



**Miami-Dade County's Affordable Housing Practicum 2018
Incentives Panel**

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Scattered Sites

“ Affordable Housing should not be just a block of units, they should be fully integrated within the fabric of the city.”

“You should be able to drive into a neighborhood and not be able to distinguish what is market rate and what is affordable.”

The scattered concept is also applied at the micro level. Each building will be composed of diverse families with different income levels.

Selected Scattered Sites



Two properties within the Little Haiti neighborhood were rehabilitated utilizing the MDC Surtax Program:

- 19 unit Miami Modern motor courtyard with historic details
- 4 unit Miami Modern multifamily

Both close to core and transportation options.

7800 NW 2 AV

19 Units
4 x 1 Bedroom Units
14 x Studios (efficiency)
1x 3 Bedroom 1 Bath

Lot size: 22,500 SF
Building size: 7,000 SF

Year Built: 1947
Zoning: T 5-R

Price paid: \$900,000
Price per building SF: \$128.57
Price per Unit: \$50,000

Projected renovation price per unit:
\$50,000
Project all-in cost per unit:
\$100,000
Blended rents: \$700



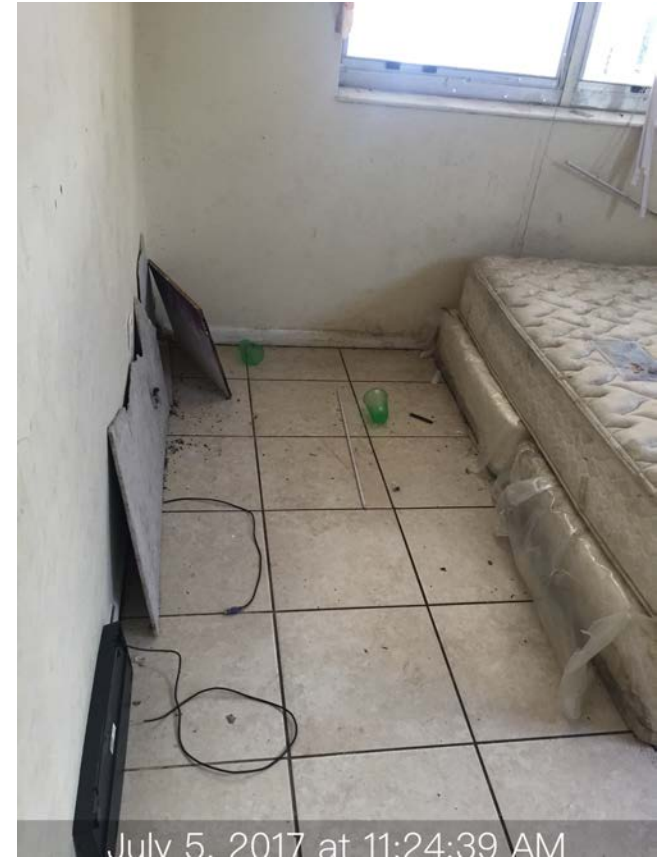
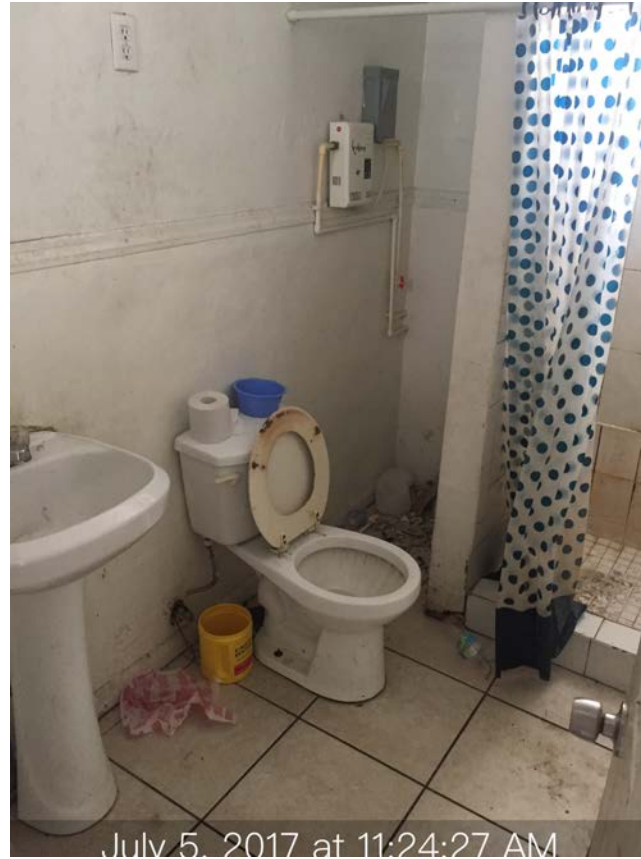
2016 Aerial Photography 60ft

