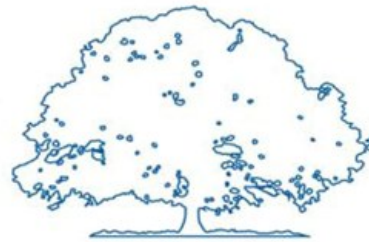


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Committee Approves Two New Affordable Housing Projects

By: **ARIELLA MONTI** | January 10, 2012

Editor's Note: The original version of this story said both developments are located in a Priority IV section according to the city's Scatter Site Policy. In fact, the Passage Home proposed site is not in that section.

The Budget and Economic Development Committee Tuesday approved funding for two affordable housing developments in Southeast Raleigh. One will be transitional housing geared to those with drug addictions and mental health disorders. The other will be for low- to moderate-income families.

Responding to a rolling Request for Proposal, the non-profit group [SouthLight Inc.](#) requested \$600,000 to build a 32-bedroom housing complex on its property at Newcombe and Garner Road. The housing will be used for recovering drug addicts and those with mental illness. It will be on the same property as the organization's treatment center.

SouthLight Inc. said it will also receive \$600,000 from Wake County if Raleigh approves the project. If approved by the City Council, SouthLight will receive a no-interest loan with payments deferred for 30 years.



The committee also approved funding for a rental housing complex to be built on city property on Coleman Street at the corner of Martin Luther Kind Boulevard.

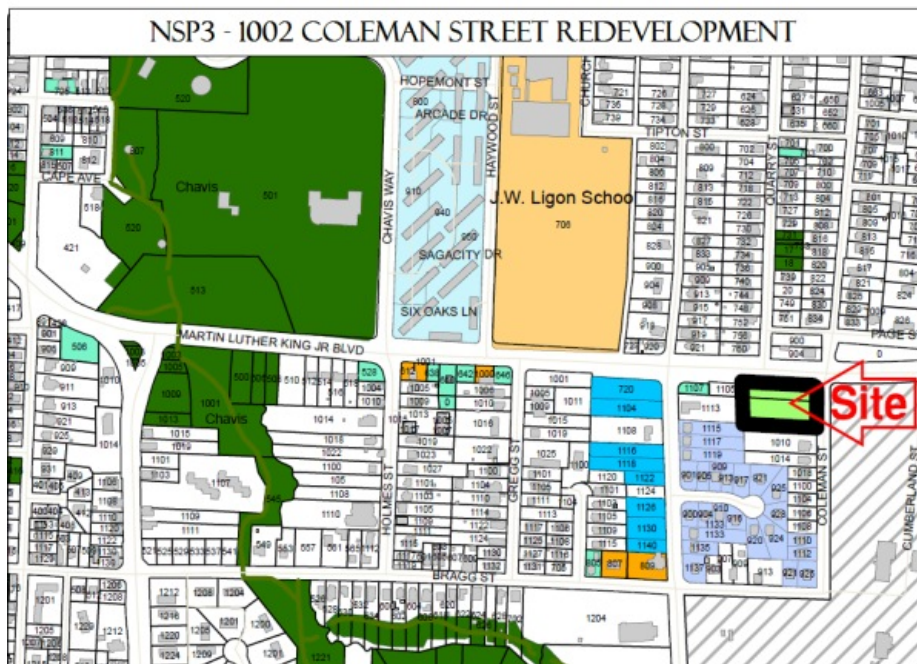
Passage Home will rent the land from the city for \$1 a year for 99 years and will be provided \$800,000 in Neighborhood Stabilization Program funds on a 0 percent deferred 30-year mortgage. The city was awarded the grant in 2011 for the development of the project.

The city will also provide \$400,000 in HOME funds to help finance the development if needed.

The project must be completed and occupied by February 2014.

The new rental development will house 18 two-bedroom units geared toward low-income families. Almost half of the units will be rented to families with an annual income of below 50 percent of the area median income (AMI) with the remaining being for families who are below 80 percent of AMI.

Community Development Director Michele Grant said that Passage Home was chosen over another non-profit because its units are meant for families and the city does not fund many affordable rental housing for families.



The SouthLight development is in a Priority IV area on the city's Scatter Site Policy. The policy prioritizes areas of the city that require affordable housing. Because Southeast Raleigh already has a high amount of affordable housing, new affordable housing developments in this area are often not allowed. The City Council can override this policy.

Once funding is in place, both organizations will go forward with the development process.