

Preservation Framework & Matrix Strategies

Preserving existing affordable housing is almost always cheaper and faster than building new affordable homes, especially in high-cost or built-out communities with limited land. In our current resource-constrained environment, state and local governments must organize efforts around a clear, unified preservation strategy that aligns priorities and coordinates resources across government agencies and with external partners. A preservation strategy is often composed of two tools:

1. **Preservation Framework:** a description of the importance of preservation; identifies and articulates preservation goals, and analyzes the risk landscape across an entire affordable housing portfolio or region.
2. **Preservation Matrix:** an evaluation and ranking of individual properties based on risk factors to determine the appropriate level of funding or other necessary intervention needed to keep the property safe, healthy, and affordable.

These two policy documents work in tandem to support the preservation of affordable housing.

BUILDING A PRESERVATION FRAMEWORK & MATRIX

In practice, a preservation framework comes first, providing a jurisdiction with a strategic foundation for identifying its most pressing preservation challenges and preferred types of intervention. It establishes the overarching vision, principles, and risk categories that define what constitutes “high-priority preservation” in a given state or locality, but it does not determine which specific properties should receive funding.

A preservation framework may help answer the following questions, that translate into preservation goals or priorities:

- How does your jurisdiction define “affordable housing”?
- What do you mean by “preservation”? Do you want to ensure long-term affordability, do you want to limit resident displacement, do you want to ensure quality housing?
- What is the existing stock of affordable housing?
- What does “at-risk” mean in your context?
- What challenges are developers, lenders, and/or residents facing?
- What are the existing tools and programs that support the preservation of existing affordable housing – do they meet the needs of developers, lenders, and resident communities?

A preservation matrix builds on the framework by translating broad priorities into an operational decision-making tool. It offers agency staff a structured process for weighing preservation goals and risks at the property level, converting them into scores, tiers, or rankings that guide concrete funding and policy decisions and ensure investments align with the framework’s strategic direction.

The matrix evaluates individual properties using defined criteria, such as proximity to subsidy or regulatory expiration, resident vulnerability, neighborhood market pressures, and physical or financial risk. Its primary purpose is strategic resource allocation, helping agencies deploy limited funds where they can have the greatest impact, rather than responding on a project-by-project basis. By promoting transparency through clear criteria and accessible data on at-risk properties, a preservation matrix enables policymakers and the public to understand preservation priorities and how scarce resources are being used to protect existing affordable housing.

Below are examples of jurisdictions, listed in chronological order, that have implemented a Preservation Framework and/or Prioritization Matrix to identify key preservation challenges in their communities.

Massachusetts

The Massachusetts priority matrix for preservation is the earliest structured tool, first used within the state’s [Low-Income Housing Tax Credit \(LIHTC\) Qualified Allocation Plan \(QAP\) in 2012](#), to rank at-risk affordable housing properties and guide scarce preservation resources toward the highest-impact projects. It was created in response to mounting concerns that a large share of the state’s subsidized housing stock faced expiring restrictions, physical distress, or refinancing pressures that could lead to loss of affordability or displacement of low-income tenants.

The matrix emerged from collaboration among the Massachusetts Department of Housing and Community Development (DHCD, now the Executive Office of Housing and Livable

Communities), an inter-agency working group of state housing and finance entities such as the Community Economic Development Assistance Corporation (CEDAC), and key stakeholders including affordable housing

owners, non-profit developers, and advocates. Though it was formed in response to the growing number of expiring-use properties, the matrix was never designed to be a static document. Over the last decade, the matrix has been clarified and revised alongside other QAP updates (as seen below in Figure 1, from the [2025-2026 QAP](#)). More recent conversations around the use of the matrix and future preservation needs in Massachusetts have focused on operational challenges and physical conditions of existing affordable properties. However, the original intent of the development of the matrix-- to create a transparent, data-driven way to compare diverse preservation needs and to coordinate decisions across multiple subsidy programs--still remains.

