AFFORDABLE HOUSING PRESERVATION:
BUILDING A NATIONAL DATA INFRASTRUCTURE

Prepared by
Anne Ray
Shimberg Center for Affordable Housing
M.E. Rinker, Sr. School of Building Construction
College of Design, Construction, and Planning
University of Florida

April 2007

Acknowledgements

Table of Contents

Executive Summary

<u>Introduction</u>

The Shimberg Center for Affordable Housing at the University of Florida and the Florida Housing Finance Corporation, with support from the John D. and Catherine T. MacArthur Foundation's *Window of Opportunity: Preserving Affordable Rental Housing* program, have launched an initiative to improve data collection and analysis related to the preservation of assisted rental housing.

As a first step, the Shimberg Center conducted research into the current state of preservation-related data collection throughout the country. Through surveys of 67 housing-related organizations and in-depth interviews with 18 preservation experts, we examined what data are being collected and by whom; the data elements that those involved in preservation feel *should* be collected; the gaps between the ideal data set and actual data collection; and how these gaps could be bridged.

I.   Survey Results: The Current State of Data Collection

Survey respondents were asked to rate the usefulness of 35 preservation-related variables for which they might collect property-level data. The list included variables related to properties' affordability period, unit characteristics, tenant characteristics, financing and property performance, owner and management characteristics, and market and neighborhood characteristics. Respondents also were asked which of these variables they include in their databases.

While respondents gave high ratings to a wide variety of variables, those that provide direct clues to affordability restrictions were particularly highly valued. Examples included the presence of project-based rental subsidies, the period of affordability, and end dates for rent subsidies.

Five variables were rated highly by most respondents but were actually included in less than half of databases: 1) Date of eligibility for opt-out or mortgage prepayment, 2) Notice of opt-out or termination provided to tenants or funder, 3) Average rent in surrounding market, 4) Extent of capital needs, and 5) Owners with an interest in selling properties. Most frequently, survey respondents cited the lack of availability of data from their sources when explaining why they did not collect a variable they deemed important.

About half of data collectors indicated that their databases were open to the public. Most of the other data collectors restrict access to select organizational employees or members, with a few providing access to all agency employees or to select external groups.

II.   Data Organization: Extensive vs. Intensive Data Collection

When asked how agencies use data to facilitate preservation, interviewees identified two types of data collection efforts: extensive and intensive. *Extensive* collection of basic data on a whole portfolio helps agencies narrow down a list of subsidized properties to those most likely to be

lost to the affordable housing inventory, usually by identifying those with imminent opt-out or subsidy expiration dates. Funders, developers, and advocates perform extensive data collection in order to identify target properties for preservation, set subsidy allocation priorities, and characterize the scope of preservation needs in a local area or state.

Intensive data collection and analysis on an individual property enables agencies to determine the complete set of factors that might affect the potential for market-rate conversion or loss through deterioration. This requires collection of detailed information, including loan documents and state and local land use restrictions on the property, previous refinancing and any associated preservation-related restrictions, and the property's capital needs and financial condition. Intensive data collection helps public agencies to allocate appropriate levels of subsidy, preservation-focused developers to acquire at-risk properties, and tenants and their advocates to determine whether legal restrictions prevent properties from removal from the affordable housing inventory.

III.   Building a National Preservation Data Infrastructure

A *national preservation data infrastructure* would consist of the collection by multiple organizations of a standard set of variables on assisted properties for the purpose of understanding preservation needs. We recommend that the national preservation data infrastructure be based on a standard set of variables used in extensive data collection.

Specifically, we recommend that data collectors create a national infrastructure by collecting these standard data elements for all assisted housing properties:

- For-profit versus non-profit ownership
- Unit mix
- Types and years of funding
- Presence or absence of rent subsidies
- Key dates, including mortgage maturity dates, expiration of Land Use Restriction Agreements or Extended Use Agreements, rent subsidy contract expiration, and dates of eligibility for mortgage prepayment or opt-out
- Whether the owner has submitted a notice of opt-out or termination to tenants or funders
- Number of assisted units
- Demographic served
- Property rents
- Average rents in the surrounding area
- Summary measure of capital needs

By mapping the extent to which data collectors in each state include these items in their databases (see page 12), we determined that a strong base of preservation-related information exists upon which to build a standard data collection effort. Half of the states have most data elements in place, and most agencies collect data on both federally-funded and state-funded properties. In some cases, entities collect data expressly to support preservation. In many others, agencies collect data on properties for other purposes, such as compliance monitoring. These data also could be used to facilitate preservation.

IV.   Recommendations and Areas for Further Discussion

In addition to our recommendations for uniform collection of data elements, we offer the following suggestions based on survey responses and interviewees' suggestions:

• Develop standard, feasible methods to collect data elements that are highly rated but less frequently collected: average market rents, opt-out and termination notices submitted, extent of capital needs, opt-out and prepayment eligibility dates, and owners' interest in selling properties.

• Make HUD data available on a more systematic basis to all data collectors.

• Make comprehensive data on RD-funded properties available to the public.

• Where possible, provide public, on-line access to property documents to facilitate intensive data collection.

• Develop consensus on the content and procedures for the national data infrastructure. Interested parties will need to agree on the list of uniform data elements, methods by which data collectors will integrate information collected from multiple sources, the extent to which data gathered will be available and accessible to the public, and the composition of the network of organizations that will carry out the creation of the infrastructure.

Introduction

Throughout the country, thousands of privately owned, publicly subsidized rental housing units are at risk of loss to the affordable housing inventory due to expiring affordability periods, opt-outs from subsidy programs, and deteriorating physical and financial conditions. While the potential loss of HUD-subsidized housing has received the most attention, properties receiving other federal, state, and local subsidies are also at risk. These include more recently funded properties such as Low Income Housing Tax Credit projects that have begun to reach their fifteenth year in service.

Accordingly, government agencies, advocacy organizations, housing developers and syndicators have launched efforts to preserve at-risk affordable housing. Preservation methods include offering incentives to current owners to keep properties in the affordable inventory, transferring properties to owners with an interest in maintaining the housing as affordable, and providing funding for rehabilitation and financial stabilization. However, efforts to preserve properties and to formulate policies are hampered by the lack of comprehensive data about the subsidized housing stock. In the absence of this information, governments and others often make ad hoc decisions about preservation of properties that have reached a crisis stage, rather than systematically allocating resources to the types of properties most at risk and that provide the most cost-effective and needed types of housing. Moreover, cities and states cannot gain a clear picture of the housing that has been lost to the inventory over time, and success in preserving such housing is difficult to measure.

