Table of Contents

About This Showcase 1
About the Low-Income Housing Tax Credit 2
Who Lives in LIHTC Properties? 4
LIHTC Timeline 5
Residents’ Incomes and Eligibility 7
LIHTC Property Types, Sizes and Locations 8
LIHTC Rental Homes Change Lives 9
State Housing Leaders Call LIHTC Crucial 10
LIHTC ‘Center of Solar System’ for Developers 11
Investors, Syndicators Hail Value of LIHTC 12
History of Housing Credit Pricing 13
Map of Featured Affordable Properties 14

Featured Affordable Properties

Alabama
Alabama Gains More Affordable Family Housing 16
After the Storm, Affordable Housing Rebuilt in Birmingham, Ala. 18

Arizona
Marquee Apartments Preserve Affordable Senior Housing in Phoenix 20

California
LIHTCs Fund Affordable Housing for Disabled Adults 22
Affordable Senior Housing Preserved in Educated Southern California Town 24
Skid Row Hotel Becomes Upgraded Apartments 26
Los Angeles Apartments a Mosaic of Families, Seniors 28
Aging Apartments Get Rebirth in Paso Robles, Calif. 30
Struggling SF Neighborhood Gets Lift from LIHTCs 32
San Francisco Affordable Housing Gets Rehabilitation, Resyndication 34
Affordable Senior Housing Upgraded, Preserved in Sunny Santa Barbara 36
Senior Housing in Santa Cruz, Calif., Gets Upgrade 38
Wait Worth it for Affordable Housing in Santa Monica, Calif. 40

Colorado
Pilot Program, LIHTCs Preserve Colorado Senior Housing 42
Denver Neighborhood Getting Long-Needed Affordable Housing 44
Denver Apartments Get Update, Expansion 46
New Approach Brings New Housing for Homeless 48

Connecticut
Affordable Housing Preserved in Pricey Connecticut City 50
Victory for Affordable Senior Housing in Washington, D.C. 52

District of Columbia
Two Tax Credits Combine to Renovate Delaware Apartments 54

Florida
Nonprofit Developer Uses LIHTCs to Rescue Complex 56
LIHTCs Turn Miami Vacant Lot into Garden-Style Apartments 58

Georgia
Georgia Apartments Get Much-Needed Overhaul 60

Idaho
Idaho Seniors Benefit from Attractive, Energy Efficient Housing 62

On The Cover
From top-left then spiral clockwise inward – Photo: Courtesy of DHIC Inc., Photo: Courtesy of Nico Marques / Photekt, Photo: Courtesy of William Wright Photography, Photo: Courtesy of Manske & Associates LLC, Photos: Courtesy of Novogradac & Company LLP, Photos: Courtesy of AMCAL Multi-Housing Inc., Rendering: Courtesy of Herman & Kittle Properties Inc.
Featured Affordable Properties (cont.)

Illinois
VA Funds, LIHTCs Provide Hope to Veterans in Chicago 64
LIHTCs Lead to Change of Housing to Newer, Better Replacement 66

Indiana
Indiana Senior Housing Addresses Shortage 68
Veterans Find Help, Homes in Indianapolis 70
Historic Building Provides Affordable Housing in South Bend, Ind. 72

Iowa
Iowa Hotel Becomes Affordable Housing, Thanks to LIHTCs 74

Kansas
College Landmark Becomes Affordable Senior Housing 76

Kentucky
LIHTC Properties in Kentucky Change Lives for Students, Families 78

Massachusetts
LIHTCs Pave Way for Major Renovation of Boston Public Housing 80
Boston Affordable Apartments Get New Life 82
Cape Cod Town Uses LIHTCs to Build Housing for Residents 84
Historic Apartments in Salem, Mass., Gain Renovation 86

Michigan
Veterans Get Affordable Housing Thanks to LIHTCs 88
Michigan Senior Development Gets LIHTC Boost 90

Minnesota
Former Duluth, Minn., Firehouse Becomes Affordable Housing 92
Fast-Growing Minnesota Town Gets LIHTC Housing 94
Historic Fort to House Homeless Veterans 96

