

Legislation Text

File #: 15-16758, Version: 1

Naturally Occurring Affordable Housing Rental Subsidy Request at the Pines on Wendover Apartments

Action:

- A. Approve a Naturally Occurring Affordable Housing Rental Subsidy Program reimbursement request to allocate funds over a 20-year period for six new long-term rental subsidies at the Pines on Wendover Apartments for households earning 30 percent and below the area median income, and**
- B. Authorize the City Manager to negotiate, execute, amend, and renew contracts as needed and consistent with the purpose for which the program was approved with**
- **Wendover NOAH, LLC (Pines on Wendover Apartments), and**
 - **Socialserve.**

Staff Resource(s):

Pamela Wideman, Housing and Neighborhood Services

Explanation

- On November 8, 2021, City Council approved the guidelines for the Naturally Occurring Affordable Housing (NOAH) Rental Subsidy Program (Program Guidelines).
- Wendover NOAH, LLC, an affiliate of Ascent Housing, (Owner) acquired the Pines on Wendover Apartments in September 2021 and will create new long-term rental subsidies for 30 percent Area Median Income (AMI) households (currently \$25,250/family of four).
 - Pines on Wendover Apartments is a 44-unit existing multi-family affordable housing development located at 630 North Wendover Road in Council District 1 comprised of:
 - 13 units at or below 30 percent AMI,
 - 22 units at or below 60 percent AMI, and
 - Nine units at or below 80 percent AMI.
- Of the 13 total units set aside for 30 percent AMI households, the Owner has agreed to specifically set aside six units for 30 percent AMI households that do not have existing vouchers or other forms of rental assistance for 20 years.
- To create new, long-term rent subsidies for these six units, the City is being asked to commit to annual funding for the length of the property's 20-year deed restriction at an amount not to exceed the development's annual City property tax bill. The maximum amount of the reimbursement will be adjusted each year in correspondence with the actual amount of the current year's property taxes. In 2021, the development's City property tax bill is \$14,726 (parcel 157-097-09).
- The rental subsidies will pay the difference between what the resident household can afford (30 percent of their income) and the lesser of the property's asking rent or Fair Market Rent.
- Funds will be provided to Socialserve, a local non-profit organization, who will identify eligible tenants and administer the rental subsidy on behalf of the City.
- Additionally, pursuant to the Program Guidelines, the Owner has agreed to:
 - Allocate a minimum of 80 percent of all units to residents earning 80 percent AMI (currently \$67,350/family of four) and below, with the majority of units set aside for 60 percent AMI (currently \$50,520/family of four) and below, through a 20-year long-term deed restriction,
 - Distribute rental subsidies evenly across one-bedroom, two-bedroom, and three-bedroom units as applicable, and

- Commit to housing new residents who qualify for the rental subsidy as units come available through natural turnover to avoid displacement.
- On October 5, 2021, Mecklenburg County approved the Owner's request to provide rental subsidies for the County's portion of the property taxes for 20 years.

Background

- In August 2018, City Council adopted the Housing Charlotte Framework which recommends preserving NOAH properties and aligning local resources to support opportunities to use rental subsidies to support target populations, particularly in areas with strong pathways to opportunity. Rental subsidies reduce housing instability for low-income families; improve outcomes for children; and help to reduce poverty, homelessness, and other hardships.
- On, July 19, 2021, City Council approved a \$1,050,000 Housing Trust Fund allocation for the Pines on Wendover Apartments.

Fiscal Note

Funding: General Capital Investment Plan