



## South Bend Common Council

227 W, Jefferson Blvd. Room 441 - County-City Building, South Bend, IN 46601

### The Collective Power of Engagement & Intentional Collaboration

August 22, 2019

#### MIAMI HILLS APARTMENTS

Use this to outline/summarize the concept of your proposal

1. A description of proposed plan and how it relates to the Common Council/City's basic purpose and mission:

The Miami Hills Apartments are home to 151 low income tenants (27 – (1) BR apartments, 97 – (2) BR apartments, 15 (3) BR apartments and 12 (4) BR apartments). The complex was built in 1973 and has not had any substantial capital improvements over the last 46 years. A new owner purchased the property in 2014 and had a net loss on the property of \$685,044 in 2018. The property has project- based Section 8 vouchers for all the apartments and is a major affordable housing resource for the city.

2. Why this plan is needed:

Due to the age of the property, a major renovation is necessary to keep it a long term viable affordable housing resource. The owners plan to apply for low income housing tax credits in 2020. A successful tax credit application will require city support.

3. The human and financial resources needed to implement the plan (in detail):

- 1) A strategic plan for the Miami Hills Apartments and the surrounding area to meet the requirements shown in Attachment A to this proposal.
- 2) \$100,000 for capital improvements within ¼ mile of the apartments. The capital improvements selected will be based on the information gathered in the Strategic Plan.
- 3) About \$2,800,000 in TIF Funds or 10% of the total cost of the project to cover a portion of the rehabilitation costs for the project.

4. What will this mean to the Common Council/City in opportunities and cost in 1 to three years:

Miami Hills will become a quality affordable housing resource for the community. The families that live there will increase the stability in their lives through an improved home they can be proud of. This will allow them to build financial stability and to pursue opportunities for themselves and their families.

5. An alternative plan/other options:

The operation of the property cannot be sustained in a manner that the city, ownership and residents want to see under the current circumstances. The owner is investing funds to maintain the habitability of the property but cannot invest enough to cover all of the needed improvements to truly set the property in a new direction. City support is critical to obtaining the low-income housing tax credits that will cover the costs of the improvements needed.

There are not any feasible alternatives to applying for 9% low income housing tax credits. The 4% tax credits are less competitive but will not produce enough funds to cover the needed capital improvements.