

# Welcome!

*We'll get started in just a few minutes...*

In the meantime, please introduce yourself in the chat and share one thing you are hoping to learn from this webinar and/or why you are interested in Small/Medium Multifamily (SMMF) property identification & acquisitions.



# Preservation Next Southeast Academy

**Session 3:**  
*Property Identification,  
Evaluation, and Acquisition*

December 5, 2023



# Today's Agenda

- 5** INTRODUCTION TO PRESERVATION NEXT
- 8** DEVELOPING A PROPERTY ACQUISITION STRATEGY
- 18** THE LANDSCAPE OF SMMF PROPERTIES IN ATLANTA AND SOUTH FLORIDA
- 44** CASE STUDY: ATLANTICA PROPERTIES' APPROACH TO SMMF ACQUISITION
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- 57** PREVIEW OF OUR NEXT SESSION
- 59** APPENDIX

# A Special Thank You to the Funders of Preservation Next

**MacKenzie Scott**



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**THE ANNIE E. CASEY FOUNDATION**



# 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.



**Jessie Wang**

**ENTERPRISE, SENIOR PROGRAM OFFICER**

At Enterprise, Jessie supports program development and delivery for the National Preservation Next program. Prior to joining Enterprise, Jessie conducted applied research and technical assistance to assist a variety of community-based organizations and affordable housing advocates. Jessie lives in Chicago.



**Gabriella Lott**

**ENTERPRISE, PRESERVATION FELLOW,  
PRESERVATION NEXT**

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 –  
April 2024

## Dates

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

January 16, 2024  
February 6, 2024  
February 27-28, 2024

March 19, 2024  
April 9, 2024  
April 30, 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

### PART 3: Tackling a Project

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



**PRESERVATION NEXT**  
**DEVELOPING AN**  
**ACQUISITION STRATEGY**



# Developing an acquisition strategy

1

An **overview** of how goals, market conditions, and property characteristics impact preservation options

2

A **tool** to evaluate property alignment with strategy & capacity

# Moving from opportunity to strategy

- Many people get into SMMF preservation because there is **an opportunity on a specific property**. But, **to scale**, it is important to **build an intentional strategy** for future property acquisitions.
- **Every property will have its own unique set of trade-offs**. While it's impossible to fully know everything upfront, a strategic framework for acquisitions can help you decide what trade-offs you are most willing to make and can help inform your due diligence process down the line.
- Creating an intentional strategy for acquisitions also **helps you make sure your stakeholders are on the same page upfront** – from your board, to staff across different departments, to community members and elected officials. Rather than finding out there are disagreements when you are further down the line in the preservation process – when it is much more costly.
- **Make the most impact on your goals with limited capacity**. There are opportunity costs to every property you pursue. Setting a strategy upfront can provide you with a decision-making framework to help you evaluate opportunities as they arise and decide where your time and resources are most meaningfully spent.

# Different goals can lead to different strategies

## Example Goals of preservation:

**Reducing displacement pressure on Black, Indigenous and people of color (BIPOC)**

**Creating pathways to economic mobility for youth**

**Invigorating areas experiencing disinvestment**

**Supporting older adults to age-in-place**

## Corresponding Strategy examples:

- focus on neighborhoods with high concentrations of BIPOC residents and signs of increasing market pressures
- focus on buildings where BIPOC residents are already living or buildings with historic relevance to members of the BIPOC community

- focus on properties within the catchment districts for better-performing schools and/or access to high-performing daycares and youth programming.
- focus where young people are already living on preserving access to these resources or educational opportunities

- focus on neighborhoods with declining property that are near areas with stronger market conditions or proximity to community amenities.
- focus on areas with incentives for blight reduction
- target a smaller geographic area to create activity faster, that leads to other investment

- focus on neighborhoods with high concentrations of older adults
- focus on properties that enable access to grocery stores and other amenities without driving.
- look for properties that already offer ADA accessibility features (rails, elevators, etc.)

# Different market conditions can impact your options

## **Highly competitive markets**

(i.e., characterized by high prices and intense competition for properties)

- You will need to find mission-aligned sellers or have significant cash on-hand (or both) to compete.
- You may want to focus on properties owned by units of government, faith-based institutions, or nonprofits as a result.

## **Stable markets**

(i.e., characterized by consistent but marginal increases in value over time)

- Competition for properties may be mostly determined by property conditions.
- You may want to focus on properties that are more dilapidated where you may face less competition, so long as you are prepared to take on the risk of more intense rehabilitation.

## **Declining or less competitive markets**

(i.e., characterized by declining values, worsening property conditions)

- Competition for properties may not be steep, but you may face challenges assembling traditional financing.
- You may want to focus on programs that help fill financial gaps and/or assemble land like land banks, housing trust funds, or other housing and revitalization programs.

## Different property characteristics can impact feasibility

- ***Subsidized vs. unsubsidized properties*** →

For subsidized properties, evaluation should place additional emphasis on understanding any requirements of existing subsidies, including those related to tenant relocation, and your ability to meet those requirements, including during the rehabilitation process, leasing, and ongoing property management. Public approvals required as part of acquisition and lease up should also be understood.

- ***Age of the property*** →

For older properties, you may have greater opportunities to purchase at lower upfront prices but then may face higher rehabilitation costs if maintenance has been neglected or it was built prior to current health, safety, or environmental standards (e.g., lead paint abatement requirements, accessibility requirements, standards to increase resilience to natural disasters like earthquakes or flooding)

- ***Number of units*** →

**Do you have capacity to manage the building(s) as they are currently configured?**

For example, if the property is a scattered site portfolio, but your organization is not currently set up to manage this type of portfolio, this needs to be factored in. Or, if you are planning on leveraging existing property management partnerships for other buildings, is this building close enough to make that feasible?

# Criteria to Evaluate Properties for Acquisition

## Organizational Alignment

- Advances mission and capacity
- Priority location
- Populations served
- Depth of affordability
- Displacement and eviction risk
- Access to services and resources

## Property Characteristics

- Number of Units
- Physical Condition / Building Design
- Level of rehabilitation
- Health and environmental factors

## Financial Feasibility

- Available financing and subsidy resources
- Neighborhood market conditions
- Development and operating budget

## Regulatory Considerations

- Zoning and land use
- Building code compliance
- Program and policy alignment

## Property Ownership Characteristics

- Owner and Portfolio size
- Owner type

# Guiding Questions: Developing Your Acquisition Strategy

<p>A framework to quickly evaluate acquisition opportunities</p>	<ul style="list-style-type: none"><li>• Does your organization have a framework or tool in place to quickly assess potential properties as opportunities emerge?</li><li>• When developing a framework, how will your organization define target criteria? How will you account for tradeoffs?</li></ul>
<p>A process to guide decision-making</p>	<ul style="list-style-type: none"><li>• How will your organization make decisions around acquisitions, and how will a framework factor into these decision-making processes?</li><li>• How will different departments play a role?</li></ul>
<p>Evaluating properties - time and resources</p>	<ul style="list-style-type: none"><li>• How much time and money does your organization need to set aside once a property is identified as a good acquisition opportunity?</li><li>• How much is your organization willing to risk if opportunities do not move forward?</li></ul>
<p>Strategic partnerships and relationships for getting started</p>	<ul style="list-style-type: none"><li>• What knowledge gaps is your organization facing that other partners could potentially fill?</li><li>• Examples: brokers familiar with your target properties, JV partnerships with organizations who have on the ground knowledge or preservation expertise</li></ul>

**PRESERVATION NEXT**  
**THE SMMF PROPERTY**  
**LANDSCAPE IN ATLANTA AND**  
**SOUTH FLORIDA**



# Identifying properties for acquisition

1

**Data** on the landscape of SMMF properties in the Southeast

2

**Tips** for moving through the acquisition process

# Speaker Introduction

Data on the Small to Medium Multifamily Housing Stock in the Southeast



## Andrew Jakabovics

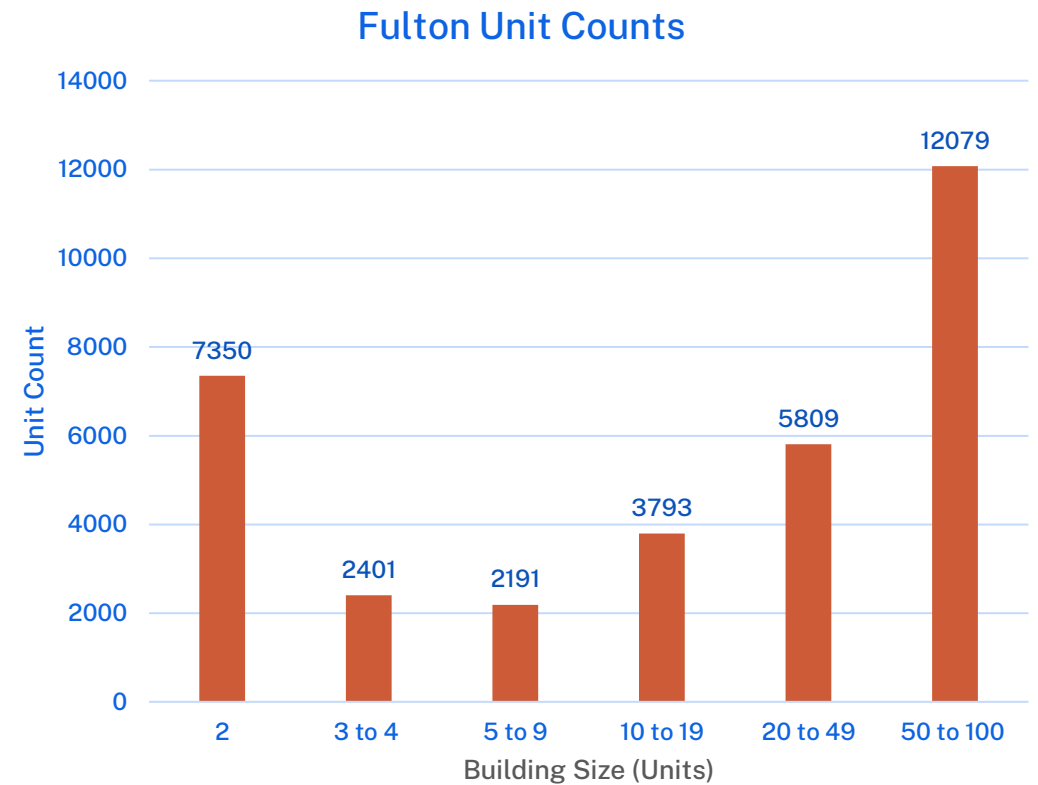
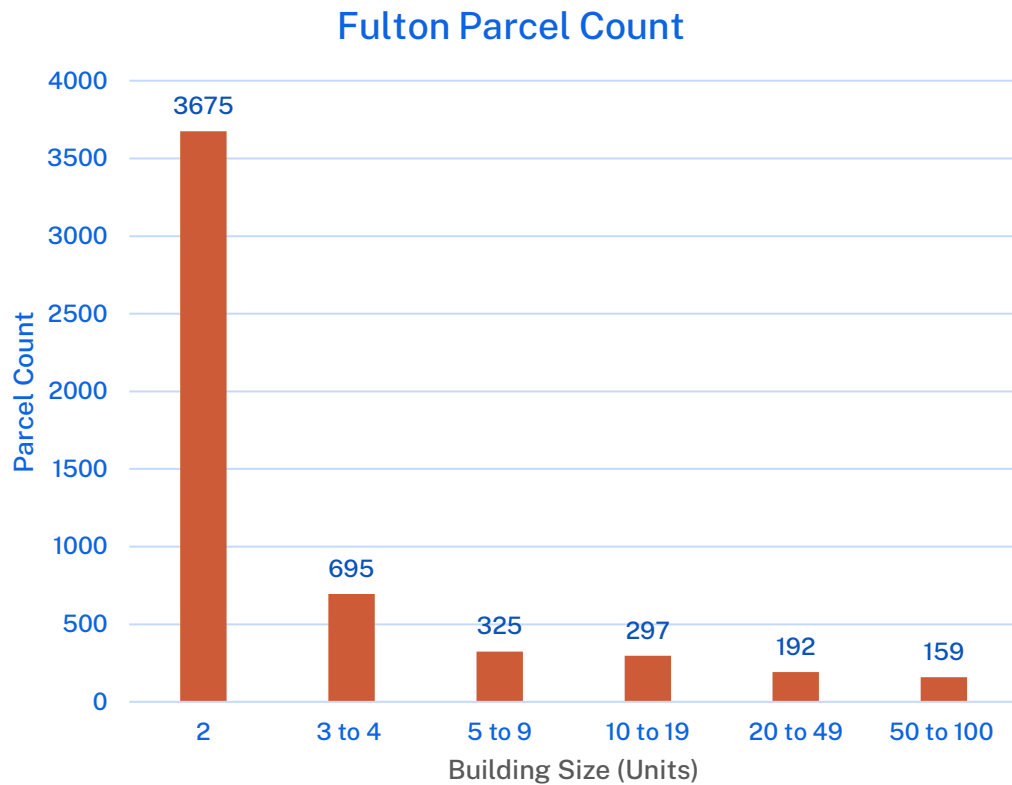
**VICE PRESIDENT, POLICY DEVELOPMENT, ENTERPRISE COMMUNITY PARTNERS**

At Enterprise, Andrew oversees the Policy Development & Research team, researching issues related to affordable housing, equitable housing and community development, housing finance, foreclosures and neighborhood stabilization, and broader housing supply and demand concerns. He has most recently been analyzing small multifamily properties' ownership patterns, preservation strategies for unsubsidized and subsidized affordable housing, LIHTC development and neighborhood dynamics, and the relationship between disasters and affordability. Prior to joining Enterprise, Andrew served as senior policy advisor to the assistant secretary for policy development and research at the U.S. Department of Housing and Urban Development. His primary focus was on housing finance reform, with a particular eye toward issues of access and affordability.

# INVENTORY ANALYSIS

# Fulton SMMF Parcel and Unit Counts

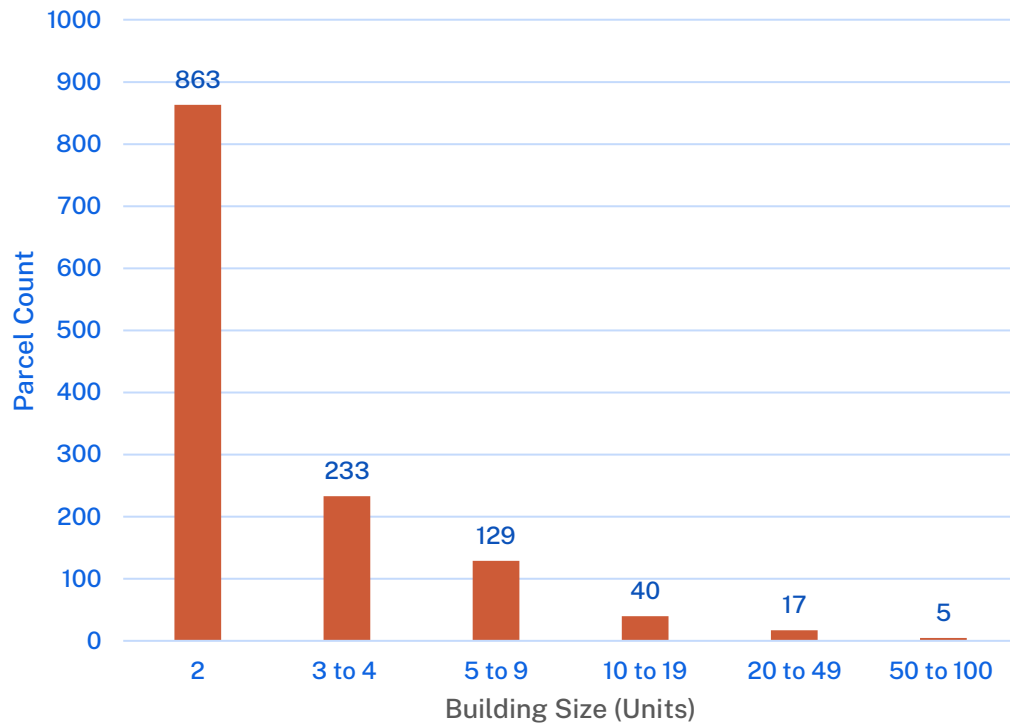
While most parcels are duplexes, the plurality of units are located in 50-100 unit buildings



