Preserving Rural Affordable Housing

Azalea Apartments • Bowling Green, Florida

A 40-unit USDA Section 515 property — and a case study in why preservation matters.

5–8 MINUTE OVERVIEW

Azalea Apartments: the property we are preserving

Affordable housing is infrastructure — and it has to be maintained.

What is USDA Section 515?

A long-standing federal tool for creating affordable rental housing in rural America.

515

USDA Rural Rental Housing Direct Loan Program

Financing for affordable multifamily rental housing serving income-eligible households in rural communities.

01

AFFORDABILITY

Below-market financing helps support rents affordable to very-low, low- and moderate-income households.

02

RURAL FOCUS

The program targets communities where affordable rental housing may not otherwise be produced.

03

LONG-TERM ASSET

The buildings remain valuable community assets only if they are maintained, financed and preserved.

USDA currently describes Section 515 as competitive direct financing for affordable multifamily rental housing in eligible rural areas.

Why preservation matters

Losing an existing affordable property is easier than replacing it.

The preservation equation

1 **Keep rents affordable**

Preserve the original public investment and housing opportunity.

2 **Reinvest in the physical asset**

Roofs, HVAC, electrical, plumbing, site work and amenities do not last forever.

3 **Use mission-driven ownership**

Nonprofits and preservation-oriented owners can prioritize long-term affordability alongside financial sustainability.

What rehabilitation looks like on the ground

Capital needs are often ordinary systems — but replacing them across an entire property is costly.

HVAC / mechanical

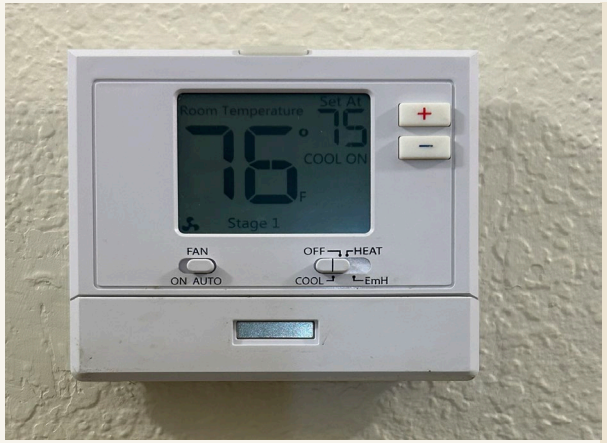
Aging equipment affects comfort, energy use and operating costs.

Drainage / site

Water management and site conditions can become building and maintenance issues.

Playground / amenities

Common areas also require safe, durable reinvestment.



Electrical / building systems

Rehabilitation reaches behind the walls as well as what residents see.

MPR: a preservation tool with a specific purpose

USDA's Multifamily Preservation and Revitalization program is designed to extend affordable use.

~$2.0M

Azalea rehabilitation financing under consideration / process

MPR can combine preservation tools such as grants, debt deferrals, and zero- or low-interest loans for eligible USDA-financed properties.

1

ASSESS

Third-party Capital Needs Assessment identifies physical needs.

2

STRUCTURE

USDA determines the preservation financing and transaction requirements.

3

REHAB

Owner procures and completes an approved scope of work.

4

PRESERVE

The objective is safe housing and extended affordability without rent-driven displacement.

The hard part: turning preservation dollars into construction

Funding does not eliminate the transaction, compliance and market challenges.

TIME

Reviews, approvals and closing requirements can extend the period between identified need and actual construction.

COST

Construction pricing can move while a scope and financing package are being reviewed — reducing what the same dollars can buy.

BABA

Build America, Buy America requirements can affect product sourcing, documentation, availability and cost.

SCOPE

Owners must continually reconcile the Capital Needs Assessment, available funds, bids, reserves and the most urgent resident/property needs.

Preservation financing succeeds only when the funding, rules, procurement and construction market can be made to work together.

Azalea today — a property worth reinvesting in

Use a short walkthrough here to let the property tell part of the story.

NEXT VIDEO

30–60 sec walkthrough

Suggested footage:
- property entrance / buildings
- site and common areas
- mechanical systems
- rehabilitation needs

Replace the large photo with your video clip, or keep the photo and play video after this slide.

Preservation is the work.

Azalea already exists. Families already live here.
The challenge is keeping the property strong, safe and affordable for the next generation.

FNPH • USDA Section 515 • Rural housing preservation

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