To remedy this lack of information, the Shimberg Center for Affordable Housing at the University of Florida and the Florida Housing Finance Corporation, with support from the John D. and Catherine T. MacArthur Foundation's *Window of Opportunity: Preserving Affordable Rental Housing* program, have launched an initiative to improve data collection and analysis related to the preservation of assisted rental housing. A key objective of this initiative is:

> *To develop a national consensus on a preservation data infrastructure that will allow data to be aggregated at the state and national level, in order to prioritize and track preservation efforts over time.*[1]

As a first step, the Shimberg Center conducted research into the current state of preservation-related data collection throughout the country. We examined what data are being collected and by whom; the data elements that those involved in preservation feel *should* be collected; the gaps between the ideal data set and actual data collection; and how these gaps could be bridged. This report summarizes these findings.

---

[1] This is but one objective of the broader project funded by MacArthur. The two other major objectives are: 1) To identify the data elements that provide the most useful information for policy decisions and program delivery, using these elements to develop data tools to help identify at-risk properties; and 2) To collect these data elements for properties in Florida localities and provide public access to this information through the Florida Housing Data Clearinghouse, while sharing methods of data collection, maintenance and dissemination with our colleagues throughout the country. A summary of the Shimberg Center/Florida Housing initiative is included as Appendix 1.

Research Methods

To determine how agencies collect preservation-related data, the Shimberg Center contracted with the Florida Survey Research Center to conduct a phone survey of representatives of public, private, and non-profit agencies involved in preservation. Interviewers attempted to contact 89 organizations, including representatives of 50 state housing finance agencies, 16 advocacy- and policy-related organizations, nine intermediary organizations, six large non-profit developers, and ten other agencies, including private consulting firms, local agencies, housing locator services, and universities. Of these, 67 responded to the survey, for a response rate of 75 percent. A list of survey respondents is included as Appendix 2.

The phone survey was designed to determine which data elements respondents thought would be most helpful to support preservation work, as well as which data, if any, their organizations actually collect. The survey asked about variables falling into six categories: affordability period, unit characteristics, tenant characteristics, financing and property performance, owner/management characteristics, and market/neighborhood characteristics. Figure 1 on the following page lists the variables discussed in the survey. The survey also asked how and to whom the agencies provided access to preservation-related data and whether the agencies had used data to create a risk assessment tool to flag at-risk properties.

Of the 67 agencies surveyed, 53 were "data collectors"; that is, they maintain a database with information about assisted housing properties. We classified the remaining 14 as "data users" who do not themselves collect data on assisted properties.

Next, Anne Ray of the Shimberg Center conducted follow-up interviews with 18 of the survey respondents to explore the question of on-the-ground use of data to advance preservation efforts. The interviews included questions about the use of data in preservation practice, any difficulties in obtaining needed data, and any data elements the interviewees wished were available that currently are not.

Figure 1.   Preservation-Related Data Variables

Affordability Period	Unit Characteristics	Tenant Characteristics	Financing and Property Performance	Owner/ Management Characteristics	Market/ Neighborhood Characteristics
Period of affordability Mortgage maturity date Rent subsidy contract end date Date of eligibility for mortgage prepayment or opt-out Request for rent subsidy contract renewal submitted to HUD Notice of opt-out or termination provided to tenants or funder	Current unit rents Unit mix (number of bedrooms)	Targeted tenant incomes Tenant target population (e.g. elderly, disabled, family) Tenant economic characteristics (e.g. employment rates, public assistance use) Tenant demographic characteristics (e.g. household size, race, ethnicity)	Project-based rental assistance (yes/no) Types and years of funding Occupancy rate Debt level Operating expense ratio or net operating income Operating reserve level Construction and rehabilitation history Market value of property Tax benefits accruing to owner Exit tax or phantom income concerns Extent of capital needs and deferred maintenance Replacement reserve level OMHAR, REAC, or Mark-to-Market status for HUD properties; C or D rating for RD properties	Type of owner (for-profit, non-profit, limited dividend corporation) Name of management company Contact information for owner Owners with interest in selling properties	Average rent in surrounding market HUD FMR in surrounding market Section 8 utilization or turn-back rates for market Area crime rate Area poverty level Proximity to other affordable rental properties

<u>Report Organization</u>

This report is organized into four sections:

1.   Survey Results: The Current State of Data Collection

2.   Data Organization: Extensive vs. Intensive Data Collection

3.   Building a National Data Infrastructure

4.   Recommendations and Areas For Further Discussion

I.   Survey Results: The Current State of Data Collection

<u>Data Variables: Importance and Collection Rates</u>

In order to determine which data elements might be most important to support preservation, survey respondents were asked to rate 35 variables on a 1-5 scale, where 1 equaled "Not useful at all" and 5 equaled "Essential." To determine the extent to which the most useful data elements are actually collected, data collectors also were asked which of these variables they include in their databases.

In response, those surveyed gave high ratings to a wide variety of data variables; average ratings for every variable fell between 3 and 4. Nevertheless, some variables were deemed essential more often than others, with about a third receiving a "5" rating from the majority of respondents. Variables that provide direct clues to affordability restrictions—the presence of project-based rental subsidies, the period of affordability, and end dates for rent subsidies, for example—were particularly highly valued.

Figure 2 below shows the percentage of respondents rating each variable as essential and the percentage of organizations with databases that actually collect each variable.

Figure 2. Ratings and Collection of Variables

Variable	Percentage of Respondents Rating "5"	Percentage of Organizations Collecting (Data Collectors Only)
Project-based rental assistance	82%	57%
Rent subsidy contract end date	82%	62%
Period of affordability	81%	79%
Current unit rents	72%	57%
Date of eligibility for opt-out or mortgage prepayment	66%	47%
Notice of opt-out or termination provided to tenants or funder	64%	32%
Mortgage maturity date	58%	57%
Types and years of funding	57%	60%
Contact information for owner	55%	87%
Average rent in surrounding market	54%	8%
Extent of capital needs	54%	23%
Owners with an interest in selling properties	54%	17%
Unit mix	54%	83%
Type of owner (for-profit vs. non-profit)	46%	75%
Request for rent subsidy contract renewal submitted to HUD	45%	23%
Targeted tenant incomes	45%	43%
Operating expense ratio	42%	43%
Tenant target population	40%	55%
Debt level	39%	42%
HUD FMR in surrounding market	39%	11%

Variable	Percentage of Respondents Rating "5"	Percentage of Organizations Collecting (Data Collectors Only)
Market value of the property	37%	13%
OMHAR, REAC or Mark-to-Market status/C or D rating	37%	25%
Replacement reserve level	37%	40%
Occupancy rate	36%	38%
Exit tax or phantom income concerns	31%	2%
Name of management company	31%	85%
Proximity to other affordable rental properties	28%	8%
Construction and rehabilitation history	25%	26%
Operating reserve level	25%	42%
Tenant economic characteristics	25%	25%
Section 8 utilization rates	22%	6%
Tax benefits accruing to owner	22%	6%
Tenant demographic characteristics	22%	32%
Area poverty rate	16%	4%
Area crime rate	7%	2%

Figure 2 shows that in most cases, the variables deemed essential by a majority of survey respondents are collected by the majority of data collectors. However, five variables were rated highly but are included in less than half of databases: 1) Date of eligibility for opt-out or mortgage prepayment, 2) Notice of opt-out or termination provided to tenants or funder, 3) Average rent in surrounding market, 4) Extent of capital needs, and 5) Owners with an interest in selling properties.

