

United Front Homes
New Bedford, MA

Preserving Affordable Housing

Emphasizing their
commitment to long-term
maintenance and operation



Between 1965 and 1990, \$60 billion in federal funding was invested across the country in privately-owned, affordable rental homes for families, the disabled and the elderly, with the premise that the government would fund construction and operating costs if the owners would promise to make rent affordable for these groups for the duration of the fixed financing period. With the expiration of each financing agreement looming, the incentive for owners to keep their rents affordable is deteriorating.

The primary mission of Preservation of Affordable Housing, Inc. (POAH) is to intervene and preserve these valuable assets for future generations by purchasing large, multifamily properties and refinancing them for long-term affordability. Celebrating its 10th anniversary this year, POAH continues to make the American dream possible for thousands of families.

“POAH and other affordable housing developers provide one of the most important components to a family’s ability to succeed—safe, quality, comfortable shelter,” says Amy Anthony, President, Found-

er and Executive Director of POAH. “Over the past few years, POAH and organizations like us have made very intentional efforts to use our housing as both a platform and a conduit, linking residents to these and other resources.”

Anthony has been active in the housing industry for over 30 years and is considered one of the country’s foremost experts in housing finance and policy. In addition to her work with POAH, Anthony has also served on numerous boards and founded several agencies, firms and committees that have affected housing legislation. From 1983 to 1990, she served as Secretary of the Massachusetts Executive Office of Communities and Development, a \$600 million Cabinet-level state agency devoted to producing affordable housing and promoting municipal, community, and economic development.

POAH currently owns more than 6,600 apartments in 50 developments across nine states and the District of Columbia. The average income of residents in POAH housing is only 30 to 50 percent

Preservation of Affordable Housing, Inc.

President, Founder &
Executive Director
Amy Anthony

Location
Headquartered in Boston,
MA, active in 9 states and
the District of Columbia



of the median American income, and the organization specializes in structuring innovative financing to preserve long-term housing affordability for residents who have been priced out of the housing market.

In 2001, POAH acquired Preservation Housing Management (PHM), which has been professionally managing affordable multifamily housing for over 25 years. It now manages more than 6,000 affordable housing apartments in Connecticut, the District of Columbia, Florida, Illinois, Maryland, Massachusetts, Michigan, Missouri and Rhode Island, with 215 staff members who work in offices in Kansas City, Boston, Chicago and Miami.

“Integrating POAH and PHM allows better coordination and feedback loops between development and property management, and between property management and the asset management and long-term stewardship functions,” Anthony says. “In addition, the close understanding of our management practices across the organization helps us identify operational efficiencies available in acquisition prospects, which often factors into our acquisition pricing.”

REVITALIZING PROPERTIES

One recent acquisition has been Grove Parc Plaza, which was built in the late 1960s for low-income residents of Chicago’s Woodlawn neighborhood. Suffering from significant design flaws and concentrated poverty, the property was threatened with foreclosure and demolition in 2007. POAH stepped in to assist the over 400 residents of the building and started its effort in replacing the structure with the new Woodlawn Park development in January of 2008, when PHM took over management.

The project will result in 420 mixed-income units on-site, 300 additional units in the surrounding neighborhood and 80,000 square feet of retail space, a youth center and community area. It will also provide support services for residents, including job training, summer youth programs and nutrition and safety programs. In addition, the project will create over 100 full-time, construction-related jobs during its four-year development period. All phases of the project will follow sustainable practices and be LEED certified, making it a green project throughout.

“It is reuse of an urban site served by existing infrastructure and its proximity to public transit, which are both green elements in the site choices,” Anthony says. “We’ve [also] been able to secure a grant from the Illinois Department of Commerce and Economic Opportunity for a solar hot water system there, incorporating renewable energy sources.”

Another project is Temple Landing, a 173-unit family housing development in New Bedford, Massachusetts. The 11-acre property currently consists of 22 three-story apartment buildings, a community center and a daycare facility. The property was at only three-fourths capacity and facing massive debt, exorbitant utility costs and poor management in 2007, when POAH partnered with United Front Development Corporation to take on the development.

Having procured the necessary time, resources and finances to revitalize the property, some buildings have been demolished, the remaining homes renovated and a number of new residences built. Changes have been made to enhance the functionality and safety of the community, as well as to reconnect the property to the surrounding neighborhoods.

"We are able to incorporate much of the existing buildings in this comprehensive redesign, avoiding significant material consumption," Anthony says.

Also this year, with the help of the U.S. Department of Housing and Urban Development (HUD), the Enterprise Community Loan Fund and the Housing Partnership Fund, POAH was able to save New Horizons, a 100-unit property for elderly residents in Miami's Martin Luther King neighborhood.

That property, like many others, was on the brink of bankruptcy when POAH prevented a foreclosure by working with existing secured debt holders to restructure the debt. POAH is now refinancing and recapitalizing the property, all while using sustainable efforts that caused HUD to designate New Horizons as a HUD Market to Market Green Demonstration pilot project.

BACK ON TRACK

While the organization had a period of slower growth over the last two years due to economic conditions, it is now starting to expand once again.

"We are back on track to renew our expansion at a pace comparable with the previous years—that is, on average, about 1,000 additional units each year and expanding into a new state every year," Anthony says. "We are also looking at potential acquisitions and collaborations that are significantly different than previous ones. These directions will require new approaches, creativity and flexibility, but they represent new opportunities for the organization and for addressing the growing need for affordable housing."

While navigating the complicated and highly regulated world of housing finance with such success is certainly an accomplishment to be proud of, to do so with creative thinking, innovative financing and an eye on sustainability is even more impressive.

"While our growth to nearly 7,000 units in a decade is a source of pride, I am equally pleased with the sustainable business model that we have built, which is focused on the stewardship of the portfolio," Anthony says. "To ensure that these properties will be preserved as affordable units for future generations, it's important to have a business model that emphasizes both the strength and capacity of the sponsor organization and a commitment to long-term maintenance and operations." **DDC**



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Congratulations to POAH on your continued success



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