

MIAMI-DADE COUNTY

These fully redone apartments may help solve Miami's housing crisis. The rent stays cheap.

BY ANDRES VIGLUCCI

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Joseph Akharoh tours through his renovated apartment during the "Move-In Celebration" at the 16 Corner Project in Overtown on May 14, 2019. Akharoh will be receiving his renovated apartment once construction is complete.

BY **MATIAS J. OCNER** ✉

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.

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 attractions. 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 innovative cost-sharing collaboration — a 1950s two-story apartment building, until recently a mold-infested blight, that has been totally rehabbed to high standards.

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That's not even the most promising part. The building's tenants didn't have to move far during the seven-month gut renovation, just next door. Later 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 they were paying before the renovation for what was slum housing. That's \$750 to \$825 for a range of unit sizes that includes 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. 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."



An exterior view of a newly renovated apartment building at the 16 Corner Project in Overtown, The collaboration between developer Avra Jain and Miami's Omni Community Redevelopment Agency is being touted as a new model for addressing Miami's housing affordability crisis. MATIAS J. OCNER MOCNER@MIAMIHERALD.COM

The building is small, just eight apartments. But Jain and the CRA bought four other adjacent buildings for what they're calling 16 Corner. Rehab will start on the next building just 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 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. 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 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 Omni district. With construction in the area booming, the formerly strapped agency now expects rising revenue that can be put to work rehabbing more housing.



Resident Quantanae Byrd, 25, records a video of a renovated apartment during the “Move-In Celebration” at the 16 Corner project in Overtown. *MATIAS J. OCNER MOCNER@MIAMIHERALD.COM*

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 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 she believes are needed.



Resident Joseph Akharoh looks through a renovated apartment during the “Move-In Celebration” at the 16 Corner project in Overtown. *MATIAS J. OCNER MOCNER@MIAMIHERALD.COM*

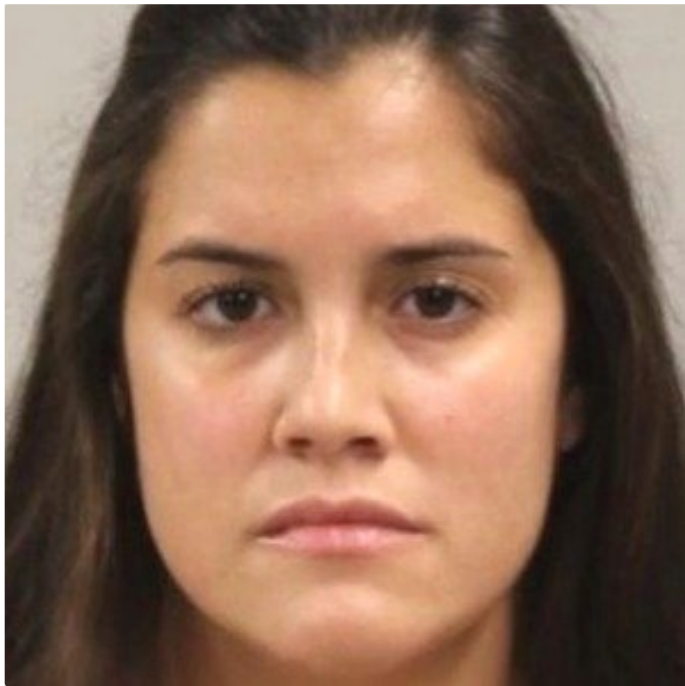
Jain completed a small, federally subsidized 24-unit project with Miami-Dade County in Little Haiti that involved renovating a historically designated courtyard-style motel, but said she won’t do so again because of the time and money spent on administrative requirements.

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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