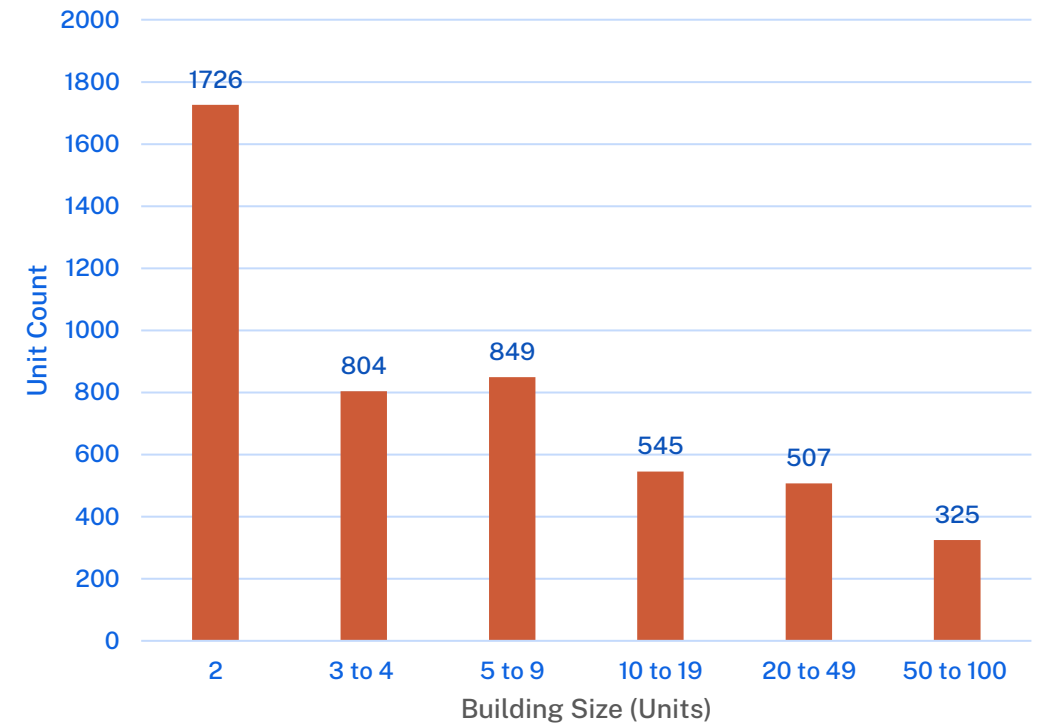
# Dekalb SMMF Parcel and Unit Counts

Most parcels are duplexes, with duplexes providing a plurality of units as well

Dekalb Parcel Count



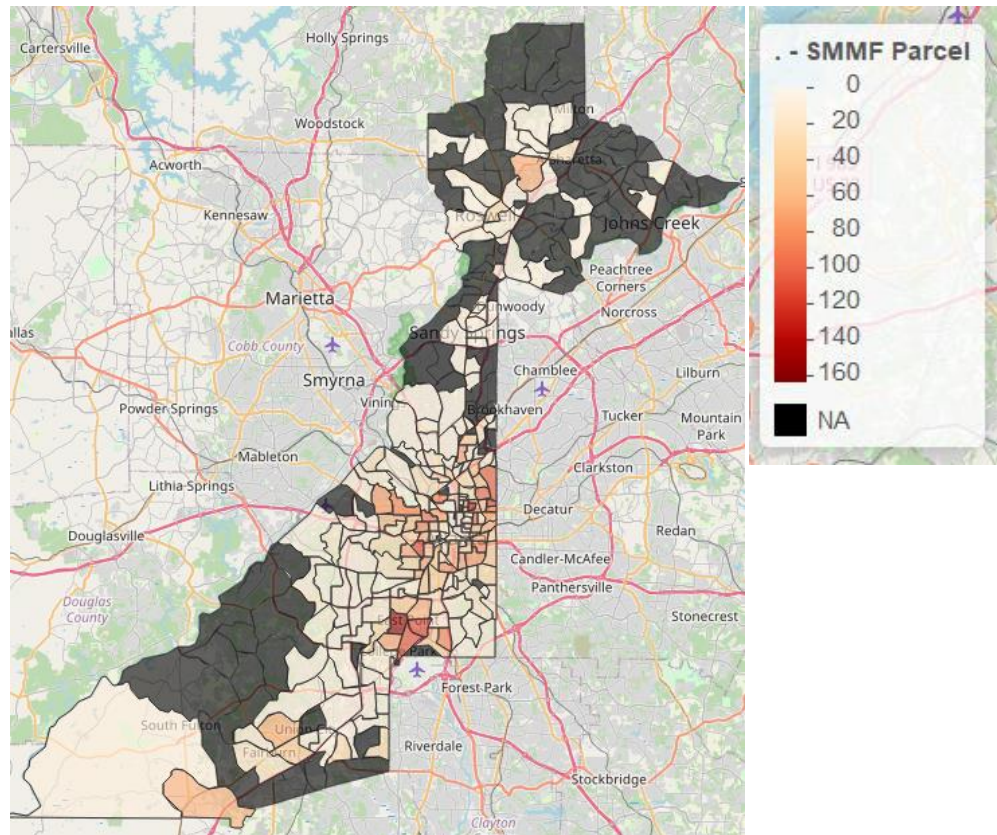
DeKalb Unit Counts



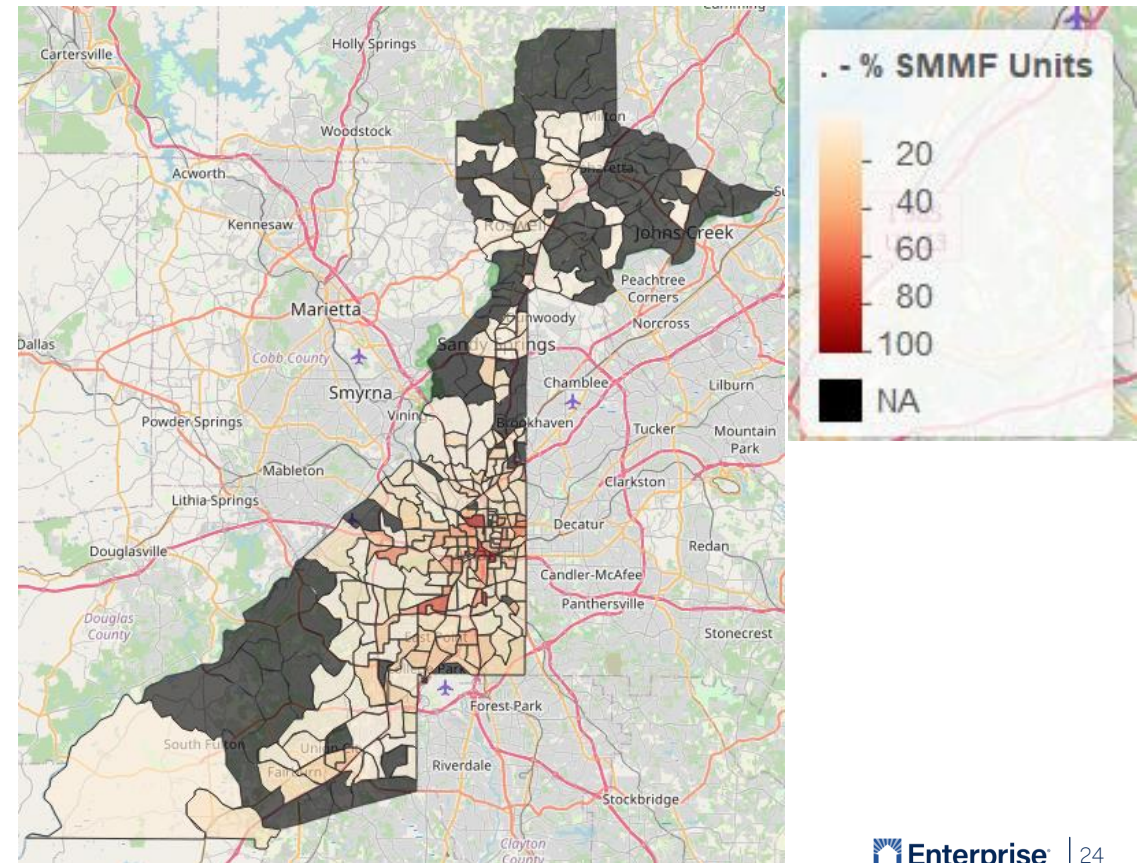
# SMMF Properties in Fulton – Count and Percentage

SMMF parcels are concentrated in neighborhoods surrounding downtown, though many tracts mostly have single-family units

## # of SMMF Parcels



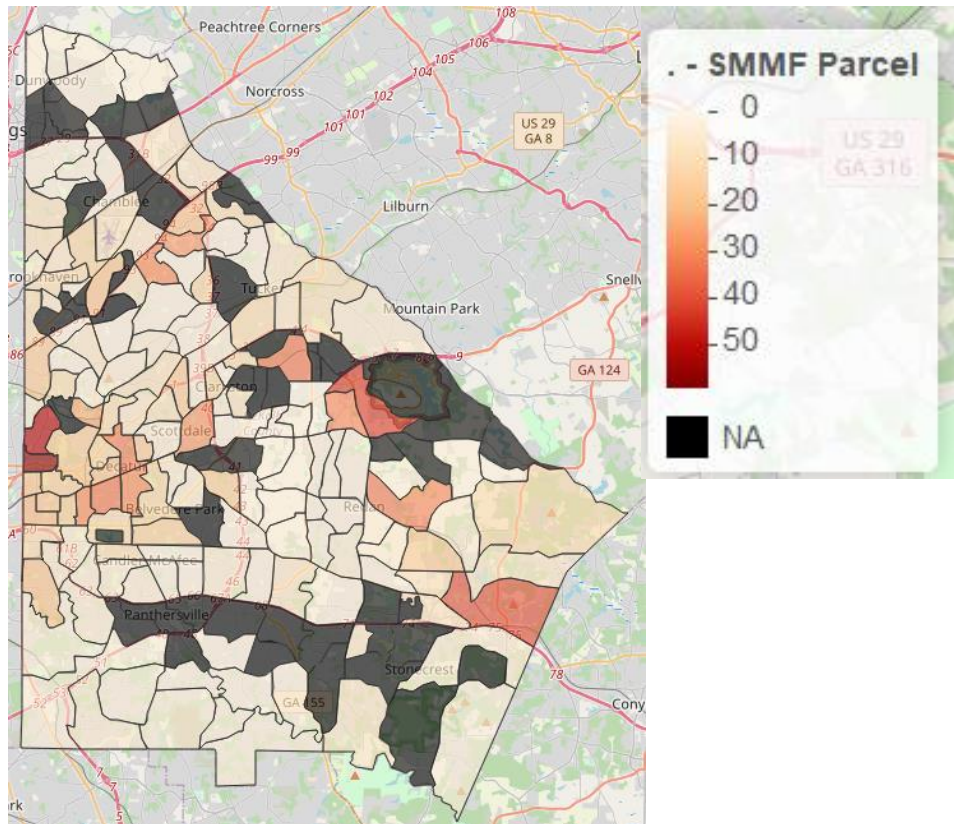
## % of Units that are SMMF



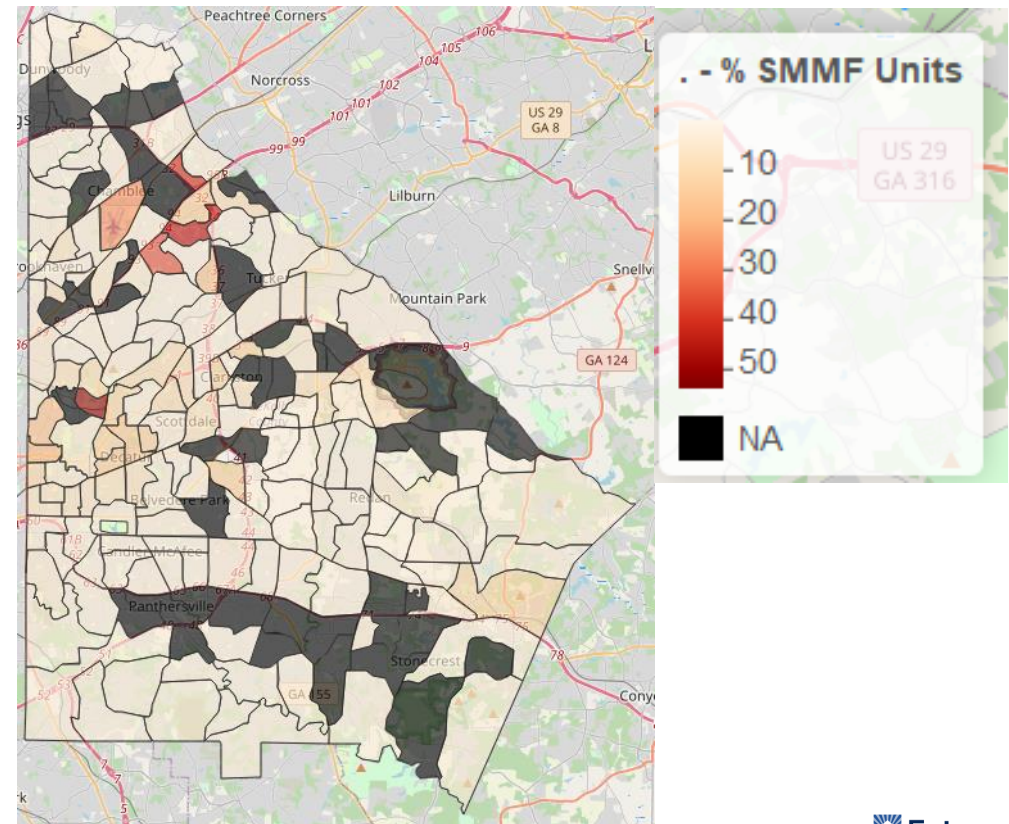
# SMMF Properties in Dekalb – Count and Percentage

Dekalb mostly has SMMF parcels in the City of Atlanta, though with lower the concentrations of SMMF among all units, compared with increased concentrations near universities and Buford Highway

## # of SMMF Parcels



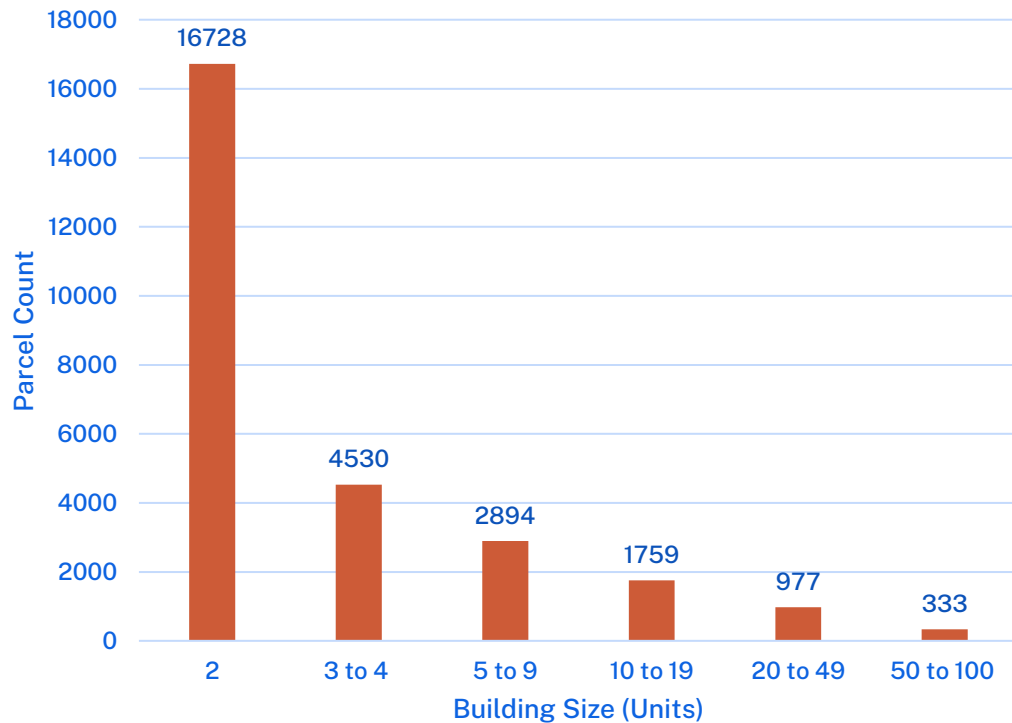
## % of Units that are SMMF



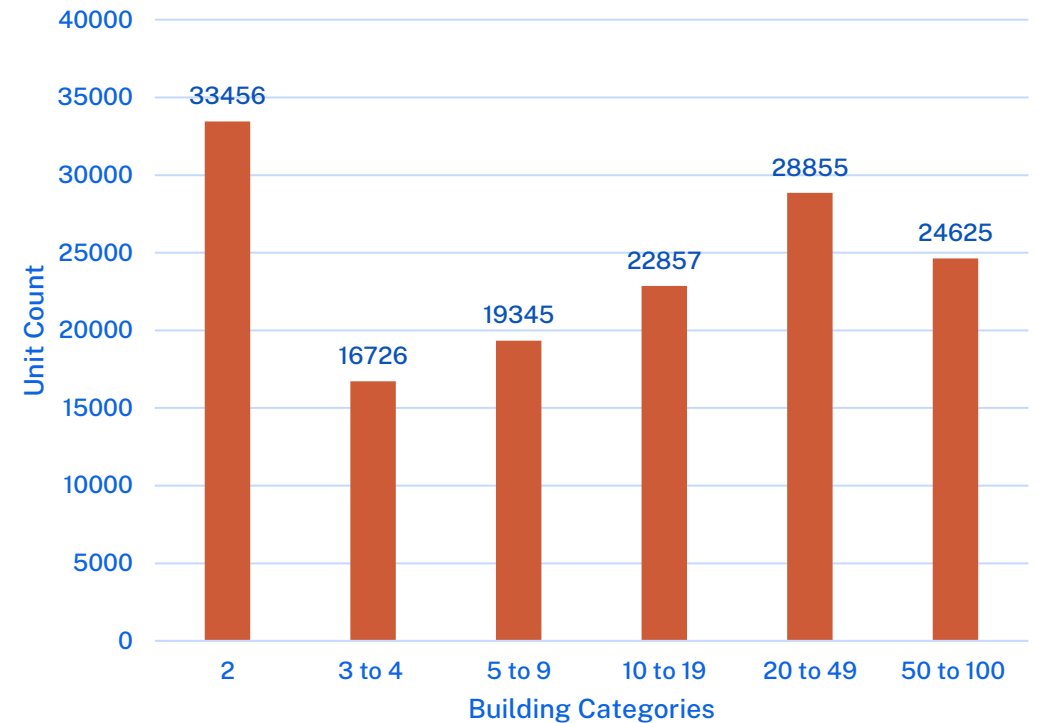
# Miami-Dade SMMF Parcel and Unit Counts