Most frequently, survey respondents cited the lack of availability of data from their sources when explaining why they did not collect a variable they deemed important. We discuss the question of finding sources of data for these highly valued, less frequently collected variables in the "Recommendations and Areas for Further Discussion" section.

Frequency of Updates

Information about property conditions can become dated quickly if it is not updated regularly. In particular, properties' financing and associated affordability restrictions can change quickly, greatly affecting their likelihood of remaining in the affordable housing inventory. Many experts interviewed believed that finding the money and staff time to keep property data current is one of the greatest challenges in compiling a useful preservation database.

Of data collectors surveyed, 30 percent said that they update their data less than one time per year, including agencies who do not update the data on a regular basis at all. Those who perform more frequent updates usually do so on a quarterly or monthly basis, depending on the data source, with a smaller number updating once or twice per year.

Public Access to Data

While many agencies collect highly detailed information about properties, they often use this information internally and limit public access that would allow others to analyze preservation

risks. For example, housing finance agencies may keep detailed financial data on properties that they fund or monitor; non-profit organizations may collect data on at-risk properties to help them acquire properties or advocate for tenants. Thus, a third question under review in the survey was the extent to which data are available to the public.

In the survey, about half of data collectors indicated that their databases were open to the public. Most of the other data collectors restrict access to select organizational employees or members, with a few providing access to all agency employees or to select external groups. Some interviewees noted that they do not make their full databases public but do provide information or summary reports upon request.

II.   Data Organization: Extensive vs. Intensive Data Collection

When asked how agencies use data to facilitate preservation, interviewees identified two types of data collection efforts: 1) *extensive* collection of basic data on a whole portfolio to identify at-risk properties, and 2) *intensive* collection and analysis of information on individual properties to determine the complete set of factors that might affect the potential for market-rate conversion or loss through deterioration. Figure 3 below summarizes the characteristics of each type of data collection.

Figure 3.   Extensive vs. Intensive Data Collection

	Extensive	Intensive
Potential Use of Data for Preservation	Identify potential at-risk properties	Conduct informed advocacy, property transaction or subsidy allocation activities
Universe	Portfolio-wide	Individual at-risk properties
Types of Data Collected	Funding programs, affordability period and opt-out dates, rent subsidy contract presence/absence and dates, non-profit vs. for-profit owner; occasionally neighborhood market data	Affordability period and other legal restrictions from loan documents, local and state land use restrictions, capital needs, financial position, area market conditions, owner's intent
Potential for National Standardization	High; could identify standard data elements to be collected for all properties and aggregated nationally	Too property-specific for uniform data collection, but guidelines for sources and types of data would be helpful

Extensive Data Collection

Extensive data collection helps agencies narrow down a list of subsidized properties to those most likely to be lost to the affordable housing inventory, usually by identifying those with imminent opt-out or subsidy expiration dates. The portfolio for which data are collected might consist of federally subsidized properties in a city, metropolitan area, or state; assisted properties funded or monitored by a single entity, such as a state housing finance agency; assisted properties owned by a single entity; or some combination of these. Using this type of database as the basis for analysis, agencies can address preservation needs systematically rather than waiting for crises to arise involving individual properties.

Extensive data collection helps funders, developers, and advocacy organizations identify potential preservation targets. Summary data from an extensive database help public agencies understand which types of properties have the greatest preservation needs, enabling them to set subsidy allocation priorities. It also enables interested parties to characterize the scope of the problem in a state or local area in order to advocate for increased governmental attention and funding.

In most cases, agencies collect and analyze data on these factors for each property:

- Funding programs involved, to determine broadly each property's affordability restrictions;

- Key dates: start and end of affordability period, mortgage maturity, mortgage prepayment eligibility and expiration of rent subsidy contracts, to determine when the property might be at risk of loss of affordability; and

- Non-profit versus for-profit ownership, to determine at a broad level whether the owner has a mission to keep the housing affordable.

Many agencies collect extensive data specifically to assess the risk of loss of affordable housing. Of the 53 data collectors surveyed, 27 have developed tools using data to flag at-risk properties. In many other cases, however, agencies perform portfolio-wide data collection for other purposes: to monitor compliance with funding requirements, to track properties they themselves own, or to inform the public about affordable rental housing options, for example. These other data collection efforts provide a rich source of additional data that could be used to assess preservation needs.

Intensive Data Collection

Once an agency has narrowed down the number of at-risk properties, it can perform a close examination of the financial, physical, and legal status of each property to determine the full extent of risk of loss. This requires collection of detailed information, including loan documents and state and local land use restrictions on the property, previous refinancing and any associated preservation-related restrictions, and the property's capital needs and financial condition. The intensive phase may not necessarily follow extensive data collection for a whole portfolio; preservation entities also often perform intensive data collection on a case-by-case basis in response to concerns raised by tenants or advocacy groups.

Information gathered in the intensive phase helps all actors understand exactly what an owner can and cannot do with a property. In some cases, preservation advocates discover loan-related or land use restrictions specific to a property that prevent the property from being removed from the affordable housing inventory. Where this is not the case, a full understanding of the property helps public agencies to allocate appropriate levels of subsidy and preservation-focused developers to enter into negotiations for acquisition.

III.   Building a National Preservation Data Infrastructure

The information collected by data collectors can serve as the foundation for a *national preservation data infrastructure*; that is, the collection by multiple organizations of a standard set of variables on assisted properties for the purpose of understanding preservation needs. Establishing a national data infrastructure would expand the collection of data to all properties and geographic areas while standardizing the content of the data. This would enable interested parties in all parts of the country to assess the risks to their affordable housing inventories. It also would allow the aggregation of data at the state or national level to create a larger picture of preservation needs and track preservation efforts over time.

We recommend that the national preservation data infrastructure be based on a standard set of variables used in *extensive* data collection. The hallmark of extensive data collection is the use of a small number of straightforward, easily measured factors that apply to all properties. Thus, the extensive data collection phase is well suited to standardization across agencies and geographic areas.

Unlike in the extensive data phase, the factors relevant to the intensive analysis of an individual property cannot be standardized easily. For example, data collection for a property at risk of deterioration might focus on physical inspection of the property, while examination of a property at risk of market-rate conversion might focus on the content of original loan documents and land use restrictions. Local and state land use restrictions and funding programs, often the linchpin for determining the full legal options for terminating affordability, vary widely. Rather than identifying intensive data collection element that would be part of the national infrastructure, therefore, we simply suggest the types of data that might be relevant in the analyses of individual properties.

