



# Preservation and Rehabilitation

Preservation and rehabilitation efforts seek to retain existing affordable housing, including both subsidized and unsubsidized housing. Programs include preservation and rehabilitation of subsidized affordable units with expiring affordability covenants, affordable housing at risk of redevelopment or conversion, and repair and maintenance (including weatherization) for affordable multi-family units and single-family homes suffering from disinvestment.

## BACKGROUND

One of the greatest threats to the long-term availability of affordable units, especially those affordable to households with incomes less than 80% of area median income, is the loss of existing units. These types of units often are not typically built today or are more expensive to rebuild. Units may fall into disrepair and become uninhabitable, landlords may opt out of the rental assistance voucher program, or units may be at risk of being converted from rental to ownership units or to non-affordable homes. Unique affordable housing opportunities, such as single-room occupancy (SRO) and resident hotel or efficiency units, are often found in older buildings.

Urban centers and transit-served areas may be home to existing multifamily buildings and subsidized units at risk of redevelopment or conversion. While accommodating new growth is critical, jurisdictions should seek to avoid overall loss of existing affordable multifamily units near high-capacity transit and in centers. Tools to support preservation of multifamily units include [transfer of development rights](#), [alternative ownership models](#), and [affordability covenants](#). Some funding resources are available to help maintain affordable units in these older

## TOOL PROFILE

### Objectives

[Housing in Centers and Near Transit](#)

[Housing Options in Expensive Markets](#)

[Missing Middle Density](#)

[Mitigate Residential Displacement](#)

[Addressing Racial Inequities](#)

### Type of Tool

**Other financial tools**

### Project Type

**Single family**

**Multifamily**

**Ownership**

**Rental**

### Affordability Level

**Most effective in producing units <80% AMI**



buildings (see resources below). Cities can also map properties most likely to redevelop in station areas to identify opportunities for early intervention. If a [local housing fund](#) has been adopted, a city can devote resources to rental preservation.

Preservation of single family and other low-density housing types may be an important strategy outside of centers and transit station areas. Many lower cost rentals in the private market provide “naturally occurring” affordable housing. These units are often older, in smaller developments, and located farther from jobs and services. The amount of naturally occurring affordable housing can change very quickly as the lower rents are not a requirement, but rather a reflection of the market and building conditions. As properties redevelop and neighborhoods become more attractive to high-income households, naturally occurring affordable units become more expensive through rent hikes or are often replaced with higher priced rentals.

## CONSIDERATIONS FOR IMPLEMENTATION

Housing preservation and rehabilitation programs include: combining historic preservation with affordable housing goals and funding; using [transfer of development rights](#) to preserve low-density affordable units; and converting buildings that have outlived their original uses (e.g., multi-story warehouses, hotels, and churches).

Funding sources are key to maintaining affordable units. Federal money for preservation and rehabilitation is channeled to local and state programs through the Rental Assistance Demonstration (RAD), Community Development Block Grants (CDBG), and HOME Investment Partnerships Program. Strategies for maintaining units may also involve selling or donating the units to nonprofit, affordable housing organizations; organizing cooperatives; land banking; and preserving manufactured home communities.

A good place to start is with an assessment of affordable units, including the means by which they remain affordable and their present condition. This reveals the current state of affordable units and how their affordability is maintained, which helps to determine the methods and funding sources that address the specific local conditions. Next, investigate places where affordable housing could be located. Adaptive reuse of vacant or underutilized buildings and brownfield and greyfield redevelopment hold great potential for housing conversion. These properties may also be eligible for funding through EPA brownfield redevelopment grants or historic preservation tax credits, loans and grants.

The long-term affordability for any affordable unit – especially those in market-rate developments – can be jeopardized by different factors. These include sale of the unit and conversion to market-rate housing, or for rental housing, conversion to owner-occupied housing. Affordability covenants attached to a home’s deed or title can maintain income restrictions or rental prices linked to area median income.

## RESOURCES

Grounded Solutions Network: [The Preservation of Subsidized Housing](#) (2019)

Enterprise Community Partner: [10 Ways of Looking at Affordable Housing Preservation](#) (2017)

US Department of Housing and Urban Development (HUD): [Multifamily Housing Preservation Overview](#) (2020)

National Housing Preservation Database: [Preservation Resources](#) (2020)