Historic Preservation Combined with Affordable Housing



Before

Existing Condition



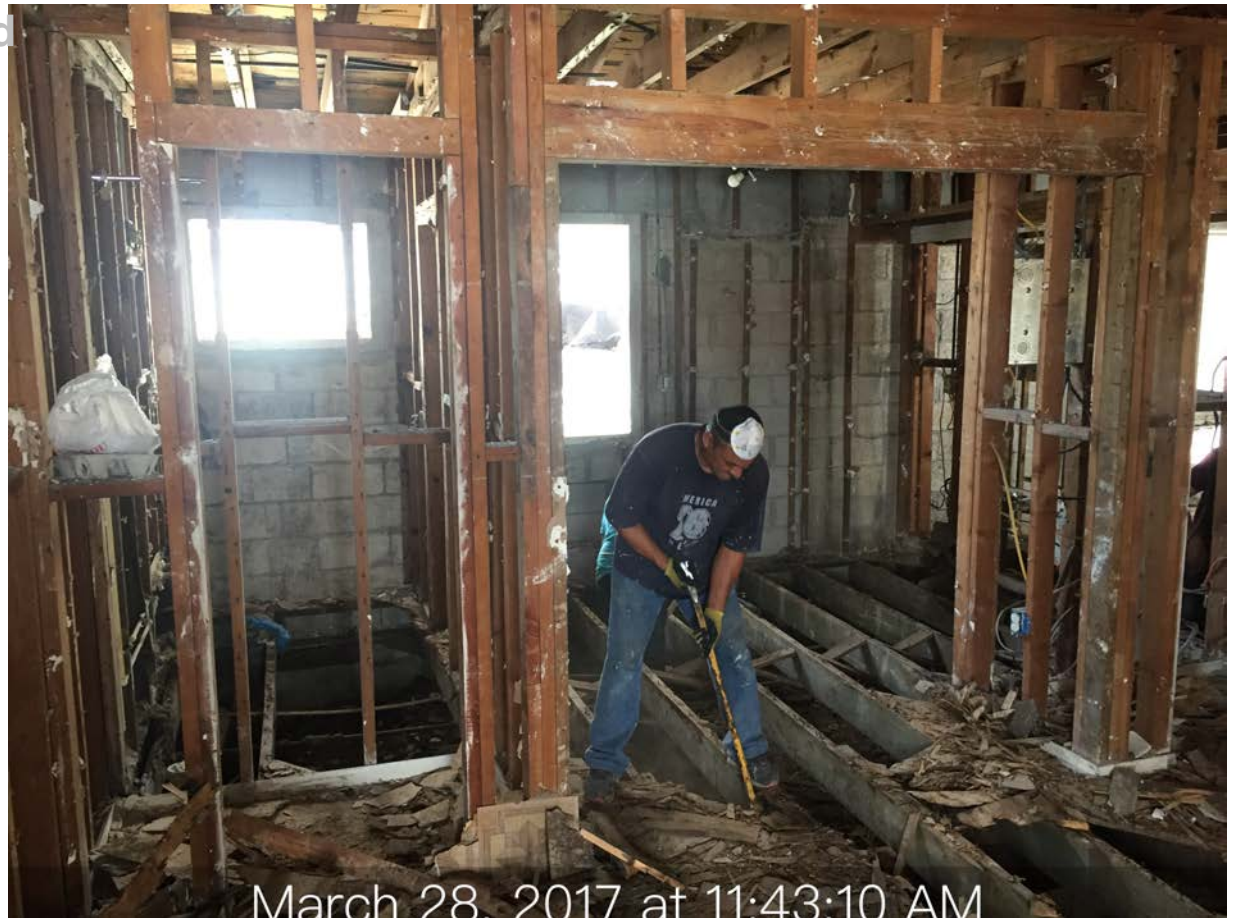
Behind the Walls

Termite and moisture damage



During

Down to the studs,
repair and replacement as needed



During

Rehabilitation of electric,
plumbing and finishes



Now

Architecturally designed kitchens:

- Real wood cabinetry
- Quartz countertops
- Four burner electric stove with hood
- Full subway tile backsplash
- Brushed nickel handles
- Pull-down Spray Faucet



Now

Architecturally
designed
bathrooms:

- Floor to ceiling
tiled showers
- Vanity sinks and
lighting
- All new
plumbing
fixtures



Now

- Architecturally designed interiors:
- Large operable, impact glass windows with screens.
- Ceiling fans
- Track lighting
- Two fitted closets
- Porcelain flooring
- Marble window sills
- Security front door
- Titan water heaters



No Displacement



“The development team did a wonderful job coordinating work with little inconvenience to myself and my neighbors so we could stay on property during the rehabilitation. I am so pleased with the upgrades to my new home and look forward to being here for a long time!”

-Tasha, tenant at 7800 NW 2nd Ave property

ECONOMIC CASE STUDY: 6820 NW 2 AV

4 Units
1 Bedroom Units @ 505 SF

Lot size: 5,750 SF
Building size: 2,076 SF

Year Built: 1952
Zoning: T 5-R

Price paid: \$300,000
Price per building SF: \$148.51
Price per unit: \$75,000

Renovation cost per unit: \$58,032
All-in cost per unit: \$133,032
Blended rents: \$775



Behind the Walls

Termite and moisture damage



Now

Architecturally
designed
bathrooms:

- Floor to ceiling
tiled showers
- Vanity sinks and
lighting
- All new
plumbing
fixtures



Now

Architecturally designed kitchens:

- Real wood cabinetry
- Quartz countertops
- Four burner electric stove with hood
- Brushed nickel handles
- Pull-down Spray Faucet
- Full sized built-in pantry



Now

Architecturally designed interiors:

- Large operable, impact glass windows with screens.
- Ceiling fans
- Track lighting
- Mirrored closet and linen closet
- Restored terrazzo floors
- Marble window sills
- Security front door
- Titan water heaters



The Math

PROPERTY INFORMATION		
PURCHASE PRICE		\$285,000.00
CLOSING COSTS		\$15,000.00
		\$300,000.00
NUMBER OF UNITS		4
UNIT SF		505
PRICE PER UNIT		\$75,000.00
PRICE PER SF		\$148.51
RENOVATION EXPENSES		
HARD COSTS SF		\$ 184,916.32
SOFT COSTS SF		\$ 19,212.56
PROJECT MANAGEMENT FEE (\$500 @ 56 WEEKS) EXCLUDES DEVELOPER FEE		\$ 28,000.00
TOTAL RENOVATION COST		\$ 232,128.88
TOTAL RENOVATION COST PER UNIT		\$ 58,032.22
TOTAL RENOVATION COST PER SF		\$ 114.92
ALL - IN- COST PER UNIT		\$133,032.22

*** NO DEVELOPER FEES AND NO RELOCATION COSTS**

The Math

INCOME		
AVERAGE RENT PER UNIT		\$ 775.00
AVERAGE RENT PER SF		\$1.53
UNIT YEARLY INCOME		\$ 37,200.00
OPERATING EXPENSES		
UTILITIES		\$ 1,789.22
TAXES AND INSURANCE	FIXED OPEX	\$ 10,525.14
ACCOUNTING		\$ 1,500.00
LEGAL		\$ 500.00
PROPERTY MANAGEMENT (5%)		\$ 1,860.00
PROPERTY MAINTENANCE		\$ 1,200.00
RESERVES (5%)		\$ 1,860.00
TOTAL OPEX		\$ 19,234.36
NET PROCEEDS		\$ 17,965.64
MORTGAGE	\$213,000 @ 4.5% 25 YR AMORT	\$ 14,207.04
NOI BEFORE SURTAX		\$ 3,758.60
COUNTY LOAN INTEREST PAYMENT	\$87,000 @ 2% 25 YR AMORT	\$ 4,069.00
NOI AFTER SURTAX		\$ (310.40)

The Math

**On the \$300,000 equity invested,
there is **negative** return.**

NET PROCEEDS	\$	17,965.64
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6% CAP	\$	245,427.33
PRICE PER UNIT	\$	61,356.83

**Valuation of the Renovated Units = The Original Purchase Price of \$75,000
with the existing tenants in place.**

The unrealized loss is essentially the renovation cost.