Recommended Data Elements for Collection

Based on our research, we suggest the items in Figure 4 below as the content of each stage of data collection. The list of data elements in the "Extensive" column would make up the content of the national data infrastructure.

The extensive data elements include most of those identified in the survey as essential by the majority of respondents. The list of intensive elements reflects recommendations from experts who were interviewed, as well as the remaining two variables, owner contact information and owner interest in selling properties, that were rated as essential by most survey respondents. Both lists also include suggested elements based on Florida Housing Finance Corporation's and the Shimberg Center's own experiences in collecting and using data to analyze preservation needs.[2]

---

[2] As a next step in our broader preservation project (outlined in Appendix 1), the Shimberg Center will be developing and testing a model assessment tool for portfolio-wide analysis of properties at risk of loss to the affordable inventory. Shimberg researchers may be able to suggest additional data elements or different emphases in extensive data collection based on the results of this stage of the project.

Figure 4.   Data Elements for Extensive and Intensive Collection

Subject Category	Extensive/National Infrastructure	Intensive
Owner/Management Information	• Non-profit vs. for-profit	• Company history • Contact information • Owner interest in selling
Housing Characteristics	• Unit mix	• Building type

Financial History/Affordability Period	• Types & years of funding
	• Presence/absence of rent subsidies
	• Key dates:
	   ○ Mortgage maturity
	   ○ Expiration of Land Use Restriction Agreement (LURA) or Extended Use Agreement (EUA)
	   ○ Rent subsidy contract expiration
	   ○ Eligibility for opt-out or mortgage prepayment
	• Notice of opt-out or termination submitted
	• Number of assisted units
		• Financial structure detail
		• Content of original LURA and EUA
		• Content of original loan documents
		• State or local restrictive covenants on land use

Tenant Characteristics	• Demographic served: elders, families, homeless, special needs, etc.	• Tenant incomes
Market Characteristics	• Property rents • Average rents in surrounding area	
Physical Condition	• Summary of extent of capital needs	• Full extent of capital needs • Construction/rehab history

National Data Infrastructure Map

To measure the extent to which this infrastructure is already in place, we created a "national data infrastructure map" based on survey results. The map shows:

- The extent to which the recommended extensive data elements are collected in each state by surveyed agencies, as indicated by color;

- The types of agencies collecting data in each state, represented by icons; and

- Whether the agency or agencies in each state collect data for federally-funded properties only ("F"), defined as properties subsidized by HUD or RD; for state-funded properties ("S"), including direct state financing plus subsidies allocated by the state such as the Low Income Housing Tax Credit and tax-exempt bond financing; or both ("F/S").

The tables following the map show the names of the data collectors in each state, the types of properties for which they collect data, who has access to the data collected, and which of the recommended data elements they collect.

Note that within a state, all data elements identified as included may not be collected for all types of properties. This is particularly true in states with more than one data collector, whose databases likely differ both in the variables and types of properties.

The data infrastructure map is a work in progress, reflecting the survey responses received. In some cases, we did not receive a survey response from an agency that may indeed collect data for a state. In others, we may not have identified all of the agencies that collect preservation-related data. We encourage additional input so that we can continue to develop a full picture of the current state of data collection throughout the nation.

Figure 5.   United States Preservation Data Infrastructure Map
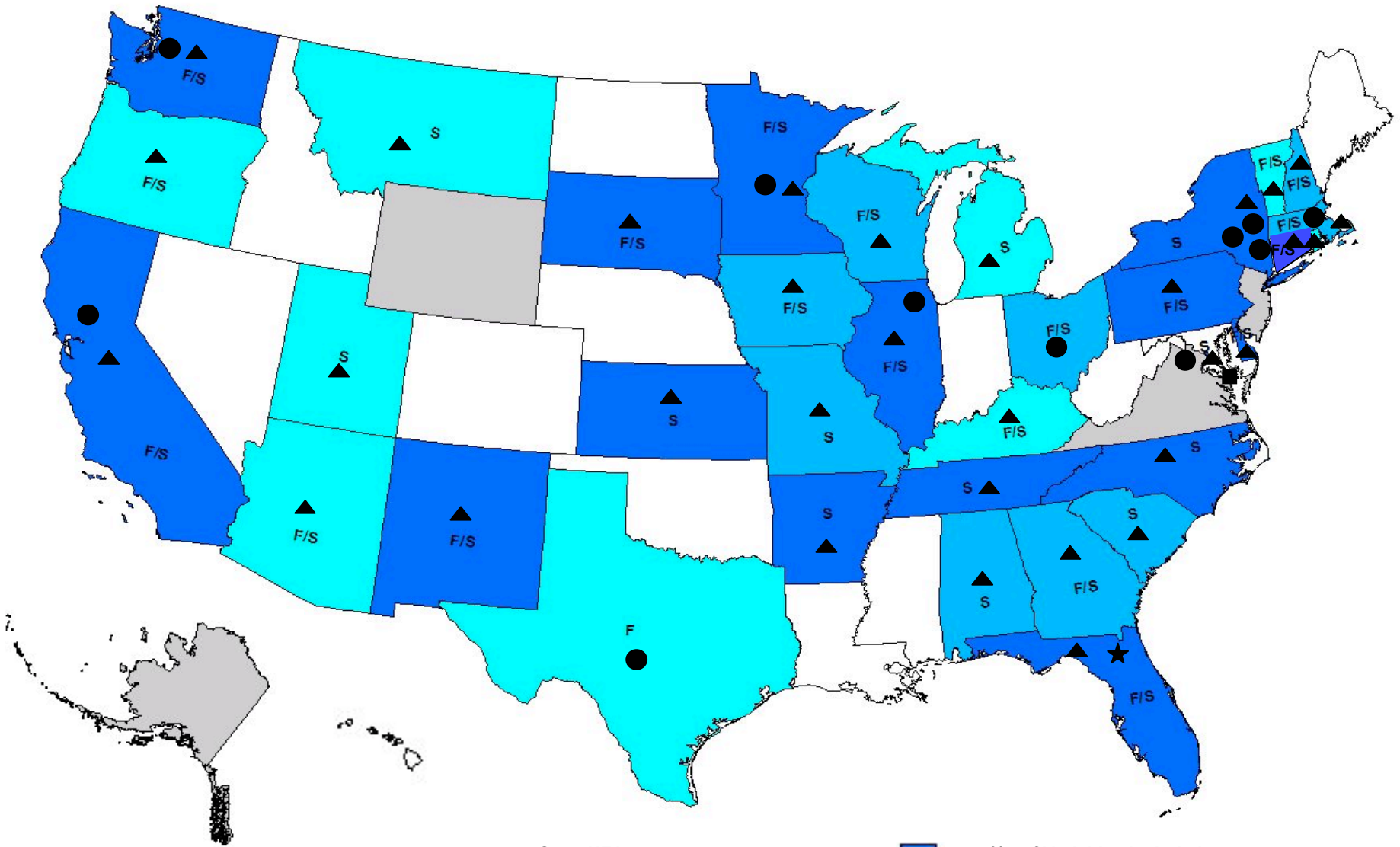
Symbol	Meaning
▲	State HFA
●	Non-Profit
★	Data Clearinghouse
■	Local Government
F	Federally-Funded Properties Only
S	State-Funded Properties Only
F/S	Federally- and State-Funded Properties

