FHDC FLORIDA HOUSING DATA CLEARINGHOUSE
*Improving Housing Decisions*

# The Lost Properties Inventory

## Taking Stock of Florida's Formerly Subsidized Rental Housing

The Lost Properties Inventory (LPI) tracks Florida's formerly subsidized rental housing. At one time, owners of these developments received federal, state, or local subsidies in exchange for providing affordable units to low-income tenants. Now, the properties are no longer bound by rent and income restrictions.

Since 1993, Florida has lost 451 subsidized housing developments with more than 42,000 affordable units. Many of these developments have been converted to market-rate rental housing. Others were converted to condominiums or were demolished.

Developments leave the subsidized housing stock for a number of reasons:

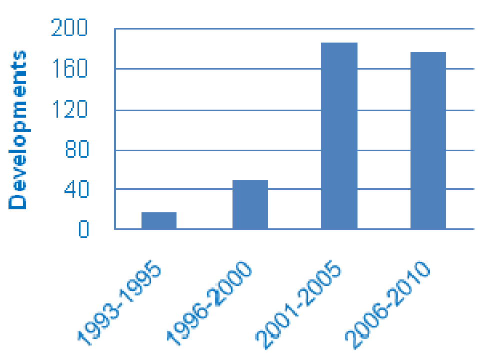
- Rent restrictions reach their expiration date;
- The owner prepays a subsidized mortgage or opts out of ongoing rent subsidies to end restrictions;
- Subsidies are terminated due to poor property conditions;
- The property undergoes foreclosure.

This issue brief describes the characteristics of LPI developments. A searchable LPI database is available at http://data.shimberg.ufl.edu/AHI_introduction.html.

### Year of Loss

Florida experienced its greatest losses of subsidized housing from 2002 to 2008. During these years, developments financed in the 1970s and 1980s by Florida Housing Finance Corporation and local housing finance agencies began to meet their subsidy expiration dates. Condominium conversions also peaked during this time. The loss of subsidized housing has continued in 2009 and 2010, largely due to foreclosure and property distress.

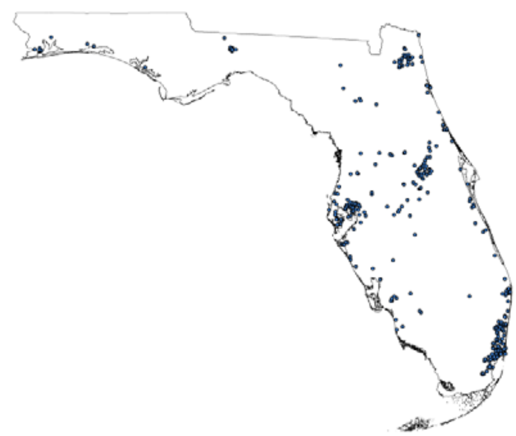
**Year of Loss**




### Location of LPI Developments

The LPI developments were heavily concentrated in urban areas. Two-thirds were located in the state's seven largest counties, with particular concentrations in the Miami-Fort Lauderdale and Tampa Bay areas.

**Property Locations**



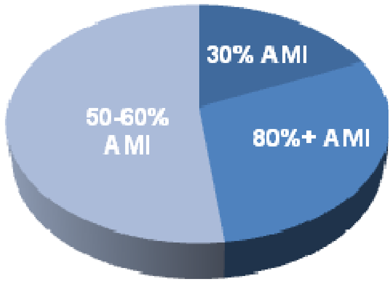
### Tenants Served

The vast majority of lost properties were designated as family housing. Sixteen of the developments served elderly tenants. Seven were reserved for persons with disabilities.

Half of the lost properties targeted some or all units toward the mid-range of low income households, with income and rent restrictions corresponding to 50-60 percent of area median income (AMI). Thirty percent of the developments had less stringent rent restrictions; in these, a portion of units were set aside for tenants at or below 80 percent of AMI. Nearly one in five of the developments were affordable to extremely low-income tenants (30 percent of AMI or less) because they had project-based rental assistance from HUD or USDA Rural Development. [1]

[1] Under project-based rental assistance programs, tenants generally pay 30 percent of income for rent. HUD or USDA provides a monthly payment to landlords to make up the difference between the tenant payment and the actual unit rent.

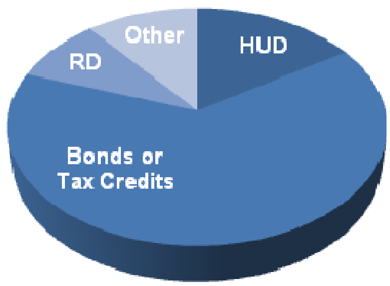
**Tenant Income Targeting**




## Funding Programs

Most of the LPI developments were funded by one or both of these programs: 1) mortgage revenue bonds from Florida Housing or a local housing finance agency, and 2) the federal Low Income Housing Tax Credit, administered by Florida Housing. A quarter of the developments were funded by HUD or USDA Rural Development. Of these, two-thirds had project-based rental assistance.

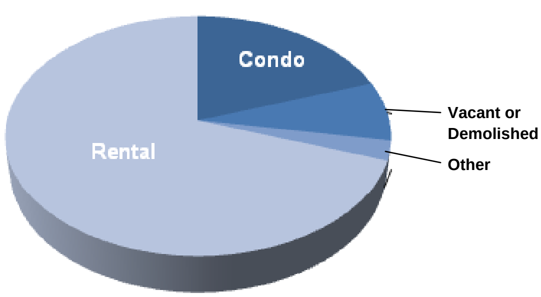
**Primary Funder**




## Current Property Uses and Rents

In 2009, the Shimberg Center conducted a survey to determine the current use and affordability of the LPI developments. The survey reached approximately half of the developments. It found that most (70 percent) continue to operate as rental housing. One-fifth of the developments had been converted to condominiums. Most of the rest were vacant or demolished.

**Current Use**




Of the rental developments still operating, most (61 percent) offer apartments at rents that would be affordable to tenants at 60 percent of AMI. Nearly all offer apartments that would be affordable to tenants at 80 percent of AMI. However, none offer affordable units for tenants at 30 percent of AMI or below. For the developments that previously had project-based rental assistance, this can mean substantially higher rent payments for incoming tenants. In the survey, developments that formerly had HUD project-based rental assistance reported current rents ranging from $435 to $1,000 for a one-bedroom apartment; from $530 to $975 for a two-bedroom apartment, and from $655 to $1,200 for a three-bedroom apartment. In comparison, tenants in other Florida developments that still have HUD rental assistance pay an average of $228 per month for rent.[2]

## The LPI and Affordable Housing Preservation

The Shimberg Center is tracking lost properties as part of a larger effort to support the preservation of affordable rental housing. Statewide, 2,311 rental developments with over 252,000 units continue to operate as subsidized housing. The Shimberg Center, Florida Housing Finance Corporation, and Florida Housing Coalition have launched a three-year project funded by the MacArthur Foundation to preserve the state's supply of subsidized rental housing. Activities include data collection and research to build an early warning system for at-risk properties, directing more state housing resources toward preservation, and building non-profit organizations' capacity to acquire and preserve developments as long term affordable housing.

[2] Data from HUD's *2008 Picture of Subsidized Households*. This is the average payment by the tenant only. It does not include the monthly rent subsidy to the landlord from HUD.