

Legislation Text

File #: 15-16759, Version: 1

Naturally Occurring Affordable Housing Rental Subsidy Request at Shamrock Gardens Apartments

Action:

- A. Approve a Naturally Occurring Affordable Housing (NOAH) Rental Subsidy Program reimbursement request to allocate funds over a 20-year period for 40 new long-term rental subsidies at Shamrock Gardens 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**
- **Shamrock NOAH, LLC (Shamrock Gardens 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).
- Shamrock NOAH, LLC, an affiliate of Ascent Housing, (Owner) proposes to acquire and renovate the Shamrock Gardens Apartments and will create new long-term rental subsidies for 30 percent Area Median Income (AMI) households (currently \$25,250/family of four).
 - Shamrock Gardens Apartments is a 265-unit existing multi-family affordable housing development located at 3779 Michigan Avenue in Council District 1 comprised of:
 - 80 units at or below 30 percent AMI,
 - 53 units at or below 50 percent AMI,
 - 80 units at or below 60 percent AMI, and
 - 52 units at or below 80 percent AMI.
- Of the 80 total units set aside for 30 percent AMI households, the Owner has agreed to specifically set aside 40 units for 30 percent AMI households who do not have existing vouchers or other forms of rental assistance for 20 years.
- To create new, long-term rent subsidies for these 40 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 \$69,543 (parcels 099-014-10, 099-014-16, 099-051-04, 099-052-28, and 099-014-11).
- 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, September 27, 2021, City Council approved a \$6,000,000 Housing Trust Fund allocation for Shamrock Gardens Apartments.

Fiscal Note

Funding: General Capital Investment Plan