Color	Meaning
■	70%+ of Variables Included
■	50-70% of Variables Included
■	<50% of Variables Included
■	Survey Respondent(s) Do Not Collect Data
□	No Survey Response

State	Organization	Average rent in surrounding market	Current unit rents	Date of eligibility for mortgage prepayment or opt-out	Extent of capital needs	HUD FMR in surrounding area	Mortgage maturity date	Notice of opt-out or termination of mortgage or subsidies	Period of affordability	Project-based rental assistance	Rent subsidy contract end date	Target tenant population	Type of owner	Types and years of funding	Unit mix
National or Multi-State	Housing Assistance Council (HAC)						X		X						
	Housing Preservation Project			X			X	X	X		X	X	X		
	Local Initiatives Support Corporation - LISC			X			X		X	X	X		X	X	X
	National Housing Trust	X	X			X	X		X		X	X	X		X
	National Low Income Housing Coalition						X		X		X		X		
	Stewards for Affordable Housing for the Future											X			
Alabama	Alabama Housing Finance Authority		X					X	X			X	X	X	X
Arizona	Arizona Department of Housing/HFA												X		X
Arkansas	Arkansas Development Finance Authority		X	X	X		X	X	X	X	X	X	X	X	X
California	California Housing Finance Agency		X	X	X		X		X	X	X		X	X	X
	California Housing Partnership Corporation		X	X			X	X	X		X		X		X
Connecticut	Connecticut Housing Finance Authority		X	X	X		X	X	X	X	X	X	X	X	X
Delaware	Delaware State Housing Authority		X	X	X		X	X	X	X	X		X	X	X
District of Columbia	District of Columbia Department of Housing and Community Development	X	X		X	X		X	X	X		X	X	X	X
	District of Columbia Housing Finance Agency														X
	Urban Institute			X		X			X		X	X	X		X
Florida	Florida Housing Finance Corporation		X				X		X			X	X	X	X
	Shimberg Center for Affordable Housing			X			X	X	X	X	X	X	X	X	X
Georgia	Georgia Department of Community Affairs		X		X		X		X				X	X	X
Illinois	Illinois Housing Development Authority									X		X		X	X
	Chicago Rehab Network		X	X			X	X	X	X	X		X	X	X
	Hispanic Housing Development Corporation												X		
Iowa	Iowa Finance Authority				X		X	X	X			X	X		X
Kansas	Kansas Housing Resources Corporation	X	X			X	X	X	X	X	X	X	X	X	X
Kentucky	Kentucky Housing Corporation														
Massachusetts	Mass Housing		X							X		X		X	X
	Community Economic Development Assistance Corporation		X	X			X		X		X		X		X
Michigan	Michigan State Housing Development Authority				X					X		X	X	X	X
Minnesota	Minnesota Housing Finance Agency	X	X	X	X		X	X	X	X	X	X	X	X	X
	HousingLink			X					X	X		X		X	X
Missouri	Missouri Housing Development Commission		X				X		X	X	X		X	X	X
Montana	Montana Board of Housing/Housing Division		X										X		X
New Hampshire	New Hampshire Housing Finance Authority								X	X	X	X	X	X	X
New Mexico	New Mexico Mortgage Finance Authority		X	X	X				X	X	X	X	X	X	X
New York	New York State Division of Housing and Community Renewal		X	X			X		X	X	X	X	X	X	X
	Community Service Society						X		X		X		X		
	Urban Homesteading Assistance Board		X	X			X	X	X	X	X		X	X	X
	West Side Federation for Senior & Supported Housing		X	X			X	X	X		X	X	X		X
North Carolina	North Carolina Housing Finance Agency		X	X			X		X	X		X	X	X	X
Ohio	Coalition on Homelessness and Housing in Ohio		X	X			X		X	X	X		X		X
Oregon	Oregon Housing and Community Services														
Pennsylvania	Pennsylvania Housing Finance Agency		X			X	X	X	X	X	X	X		X	X
Rhode Island	Rhode Island Housing and Finance Corporation						X		X		X				X
South Carolina	South Carolina State Housing Finance and Development Authority						X		X	X	X	X	X	X	X
South Dakota	South Dakota Housing Development Authority		X				X	X	X	X	X	X	X	X	X
Tennessee	Tennessee Housing Development Agency	X	X	X	X				X	X	X	X	X	X	X
Texas	Texas Tenants Union		X						X	X	X				X
Utah	Utah Housing Corporation		X		X				X				X	X	X
Vermont	Vermont Housing Finance Agency														X
Washington	Washington Low Income Housing Alliance			X			X	X	X	X	X	X	X	X	X
	Washington State Housing Finance Commission		X	X					X			X	X	X	X
Wisconsin	Wisconsin Housing and Economic Development Authority		X	X			X		X	X	X	X			X