Figure 1: Massachusetts Priority Matrix for Preservation (2026)

		TIER 1	TIER 2	TIER 3
ELIGIBILITY CATEGORY	I. Risk of Loss to Market Conversion ¹ in Next 5 Years Ability to Increase Rents Substantially Through Conversion to Market Housing.	Strong rental market with no legal impediments to conversion to market rate.	Market is strong enough for potential conversion to market. No legal impediments to conversion to market rate.	Weak market, legal restrictions, or inability of project to compete for market rate tenants.
	II. Risk of Loss Due to Physical Condition ²	Probable loss of the property in the next 2-4 years due to condemnation or government action. Significant code and safety issues.	Significant code and safety issues that present a risk to tenants and/or threaten the long-term viability of the property.	Extensive capital needs
	III. Risk of Loss Due to Financial Viability ³ Analysis based on 3 years of financials.	Lender has declared or threatened to declare a default due to a payment default by the current owner.	Property income is insufficient to pay debt service and basic operating expenses plus required reserve deposits, requiring contributions from other sources.	Property is financially troubled, but able to maintain loan payments and basic operating expenses plus required reserve deposits.
	IV. Unique Acquisition Opportunity ⁴	Unique opportunity to purchase a project at a below-market price due to seller motivations, or opportunity as 40T designee.	Sale price based on present value of reduced income stream – value will increase as expiration date approaches.	Property for sale – no particular economic benefit to purchase at this moment.

Other Factors to Evaluate in Prioritization of Preservation Projects

- Amount of state-controlled subsidy (including LIHTC) per affordable unit needed to preserve the property

Project is eligible for funding primarily under Eligibility Category _____ and qualifies as Tier _____

- Degree to which affordability is preserved or enhanced, especially for ELI residents, relative to the current affordability level
- Duration of new use restrictions
- Risk of tenant displacement
- Location of the project in an Area of Opportunity
- Location of the project within a comprehensive neighborhood revitalization plan

Within the QAP, the matrix operates as a screening and prioritization framework that scores properties based on factors such as risk of losing affordability, population served, physical condition, and the opportunity to improve long-term viability. By formally embedding the matrix into the QAP, the Massachusetts allocating agencies aim to align Housing Credit allocation with a statewide preservation strategy, ensuring that limited four percent and nine percent credits are directed first to developments where intervention can prevent displacement, preserve deep affordability, and stabilize communities. In practice, the matrix supports goals of maximizing the number of preserved units, targeting vulnerable households, and promoting strategic reinvestment in existing affordable housing rather than relying solely on new production.

Florida

Florida increasingly recognizes that older affordable properties face risks from not only market forces but also the state’s unique climate pressures, and that preserving them often provides the lowest-cost path to maintaining affordability in vulnerable communities. Programs linked to the state’s long-standing housing funds support acquisition, rehabilitation, and resilience improvements for existing properties. Because redevelopment after loss, especially in coastal areas vulnerable to storms and insurance shocks, costs more and carries uncertainty, a preservation framework helps Florida target modest investments that secure long-term affordability and safety.

The Florida “Conceptual Matrix to Prioritize Rental Developments in FHFC’s Portfolio for Preservation” is a framework first developed as part of Florida Housing Finance Corporation’s (FHFC) 2018 [Portfolio Preservation Action Plan](#) to manage an aging affordable housing portfolio facing expiring restrictions and capital needs. Florida Housing, like the Massachusetts Executive Office of Housing and Livable Communities, recognized that many properties financed in earlier decades were approaching the end of affordability periods or physical viability and that losing these units would be more costly than preserving them, particularly in high-demand markets.