More than 60% of Miami-Dade SMMF parcels are duplexes, but all building sizes provide a substantial share of SMMF

Miami-Dade Parcel Count



Miami-Dade Unit Count

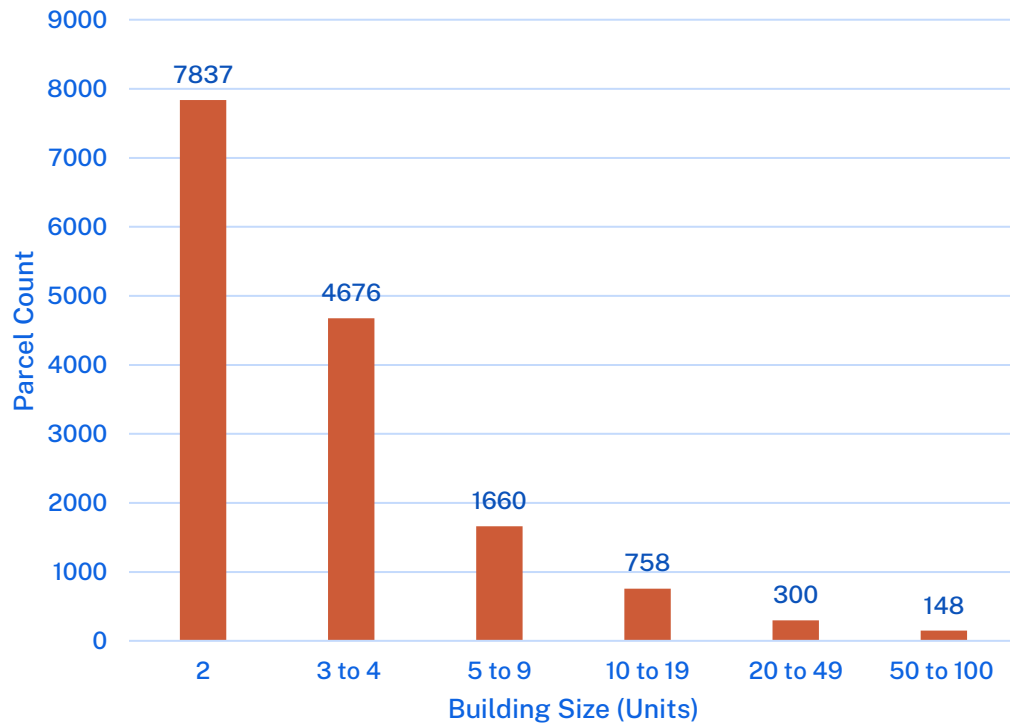




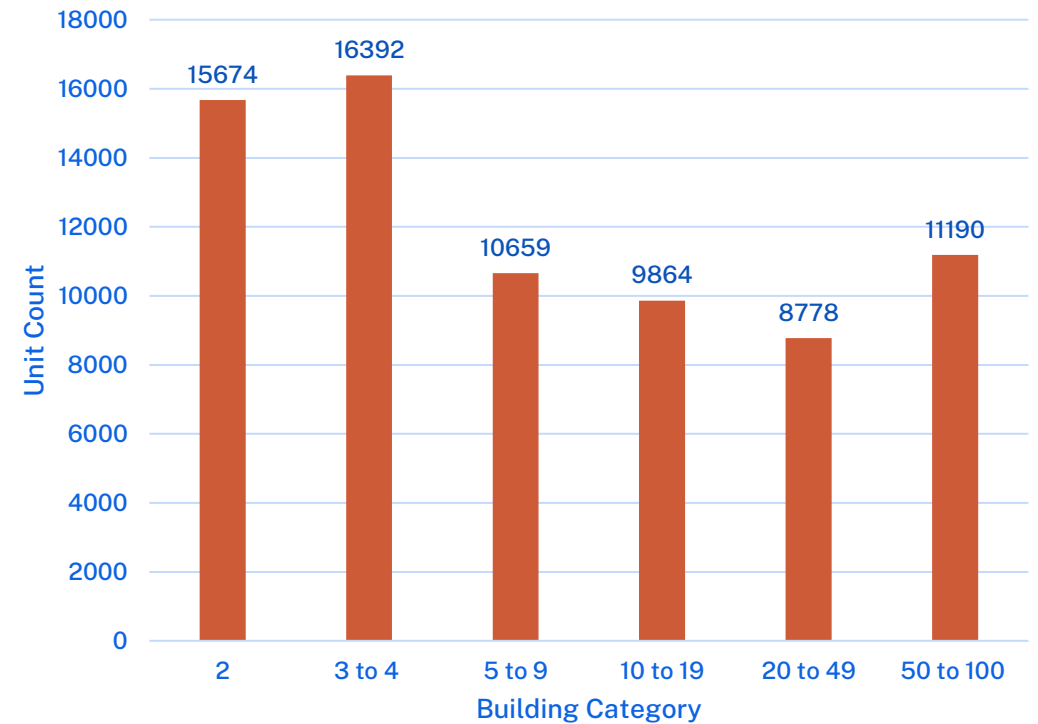
# Broward SMMF Parcel and Unit Counts

Over 80% of SMMF parcels have buildings with 2 to 4 units

Broward Parcel Count



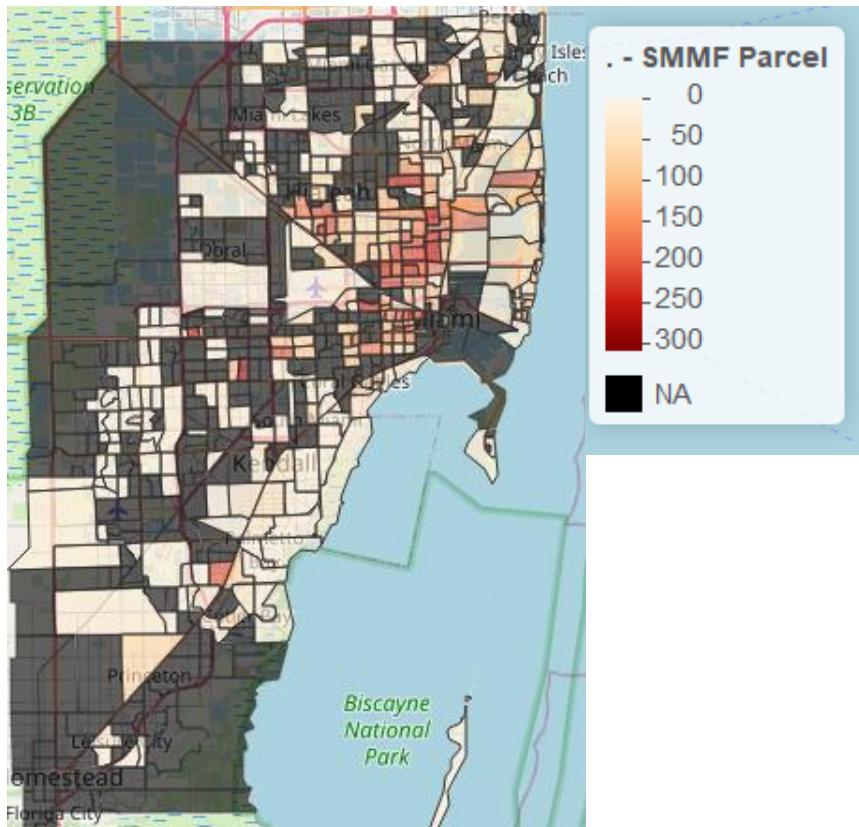
Broward Unit Count



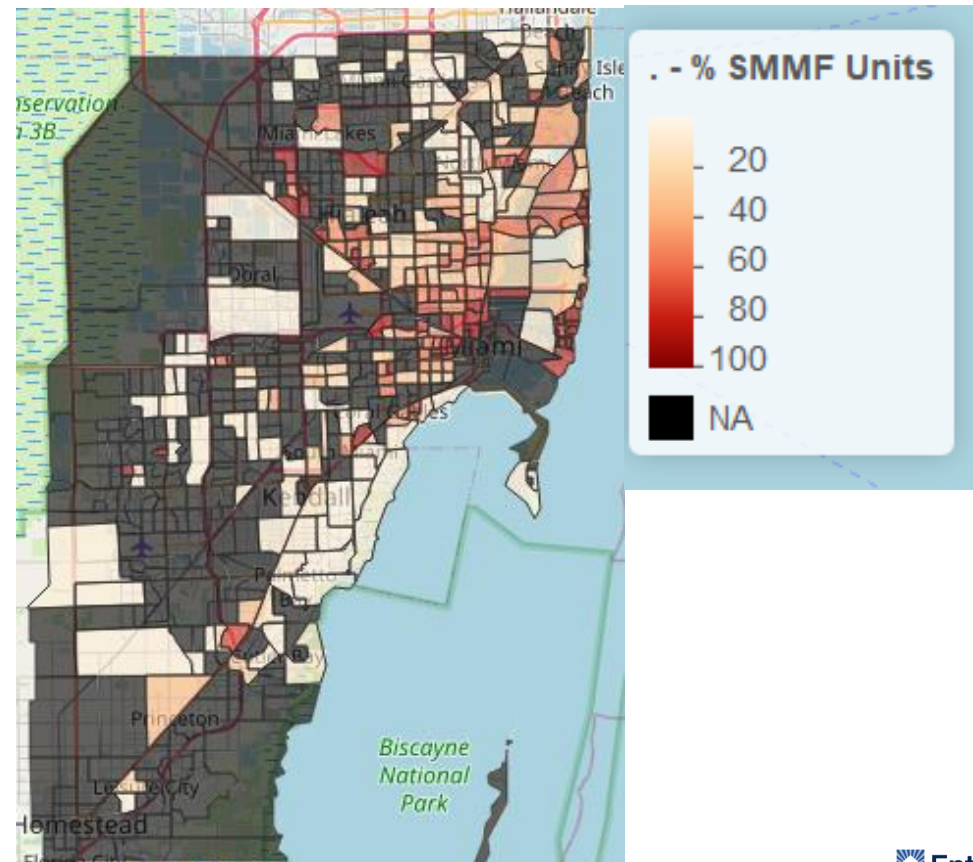
# SMMF Properties in Miami-Dade – Count and Percentage

SMMF Parcels are concentrated north and west of Downtown Miami with many outlying neighborhoods lacking SMMF properties

## # of SMMF Parcels



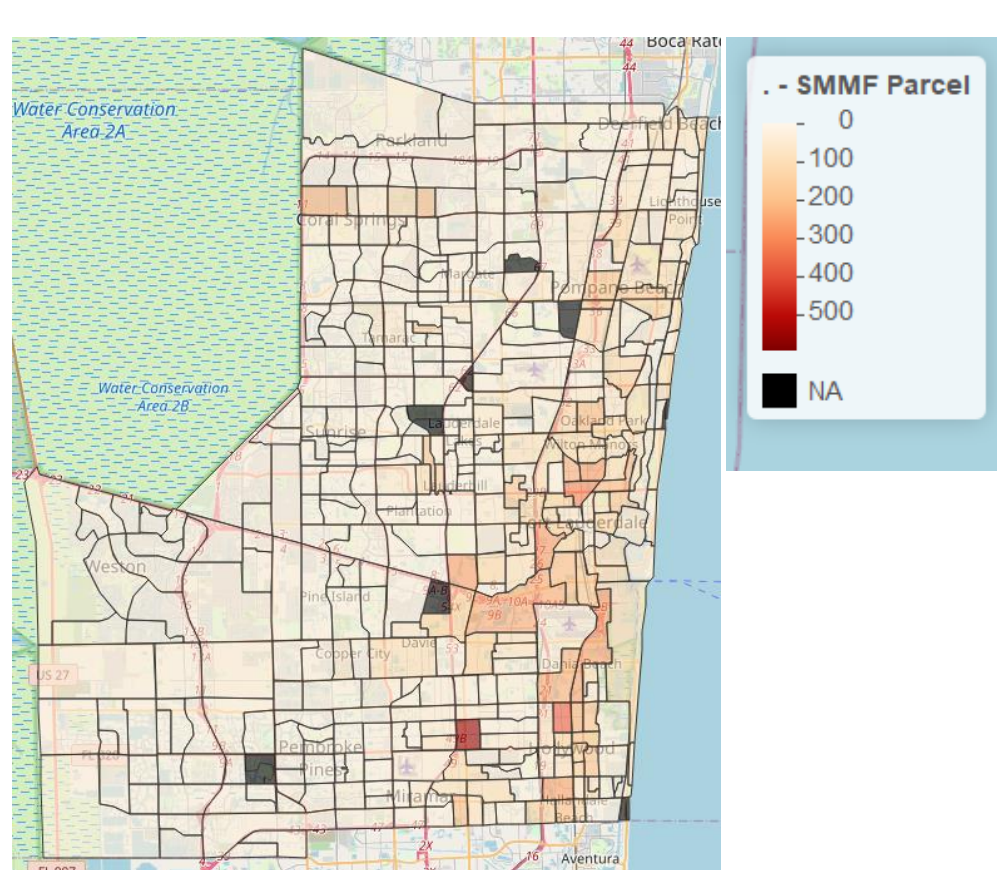
## % of Units that are SMMF



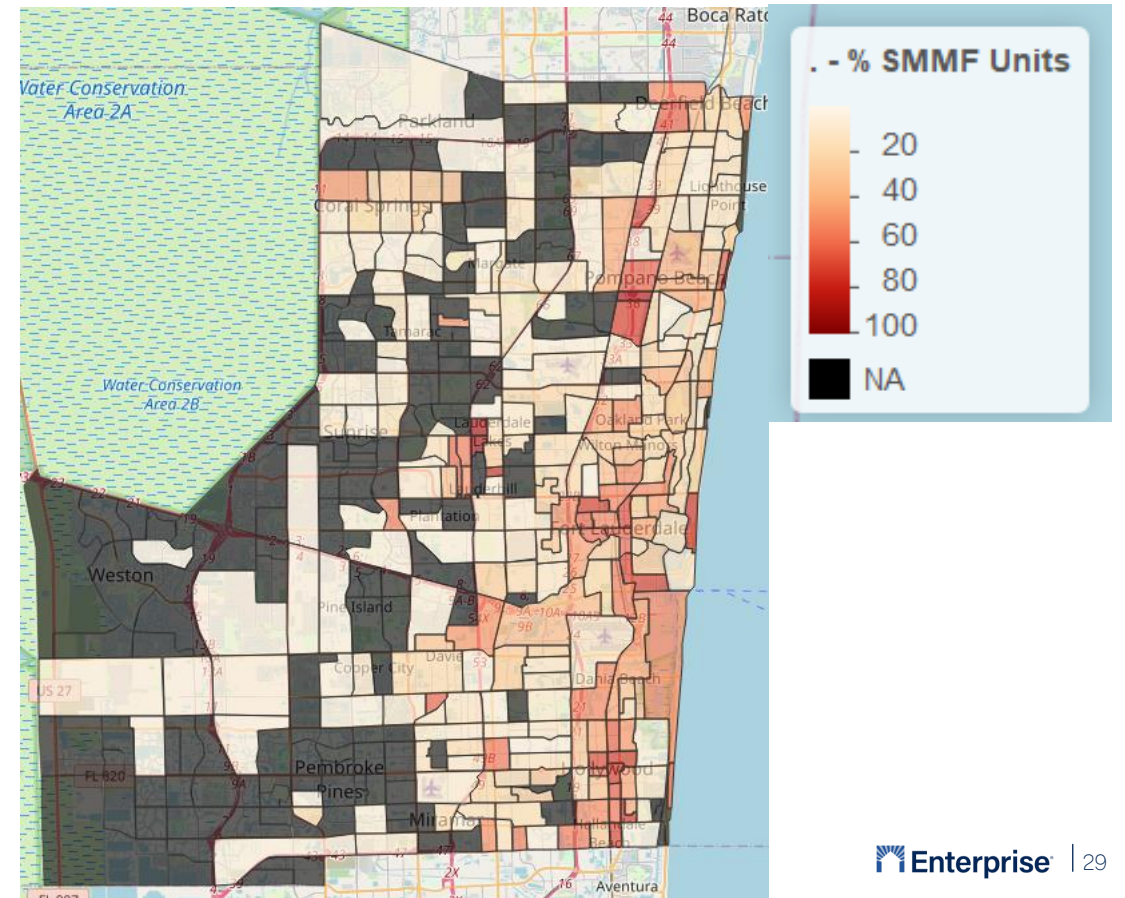
# SMMF Properties in Broward – Count and Percentage