State	Organization	Which properties?					Who has access to data			
		All HUD-funded properties in your area	All RHS-funded properties in your area	Properties funded by your organization	Properties owned or managed by your organization	Other	Anyone: public database	All organization employees/ members	Select organization employees/ members only	Select external groups
National or Multi-State	Housing Assistance Council (HAC)		X	X					X	
	Housing Preservation Project	X	X				X	X		
	Local Initiatives Support Corporation - LISC	X		X					X	X
	National Housing Trust	X	X	X	X		X	X		
	National Low Income Housing Coalition	X	X				X		X	
	Stewards for Affordable Housing for the Future	X	X		X		X			
Alabama	Alabama Housing Finance Authority			X					X	
Arizona	Arizona Department of Housing/HFA	X		X		X	X			
Arkansas	Arkansas Development Finance Authority			X		X	X			
California	California Housing Finance Agency	X	X	X	X				X	
	California Housing Partnership Corporation	X	X				X		X	
Connecticut	Connecticut Housing Finance Authority	X	X	X	X				X	
Delaware	Delaware State Housing Authority	X	X	X	X	X			X	
District of Columbia	District of Columbia Department of Housing and Community Development			X	X			X		
	District of Columbia Housing Finance Agency			X			X			
	Urban Institute	X					X		X	X
Florida	Florida Housing Finance Corporation			X			X	X		X
	Shimberg Center for Affordable Housing	X	X				X	X		
Georgia	Georgia Department of Community Affairs	X		X					X	
Illinois	Illinois Housing Development Authority			X					X	
	Chicago Rehab Network	X					X	X	X	
	Hispanic Housing Development Corporation	X					X		X	
Iowa	Iowa Finance Authority						X	X		
Kansas	Kansas Housing Resources Corporation			X			X	X		
Kentucky	Kentucky Housing Corporation	X	X	X			X	X	X	X
Massachusetts	Mass Housing	X		X	X				X	
	Community Economic Development Assistance Corporation	X		X		X			X	
Michigan	Michigan State Housing Development Authority			X			X		X	
Minnesota	Minnesota Housing Finance Agency			X			X	X		
	HousingLink	X					X			
Missouri	Missouri Housing Development Commission			X					X	
Montana	Montana Board of Housing/Housing Division			X				X	X	
New Hampshire	New Hampshire Housing Finance Authority	X	X	X	X	X	X			
New Mexico	New Mexico Mortgage Finance Authority			X			X		X	
New York	New York State Division of Housing and Community Renewal			X			X	X	X	X
	Community Service Society						X			X
	Urban Homesteading Assistance Board	X			X		X	X		
	West Side Federation for Senior & Supported Housing				X		X		X	X
North Carolina	North Carolina Housing Finance Agency			X			X			
Ohio	Coalition on Homelessness and Housing in Ohio	X	X				X	X		
Oregon	Oregon Housing and Community Services	X	X	X			X	X		
Pennsylvania	Pennsylvania Housing Finance Agency			X			X	X	X	X
Rhode Island	Rhode Island Housing and Finance Corporation		X	X					X	
South Carolina	South Carolina State Housing Finance and Development Authority			X					X	
South Dakota	South Dakota Housing Development Authority	X	X				X		X	X
Tennessee	Tennessee Housing Development Agency			X	X				X	
Texas	Texas Tenants Union					X	X			
Utah	Utah Housing Corporation			X	X		X			
Vermont	Vermont Housing Finance Agency	X	X	X	X		X	X		
Washington	Washington Low Income Housing Alliance	X	X				X			
	Washington State Housing Finance Commission			X			X	X		
Wisconsin	Wisconsin Housing and Economic Development Authority	X	X	X	X	X	X		X	

In addition to state-level data collection efforts, a number of organizations collect information for all states. The National Housing Trust's database is the most extensive and includes the type of owner, unit mix, mortgage maturity date, affordability period, rent subsidy contract end date, current rents, and unit mix for HUD- and RD-funded properties. Data are available online by state and funding program.

The infrastructure map shows that a strong base of preservation-related information exists upon which to build a standard data collection effort. Half of the states have most data elements in place, and most agencies collect data on both federally-funded and state-funded properties. The map also shows that state housing finance agencies are the data collectors identified for most locations. Their contribution to the preservation data infrastructure will be critical.

IV.   Recommendations and Areas for Further Discussion

In addition to our recommendations for uniform collection of data elements, we offer the following suggestions based on survey responses and interviewees' suggestions.

Develop standard, feasible methods to collect data elements that are highly rated but less frequently collected.

As noted earlier, five data elements were rated highly by survey respondents but are included in less than half of databases: 1) average rent in surrounding market, 2) notice of opt-out or termination provided to tenants or funder, 3) extent of capital needs, 4) date of eligibility for opt-out or mortgage prepayment, and 5) owners with an interest in selling properties. The first four of these appear in the recommended extensive data collection set; the fifth appears in the recommended content for intensive data collection.

Developing standard measures of these data elements would help agencies target at-risk properties in a more accurate and nuanced way. The discussion below lists examples of agencies that have been able to record this information for at least a portion of their subsidized portfolios. Their collection methods may be feasible for other agencies.

First, 53% of survey respondents identified "average rent in surrounding market" as essential, but only 8% of databases include it. Minnesota Housing Finance Agency (MHFA), for example, employs a market analyst who provides quarterly analyses of market rents, largely based on data from a local real estate research firm. Other data come from annual inspections of properties receiving MHFA first mortgages and from data collected by a statewide tenant organization. Another state agency, Kansas Housing Resource Corporation, will be compiling data on tax credit property rents through new compliance software. While not a comprehensive review, this will provide a good indicator of overall prevailing rents in many smaller towns.

HUD Fair Market Rents (FMR) may provide a proxy for market rents. In fact, a recent study prepared for HUD found that a property's rent level relative to the local FMR was the most important factor in determining whether an owner would opt out of a Section 8 contract,

controlling for other property, program, and location characteristics.[3] However, some interviewees expressed concern that HUD FMRs are not sufficiently helpful, either because they do not accurately reflect actual rents or because they cover too wide a geographic area.

Second, 64% of respondents identified "notice of termination or opt-outs from mortgages or rent subsidy programs" as essential, but only 32% of databases include it. For example, South Dakota Housing Development Authority (SDHDA) receives notification from the local Rural Development office when an owner is interested in prepaying a mortgage or selling a property. SDHDA also has signed up for a weekly list of properties that have applied for prepayment or to sell by e-mailing mfhpreservation@wdc.usda.gov. This list is available to nonprofit and public entities through the Preservation Information Exchange (PIX) website of the Office of Rental Housing Preservation of the Rural Housing Service (https://pix.sc.egov.usda.gov/index.html).

Laws requiring termination notice to those other than tenants also help data collectors to find out about owners that have given notice. California, for example, has a strong notice law that requires owners to notify potential preservation buyers, known as "qualified entities," as well as tenants and public agencies about opt-outs and prepayments. California Housing Partnership Corporation has registered with the state as a qualified entity and tracks these notices in its database. See http://www.hcd.ca.gov/hpd/hrc/tech/presrv/.[4]

Third, 53% of respondents rated "extent of capital needs" as essential, but only 23% of databases include it. Some state HFAs do track capital needs through inspections. For example, Delaware State Housing Authority conducts annual inspections of the 60 sites it oversees (30 bond-financed Section 8 New Construction projects, 30 HUD-insured sites for which it is the Performance-Based Contract Administrator).

In areas with weaker rental markets, the risk of loss of assisted housing properties due to poor physical and financial conditions far exceeds the risk of loss due to conversion to market-rate rents. Poor conditions may lead funders to foreclose on subsidized mortgages or cancel rent subsidy contracts, local governments to cite or condemn a property due to code violations, or owners to cease operating because cash flow is insufficient to continue business operations. In other cases, a property might continue to operate, but under conditions that pose a health or safety threat to residents. Therefore, while developing a standard summary measure of physical conditions might be difficult, it would be highly worthwhile. Doing so would allow identification of many at-risk properties that are now missed by analyses of subsidy expiration dates and rental market conditions alone.

For HUD-subsidized properties, a number of interviewees suggested making REAC inspection scores uniformly available to the public.

