



FOR IMMEDIATE RELEASE
February 20, 2009

Contact: Lucia Arno-Bernsen
617.484.2095

**Six Projects, 846 Apartment Units in Miami, Jacksonville
Purchased and Preserved by Boston-based Non-Profit
Preservation of Affordable Housing, Inc**

Will Assure Their Long-term Affordability for Families, Seniors

BOSTON, MA (February 20, 2009) – Preservation of Affordable Housing, Inc., (POAH) announced today that it has closed on the purchase of six affordable rental properties – five in the Miami area and one in Jacksonville – with a collective total of 846 apartment units. The seller was Greater Miami Neighborhoods, Inc. (GMN), a Florida-based non-profit which is winding down its operations after over 20 years serving its communities. All of the properties will require significant reinvestment and rehabilitation so that they may be preserved as healthy, decent affordable housing for the long-term.

POAH's purchase in greater Miami includes Campbell Arms Apartments, 201 units; Cutler Glen Apartments, 75 units; Cutler Manor Apartments, 220 units; Cutler Meadows Apartments, 150 units; and New Horizons Apartments, 100 units. In the Jacksonville area, the purchase consists of Middletowne Apartments, 100 units, located in Orange Park.

The seller, GMN, reached out to POAH to help preserve the assets when it became apparent that GMN's ongoing operations would not continue. The two organizations worked collaboratively to orchestrate a bankruptcy court-supervised disposition process which ensured that GMN's charitable achievements, as well as the significant public investment that underlay them, would be maintained

The \$49.2 million transaction includes \$27.4 million in acquisition costs, \$8.3 million in rehabilitation costs and \$13.5 million in rainy-day reserves, planning/design work and other transaction costs. The \$27.4 million acquisition financing includes new taxable financing from Prudential Mortgage Company, as well as the assumption of \$3.6 million of financing provided by the Florida Housing Finance Corporation (FHFC) and \$1.9 million of financing provided by Miami-Dade County, and \$3.4 million of new subordinate debt from the Local Initiatives Support Corporation (LISC). The US

-more-

Department of Housing and Urban Development was also a key player in bringing the deal to fruition.

POAH is a national non-profit organization that purchases affordable housing around the country to preserve its long-term affordability. “POAH stepped in to preserve this affordable housing resource and to put the properties on a sound physical and financial footing for the long-term,” said the organization’s President, Amy Anthony. “Hundreds of low-income Florida families and elders might have lost their homes if the properties were sold to the wrong buyer. Ensuring that these properties are safe, well-managed and—most importantly—affordable, is at the very heart of POAH’s mission.”

“In these economic times, we may see other good non-profit owners struggling to survive. The public entities stepped up to the table, with flexibility and creativity, to help preserve the affordability of these homes. This is a wonderful example of how the public and non-profit sectors can work together to meet today’s economic challenges; it’s a model for other communities facing similar situations” Ms. Anthony said.

“Collaborative partnerships like the one forged with POAH are critical to providing safe, affordable homes to all Floridians,” said Steve Auger, Executive Director of the Florida Housing Finance Corporation. “It’s not just the buildings that are preserved, but community pride.”

“Preserving existing investments in affordable housing is particularly important in this very difficult economic environment,” said Rodger Brown, POAH’s Development Advisor. “There’s been a very significant public investment in creating this housing over the years, and POAH’s purchase, in conjunction with FHFC and OCED’s assistance, will preserve the value of those taxpayer funds.” Over 630 of the units POAH purchased currently receive Section 8 rental assistance from HUD.

The new financing includes \$8.3 million of planned rehabilitation at four of the properties, with 545 units, an average investment of \$15,375 per unit. According to Ms. Anthony this investment will address their current physical needs and set them on a healthy path to long-term sustainability. The remaining two properties were acquired through assumption of debt and will be recapitalized, with additional funds for rehabilitation, at a later date.

These purchases are POAH’s first in Florida. With this acquisition, the organization owns almost 6,500 affordable rental homes in nine states and the District of Columbia.

About Preservation of Affordable Housing

Preservation of Affordable Housing, Inc., or POAH, is, as its name implies, an organization committed to preserving ‘at risk’ affordable rental housing around the country. Housing becomes ‘at risk’ in strong markets through conversion from affordable pricing to market-rate (sometimes an increase of as much as 40%), or—in weaker areas—because years of mismanagement and disinvestment make it uninhabitable and poised for demolition. However affordable housing is lost, communities are disrupted, poor people are displaced, and there is no alternative available to remedy the situation.

Based in Boston, POAH is a small but growing entrepreneurial organization which currently owns 6,470 affordable rental homes for families, seniors and the working poor in nine states and the District of Columbia. On average, resident incomes in POAH communities are only 30 to 50% of median.

POAH’s reach is national in scope, and its faithfulness to mission is carefully balanced with attention to its business bottom line. Its noteworthy reputation has resulted from a demonstrated ability to craft complex financial transactions, tackle tough multi-family projects, and close deals that preserve the affordability of ‘at risk’ properties in a decisive, proficient manner. The organization and its leaders have also been at the forefront of policy and legislative discussions around housing preservation, affordable housing finance and regulatory reform.