SMMF Parcels are concentrated in communities along the coast

## # of SMMF Parcels



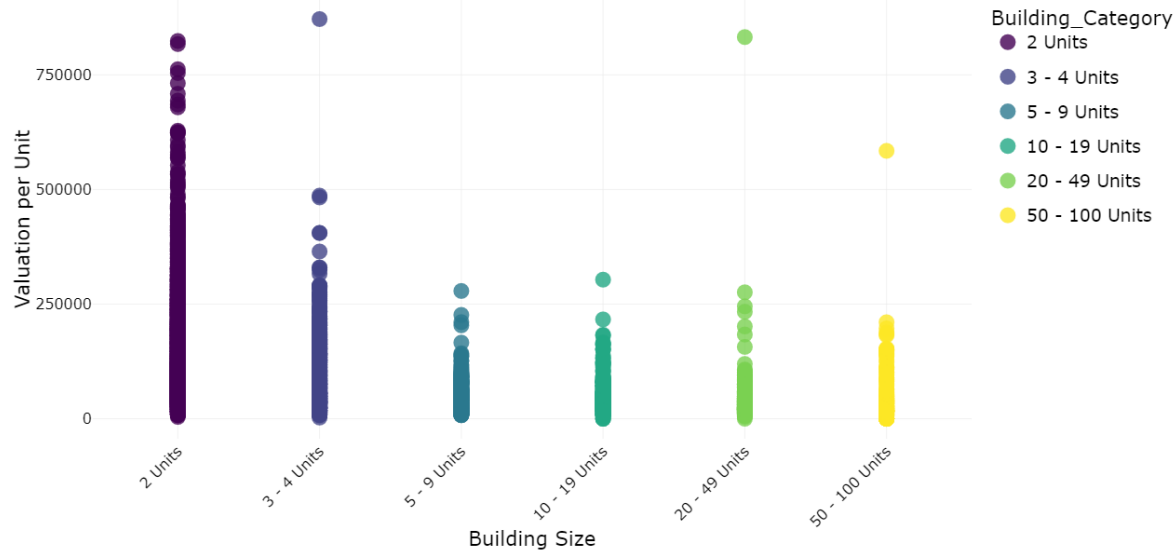
## % of Units that are SMMF



# Fulton Valuation Per Unit

As building size goes up, the typical valuation per unit goes down – with a large distribution within duplexes

## Valuation Per Unit Chart



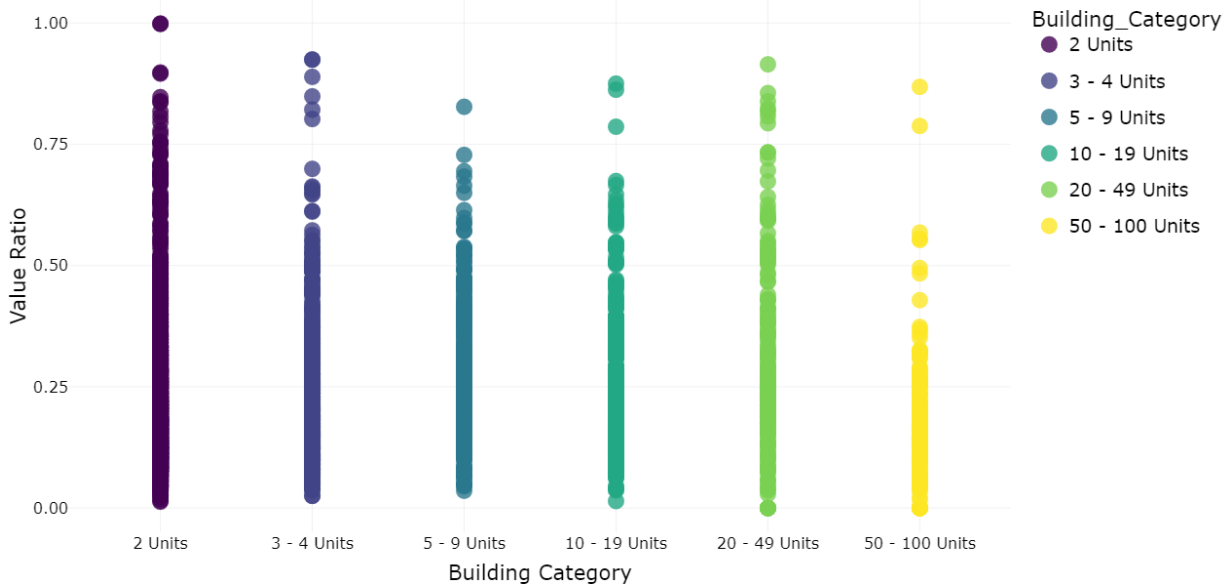
## Valuation Per Unit Table

Building Size	Median Valuation per Unit	Average Valuation Per Unit
2 Units	\$96,220	\$129,987
3 - 4 Units	\$81,880	\$102,092
5 - 9 Units	\$42,992	\$50,006
10 - 19 Units	\$44,604	\$50,853
20 - 49 Units	\$33,449	\$47,814
50 - 100 Units	\$32,248	\$51,033

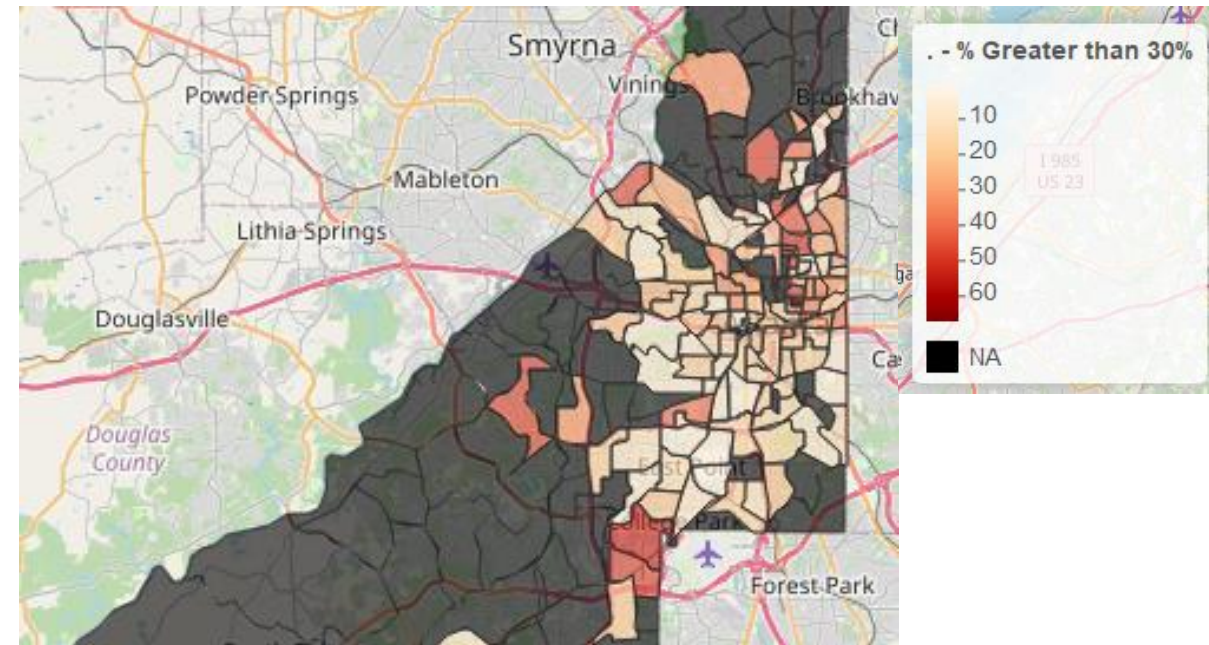
# Seeing Value in the Land not the Structure (Fulton)

SMMF parcels with high land value ratios are concentrated in the northeastern area around downtown, with lower land value ratios in the south of Atlanta

## Land Value to Total Value Ratio by Building Size



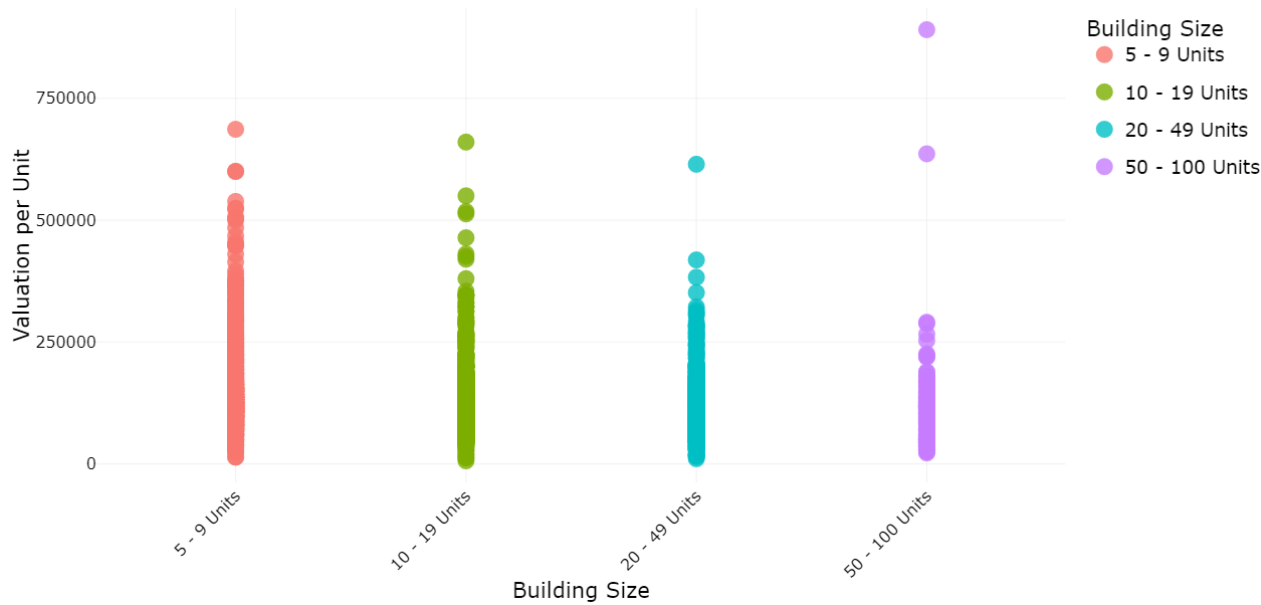
## % of Properties have a ratio greater than 30%



# Miami-Dade Valuation Per Unit

As building size goes up, the typical valuation per unit goes down, but there are many outliers in all building sizes

## Valuation Per Unit Chart



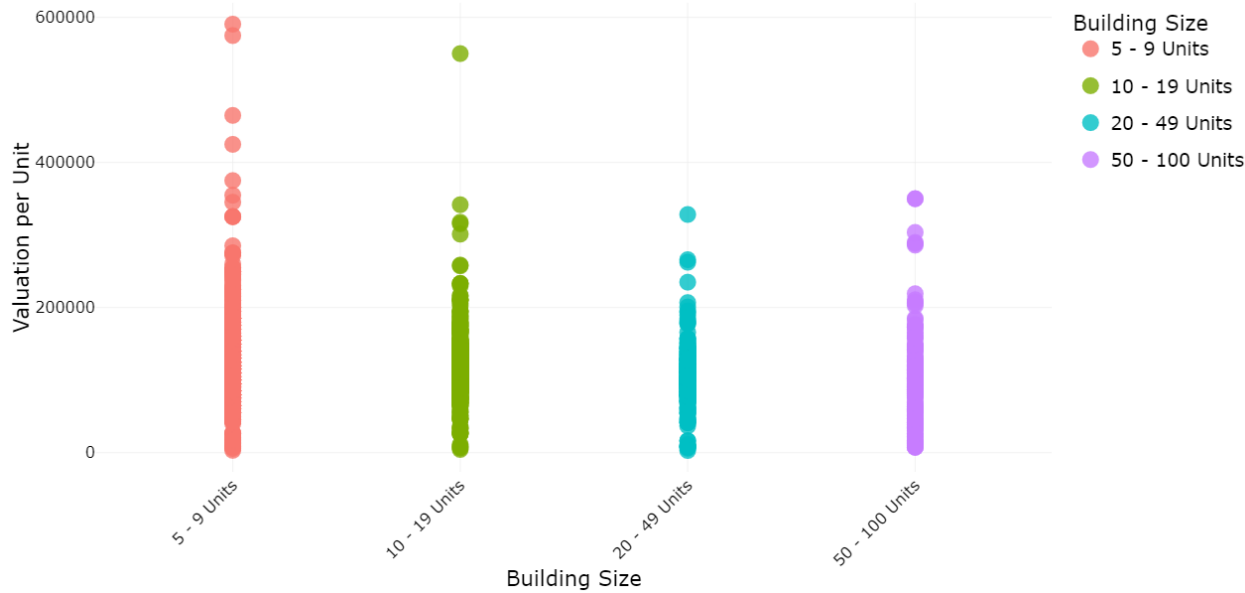
## Valuation Per Unit Table

Building Category	Median Valuation per Unit	Average Valuation per Unit
2 Units	\$188,003	\$231,905
3 - 4 Units	\$124,332	\$143,990
5 - 9 Units	\$124,957	\$132,395
10 - 19 Units	\$118,333	\$125,392
20 - 49 Units	\$115,833	\$121,088
50 - 100 Units	\$104,259	\$105,057

# Broward Valuation Per Unit

Valuations are lower in Broward than Miami-Dade, but the general pattern is similar

## Valuation Per Unit Chart



## Valuation Per Unit Table

Building Category	Median Valuation per Unit	Average Valuation per Unit
2 Units	\$165,000	\$187,797
3 - 4 Units	\$125,013	\$133,638
5 - 9 Units	\$115,008	\$120,444
10 - 19 Units	\$111,933	\$115,935
20 - 49 Units	\$103,017	\$104,890
50 - 100 Units	\$97,756	\$103,218