---

[3] Abt. Associates, Inc. and Econometrica, Inc., *Multifamily Properties: Opting In, Opting Out and Remaining Affordable* (Washington, DC: U.S. Department of Housing and Urban Development, 2006), pp. 33-36.

[4] Interviewees noted that for properties with federally subsidized or insured mortgages anywhere in the United States, owners must give notice to HUD, state and local government, and tenants prior to termination or prepayment under Wellstone Notice requirements.

Fourth, 66% of respondents rated "date of eligibility for opt-out or mortgage prepayment" as essential, but only 47% of databases include it. Methods for tracking opt-out or prepayment dates depend on the funding programs associated with the properties:

- Some state housing finance agencies track owners' options to terminate affordability restrictions for early LIHTC properties by adding one year, the "option year," past the date the owner requests that the state find a qualified buyer for the property. Owners are eligible to make this request in the fifteenth year.[5]

- For properties with Section 8 rent subsidies, data collectors track the contract expiration date to determine the owner's opt-out date.

- For properties with HUD mortgages, tracking prepayment eligibility dates is more complicated. The prepayment date itself is not included in HUD's databases. Some data collectors extrapolate prepayment dates from the date of the original mortgage, depending on the programs under which each property was financed. This analysis is time-consuming and requires extensive knowledge of HUD financing programs.

Finally, 54% of respondents rated "owners with an interest in selling properties" as essential, but only 17% of databases include it. One way to collect this information and to make it available to interested parties is to create a clearinghouse linking owners and potential buyers. For example, South Dakota Housing Development Authority and Kansas Housing Resource Corporation use their Web sites to post lists of owners interested in selling LIHTC properties coming to the end of their initial 15-year compliance periods. South Dakota's site also lists potential buyers. Similarly, Washington State Housing Finance Commission (WSHFC) has a partnership with Federal Home Loan Bank of Seattle (FHLB). WSHFC collects data on affordable properties whose owners are interested in selling. FHLB disseminates the list to its member banks, mailing list, and other interested parties.

Make HUD data available on a more systematic basis to all data collectors.

Interviewees generally were able to obtain pertinent data on HUD-subsidized properties. However, a number of interviewees cited personal relationships with contacts in local HUD offices as their conduits for information that would be difficult for most people to obtain. Interviewees also noted that they used HUD's databases for information on projects, but that tracking individual properties can be difficult and time-consuming because information must be merged from several HUD databases, including those with information about Section 8 contracts, Section 8 properties, FHA mortgages, Mark-to-Market, and terminated mortgages.

Interviewees recommended merging the HUD databases into a single, more user-friendly database. They also recommended making the following data items widely and systematically available: REAC scores, properties with project-based Section 8 Housing Choice Vouchers, properties in the foreclosure process, properties with Flexible Subsidy Assistance, preservation

---

[5] Most agencies that allocate tax credits now require longer affordability periods than the 15 years originally imposed by the program.

of a property under ELIHPA vs. LIHPRHA, and, where relevant, the HUD option under which a Section 8 contract was renewed.

Make comprehensive data on RD-funded properties available to the public.

Interviewees cited difficulties obtaining information from RD, with RD sometimes citing proprietary information concerns about data that HUD readily releases. Interviewees would like to see ownership information, accurate addresses, financing information, rent subsidy data, and rent limits available from RD.

Where possible, provide public, on-line access to property documents to facilitate intensive data collection.

Providing property documents on-line can greatly reduce the time necessary to perform intensive analysis. For example, New York City's ACRIS system provides publicly available, on-line access to documents for all properties in the city by block and lot number. ACRIS includes most, although not all, documents relevant to housing preservation. For example, it does not include HUD mortgage notes or IRP agreements. See http://www.nyc.gov/html/dof/html/jump/acris.shtml.

Develop consensus on the content and procedures for the national data infrastructure.

In order to develop a national data infrastructure, interested parties will need to come to consensus around a number of parameters.

First, we will need consensus around the content of the infrastructure. Is the list of data elements for extensive data collection suggested in this report correct? How can agencies obtain the data that have been difficult to find thus far?

Second, this network will need to find ways to integrate information across housing programs and data collectors. Are there standard data collection practices that can help individual data collectors to integrate information about a single property from different sources, such as assigning a unique identifier to each property? How can multiple data collectors in a single geographic area integrate their information? More broadly, how can agencies integrate data that might be collected for another purpose, such as compliance monitoring, into a preservation-related data infrastructure?

Third, interested parties will need to come to consensus about access to information. To what extent should the data collected be available and accessible to the public? How can tenants, developers, government officials, advocates and others who are not themselves data collectors gain access to information that can lead to preservation? If full public access is the goal, how can information be provided in a useful and user-friendly way?

Finally, we will need to develop the network of organizations that will carry out the creation of this infrastructure. Should one or more entities oversee the development of this infrastructure?

Finally, we will need to develop the network of organizations that will carry out the creation of this infrastructure. Should one or more entities oversee the development of this infrastructure? How will those involved communicate with each other and with numerous data collectors? Where will data collectors need to be added to ensure full geographic coverage, and who should these entities be?[6] How will contributors to the national data infrastructure find the funding and staff necessary to collect information and to keep it current?

Conversations with preservation data experts revealed a strong interest in a continued national discussion of the use of data to support affordable housing preservation. By building on existing data collection efforts and expertise, we can create an infrastructure of timely, relevant, and user-friendly information that will help interested parties to take maximum advantage of preservation opportunities and to tell the preservation story in their communities.

---

[6] The National Low Income Housing Coalition is currently studying the feasibility of a national "preservation catalog," or inventory, of all assisted housing properties. To date, the research has shown that this catalog is best developed through cooperation between national-level and state- or local-level organizations. A national organization working alone would have difficulty gaining information about the many funding sources outside of the HUD and RD funding streams; these are best understood by those with relationships with state and local funders. At the same time, NLIHC found that its contacts with the central HUD office gave it access to information that might have been difficult for local organizations to obtain. From Keith Wardrip, *NLIHC Preservation Catalog*, presentation to NLIHC Board, 2006.

Appendix 1.   MacArthur Housing Preservation Data Project Summary

In April 2006, the Shimberg Center for Affordable Housing at the University of Florida and Florida Housing Finance Corporation made a proposal to the John D. and Catherine T. MacArthur Foundation through its *Window of Opportunity: Preserving Affordable Rental Housing* initiative to fund a project to improve national data collection and analysis related to the preservation of subsidized rental housing. In June, the MacArthur Foundation agreed to fund this proposal.

Over the next 19 months, the Shimberg Center and Florida Housing will implement the following objectives to complete this project—

Develop a national consensus on the design of a normalized, national preservation data infrastructure that will allow data to be aggregated at the state and national level for purposes of prioritizing and tracking preservation efforts over time.