Missouri
Affordable Housing Brings Hope after Missouri Tornado 98
LIHTCs Make Veterans Housing Available in Kansas City 100
Historic St. Louis Buildings Transform Into Affordable Housing for Artists 102

Nevada
Reno Development Provides Housing for Families, Special Needs 104

North Carolina
Former North Carolina Mills Now Affordable Housing 106
Affordable Housing Improves Lives in North Carolina 108

North Dakota
Historic High School Provides Senior Housing in Oil Boom Region 110
Historic School Becomes Housing for Seniors 112

New Jersey
New Jersey Affordable Housing Gets Facelift 114
Senior Housing Rises in Wake of Hurricane Sandy 116

New York
Brooklyn Hospital Property Becomes Affordable Housing 118

Ohio
LIHTCs Provide New Life for Aging Public Housing Site 120

Oregon
LIHTCs Finance Facelift for Aging Portland Senior Complex 122

Pennsylvania
LIHTC Development Helps Families Near Penn State 124
Historic Area in Pennsylvania Gets Affordable Housing 126

South Carolina
Affordable Apartments Diversify Housing Stock in Columbia, S.C. 128

Texas
Texas Nonprofit Builds Dream Development 130
Dallas Senior Apartments Prove Popular 132

Utah
Growing Utah Town Gains Affordable Senior Housing 134
Utah Housing Success Brings Phase II 136
Utah Program Uses LIHTCs to Assist Ownership 138
Salt Lake City Workers Get ‘Providential’ Help from LIHTC Property 140

Vermont
Historic Housing in Vermont Gets LIHTC Boost 142

Virginia
LIHTCs Preserve Affordable Homes in Pricy Fairfax County, Va. 144
LIHTCs Help Fund Affordable Housing for Disabled in Virginia 146
LIHTC Development Diversifies Housing in High-Income Area 148

U.S. Virgin Islands
Virgin Islands Kick-Start LIHTC Developments 150

Washington
Transit-Oriented Property Gives Workers a Home in Seattle 152
LIHTCs Pave Way for More Tribal Housing 154

Wyoming
LIHTCs Help Wyoming City Add Affordable Housing 156

For More Information
About Novogradac & Company LLP

www.novoco.com
About This Showcase

Affordable housing changed 30 years ago when Congress passed the Tax Reform Act of 1986, which created the Low-Income Housing Tax Credit (LIHTC) program. In the subsequent three decades, millions of affordable rental homes have been built and preserved through funding provided by the LIHTC, providing much needed housing for low- and moderate-income Americans. Today, the tax credit provides virtually all low-income affordable rental housing developed in the United States.

This report describes the LIHTC and highlights various affordable rental communities financed using the tax credit. As you’ll read, the LIHTC provides far more than just affordable rental housing. Homes developed with the LIHTC provide tangible economic and social benefits in neighborhoods across the country. Clean, safe and affordable rental housing can provide a sense of community, security or even hope to some of our nation’s most vulnerable citizens. Such housing also is a proven job creator.

After creating the LIHTC in the Tax Reform Act of 1986, Congress made it permanent in 1993. The LIHTC is credited with producing more than 2.8 million affordable rental homes and generating 96,000 jobs a year. The tax credit is used to develop and preserve a variety of residential property types that range in size and location—they’re built in rural, suburban and urban areas in all corners of the nation. LIHTC properties can be multi-story buildings, garden-style apartments, single-family lease-purchase, single room occupancies (SROs) and the adaptive re-use of historic buildings. They serve all sectors of the nation’s population, including veterans, the elderly, the homeless, people with special needs, families and others.

At a time when an unprecedented 11 million renter households—more than one in four of all renters in the U.S.—spend more than half of their monthly income on rent, tools that have proven successful in creating much-needed affordable rental housing, such as the LIHTC are more important than ever. And in that context, as tax reform discussions continue in Congress, it’s essential that the LIHTC be protected, retained and improved.