“The Math is The Math”

MONTHLY RENT X 100 = ALL IN COST

Ex.

$$\$775 \times 100 = \$77,500$$

$$(\$775 + \$225 \text{ voucher}) \times 100 = \$100,000$$

$$(\$775 + \$525 \text{ voucher}) \times 100 = \$130,000$$

**To keep existing tenants in place, which is it?
*Voucher subsidy or renovation subsidy?***

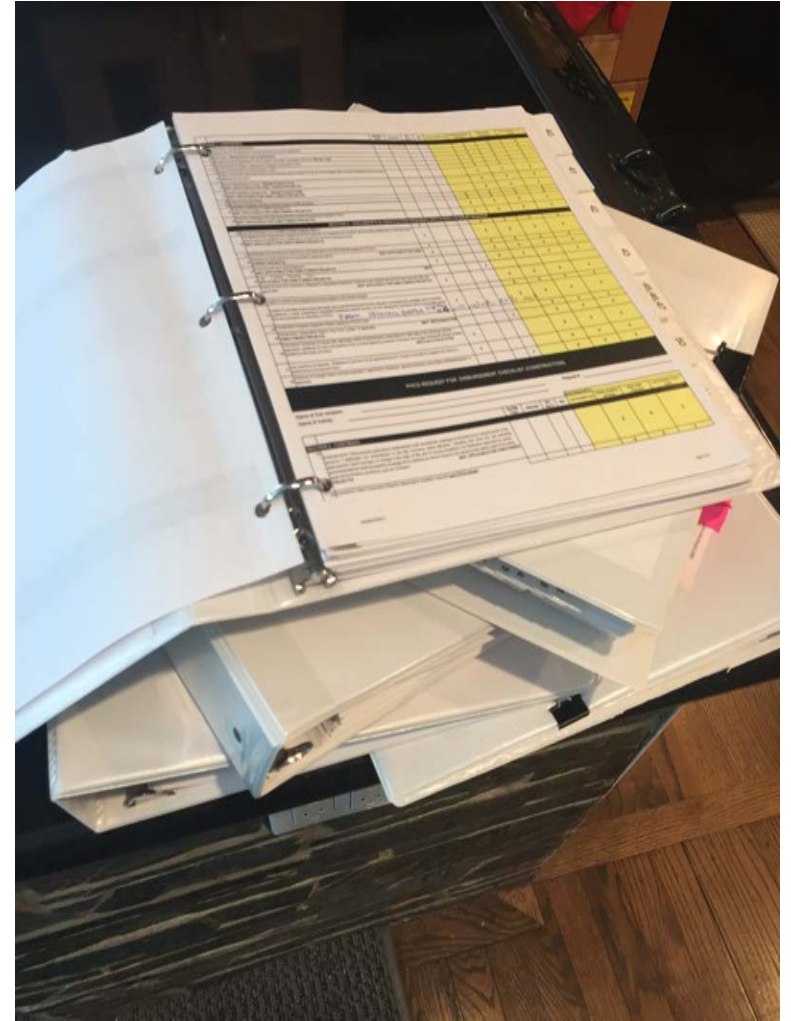
Local Impact Investing

- Rehabilitation of existing structures generally supports a wider local impact, through the hiring of local construction workers, local architecture, engineering, and contracting (AEC) firms, and local businesses. Additionally, since the Little Haiti projects did not displace existing tenants, contractors had to return on a unit-by-unit basis.
- At 6820 NW 2nd Ave, 96% of expenses can be attributed to local businesses and employment. Of a total \$171k in hard cost expenses, \$165k had a direct impact through the selection of 16 local businesses and the employment of 10 Miami residents hired to complete construction work during the rehabilitation.

**Note: this is not to say that local businesses don't retain materials from nationalized firms, but the decision to support local businesses rather than going directly to the source is more feasible in rehabilitation projects versus larger, new construction.*

**EXCESSIVELY
PAPER-
INTENSIVE**

**SOLUTION:
SIMPLIFY THE
PROCESS**



The Takeaway:

Affordable Housing has to truly be subsidized

The Why:

- **It's the right thing to do**
- **Miami Forever Fund: the community has voted to increase their taxes in support of providing more affordable housing.**
- **Resiliency by definition is “ the ability to bounce back.”
Quality affordable housing is critical to social resiliency.**
- **Culturally historic neighborhoods like Little Haiti, Overtown, and Little Havana, among others, need to be preserved.
Communities need to stay intact and renovation of existing housing stock needs to be part of the affordable housing solution**