 Partnership for Housing Affordability

 Richmond Regional Housing Framework

 Issue Brief

**Naturally Occurring Affordable Housing: Richmond Region**

 **Overview/Issue[[1]](#footnote-1) –**

NOAH in the Region

**92 percent** of NOAH properties are affordable to a 1 person household earning **80% AMI ($48,400)**

**52 percent** of NOAH properties are affordable to a 1 person household earning **60% AMI ($36,300)**

**43 percent** of NOAH properties are affordable to a 2 person household earning **50% AMI (34,600)**

**25 percent** of NOAH properties are affordable to 3 person household earning **40% AMI ($31,120)**

More than 200 NOAH units have been lost since 2005.

* Naturally Occurring Affordable Housing (NOAH) are rental properties with no federal subsidy attached.
* The units are affordable to households earning 80% AMI and below ($62,200 for a family of 3).
* NOAH is a segment of the housing market that needs to be preserved.

**Key Facts[[2]](#footnote-2) –**

* The Richmond Region has **524 NOAH properties**, totaling **73,775 units.**
* The average NOAH property is more than **38 years old.**
* **10 percent** of NOAH properties are affordable to households earning 30% AMI ($23,350) and below in the region, **all within the city.**

**Policy Recommendations –**

1. Establish a NOAH preservation program to encourage owners to preserve the quality and affordability of their units, employing both incentives (performance grants, tax rebates) and penalties (code enforcement, fines).
2. Create a system to monitor and track NOAH.
3. Community development organizations should explore acquisition of NOAH through special loan and equity funds.

**Implications –**

* NOAH owners face market pressures to add improvements and increase rents or to defer maintenance and preserve affordability.
* NOAH owners may prioritize cash flow over housing quality.
* Preserving NOAH can help owners ensure their housing is maintained in good condition, and that the monthly cost of housing is not burdensome.

[[3]](#footnote-3)

[[4]](#footnote-4)

[[5]](#footnote-5)

1. Costar Property Search [↑](#footnote-ref-1)
2. Costar Property Search. [↑](#footnote-ref-2)
3. Costar star ratings are based on building quality. 1 and 2 star properties are older buildings with less amenities and few green certifications. Architectural design, exterior spaces, landscaping, and structural systems also contribute to ratings. [↑](#footnote-ref-3)
4. 37 percent of the region’s NOAH is 1 and 2 star, while 42 percent is 3 star. [↑](#footnote-ref-4)
5. 1 and 2 star properties are affordable to the lowest income households but are declining throughout the region. [↑](#footnote-ref-5)