This report provides details about the LIHTC and its value to the nation. You’ll understand the perspective of residents, developers, investors and state officials. You will be introduced to properties from the Gulf Coast in Florida to the Pacific Northwest in Washington; from New England to Texas. You’ll read about affordable housing developments in inner-city Boston and Los Angeles, as well as rural North Dakota and Vermont. You’ll learn how a former college in Kansas and a historic military fort in Minnesota both provide affordable housing, thanks to the tax credit. You’ll see how the LIHTC provides housing for veterans in Indiana and Michigan and formerly homeless residents in Colorado. You’ll read how the LIHTC aided with rebuilding after tornadoes in Missouri and Alabama and a hurricane in New Jersey. You’ll see how the tax credit provides housing for disabled adults in California and residents with special needs in New York. You’ll be exposed to myriad examples of energy-efficient improvements and how the tax credit helps preserve existing affordable rental housing.

In short, you’ll see how the three-decade history of the LIHTC is what one developer calls, “probably the most successful public-private partnership of the 20th and 21st centuries.” Over the past 30 years, the LIHTC has created jobs and housing, changed lives and neighborhoods, and been at the forefront of success in both housing and business.

The following pages tell the story of that success through the statistics, people and places that make it so.
About the Low-Income Housing Tax Credit

The low-income housing tax credit (LIHTC), created in 1986 and made permanent in 1993, helps to finance the construction and rehabilitation of virtually all low-income affordable rental housing developed annually. Congress created this as an incentive for private developers and investors to provide more affordable rental housing.

The LIHTC gives investors a dollar-for-dollar reduction in their federal tax liability in exchange for providing financing to develop affordable rental housing. Investors’ equity contribution subsidizes low-income housing development, thus allowing subsidized units to rent at below-market rates. In return, investors receive tax credits paid in annual allotments, generally over 10 years. Without the incentive, affordable rental housing developments are generally financially infeasible.

Because they involve significant dollar investments and the investors are generally sophisticated institutional investors, LIHTC developments have more oversight than other supply-side affordable rental housing efforts. Investors constantly monitor their LIHTC assets and they generally require additional testing and auditing beyond what is required by the LIHTC statute or the credit allocating agency.

Within general guidelines set by the Internal Revenue Service (IRS), state housing agencies administer the LIHTC. The LIHTC statute requires that state allocation plans prioritize projects that serve the lowest-income tenants and ensure affordability for the longest period.

Once an applicant secures a tax credit reservation, the developer must leverage the financial resources for the development. Under a typical LIHTC transaction, a developer must secure a conventional loan from a private mortgage lender or public agency, gap financing from a public or private source and equity from the developer or private investor in exchange for the tax credits.

In addition to careful screening by credit allocating agencies, third-party investors also spend considerable time reviewing and assessing the financing, market forecasts, and forecasted operating cash flows of the LIHTC properties in which they are investing. This additional review often results in a more durable financial structure, such as funding of additional cash reserves.

During the life of a property, the riskiest period from an owner’s standpoint is the construction or rehabilitation phase. Under the LIHTC, the federal government is not subject to construction and lease-up risk because LIHTCs are not earned until a development is completed, placed in service at federal property quality standards and leased up with qualified tenants.

Once the property is built, states must ensure that it meets the LIHTC eligibility requirements. The LIHTC property must comply throughout the 15-year period or investors will be exposed to recapture of some of the credits. State housing agencies are responsible for monitoring LIHTC properties by conducting inspections and requiring owners to certify on an annual basis that they are renting units to qualified low-income tenants. If property owners are found to be out of compliance, they can lose some of their credits. The fact that credits
About the Low-Income Housing Tax Credit

are earned over time and subject to recapture is a large incentive for continued program compliance, which means affordable rental housing stock is maintained over the long-term. Although there are not many statistics publicly available, it appears that the LIHTC program has experienced extremely low levels of tax credit recapture during its history, and the IRS has generally found very good compliance with the program requirements.

LIHTC-financed properties must meet eligibility requirements for at least 30 years after project completion. In other words, owners must keep the units rent restricted and available to low-income tenants.

Rental properties that qualify for the LIHTC tend to have both lower debt service payments and lower vacancy rates than market-rate rental housing. LIHTC properties typically experience a relatively quick lease-up and offer strong potential economic returns, primarily due to the existence of the credit. LIHTC properties are often packaged as limited partnerships such that they afford limited liability to their investors.

