

Naturally Occurring Affordable Housing

There are many types of affordable housing that receive different kinds of government assistance (such as public housing, subsidized units or vouchers, etc.). As the Housing Choice Coalition, we will explore and explain many of these in the time ahead.

One less defined type of housing is often the most elusive. It has no subsidy, is the unicorn of all housing, the pot of gold -- what we in the field of housing call "Naturally Occurring Affordable Housing" (NOAH). These apartments/homes are typically owned by small local landlords who charge lower rents, often at or below fair market rates. These landlords look to support residents and communities by providing decent housing at a low rent and, in turn, usually have low turnover rates.

These landlords have often held the properties for decades, have no mortgage, may not modernize their property, and have few amenities -- no pool or community gym on the property. The rents often increase when property taxes increase; but otherwise stay even year after year. These unicorn apartments are only usually found via word of mouth, and often, an acquaintance must be connected to the landlord. These landlords seek stable renters who pay rent on time, maintain the units as if they owned the home, and are courteous to the other tenants. These units may be apartment buildings, condominiums, duplexes, multi-family or single family homes. I consider people who ensure naturally occurring affordable housing like this to be Champion landlords.

The shift occurring over time is that these landlords may have changes in their family composition, wish to retire and decrease responsibilities of property management, so homes need to be sold. The tenants who have benefited from NOAH are now faced with significantly higher rents, thus becoming rent-burdened. The new landlord seeks to profit from their new property, which they may hold a mortgage on.

With the tight housing market, investors are buying these naturally occurring affordable housing units. The investors are displacing the renters and flipping units. According to Harvard JCHS, from 2011-2021, there has been a decline in low-cost rental units in every state. The high cost of housing is the common driver of displacing people from their homes and communities (Housingworks).

How can we keep naturally occurring affordable housing? A landlord looking to sell can connect with a community development organization to purchase the home with the goal of maintaining affordability. Currently, legislation is being drafted to support this idea. Tenant Opportunity to Purchase Act (TOPA) empowers tenants and fosters relations with non-profits to purchase apartments, preserving long-term affordability and preventing mass displacement.

This legislation enables tenants to collectively purchase a building, with non-profits, housing organizations, or Community Development Corporations stepping in when capital is lacking. It

shifts power to those directly impacted by the crisis, offering a community-driven approach. TOPA empowers cities and towns to act swiftly. TOPA can be a potent tool for communities, supporting diverse demographics, including families and elders. It's not just a legislative act but a lifeline, keeping renters in their homes and fostering resilient communities. TOPA also supports landlords in ensuring they receive a market-rate purchase price.

Affordable housing is complex and challenging. There is no one solution. I would like to recognize and express gratitude to the numerous landlords who have provided lower rents to so many of our residents. Your commitment to reasonable rent has strengthened our communities. You have supported so many individuals and families and positively affected their lives and our neighborhoods.

Annmary Connor, DSW is a member of the Housing Choice Coalition and the Executive Director of Bread and Roses Housing.