# OWNERSHIP ANALYSIS

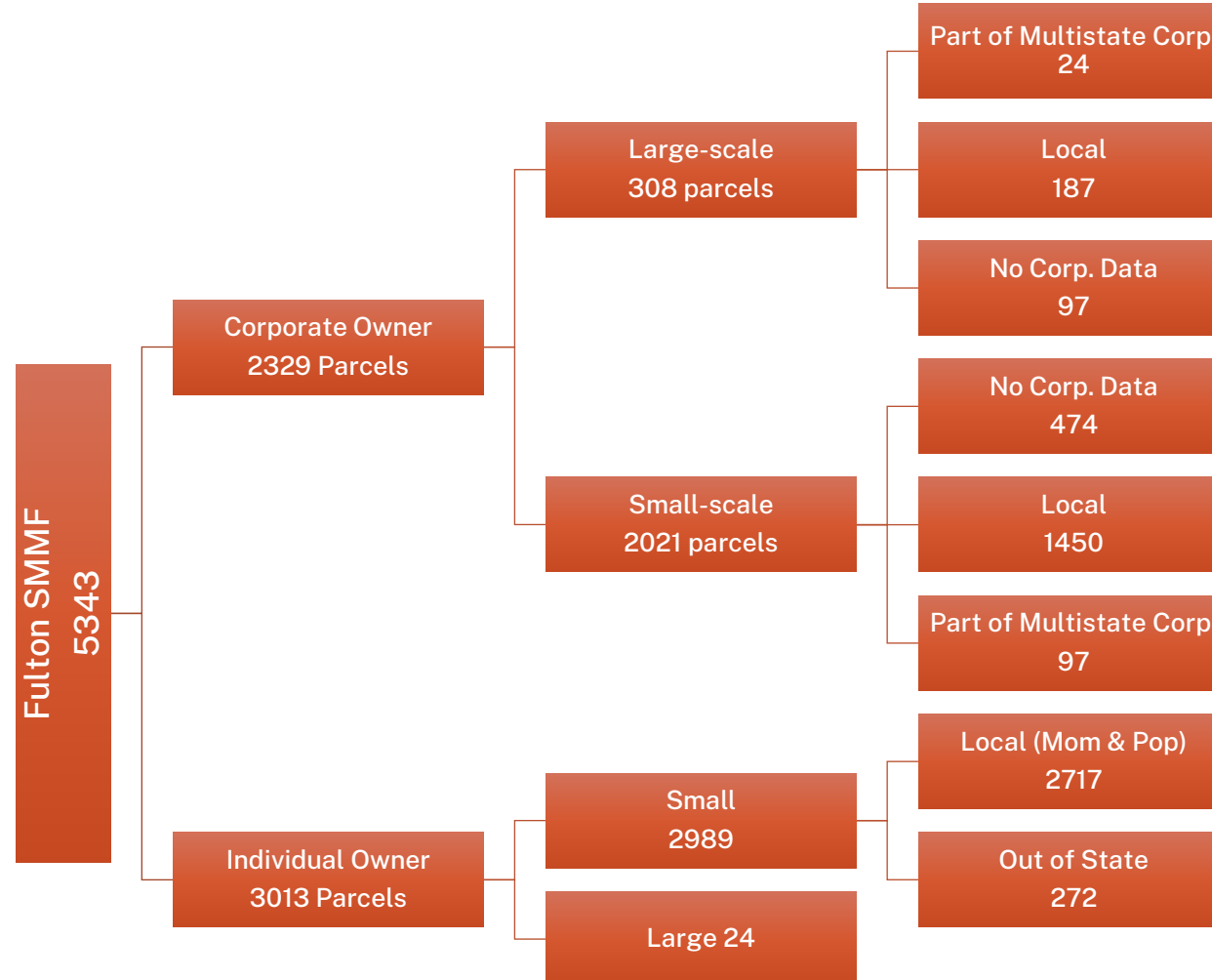


# Ownership Analysis Definitions

## Terminology for Ownership Typologies

- Ownership Cluster – A common owner who has multiple parcels in their portfolio
- Ownership Cluster Classifications
  - Type
    - Mom & Pop – Local small-scale owners
    - Corporate – Professionally organized through an LLC, LLP, etc.
  - Size
    - Small – 5 or fewer properties
    - Large – More than 5 properties
  - Geography
    - Local– Mailing address is in-state & not part of an organization that operates in multiple states
    - National – Mailing Address is out of state &/or is part of an organization that operates across state lines

# Fulton County Ownership Classification



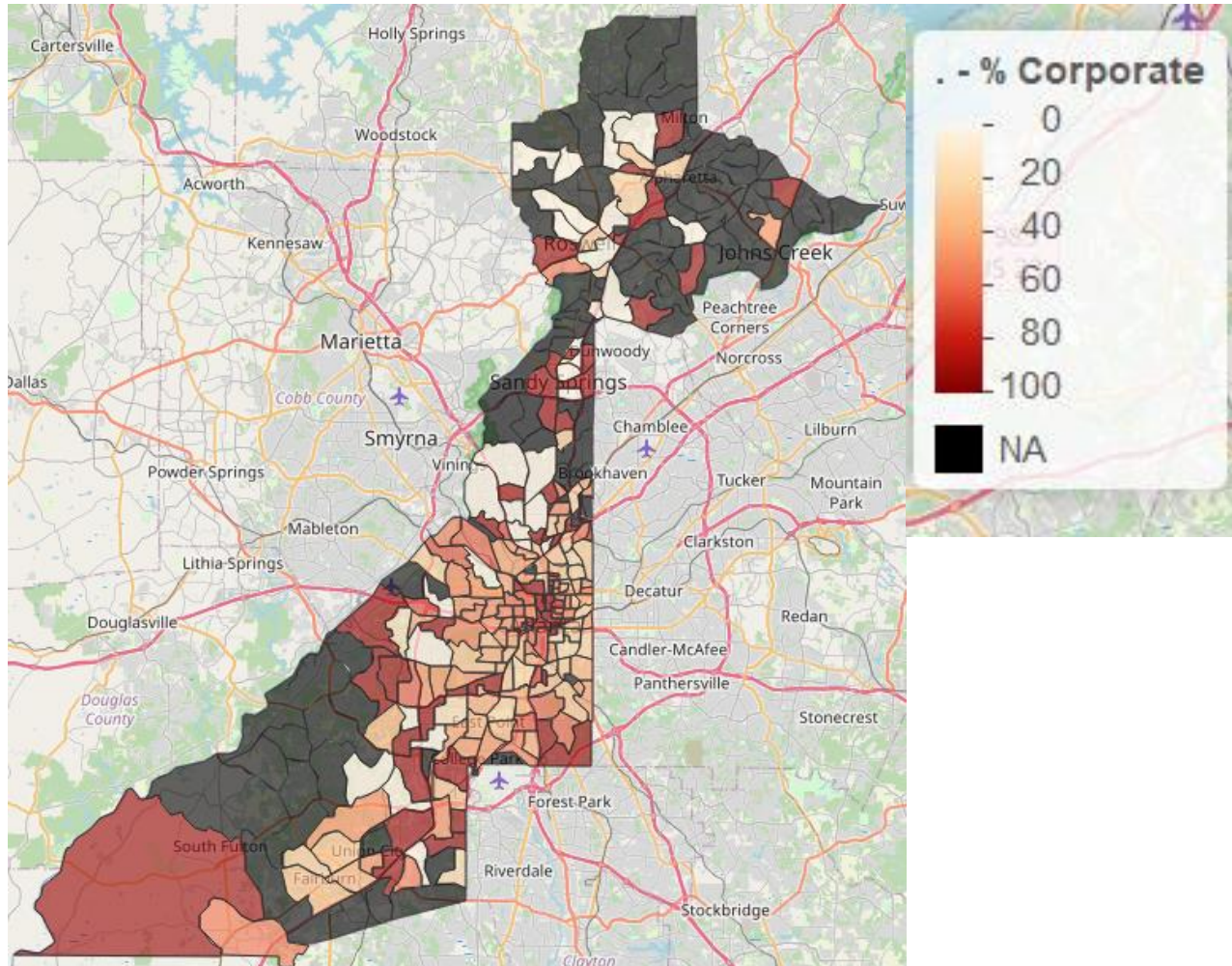
# Fulton Corporate vs Mom & Pop Ownership Rates

“Mom & Pop” landlords own most smaller units, but larger corporations typically own larger buildings

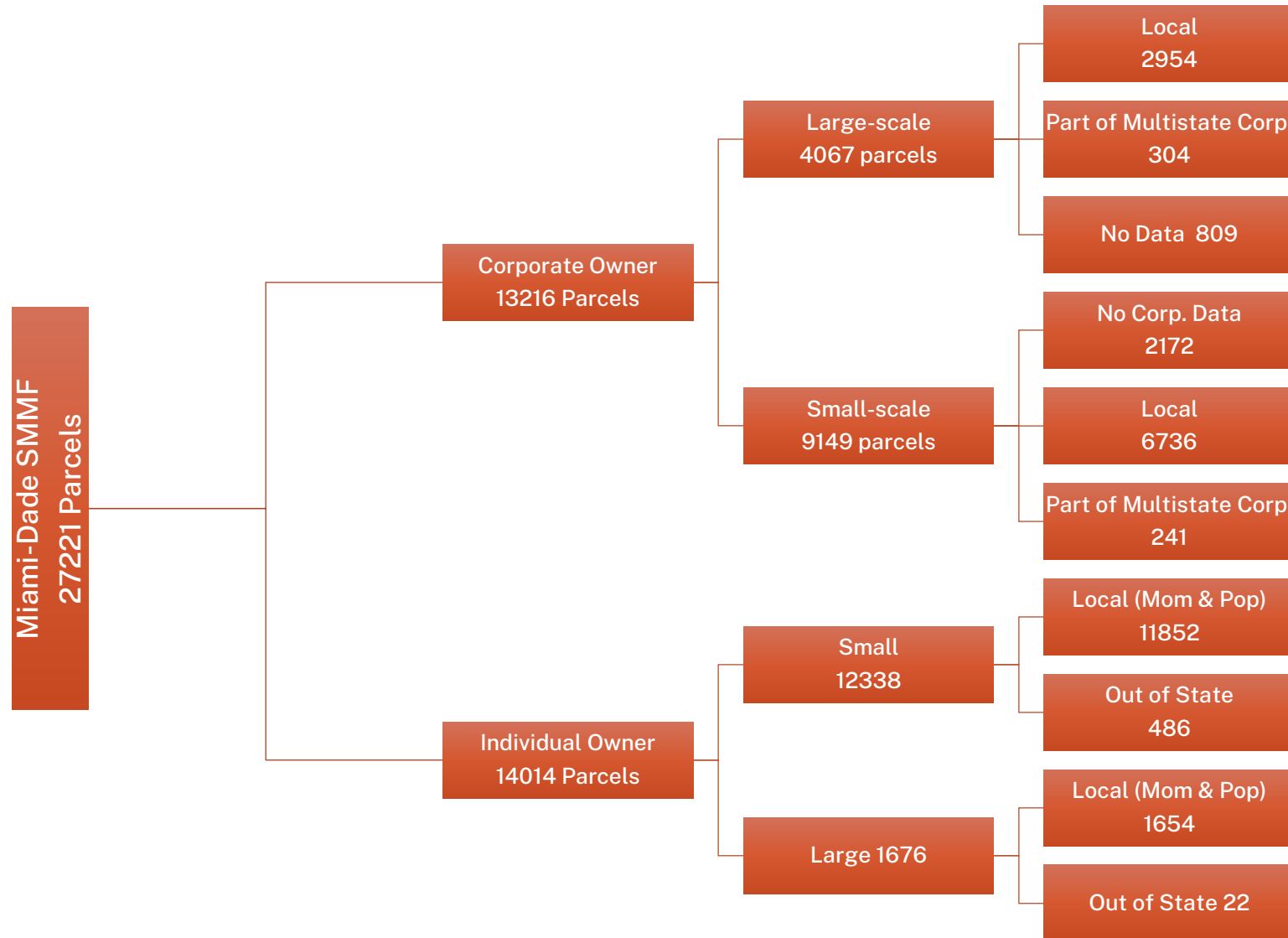
Ownership Typology	2 Units	3 - 4 Units	5 - 9 Units	10 - 19 Nineteen Units	20 - 49 Units	50 - 100 Units
Large Mom & Pop	0%	1%	2%	0%	1%	0%
Large Local Corporation	2%	3%	5%	9%	13%	9%
Large Missing Registration Corporation	0%	0%	6%	15%	6%	3%
Large National Corporation	1%	0%	0%	0%	1%	0%
Small Mom & Pop	62%	51%	20%	8%	2%	0%
Small Local Corporation	20%	28%	50%	50%	56%	53%
Small Missing Registration Corporation	8%	9%	13%	13%	16%	16%
Small National Corporation	1%	1%	2%	3%	6%	18%
Small Out-of-State Individual	6%	6%	2%	1%	1%	1%
<b>Individual</b>	<b>68%</b>	<b>58%</b>	<b>24%</b>	<b>10%</b>	<b>3%</b>	<b>1%</b>
<b>Corporate</b>	<b>32%</b>	<b>42%</b>	<b>76%</b>	<b>90%</b>	<b>97%</b>	<b>99%</b>

# Fulton Ownership Map

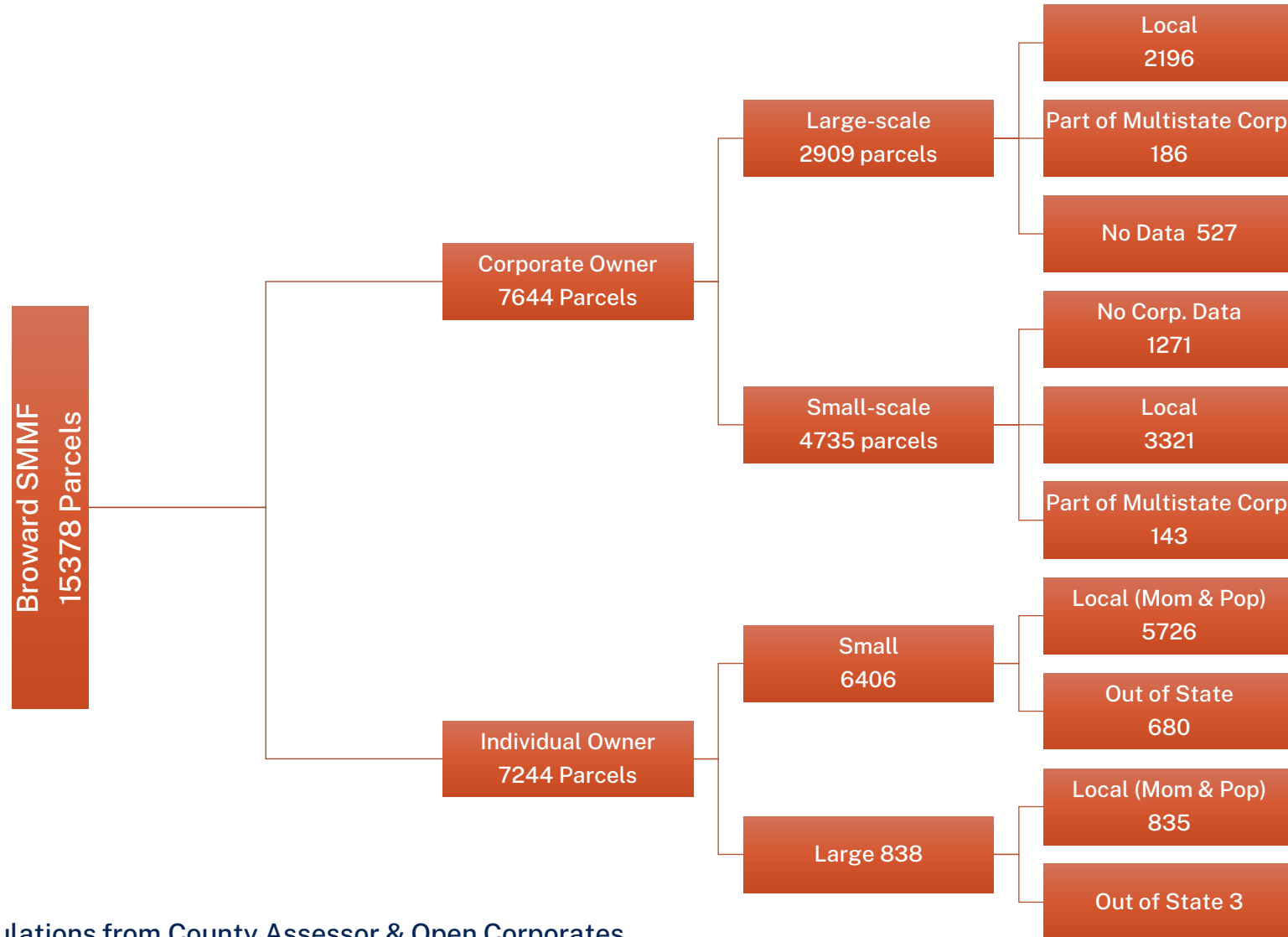
Downtown Atlanta and parts of southern Fulton have higher rates of corporate ownership than some of the Eastside neighborhoods