The objective here is to convene a centrally located meeting of thirty to fifty preservation experts from local, state and national levels from around the country to address the following issues:

- To reach a common understanding of the national preservation data infrastructure, identifying where data are available and where information is lacking;
- To understand the accessibility and usefulness of each data resource;
- To identify best practices in preservation-related data collection;
- To discuss factors that impact an owner's decision in favor or against preservation of subsidized units;
- To develop consensus on the usefulness of a scorecard to measure success of preservation efforts, indicators to be measured, and how such a scorecard would be produced; and
- To develop consensus on the minimum data requirements necessary to support preservation efforts.

Identify the data on subsidized properties that provide the most useful information for policy decisions and program delivery, with a particular focus on the factors that flag an individual property as a potential loss to the subsidized housing inventory; and develop tools that use these data to help policymakers and housing professionals identify properties most at risk of loss to the inventory.

In this case the objective is to develop and evaluate a list of factors that may affect multifamily property owners' decisions to retain or terminate affordability restrictions and develop an assessment tool that can be used nationwide to identify individual properties at risk of loss of affordability to assist in targeting preservation efforts. For example, these factors might include the age and physical condition of the property, the level of market rents versus project rents, ownership status, and marketability and area vacancy rates.

Collect these data for subsidized properties in Florida localities and provide public access to this information through the Florida Housing Data Clearinghouse.

The objective of this data collection and maintenance activity is to enhance the Clearinghouse's Assisted Housing Inventory (AHI) and to develop methods for data collection and routine data maintenance with a particular focus on preservation-related information. The purposes for building this expanded database include:

- To provide end-users such as the public, developers, administrators, and state and local policymakers with more comprehensive data for each assisted property and for the overall affordable stock in Florida through a web-based database;
- To enable assessment of the risk of loss of affordability for Florida properties, and to enable targeting of resources for preservation;
- To collect other data, such as tenant characteristics, that are useful in formulating housing policy; and
- To share the methods for data collection, maintenance, and dissemination with state and local policymakers and housing professionals across the country.

Anticipated Outcomes of this Project
- A report and a map based on survey responses of the current national preservation infrastructure, identifying available data resources and gaps, prepared for the national meeting;
- A national meeting to discuss the development of a national preservation data infrastructure;
- A report of the national preservation data infrastructure meeting, including recommendations related to the creation of a national scorecard on preservation successes/losses;
- A list of indicators of the potential for loss of affordable housing from the rental inventory;
- A tool to identify individual properties at risk of loss of affordability;
- A model preservation data set for the state of Florida;
- A method for data collection, data maintenance and dissemination; and
- Statewide and national dissemination of these results.

Appendix 2.   Survey Respondents

- Emily Achtenberg, Consultant*
- Randy Archuleta, Arizona Department of Housing/HFA
- David Bartlett, Georgia Department of Community Affairs
- Fred Bentley, Kansas Housing Resources Corporation*
- Anne Berman, Rhode Island Housing and Finance Corporation
- Bruce Bokony, Arkansas Development Finance Authority*
- Linda Bridge, New Mexico Mortgage Finance Authority
- Gayle Brownlee, Wyoming Community Development Authority
- David Dandenfelzer, Texas Department of Housing and Community Affairs
- Dan DeLong, Illinois Housing Development Authority
- Susan Eliason, Delaware State Housing Authority*
- Chuck Elsesser, Florida Legal Services
- Sam Falzone, Vermont Housing Finance Agency
- Stan Fitterman, Florida Housing Coalition
- Stephanie Green, West Side Federation for Senior & Supported Housing*
- Jim Grow, National Housing Law Project
- Ethan Handelman, Recapitalization Advisors Inc.*
- Roger Herzog, Community Economic Development Assistance Corporation*
- Rachel Johnston, Chicago Rehab Network*
- Dave Keene, Mass Housing*
- Robin Kemker, Utah Housing Corporation
- Julie LaSota, Minnesota Housing Finance Agency*
- Jennifer Lavorel, Stewards for Affordable Housing for the Future
- Dina Levy, Urban Homesteading Assistance Board*
- Jim Liska, California Housing Finance Agency
- Bart Lloyd, Preservation of Affordable Housing Inc. (POAH)*
- Donna McMillan, Michigan State Housing Development Authority
- Barry Merchant, Virginia Housing Development Authority*

---

* Individuals marked with a (*) participated in in-depth interviews as well as the initial survey. Toby Halliday of LISC, Bill Brauner of Community Economic Development Assistance Corporation, Bob Carter of Mass Housing, and Laura Zajac and Maura Weber of Connecticut Housing Finance Authority also participated in in-depth interviews.

- Paul Mittleman, Hispanic Housing Development Corporation
- Kathleen Moran, New Hampshire Housing Finance Authority
- John Murray, New Jersey Housing and Mortgage Finance Agency
- Eileen Murray, New York State Division of Housing and Community Renewal
- Todd Nedwick, National Housing Trust*
- Laura Nicholson, South Carolina State Housing Finance and Development Authority
- Michelle Norris, National Church Residences
- Colleen O'Brien, HousingLink
- Vincent O'Donnell, Local Initiatives Support Corporation - LISC
- Mark Offerman, Kentucky Housing Corporation
- Rae Ellen Packard, Wisconsin Housing and Economic Development Authority*
- Rita Parise, Ohio Housing Finance Agency
- Susan Parks, Florida Housing Finance Corporation
- Ed Pauls, District of Columbia Housing Finance Agency
- Elyse Perry, California Housing Partnership Corporation*
- Lorraine Polak, South Dakota Housing Development Authority*
- Carla Pope, Iowa Finance Authority
- Shane Rock, Washington Low Income Housing Alliance
- Molly Rogers, Housing Development Center
- Sandy Rollins, Texas Tenants Union
- Mark Romick, Alaska Housing Finance Corporation
- Patricia Roset-Zuppa, Shimberg Center for Affordable Housing
- Mat Rude, Montana Board of Housing/Housing Division
- Mark Shelburne, North Carolina Housing Finance Agency
- Brian Shull, Pennsylvania Housing Finance Agency
- Tim Sovold, Washington State Housing Finance Commission
- Leslie Strauss, Housing Assistance Council
- Peter Tatian, Urban Institute
- Jim Thackaberry, District of Columbia Department of Housing and Community Development
- Tim Thompson, Housing Preservation Project
- Jenell Thomy, Missouri Housing Development Commission
- Michael Torrens, Corporation for Enterprise Development

- Dawn Voelker, Oregon Housing and Community Services
- Barbara Wallace, Alabama Housing Finance Authority
- Michael Ward, Connecticut Housing Finance Authority*
- Keith Wardrip, National Low Income Housing Coalition
- Tom Waters, Community Service Society
- Spencer Wells, Coalition on Homelessness and Housing in Ohio
- Ed Yandell, Tennessee Housing Development Agency