

Miami Herald

May 17, 2019

Circulation: 100,564 / UMV: 8,943,266

MIAMI

Redone apartments might show way to fix housing crisis

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Here's one possible solution to Miami-Dade's mounting housing-affordability and gentrification crisis: Fix up the places where low-income people already live and keep the rent down so no one's pushed out.

■ A developer and a Miami city agency teamed up to renovate five apartment buildings in Overtown without displacing residents or raising rents, a model that they say can help relieve a housing-affordability crisis.

That's the deceptively simple approach now being tested in Miami's Overtown by a city agency and a private developer best known for transforming 1950s MiMo motels on Biscayne Boulevard into hip attrac-

tions. So far, it seems to be working.

This week, developer Avra Jain and the city's Omni Community Redevelopment Agency unveiled the first results of what might prove to be an in-

novative, cost-sharing collaboration — a 1950s, two-story, apartment building that had been a mold-infested blight and was totally rehabbed to high standards.

That's not even the most promising part. The building's tenants didn't have to move far during the seven-month renovation, just next door. This month, they get to move back into their

apartments, now sparkling new with hardwood kitchen cabinets and granite counters, copper plumbing, and high-efficiency air conditioning.

And once they do, they will pay virtually the same low rents that they were paying before the renovation for what was slum housing. That's \$750 to \$825 for a range of unit

sizes that include a three-bedroom, two-bath apartment. For 30 years, the rents will increase only marginally to keep up with inflation.

"I like it. I love it," said a smiling Joseph Akharoh as he toured his gleaming new studio apartment for the first time on Wednesday.

SEE APARTMENTS, 2A



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Omni CRA members and government officials participate in a celebration at the 16 Corner project in Overtown on Monday. Residents will be moving back into their renovated apartments this month.

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Akharoh, 31, moved into the building five years ago after graduating from college to save money for student-loan payments while he set up a small consulting business.

"It's much better than before. And they still kept the prices the same, which is what you worry about when they do these projects."

The building is small, only eight apartments. But Jain and the CRA bought four other adjacent build-

ings. So far, it seems to be working. chairman, said. "But it's not just about building new towers. It's about holding the bones of what we have now for the people who are here now."

The formula requires marrying the skills and financing of an experienced private developer with public subsidies and the willingness to cut through the red tape of the CRA, which collects a percentage of property-tax revenue from new development within the Om-

million. Jain's Vagabond Group, working with Mt. Zion Church's community-redevelopment corporation, will manage and maintain the property. To help keep costs low, Jain did not take a developer's fee, though she does expect to make a small profit.

The CRA subsidy is what makes it possible for her not to raise rents, Jain said. Otherwise, the \$80,000-per-unit purchase cost and the \$60,000-per-unit rehab cost would have required rents to roughly double, she said. Without the revenue, no bank would finance such a project, Jain said.

"The numbers don't work. That's why they stay slums," Jain said.

Another advantage in working with the CRA is that the agency can work quickly, is flexible enough to design its own policy, and is not bound by sometimes onerous administrative and paperwork requirements to qualify for federal tax credits or other subsidies. Those can make a project nearly impossible for a small or mid-size developer, she said — another obstacle to financing the kind of small-scale rehab projects that she believes are needed.

With Miami-Dade County, Jain completed a small, federally subsidized, 24-unit project that involved renovating a historically designated courtyard-style motel in Little Haiti but said she won't do so again because of the time and money spent on administrative requirements.

ings for what they're calling 16 Corner. Rehab will start on the next building as soon as Akharoh and the other tenants move out and into their new homes next door. Eventually, that will mean a total of 44 high-quality units of very affordable housing with virtually no displacement. It's a model that the developer and agency officials believe can be replicated across poor neighborhoods in the urban core.

In most of those areas, they say, there is high demand for inexpensive but decent housing, and a large supply of badly deteriorated but solidly built apartments that are candidates for renovation. Often, when conditions get bad enough, those buildings are condemned and torn down. The result: Occupants are left to fend for themselves in an unforgiving rental market, and the community fabric becomes further frayed.

Meanwhile, most affordable-housing projects built with federal subsidies are large and costly. By law, those can't favor those already living in the neighborhood.

The newly rehabbed building was a tear-down candidate, too, noted Miami Commission Chairman Ken Russell. Saving it meant not only preserving the structure but also the neighborhood.

"We have a crisis right now," Russell, who is also the Omni CRA

ni district. With construction in the area booming, the formerly strapped agency now expects rising revenue that can be put to work rehabbing more housing.

Jain's 16 Corner is the first affordable-housing project by the Omni CRA, though its neighbor to the south, the Overtown CRA, has helped finance dozens of units. What's unusual about the Omni CRA approach is its emphasis on preserving buildings and keeping people in place.

The agency provided \$1.8 million for purchase of the five buildings and \$2 million more towards renovation costs, with Jain putting up the rest. The project's total cost, Jain, estimates, will be \$6.5

The Overtown project, by comparison, can be a case study. CRA Executive Director Jason Walker, who recruited Jain, developed a blueprint that can be repeated. Future projects could move even more quickly because legal and other kinks were worked out for 16 Corner, CRA administrators said.

The lesson, Jain said, is that tackling the city's affordable-housing crisis can be relatively straightforward and the payoff significant.

"Take these old buildings, don't knock them down, don't displace people," Jain said. "It keeps communities and the texture of the neighborhood intact. It's important for Miami."

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Miami Commissioner Keon Hardemon and developer Avra Jain, of Vagabond Group, tour a renovated apartment building at 16 Corner in Overtown on Monday. It is the first affordable-housing project by the Omni CRA.