# Miami-Dade County Ownership Classification



# Broward County Ownership Classification



# South Florida Corporate vs Mom & Pop Ownership Rates

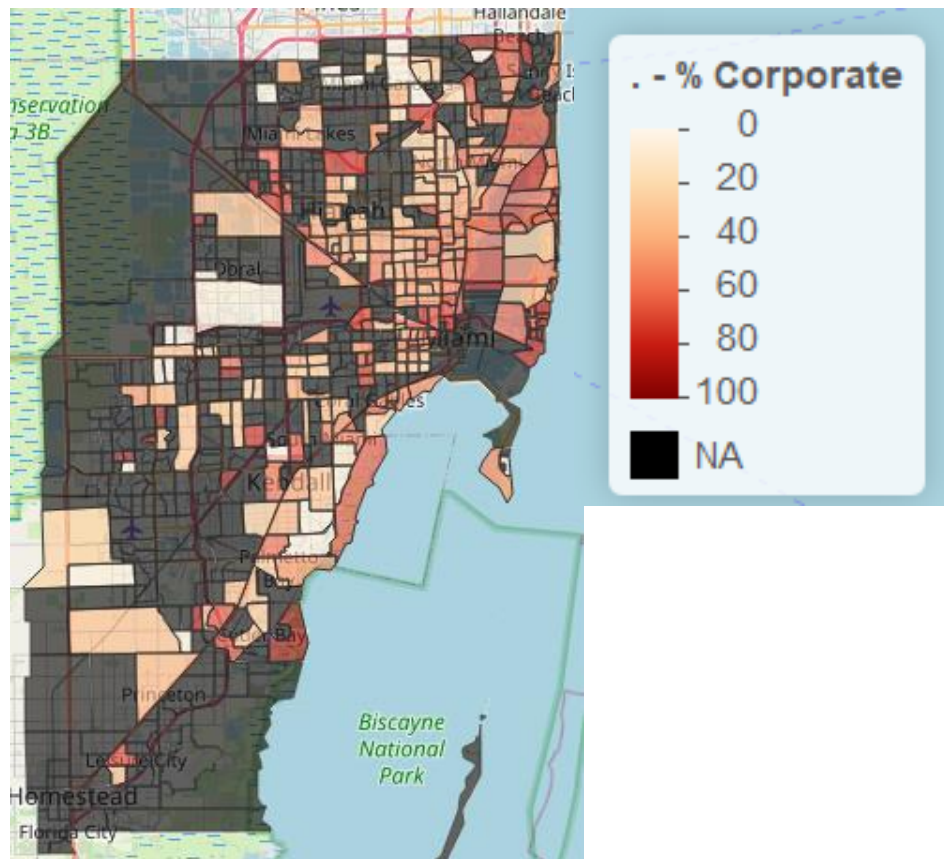
Corporate owners make-up the majority of owners in all categories except duplexes

Ownership Type	2 Units	3 - 4 Units	5 - 9 Units	10 - 19 Units	20 - 49 Units	50 - 100 Units
Large Mom & Pop	8%	7%	6%	4%	2%	1%
Large Local Corporation	7%	14%	19%	27%	29%	21%
Large Missing Registration Corporation	2%	3%	5%	5%	8%	7%
Large National Corporation	0%	2%	1%	2%	4%	5%
Large Out-of-State Individual	0%	0%	0%	0%	0%	1%
Small Mom & Pop	53%	36%	19%	11%	7%	6%
Small Local Corporation	18%	25%	37%	38%	38%	40%
Small Missing Registration Corporation	8%	8%	9%	9%	9%	12%
Small National Corporation	0%	1%	2%	2%	3%	7%
Small Out-of-State Individual	3%	3%	2%	1%	0%	1%
<b>Individual</b>	<b>64%</b>	<b>47%</b>	<b>27%</b>	<b>16%</b>	<b>10%</b>	<b>9%</b>
<b>Corporate</b>	<b>36%</b>	<b>53%</b>	<b>73%</b>	<b>84%</b>	<b>90%</b>	<b>91%</b>

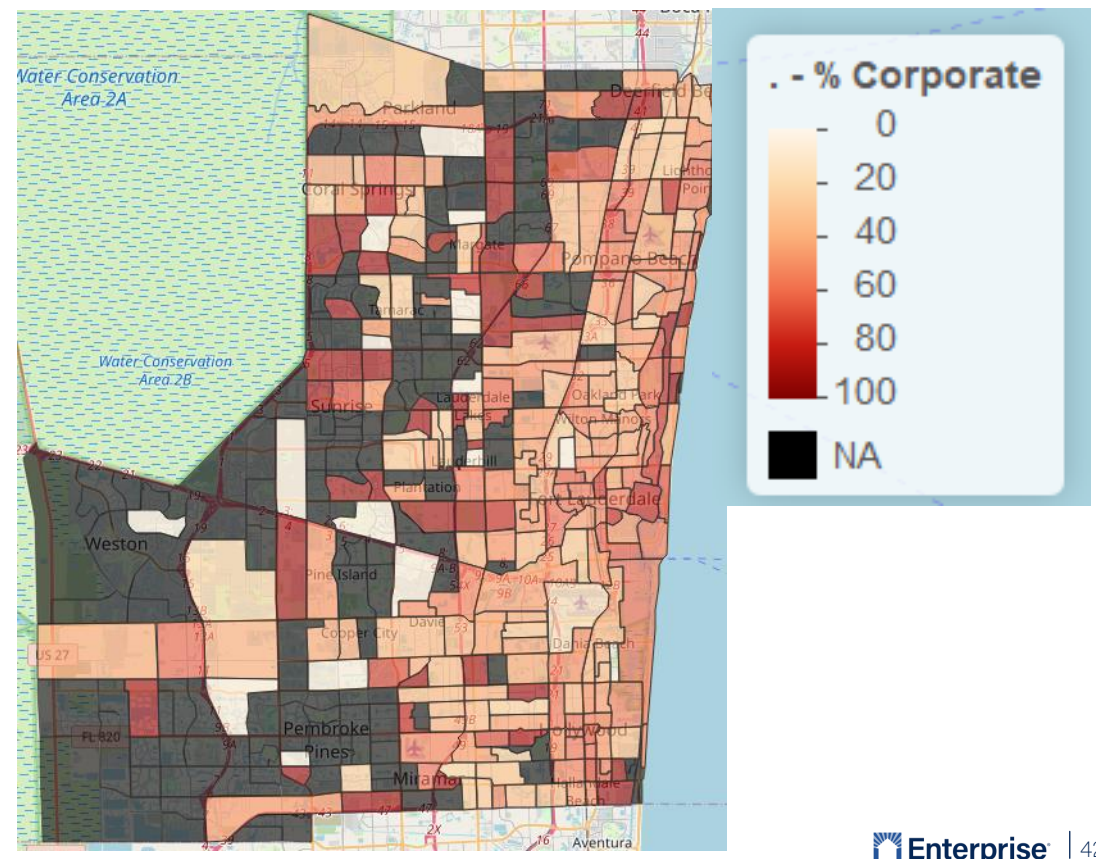
# South Florida Ownership Maps

Corporate owners are concentrated near the coastline in Miami-Dade and in the western portions of Broward

## Miami-Dade



## Broward





# QUESTIONS?

# CASE STUDY

# Speaker Introduction

Small to Medium Multifamily Preservation Strategies and Case Studies: Atlantica Properties



## Darion Dunn

**CO-FOUNDER AND MANAGING PARTNER, ATLANTICA PROPERTIES**

Darion is the co-founder and managing partner of Atlantica Properties, a vertically integrated real estate investment and asset management company in Atlanta with a mission to empower individuals by establishing thriving, holistic communities. Darion began his career as a real estate investor in 1998 acquiring and rehabilitating single-family and multifamily properties. His experience includes working as a project manager for civil engineering firms, where he was responsible for managing transportation, infrastructure and capital improvement projects. Darion also has served as the Director of Capital Improvements and Planning for the Buckhead Community Improvement District, managing projects for one of the most dynamic regions in the Southeast. Darion's experience as a real estate investor, professional engineer, and community leader gives him a unique perspective as the principal of Atlantica Properties.

## PRESERVATION NEXT



Presented to:



Southeast Preservation Academy  
Local Preservation Strategies

Founded in 2010, Atlantica Properties is a vertically integrated real estate investment and asset management company with a mission to empower individuals by establishing thriving, holistic communities. Since its inception, the company has achieved success by acquiring and managing assets that produce strong financial returns. With a focus on workforce housing, Atlantica employs hands-on business practices and strong industry relationships to execute on opportunities that produce equitable outcomes.

With over 40 years of combined real estate experience, the leadership team at Atlantica Properties is positioned to become one of the premier multifamily brands in the Atlanta market.

The company is managed by its co-founders, Darion Dunn and Trenton Dunn. Darion and Trenton Dunn are brothers who were born and raised in Atlanta. They each have an intimate knowledge of the Atlanta landscape, which has helped shape their real estate business.

## Asset Management Services

- SFR Portfolio & Multifamily Acquisition
- Real Estate Development
- Property Management
- Residential & Commercial Sales



## Benefits



- Affordable/older rental units are in high demand
- Project costs can be less expensive than new construction
- Operations can begin quicker than new construction
- Need less experience than new construction development

## Challenges



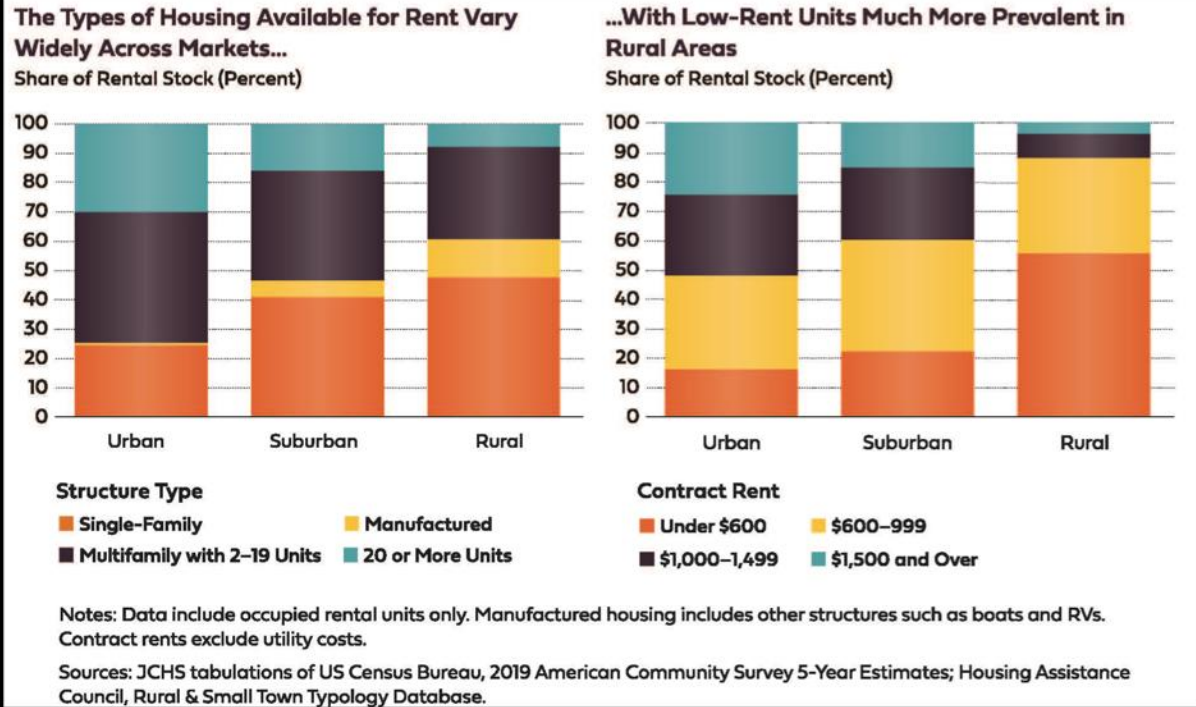
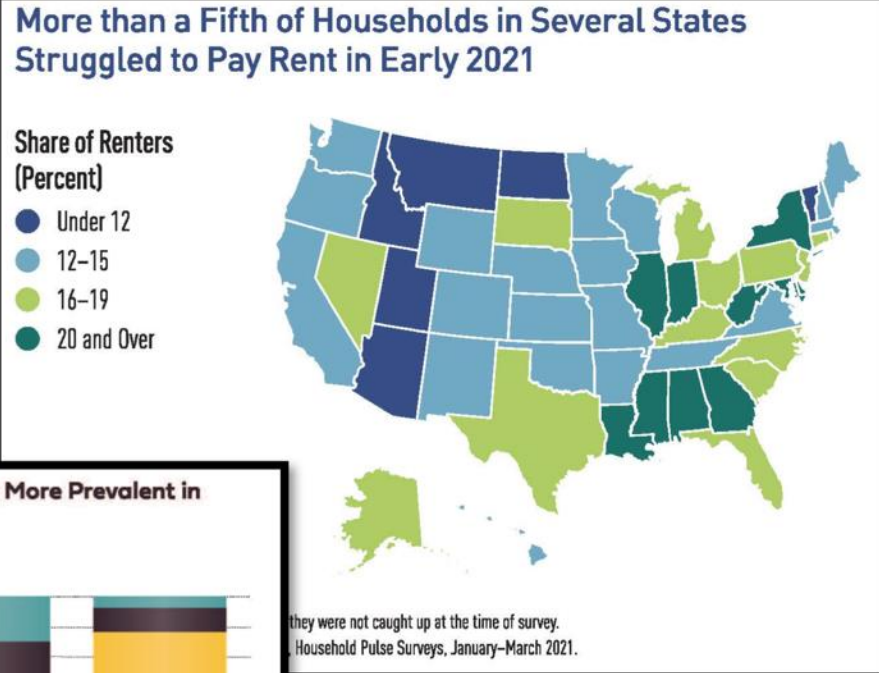
- Commercialization of affordable housing (hedge funds)
- Lack of government subsidies and incentives
- Private capital can be expensive (15%+ returns for private equity)
- Housing stock is aging with significant capital often necessary to maintain and/or renovate older properties
- Identifying the capital improvement needs can be difficult
- Avoiding displacement of tenants due to construction and/or rent increases
- Local permitting process can be difficult to navigate (life safety & ADA codes)

# Defining the Need for Preservation



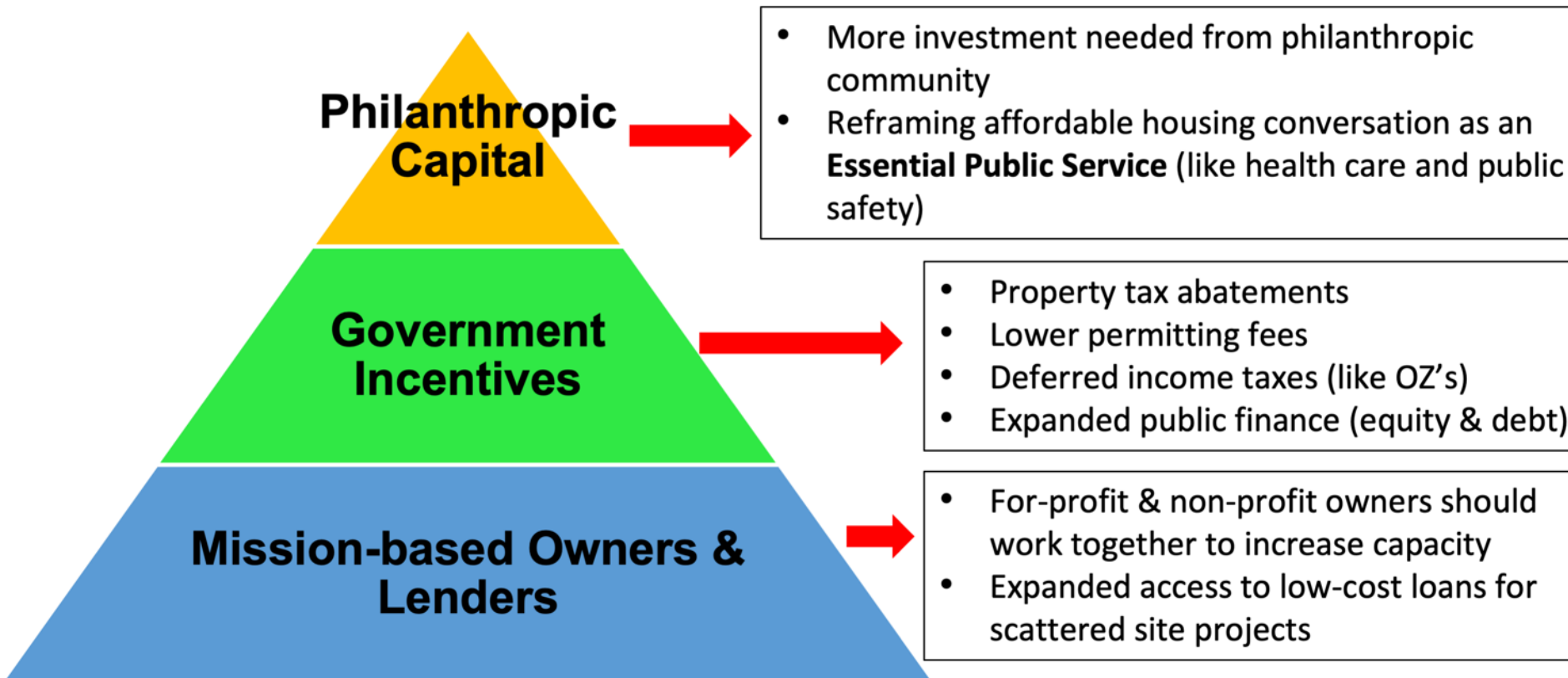
## PRESERVATION NEXT CASE STUDY

- Growing number of households struggle to pay rent
- Housing diversity is essential for thriving economy
- Preservation can curb rising costs of rentals and home sales



- More than 70% of rental units are in properties with less than 20 units

## Best Solutions are Multi-tiered





# Case Study: Multifamily Housing



## PRESERVATION NEXT CASE STUDY

### Subject Property Details

- Forest Park, GA
- Built in 1967
- Purchased in 2013 for \$1M
- Freddie Mac loan at 4.27% Interest Rate
- Average Annual Lease Turnover: 5%
- **Average Rent Today: \$950 (50% AMI)**



