



## Window of Opportunity Preserving Affordable Rental Housing

An initiative supported by the John D. and Catherine T. MacArthur Foundation

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### State and Local Housing Preservation Projects

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#### Chicago and Cook County

More than 365,000 households in Cook County are “rent burdened,” spending more than 30 percent of their income on rent. Leaders from the public, private, and nonprofit sectors formed the Preservation Compact, which is pursuing six key initiatives designed to preserve and improve existing affordable rental homes, including those that do not receive government assistance, that might otherwise be lost to condominium conversion, obsolescence, demolition, or rising costs. These initiatives include an acquisition fund, an interagency council, a rental housing data clearinghouse, an energy conservation program, a tenant alliance, and a partnership with the property tax assessor to lower taxes on multifamily rental buildings with affordable rents.

#### Denver

The city and county will establish a new loan fund for transit-oriented development that preserves affordable rental housing near existing and planned regional public transit stations. This investment also will help residents gain access to job centers throughout the region. The Denver metropolitan area’s expansion of its public transit system is the largest in the nation.

#### Florida

With the state’s rapid growth and available land, Florida’s affordable housing focus historically has been on new construction, yet most newer units have rents that are not affordable to the state’s lowest-income families. To meet the needs of low-wage workers and low-income seniors, the state will provide mission-driven organizations with assistance so that they can preserve properties that provide housing for extremely low-income households and people with special needs.

#### Iowa

With much of its affordable housing stock more than a quarter-century old, Iowa faces the challenge of an oversupply of affordable housing in some areas with declining populations, and an undersupply in some areas that have growing populations. The state is creating a comprehensive database of all subsidized properties so it can allocate scarce resources strategically and recruit developers to preserve affordable rental properties in the state’s rural areas.

#### Los Angeles

Nearly one-third of LA’s subsidized housing stock — 22,000 units — is at risk of losing its affordability in the next ten years, including Single Room Occupancy (SRO) units that typically serve households that have the greatest risk of homelessness and low wage workers. The City of Los Angeles will align its various governmental agencies and their capital resources to implement a comprehensive preservation strategy, including building the capacity of developers with expertise in operating SROs.

#### Maryland

Military base closures and the related relocation of 25,000 households will increase pressure on rents in eight Maryland counties. The state will ensure that rental housing preservation is a key element of the region’s response to the base closures by identifying preservation opportunities and creating a compact among state and local housing leaders to align efforts.

## Massachusetts

The state has the fifth most expensive rental market in the country, with more than 51 percent of renters paying more than 30 percent of their income for rent. Approximately 41,000 units of subsidized rental housing, or nearly 50 percent of the total stock in the state, may lose their affordability in the coming decade. By forming an interagency working group, Massachusetts will coordinate state, federal, and local housing activities to identify and preserve properties that are at risk of opting out of subsidy contracts or have physical and financial problems.

## Minnesota

Over the next ten years, 52,000 units of subsidized rental housing in Minnesota, nearly two-thirds of the state's total stock, are at risk of being lost as subsidy contracts expire, properties physically deteriorate and financial pressures increase. In order to direct assistance and new funding towards preserving these affordable rental homes, the state will enhance its system for detecting properties that are at risk of losing their affordability.

## New York City

Approximately 250,000 affordable rental homes in New York City are at risk of losing their affordability as subsidy terms expire over the next decade. As part of the City's plans to build and preserve affordable housing, New York created a public-private acquisition fund and a new, comprehensive database and tracking system to help the City select and prioritize properties for preservation. In addition to expanding its capacity to manage assets financed with local sources, the City also has engaged in policy advocacy and coalition building to preserve distressed affordable rental housing developments.

## Ohio

Ohio has seen a steady increase in demand for affordable rental housing due to an unemployment rate consistently higher than the national average and, more recently, to an exponential increase in foreclosures throughout the state. To address this growing need, three statewide organizations have partnered to develop a new clearinghouse of information on federally-subsidized properties and to coordinate assistance for tenants and affordable housing developers, including a loan fund to help acquire properties.

## Oregon and Portland

The city and state are expanding the Oregon Housing Acquisition Fund, a revolving loan fund created to finance the purchase of at-risk properties until permanent financing is available. Over the next five years, federal subsidy contracts will expire on 80 percent of Oregon's privately-owned rental housing. Nearly one-quarter of these homes are located in Portland, where more than 2,700 families are waiting for rental assistance.

## Pennsylvania

In the largest such effort in the nation, Pennsylvania will conduct comprehensive energy audits to determine the most appropriate and cost-effective improvements for increasing energy efficiency in rental homes. This will help to lower utility expenses, which are expected to increase by 40 to 60 percent over the next few years, in affordable rental housing serving some of Pennsylvania's neediest families.

## Vermont

With a relatively strong economy, more of the state's workers and seniors face high rents. As the price of heating oil increases, the costs to operate affordable rental housing also are rising. To help mitigate these increased rents, Vermont is engaging in several initiatives to lessen the rental burden on lower-income households, including improvements that encourage energy conservation, and the use of Medicare and Medicaid to assist in elderly housing.

## Washington and Seattle

Despite Washington's commitment to preservation and its long-standing dedication to providing affordable housing, some 250,000 households in the state have housing affordability problems, with more than 25,000 low-income households in Seattle paying 50 percent or more of their incomes in rent. The state and city will help nonprofit owners and affordable housing funders implement best practices in asset management to ensure the long-term stewardship of affordable rental homes.

**For additional information, please visit [www.windowofopportunity.macfound.org](http://www.windowofopportunity.macfound.org)**

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