% of the units are affordable = up to 75% property tax exemption
- 100% of the units are affordable = up to 100% property tax exemption



Analysis and Information from the Florida Housing Coalition



Live Local Act

Nonprofit land with a 99-year ground lease exemption

Property tax exemption applies to land owned entirely by a nonprofit that:

- 1) is leased for a minimum of 99 years
 - 2) is predominately used to provide affordable housing to households up to 120% AMI
- Land is considered “predominately used” for affordable housing if the square footage of the improvements on the land for affordable housing is greater than 50% of all the square footage of the improvements
 - Tax exemption is for the land only –not the improvements

Community Land Trusts – CLT homeowners now get property tax-free land



Analysis and Information from the Florida Housing Coalition



SESSION WRAP-UP

SURVEY

bit.ly/pnsurvey5

PRESERVATION NEXT

Preservation Next Toolkit

A Preservation Toolkit for Small-to Medium-Scale Multifamily Properties

Guidance and Best Practices

The Toolkit's issue briefs guide developers and practitioners across different stages of the small to medium multifamily preservation development process

Localized Resources

Preservation landscape analyses, inventory of local funding resources, and local & regional data on the small to medium multifamily stock

Case Studies

Successful and creative approaches for small to medium multifamily preservation in different housing markets

Tools

A Financial Modeling Tool to help you understand the financial viability of your preservation development.



A JOINT VENTURE PRESERVATION MODEL IN LOS ANGELES

PROJECT OVERVIEW
700 Simmons Ave
LOS ANGELES, CA

- Located in unincorporated East Los Angeles
- Built in 1930
- 11 residential units
- Acquired in 2021

Financing sources:

- LA County CLT-CDC Pilot Program: \$2,790,250 – \$253,659 per unit
- SPARCC and Genesis LA: Predevelopment funds \$75,000



TOOLS

Funding Sources Inventory

Keep Reading



TOOLS

Financing Modeling Tools

Keep Reading

**Join us in-person on
March 26!**

**Financing Small to
Medium Multifamily
(SMMF) Preservation**

**Loudermilk Conference
Center, Downtown Atlanta**

**Guest Speakers to be
announced!**

What to Expect

- This **day-long session** will include panel discussions, peer learning opportunities, and a networking lunch.
- Attendees will learn from and **network with the Southeast's affordable housing preservation community** including funders, policymakers, practitioners, and national experts.
- Guest speakers will highlight **local and state financing resources** to support a preservation project and highlight **strategies to meet financing gaps** and preserve affordability.

Thank You

Contact Us:

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Resources:

[Preservation Next Small to Medium Multifamily Toolkit](#)

[Preservation Next National Program](#)

[Southeast Preservation Academy](#)