### Comparable Property Details

- Forest Park, GA (located 0.3 miles away)
- Built in 1966
- Sold in 2013 for \$2.2M
- Sold in 2016 for \$2.6M
- Sold in 2017 for \$4.3M
- Sold in 2020 for \$6.0M
- Sold in 2022 for \$9.7M (340% increase!)
- **Asking Rent for Renovated Units: \$1200+ (60%-80% AMI)**



## Actual Deal Details

- Lithia Springs, GA
- 2154 SF, 3 BD/3 BA, Built in 2003
- Purchase Price: \$285,000
- Debt: 80% LTV at 5.75% (private lender)
- Private Equity: \$75,000 (purchase/rehab)
- Philanthropic/Gov't Equity: \$0
- **Actual Rent: \$1,995 (100% AMI)**
- Annual Net Income: \$7,182 (30% of gross)
- **Private Equity Cash-on-Cash Return: 9.5%**

## Hypothetical Deal Details

- Purchase Price: \$285,000
- Debt: 80% LTV at 3.75% (impact lender)
- Private Equity: \$15,000 (purchase/rehab)
- Philanthropic/Gov't Equity: \$60,000 (grant or forgivable loan)
- **Proposed Rent: \$1,344 (60% AMI)**
- Annual Net Income: \$4,838 (30% of gross)
- **Private Equity Cash-on-Cash Return: 32%**



- **Lower monthly rent**
- **Permanent affordability (LURA)**
- **Less equity needed from developer/investor**
- **Higher potential ROI for developer/investor**

## Purchase of a 72-home SFR Portfolio

- Seller was the Housing Development Corporation of DeKalb (non-profit arm of DeKalb Housing Authority)
- Project goal was to resell all the homes to owner-occupants to promote neighborhood stabilization and wealth creation
- 2-year project (January 2019 to January 2021)
- Existing tenants were given right of first refusal
- If tenant didn't purchase their home, then property was listed with "First-look" period for owner-occupants
- Higher cash offers from investors were turned down
- Over 90% of the homes were sold to first-time homebuyers
- Resell price range: \$150K to \$250K (50% - 100% AMI)
- **Over \$4M of equity has been created for the new homeowners...and growing!**

## Keys to Success

- Equity partner that was willing to prioritize mission over profit
- Non-profit seller that invested (indirectly) to promote affordable homeownership
- Low-cost capital (available organically due to pandemic market conditions)





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# Q&A

# SURVEY

[bit.ly/pn12survey](https://bit.ly/pn12survey)

**Join us for our next session on Jan. 16!**

**Preparing for Preservation:  
Preservation Development Models**

**Guest Speakers will include:**

**Cecilia Leal, Atlanta  
Neighborhood Development Partnership (ANDP)**

**Others to be announced!**

**What to Expect This Session**

- Participants will hear about different **affordable stewardship models** (deed restrictions, CLTs, and cooperatives) and how they can apply to SMMF preservation deals
- Participants will learn how to structure and assess **joint ventures** to advance their preservation work
- Participants will learn from case studies and a **practitioner-focused panel** to better understand which preservation development model may be a right fit for them

# Thank you

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## Resources:

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

[Preservation Next](#)



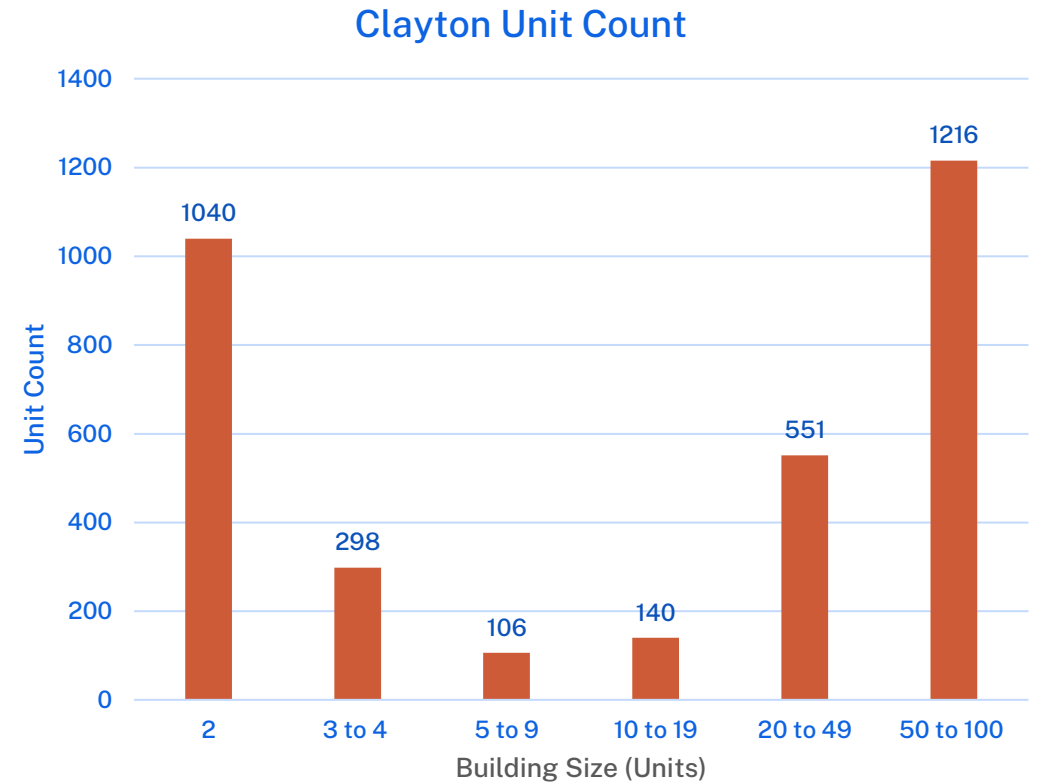
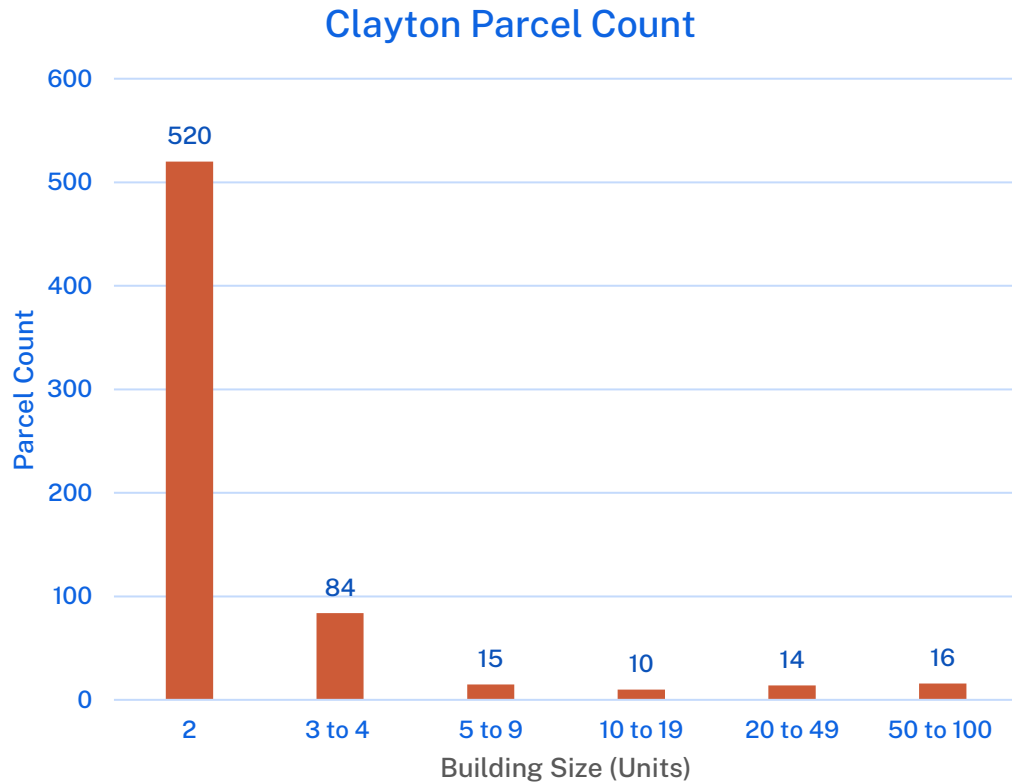
# APPENDIX

# ADDITIONAL DATA

APPENDIX

# Clayton SMMF Parcel and Unit Counts

Despite the majority of parcels being duplexes, larger unit buildings provide a significant bulk of housing

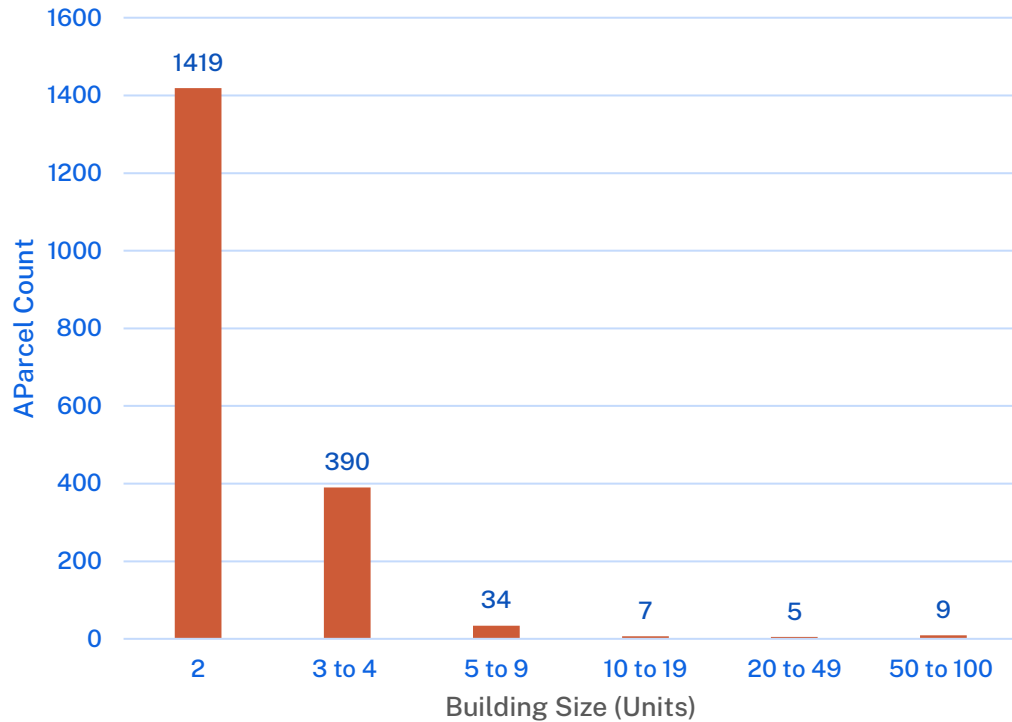


APPENDIX

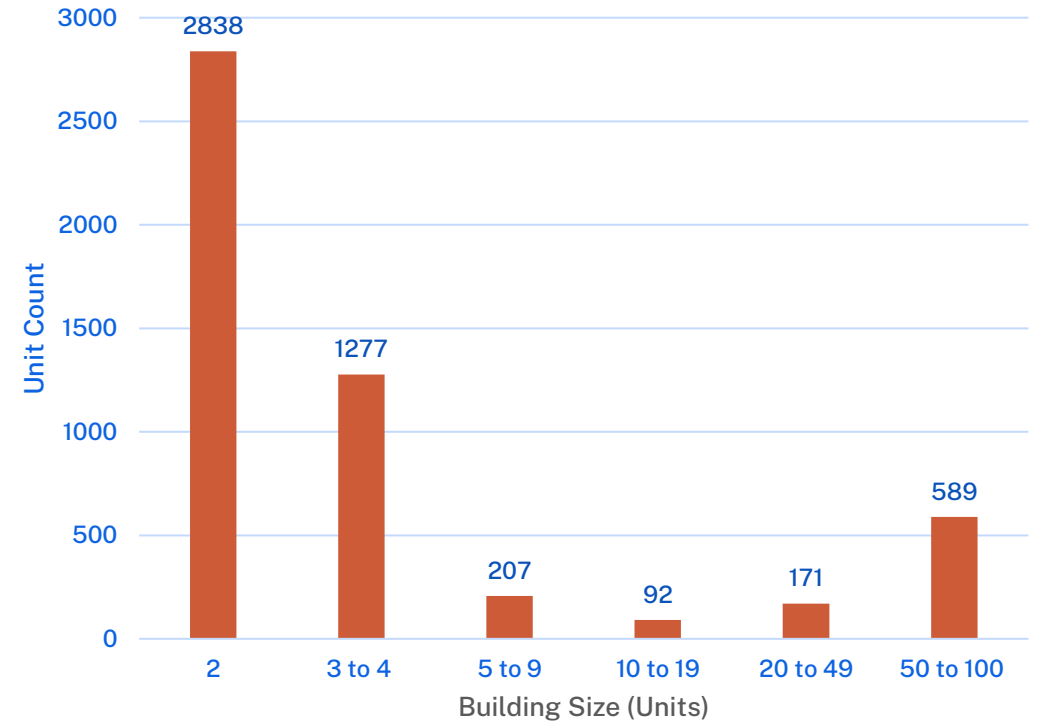
# Cobb SMMF Parcel and Unit Counts

Very few large buildings in Cobb County, but a surprising amount of older buildings

Cobb Parcel Count



Cobb Unit Count

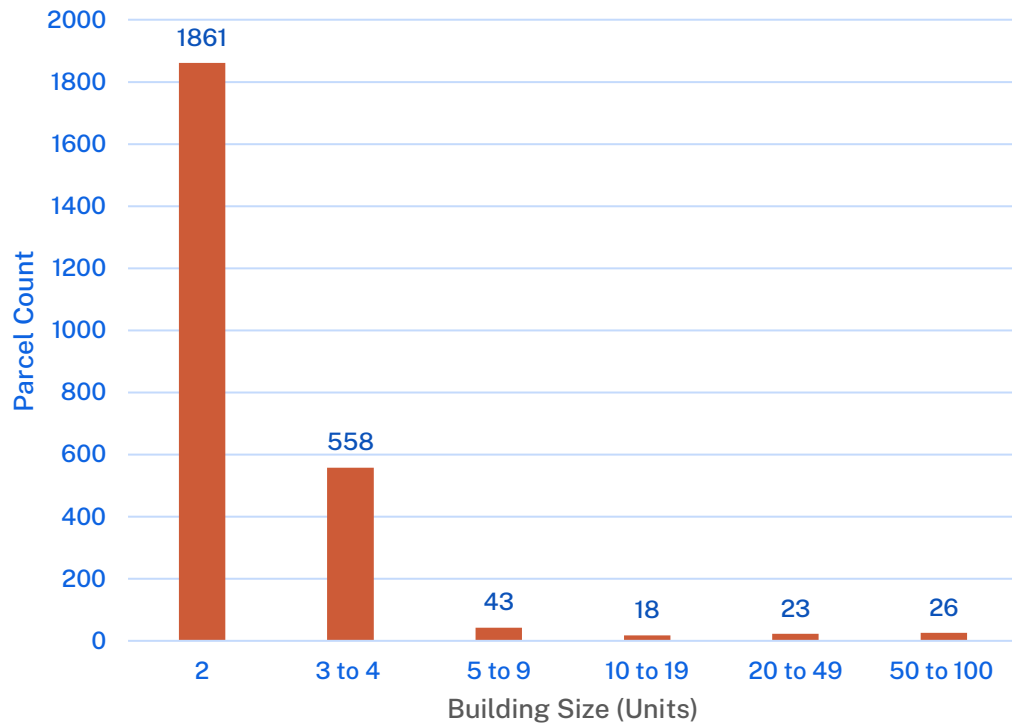


APPENDIX

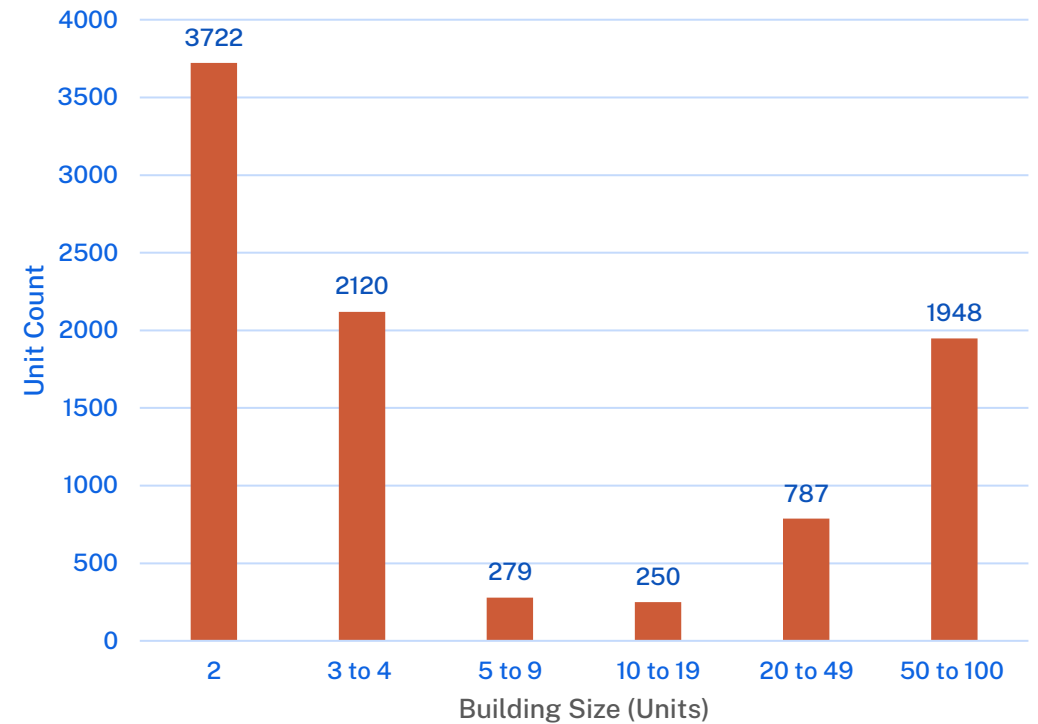
# Gwinnett SMMF Parcel and Unit Counts

A substantial share of older duplexes and three-to-four-unit buildings provide some substantial housing

