



## Affordable Housing Preservation Initiative

**LISC's Affordable Housing Preservation Initiative** is dedicated to preserving as many affordable housing units as possible. Between 1965 and 1990, Americans invested over \$60 billion in a supply of affordable rental housing. These low-cost apartments in cities, suburbs, and rural communities were intended not only to shelter people with low incomes, but also to improve distressed neighborhoods, provide for mixed-income communities, and ensure opportunities for seniors to live close to community and family. Those investments are now increasingly at risk. Nearly two million units of federally-assisted rental housing face expiring rent and mortgage subsidies and may soon no longer be available to low-income

residents. The Initiative provides technical support to LISC's field offices and local CDCs, seeks new financing solutions to keep units affordable, and maintains partnerships with other nonprofits to keep properties safe and in good repair.

### THE PROBLEM

Homes and apartments that have been kept at affordable rents because subsidies and agreements made them affordable face a variety of risks, including:

- expiration of contracts with owners under federal programs like federally subsidized mortgages, rental subsidies, the Low-Income Housing Tax Credit, and others;
- physical or economic deterioration, due to deferred maintenance, obsolescence of systems, or adverse market conditions;
- cost of changing ownership, such as taxes on property transfers and complex transaction rules.



Replacing lost affordable housing, in a time of shrinking government resources and rising development costs, can be very expensive, and is infeasible in some neighborhoods.

### THE SOLUTION

LISC established its Affordable Housing Preservation Initiative to strengthen efforts toward preservation and promote preservation-oriented public policies. LISC has helped nonprofit community development corporations (CDCs) acquire and preserve housing developments, has built partnerships with housing authorities and other organizations, and has advocated for government policies that can reduce the loss of affordable homes and apartments. Local LISC offices help identify properties at risk, raise awareness of the potential impact on the surrounding community, and maintain long-standing partnerships with CDCs, other nonprofit and for-profit developers, banks, foundations, and state and local governments. The national housing preservation staff specializes in assessing preservation opportunities, advising on project strategy, and developing innovative financing. To date, LISC has committed \$80 million to support the preservation of over 15 thousand affordable homes in urban, suburban, and rural communities.



### THE VALUE OF AFFORDABLE HOUSING

Providing housing at rents that lower-income people can afford is not just an act of public generosity. It is an economic and physical development strategy and an important part of overall public policy for most kinds of communities.

Affordable housing serves a number of public purposes:

- Supplying starter homes for young or lower-income families;
- Providing a place for lower-wage employees to live near work;
- Preventing homelessness;
- Helping elderly people remain near family and friends once they can no longer maintain or afford their former homes;
- Creating and preserving strong, mixed-income communities.

When affordable rental housing disappears or ceases to be affordable, replacing it with new developments is often unrealistic. For many communities, the choice is essentially to preserve their existing affordable housing or to lose it forever.

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