Figure 2: Conceptual Matrix to Prioritize Rental Developments in FHFC's Portfolio for Preservation (2026)

Property Risk Factor	TIER 1 Higher Priority	TIER 2 Middle Priority	TIER 3 Lower Priority	COMMENTS
Affordability Expiration: Risk of loss of lower income units due to ability to increase rents b/c of strong market	Strong rental market with no regulatory or physical impediments to conversion	Strong market, but weak performer or poor location; OR weak market, but strong performing, attractive property	Weak market or inability of property to compete for market rate tenants	Factors to consider: regulatory issues, marketability of property, conversion costs, owner mission, etc. Evaluate conversion risk independently of affordability expiration. Conversion risk is most acute in strong markets without subsidy protections.
Affordability Expiration: Risk of loss of units	Imminent loss due to affordability expiration (1-3 years)	Loss of property in next 4-7 years due to affordability expiration	Loss of property in 8+ years due to affordability expiration	Clarified as a standalone indicator of timing, to be used in tandem with risk of conversion. Possible mitigation if nonprofit ownership structure and housing still fits nonprofit’s mission; however, other concerns, such as property condition, combined with location in strong market, might mean property is lost

The matrix was created after extensive data analysis of FHFC’s portfolio and consultation with stakeholders, including Florida Housing staff from asset management and policy divisions, board members, and external partners such as developers, management companies, and preservation advocates. This work culminated in the Board’s approval of a Portfolio Preservation Plan in 2018, which embedded the conceptual matrix as a central decision-making tool. FHFC is currently awaiting approval of the [updated 2026 matrix](#) (se Figure 2 above) to reflect shifting preservation challenges to its portfolio as well as new programs that can support preservation efforts statewide.

The matrix allows staff to categorize each FHFC-assisted rental development by property risk factors and policy priorities, such as age of the property, timing of subsidy and regulatory expirations, location in high-opportunity or supply-constrained areas, presence of extremely low-income set-asides, and physical and financial condition. Its goals are to:

- systematically identify developments at greatest risk of loss

- guide where limited recapitalization tools such as State Apartment Incentive Loan (SAIL) funds and tax credits should be deployed
- allow selected properties to exit the portfolio in a planned way while focusing resources on preserving the most critical affordable units

In doing so, the matrix supports Florida's broader housing strategy of preserving existing affordable housing as a complement to new construction efforts.

Oregon

The [Oregon Affordable Housing Preservation Strategy Framework](#) is a statewide policy guide adopted by Oregon Housing and Community Services (OHCS) in 2023 to direct how the state preserves existing affordable rental housing over the next decade. It was created in response to a looming preservation cliff, with thousands of subsidized units facing expiring affordability restrictions, aging buildings, and the potential loss of federal rent assistance that could displace low-income tenants and require nearly \$1 billion in recapitalization needs of the affordable housing portfolio over ten years.

The framework grew out of years of ongoing but informal preservation work. OHCS developed the framework through consultation with internal staff, the statewide Preservation Steering Committee convened by the Network for Oregon Affordable Housing (NOAH), non-profit and for-profit owners, public housing authorities, and tenant and advocacy groups. These partners participated in listening sessions and data reviews to define common priorities and clarify the types of preservation challenges most urgent in Oregon's portfolio.

The Framework originally articulated four priority areas. Market conditions have shifted since the release of the original framework and so, the priority areas have been expanded and updated to encompass the following five priority areas:

- Expiring affordability restrictions
- Risk of loss of federal project-based rental assistance
- Physical condition challenges
- Financial stabilization issues
- Manufactured home parks

As a starting point from these types of risk of loss, applicants who apply for gap funding (either alone or paired with Housing Credits) are initially rated using criteria that are specific to each

category. The project's rating indicates urgency of the risk of loss in three categories: critical, high, or medium. This rating, along with any timing, set-aside or other considerations, are the basis of funding decisions. The overarching goal is to avoid net loss of affordable units, protect vulnerable renters from sharp rent increases or displacement, align limited state and federal resources with the highest impact projects, and embed equity and racial justice considerations in preservation decisions.

Building off the preservation framework, in May 2026, [OHCS published an updated Preservation Program Manual](#) as part of its preservation funding overview that identifies critical, high, or moderate risk property criteria within each of the priority areas. This draft Preservation and Stabilization Program Manual seeks to formalize preservation metrics first introduced in 2025. Together with the framework, the property-level risk criteria aim to give affordable housing operators clearer expectations for funding, asset management, and long-term affordability requirements across the state.

