**City of Orlando, DDB/CRA**

**INNOVATION**

During 2018, three nonprofit organizations formed a new partnership to invest $8 million in Orlando’s older established African American Parramore neighborhood, with the goal of preserving long-term affordable housing rental units for area families. The Florida Community Loan Fund, Central Florida Foundation, and New Jersey Community Capital came together to create the Parramore Asset Stabilization Fund (“PASF”) to purchase, renovate, and preserve 83 scattered-site residential units across 44 different properties beginning in spring 2019. This unique partnership enabled large scale, transformative impact resulting in long-term neighborhood improvements that aligned with community value-driven plans. Innovation lay not only in the carefully crafted partnership and financing, or even the large implementation area (over one square mile) but as importantly, the involvement of the residents throughout the process, from design to execution.

A total of 76% of low-income households in Orlando are cost burdened, spending more than 40% of income on rent and utilities. The Parramore neighborhood has a median household income of $15,000 and an unemployment rate of 23.8%. The PASF project has served to stabilize and improve this community by:

- Preserving affordability of 83 homes for twenty years in a low-income community, promoting sustainability;
- Working with local nonprofit housing developers and general contractors to rehabilitate units for affordable rental housing and employing area residents;
- Improving living conditions for residents through renovations that emphasize health and energy efficiency; and
- Providing a pathway to equitable intergenerational wealth and access to financial literacy programs that prepare residents for homeownership.

**OUTCOME**

The city/CRA leadership, consistent with civic planning efforts, had long sought a non-profit partnership which had the capacity to conduct neighborhood-wide residential improvements and preserve at-risk affordable housing stock, which was under growing gentrification pressure, and accept a long-term sustainability promoting agreement addressing development and rent control (20 years). The PASF group approached the city which led to a collaboration with significant and successful impacts.

Key outcomes benefitted both residents and stakeholders, served to stabilize the neighborhood by upgrading substandard units, decreased eviction levels, capped increasing rental rates, and removed high utility costs borne by tenants, which all have been issues in the low-moderate income historically African American Parramore Neighborhood.

In particular this work led to:

- Revitalization of 83 substandard rental housing with modernized improvements;
- Introduction of energy efficient modifications including new windows and doors, energy star appliances, AC split systems, hot water heaters and insulation
- Maintenance of affordable rental properties with an average rent of $700.00, almost 50% lower from area rental units;
- Attenuation of resident displacement through upgraded units, repair rapid response and client liaison to identify and connect tenants to resources;
- Reduction of eviction rate and an inhouse pre-eviction process to reduce future displacement; and,
- Develop optimal renovation and relocation practices to facilitate efficient and effective revitalization of occupied units and allow replication in other neighborhoods.

It is anticipated that due to the specific design of this project that these outcomes will have long-term positive intergenerational benefits.
EXECUTION
Strategic planning occurred during 2019, construction followed in 2019/20 and the project was successfully completed by the end of 2021. During 2018/19, with city oversight, the partnership among the Central Florida Foundation (fiscal agent), Florida Community Loan Bank (key investor), and New Jersey Community Capital (Construction-Cap-C) coalesced and 44 properties, mostly with substandard single and attached residential structures, were purchased. This development approach had never been done in the city and while there were high levels of optimism, given the age and condition of properties, everyone knew many challenges lay ahead.

The 44 properties, comprised of 83 units, situated over 1.3 square mile area, were first cleaned and cleared including tree removal, massive trash pickup, driveway improvements and landscaping. The rehabilitation followed, with family relocation, over a two year period, even with COVID-19 challenges. Nearly all properties received new roofs along with full bathroom and kitchen rehabilitation, comprehensive energy improvements (A/C split systems) and new flooring. Quality, green and modern materials were installed.

PASF, in discussion with the historic preservation architect, selected colors that enhanced the varied building forms; and residents gave guidance on exterior and interior design challenges due to their familiarity with the unit.

REPRESENTATION
In addition to the PASF’s many financial partners and the rehabilitation activities, the development agreement initiated by the city/CRA directly supports the social aspects of being a tenant long-term maintenance of the units, ensuring that the properties are preserved and the majority minority tenants have meaningful opportunities.

During the tenant on-line bi-weekly meetings, the PASF client liaison provides information about where to apply and receive job training as well as educational opportunities and food resources. Key webinar topics have ranged from “Credit Maintenance” to “Getting Rental Assistance Help.” Three tenant entrepreneurs have served as PASF vendors and included Cleaning Services, Final Touch, and IGETDOWNANDMORE. This latter business has been responsible for the portfolio landscaping and featured on Channel 9 News (May 2021).

Other partners are the Central Florida Urban League which have provided funds for transportation and childcare for those tenants attending school. The Young Professional Urban League provides tenant’s professional development services. Ten tenants have enrolled in the Valenica College Accelerator (high wage training) Program and associated training, and three tenants graduated in 2021. PASF also helps residents secure affordable and accessible health services. Rent counseling and payment plans are also available to help tenants remain in place.

REPLICATION
The PASF initiative, while multi-faceted, is a replicable project and the PASF investment group is, due to the success of this effort, involved in similar projects in Tampa and other communities. Key to the process are partners with funding, capacity and commitment. In particular, PASF was very responsive to the city, tenants, and area residents during the entire process, ensuring a successful execution even during COVID-19. Communication, in particular, was effective by having an “on-the-ground” local residential client liaison who could address a wide range of issues from relocation to securing food vouchers. The PASF construction crews were mostly local and they tried to hire directly from the neighborhood, thereby establishing a close connection with tenants, who often collaboratively solved problems, due to their familiarity with the units and past work. Some residents had lived in their apartments for decades and their knowledge and experience was invaluable.

COMPLEXITY/SIMPLICITY
The PASF project demanded detail in organization and execution. It is a testament to city/CRA leadership who brought together non-community landlords interested in selling and a multi-disciplinary team able to purchase, renovate, and manage an affordable housing portfolio that serves existing Parramore residents. The agreement between the PASF and the city/CRA further ensures that the properties were not only expertly renovated but kept affordable.

Historically, rental housing in the Parramore Neighborhood was not well maintained. A predominately low-moderate income African-American community, most residents lived in rental units with absentee landlords.
For many years the city/CRA sought to attract the right development partnership. The $8 million dollar financing package for 44 properties with 83 different rental units had many partners, with the various financial and implementation roles:

- $1.92 million for property acquisition
- Central Florida Foundation: 33%
- Florida Community Loan Trust: 33%
- New Jersey Community Capital: 33%
- Seaside Bank: $4.3 million in loans.

Other committed funders included:

- Wells Fargo ($100,000)
- Sun Trust ($150,000)
- Orlando City Soccer ($25,000)
- FHLB-AHP ($500,000)
- Orlando Magic ($25,000)
- TD Bank ($250,000)
- CRA ($250,000)
- City of Orlando ($500,000)