

NOAH: The New Housing Acronym You Need to Learn

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Currently, more than 11 million renter households spend at least half of their income on housing. And, according to the latest [The State of the Nation's Housing report](#) by the Joint Center for Housing Studies of Harvard University, the number of rental units in the US that are available at the lowest rents is rapidly declining. As a result, the affordable housing crisis shows no sign of diminishing, as the number of low-income renters far exceeds the number of available affordable units. Since any solution to address this demand-supply mismatch must include a combination of new construction and affordable housing preservation, many advocates and developers have set their sights on neighborhoods with rental stock that is both market-rate and affordable to people living at or below median income for those areas. This is called naturally occurring affordable housing, or NOAH.

Estimates vary on how much NOAH exists across the U.S. CoStar, a commercial real estate data and analytics firm, estimates there are at least 5.5 million rental housing units that are affordable without public subsidy support, such as the low-income housing tax credit or project-based rental assistance. There are likely millions more in buildings with less than five total units whose rents are low enough to count as NOAH. Much of this stock was built in the '60s and '70s. Since much of this stock is currently in need of repair, it runs the risk of being snapped up by large property developers eyeing to take the units upmarket and out of an already limited supply.

Regardless of how many millions of NOAH units exist across the country, mission-based investors and developers see the opportunity to acquire and preserve this increasingly valuable stock, make renovations and keep rents affordable. Community Investment Corporation, a Chicago-based community development financial institution, has built a niche around NOAH financing. Since 1984, with the support and collaboration of dozens of local, regional, and national banks, CIC has loaned \$1.2 billion to rehab 58,000 units and acquired and sold 400 properties for 145,000 people living in Chicago neighborhoods and surrounding communities.

The Woodlawn community, located on Chicago's south side adjacent to the University of Chicago and Hyde Park, is the future home of the planned Obama Presidential Library, as well as inspiration for Lorraine Hansberry's Broadway hit *A Raisin in the Sun*. While the community has struggled for many years, its significant housing stock of brick buildings that include single-family, two- and three-unit flats, as well as small multifamily structures and convenient access to public transportation makes it a prime target for redevelopment. CIC has led multiple partner collaborations including loans, condo conversions and rehabs—which taken together is bringing the Woodlawn community back to life as the economy there improves.

Want a closer look? Attend ABA's Annual Convention in October and join the ABA Foundation as well our hosts, CIC and the Local Initiatives Support Corporation, and our

sponsors, the Federal Home Loan Banks, on a community development tour showcasing positive changes taking place as a result of bank investment and community partnership in some of Chicago's most distressed neighborhoods.

Corey Carlisle is senior vice president for bank community engagement at ABA and executive director of the ABA Community Engagement Foundation.