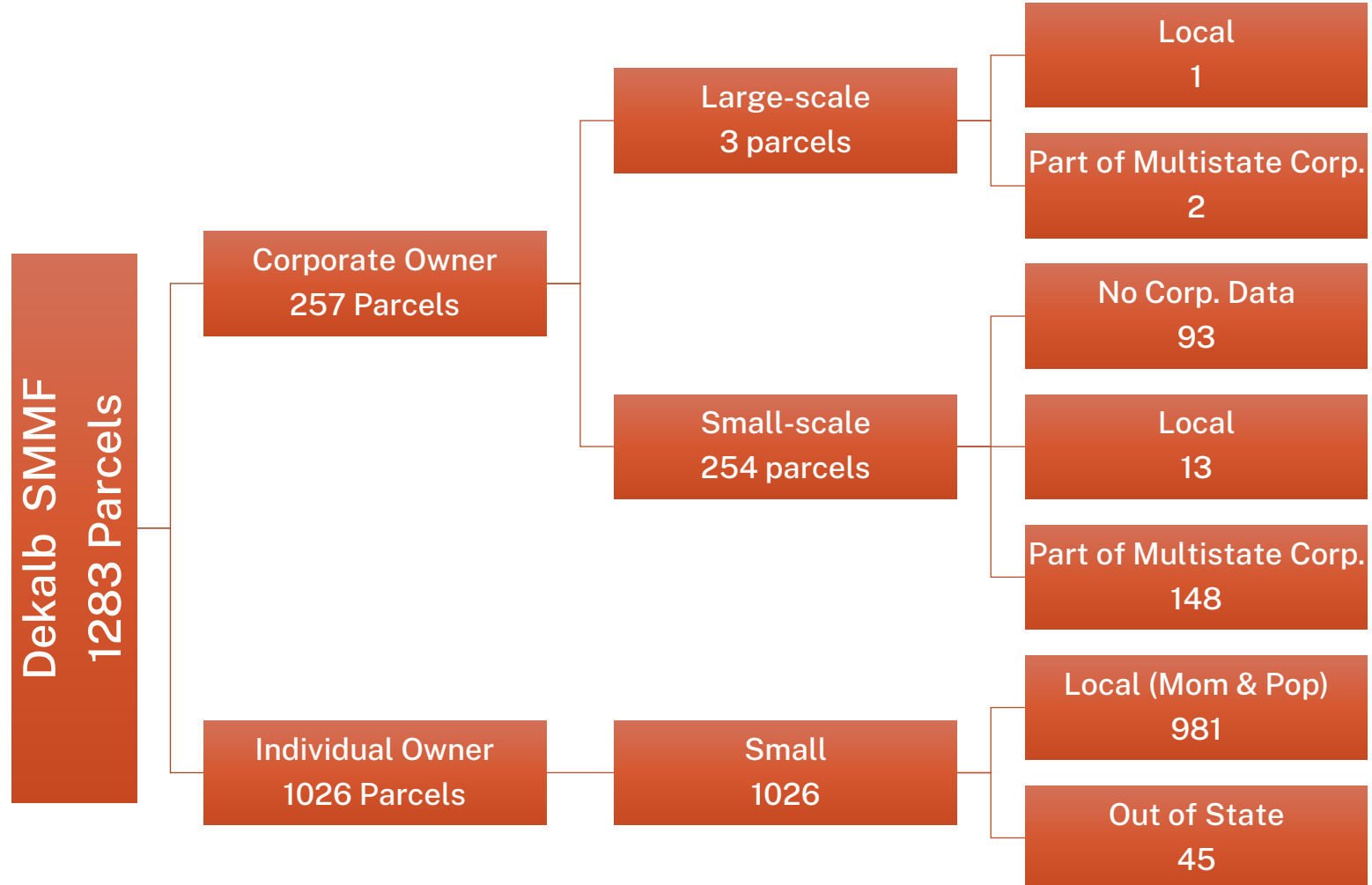
Gwinnett Parcel Count



Gwinnett Unit Count



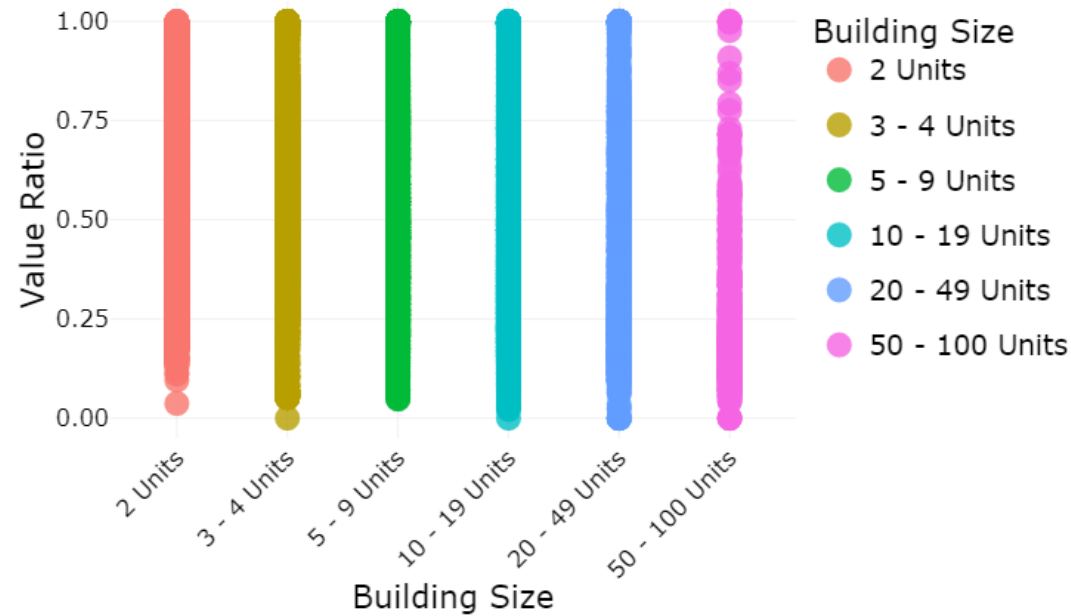
# Dekalb County Ownership Classification



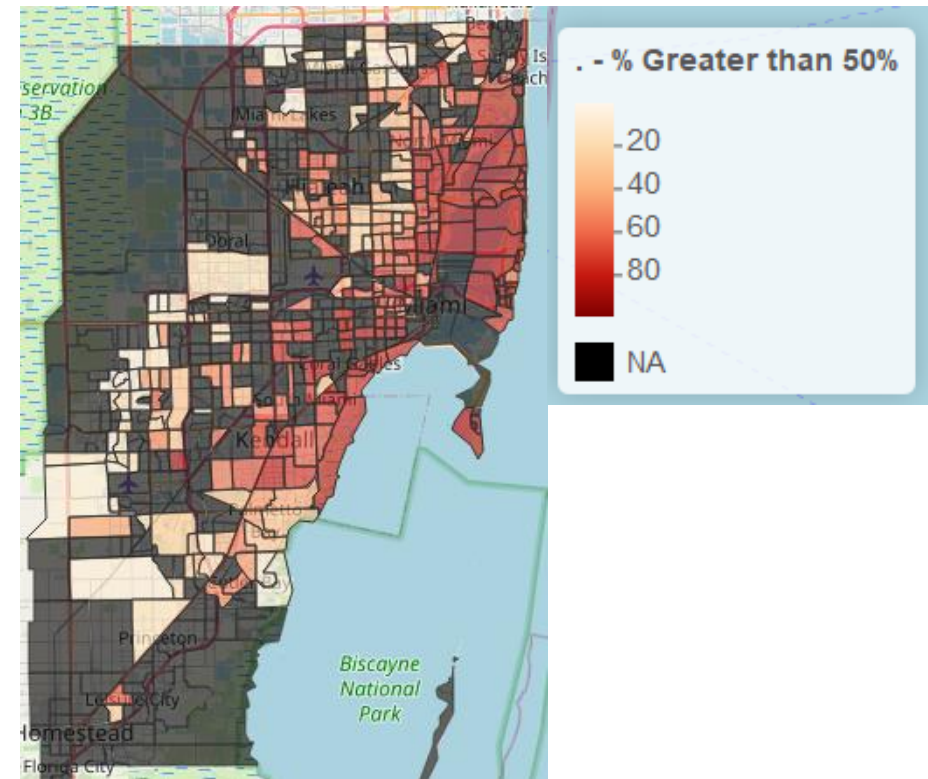
APPENDIX

# Seeing Value in the Land not the Structure (Miami-Dade)

## Land Value to Total Value Ratio by Building Size



## % of Properties have a ratio greater than 50%



# IDENTIFYING PROPERTIES FOR ACQUISITION



## 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

# Sources for Identifying Specific SMMF Properties

## Identifying Properties for Acquisition

1. **Standard Sources:** Realtors, MLS, Costar, Property Radar
2. **Tenants or Tenants Rights Organizations:** Tenants coming to you or partnering with another group in your community (e.g. legal aid groups)
3. **County Default or Foreclosure Lists:** Could identify via PropertyRadar, or work with county to obtain.
4. **Public Spotlight:** Media coverage, public officials, etc.
5. **Sellers**



Photo: Jeff Chiu, AP Images

## Example approaches

### Identifying Properties for Acquisition

#### Local real estate brokers - [Kensington Gardens](#) (Oakland, CA)

- East Bay Asian Local Development Corporation developed a model that leverages strong relationships with local brokers to identify acquisition opportunities
- Their internal Housing Acquisition Fund allowed the organization to respond rapidly in a hot market

#### Online data resources and real estate listings – [16 Corner](#) (Miami, FL)

- Staff at the Omni Community Redevelopment Agency regularly looked at online databases of real estate listings for properties in their target neighborhood, Miami's Historic Overtown

#### Identifying common property owners – [380 San Jose Ave and 70-72 Belcher Street](#) (San Francisco, CA)

- Community organizers and legal aid attorneys in San Francisco noticed many of the tenants with whom they were working shared the same landlords
- Mission Economic Development Agency and San Francisco Community Land Trust came together to purchase a portfolio of five properties owned by the same investor

#### A joint venture partnership with broker and tenant engagement – [700 Simmons Ave](#) (Los Angeles, CA)

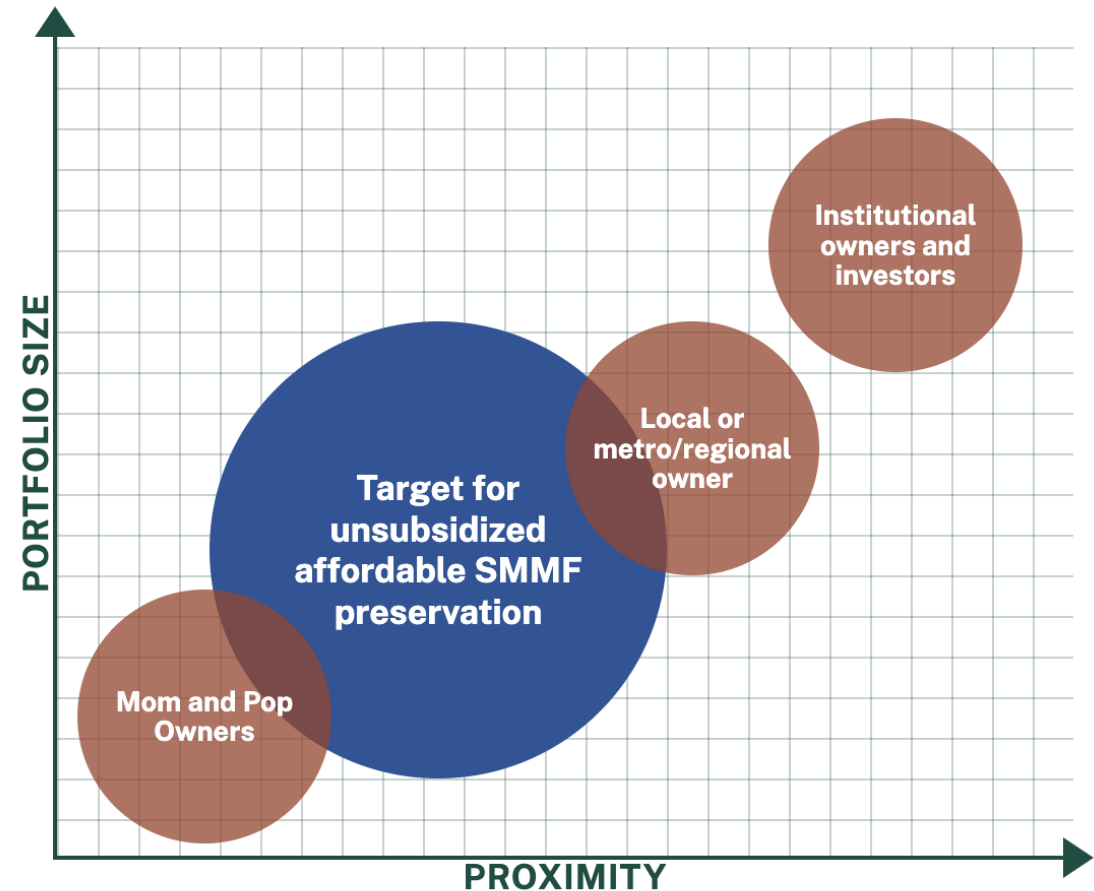
- Little Tokyo Service Center, a CDC, used a broker to identify properties listed for sale in East Los Angeles
- To connect East LA residents with information on tenants' rights, a resident led CLT, Fideicomiso, went door knocking to rental properties that were listed on the market.
- Fideicomiso gathered intel about the property and discovered it was a good candidate for preservation.

# Tips for working with property owners

## Identifying Properties for Acquisition

Potential seller motivations

- Increasing and maintaining a steady cash flow
- Maximizing return on investment
- Alleviating the burden of property maintenance
- Inability to access capital for necessary rehabilitation
- Alleviating the cost of rising property taxes
- Retirement or estate planning



# Conducting due diligence

## Identifying Properties for Acquisition

### Common due diligence practices:

- Financial audit
- A full physical walkthrough
- Property Condition Assessment (AKA Physical Needs Assessment or Capital Needs Assessment)
- Examination of current leases to verify rent roll, terms, and schedules
- Appraisal of the property's current market value
- Getting a title report
- Environmental Site Assessment

### Common issues to be aware of:

- Title issues
- Delinquent property taxes
- Appraisal gaps
- Unrealistic timing expectations

# Financing the acquisition

## Identifying Properties for Acquisition

In addition to the purchase price of the property, you also need to factor in the costs of conducting due diligence before closing. Depending on your location and size of the property, those costs can range from \$50k-\$100k on average.

### Potential sources:

- Lines of credit
- Bridge financing
- Resources from CDFIs
- Partnerships with mission-aligned philanthropic funders
- Property acquisition funds

# REVIEW: Identifying properties for preservation

- There are many sources you can use to identify properties: from secondary data sources to public programs to local community leaders and real estate brokers.
- Understanding the seller's motivations can help you structure an appealing offer and understand what financing is most helpful to assemble.
- Thorough due diligence is key before you make the final decision to move forward with closing on the property.
- Common sources for funding acquisition and due diligence costs include: lines of credit, bridge financing, CDFIs, philanthropic grants, and property acquisition funds.