Figure 3: Example of Oregon Preservation Funding Metrics; Properties with Expiring Affordability Restrictions (2026)

All rural projects are ranked critical. For urban projects:

Table 1: Urban Expiring Projects Criteria and Definitions

	Critical Priority	High Priority	Medium Priority
Affordability relative to market	<p>50% or more units are rent-restricted to $\leq 50\%$ AMI or have PBRA attached</p> <p>-or-</p> <p>25% or more units are rent-restricted to $\leq 30\%$ AMI or have PBRA attached</p>	<p>25% or more units are rent-restricted to $\leq 50\%$ AMI or have PBRA attached</p> <p>-or-</p> <p>Project includes any units rent-restricted to $\leq 30\%$ AMI or have PBRA attached</p>	All other urban projects expiring in the next 7 years will be ranked as medium priorities
Potential impact on tenants:	33% or more of tenant households are vulnerable	33% or more of tenant households are vulnerable	

Minnesota

[Minnesota Housing’s Preservation Framework](#) was developed in response to the growing financial, physical, and operating strains on the state’s existing affordable rental housing stock. Directed by the state legislature in 2025 and delivered in February 2026, the framework centers on Targeted Stabilization of Regulated Affordable Housing. The framework is an initial step

focused on compiling and organizing preservation tools, identifying system level improvements, enhancing coordination among and improving how public and private partners respond to

distressed housing. The framework treats preservation as a system, not a single program, and is intended to evolve over time with ongoing stakeholder input, changing market dynamics, implementation experience, and property conditions.

The preservation framework highlights key recommendations across the state’s affordable housing portfolio, including but not limited to securing ongoing asset management and funding for critical needs; strengthening trust, transparency and entry points for property owners; supporting predictable investment

in long-term preservation tools and normalizing discussions of deferred debt, disposition and orderly wind-down.

The regulated affordable housing stock across Minnesota totals approximately 150,000 units across nearly 4,000 properties. Rather than promising a one-size-fits-all fix, the framework emphasizes targeted responses that match affordability levels, property conditions, ownership capacity, financing structure, and local market context. To do so, the framework introduces a six-stage diagnostic workflow that emphasizes developing a shared understanding of underlying problems before committing to specific interventions. The process is iterative, scalable and not a prerequisite for funding or public action. It consists of six stages (see Figure 4):

- (1) Identifying and clearly defining the problem;
- (2) Investigating root causes across financial, physical, operational, regulatory, market and resident factors;
- (3) Collaborating to align stakeholders and frame viable intervention pathways;
- (4) Deciding whether and how to proceed, including whether public intervention is appropriate;
- (5) Implementing the chosen strategy with coordinated roles and clear communication; and
- (6) Evaluating outcomes and adjusting over time.

Figure 4: Minnesota Housing’s Six Stage Diagnostic Workflow (2026)



The Diagnostic Workflow is intended to support and determine when immediate or short-term targeted stabilization is appropriate, when the situation may better suit comprehensive long-term preservation interventions, or when an alternative measure should be considered. By emphasizing diagnosis before intervention, the workflow promotes more strategic use of public resources and clearer expectations among stakeholders.

CONCLUSION

Across these jurisdictions, the strategic reasoning remains consistent: preserving existing affordable housing provides a cost-efficient way to maintain supply, and a structured preservation framework and priority matrix ensures that every public dollar delivers maximum

impact. Without the necessary infrastructure in place to prioritize preservation across any jurisdiction and ensure that there is sufficient buy-in from necessary stakeholders to support the allocation of valuable resources, interventions continue to be reactive and piecemeal rather than proactive and strategic. Together, these two policy documents rely on data to identify the greatest needs, set priorities for public investment, and ensure transparent allocation so communities understand how governments protect vulnerable residents and reinforce long-term affordability.