Preservation Partnership Team

HRD is procuring an experienced vendor team to lead the City’s affordable housing preservation work, to address the dual threats of expiring affordability restrictions and physical deterioration of housing units. Preservation work can include renewal of expiring affordability restrictions, coordination of new or restructured financing, and planning for rehabilitation to improve housing quality.

**KEY OUTCOMES:**

- Preserve long-term affordability, prevent displacement and improve housing quality for at least 2,000 units of regulated affordable and naturally occurring affordable housing (NOAH)
- Develop lease-purchase program to convert an estimated 700 low-income renters in scatter-site units to homeowners
- Build and maintain affordable housing database
- Improve developer capacity for preservation through technical assistance

**PROJECT TEAM:**

*PROJECT LEAD*

- Develop prioritization framework
- Create and implement action plans for preservation
- Expertise: Leading preservation initiatives, networks & affordable housing funds
- Conduct energy assessments and make recommendations for project cost savings
- Expertise: Energy assessments for multifamily affordable preservation
- Build & manage affordable housing database
- Create data maintenance guide
- Expertise: Developing data systems
- Engage tenants in preservation planning
- Provide critical guidance on tenant retention strategies
- Expertise: Deep local knowledge; leaders in tenant engagement and representation
- Provide support as national leader on NOAH preservation strategies
- Expertise: NOAH preservation with Cook County Preservation Compact
- Develop lease-purchase program
- Provide technical assistance program for affordable housing owners
- Expertise: National leaders in lease-purchase (CHN)
- Expertise: Local knowledge, affordable housing finance (Cinnaire)

**SCOPE OF WORK:**

**Prioritize**

- Convene intergovernmental group with key agency stakeholders
- Develop prioritization framework
- Build and manage database

**Develop Action Plans**

- Design intervention strategies
- Develop action plans
- Identify funding support
- Develop technical assistance program & resource network

**Implement & Monitor**

- Establish benchmarks and report on progress towards goals
- Implement plans
TYPES OF PROPERTIES:

Preservation work will address three general housing types: multifamily regulated, which includes apartment buildings or complexes with any form of rent or income restriction; multifamily nonregulated, many of which are considered naturally occurring affordable housing (NOAH); and scatter site units, which are single family homes or duplexes developed as affordable rental housing with Low Income Housing Tax Credits (LIHTC), many with an option to sell the homes to residents after 15 years. The map below shows the universe of these properties in Detroit.

EXAMPLE PROJECTS:

1. **Multifamily Regulated**
   - PABLO DAVIS
     - 80 unit senior housing
     - 45-50% AMI
     - Recapitalized through LIHTC
     - Improvements to all units and common spaces underway

2. **Multifamily NOAH**
   - WESTWILL APARTMENTS
     - 60 units in Midtown Detroit
     - Previous affordability restriction lapsed
     - Agreement executed with City to retain all existing tenants with max 2% annual increases

3. **Scatter Site**
   - CATHEDRAL TOWER
     - 236 unit non-regulated affordable housing in Midtown Detroit
     - Preserved through 2035 with new LIHTC
   - EASTSIDE DETROIT HOMES
     - 54 single family homes, national leader in lease-purchase programs
     - Specially designed mortgage product for low-income residents
     - Homeownership counseling
     - Capital improvements to homes

**PROJECT BUDGET:** $1,683,212

**CONTRACT TERM:** 30 MONTHS