As can be seen in this overview, the success of the LIHTC is not by chance, it is by design. The following pages describe just a sample of the affordable rental housing that has been created and preserved through this successful and vital program. ✽

LIHTC BY THE NUMBERS

Amount leveraged in private equity capital to finance quality affordable apartments since the inception of the LIHTC.

$100 BILLION

$9.1 BILLION

$3.5 BILLION

2.71 MILLION

3 MILLION

46%

47.6%

0.62%

Homes built due to LIHTC from its inception through 2012.

Total of federal, state, and local tax revenue created each year by LIHTC-financed development.

Annual local income produced because of LIHTC-financed development.

Foreclosure rate for LIHTC properties over history of the program.

Estimated number of jobs created by LIHTC developments since program began.

Jobs approximately created annually by the LIHTC, mostly in small businesses.

Percentage of LIHTC-financed apartments for extremely low-income residents (those who earn 30 percent or less of area median income)

Amount of all renters are rent-burdened (pay more than 30 percent of income for housing)

Apartment units built annually due to the LIHTC

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Jobs approximately created annually by the LIHTC, mostly in small businesses.

Percentage of LIHTC-financed apartments for extremely low-income residents (those who earn 30 percent or less of area median income)

Amount of all renters are rent-burdened (pay more than 30 percent of income for housing)

Apartment units built annually due to the LIHTC
Who Lives in LIHTC Properties?

In the study, “Understanding Whom the Housing Credit Program Serves: Tenants in Housing Credit Units as of December 31, 2012,” the U.S. Department of Housing and Urban Development (HUD) reported its findings of who lives in LIHTC properties.

HUD found that 45 percent of LIHTC residents are considered “extremely low-income” (ELI), meaning their incomes are less than 30 percent of the area median income (AMI).

Family Housing

36.4% of LIHTC households had at least one member under 18 years old.

Senior Housing

Nearly 33% of LIHTC households have an elderly member, and 28.6% of LIHTC households have a head of household at least 62 years old.
The LIHTC program is widely recognized as the most efficient affordable housing program enacted by Congress. As successful as the program is, it was only a temporary part of the Internal Revenue Code (IRC) until 1993, when President Bill Clinton signed it into law. The LIHTC program has continued to mature and improvements and adjustments to the program have been signed into law by each president since it was made a permanent part of the IRC.

**LIHTC Timeline**

1980s

- **1986**
  - Ronald Reagan
  - Tax Reform Act of 1986 creates low-income housing tax credit (LIHTC) designed to replace inefficient, poorly targeted incentives.

1990s

- **1992**
  - Bill Clinton
  - The U.S. Department of the Treasury establishes the procedure for state and local housing credit agencies to monitor LIHTC compliance.

- **1993**
  - George H.W. Bush
  - LIHTC is made a permanent part of the Internal Revenue Code, with strong bipartisan support.

2000s

- **2000**
  - George W. Bush
  - Per capita allocation authority for LIHTC is increased by 40% and indexed for inflation, again with huge bipartisan support; 86% of House members and 81% of senators cosponsored legislation proposing this expansion.

- **2008**
  - The U.S. Department of the Treasury establishes agencies to monitor LIHTC compliance.

  - Program extended temporarily and strengthened. States to allocate credits according to their housing needs priorities and to underwrite transactions to ensure credits are limited to amounts necessary to achieve the financial feasibility and long-term viability of the developments.

  - Program is further strengthened to give states increased flexibility to reach difficult-to-serve populations and places.

  - In 2008, Congress enacted a temporary 10 percent increase for the maximum allocation amount per state from $2.00 to $2.20 per capita.
The Nation’s Need for Affordable Rental Housing

An unprecedented 11 million renter households—more than one in four of all renters in the U.S.—spend more than half of their monthly income on rent. This number includes those whose incomes are above LIHTC eligibility.

The number of cost-burdened renters set a new high in 2013. Approximately 20.8 million households, just under half of all renter households, pay more than 50 percent of income for housing.

Nationally, the gap between the number of available affordable rental homes and extremely low-income households that need them is more than 8.2 million homes.

Since 2001, nearly 13 percent of the nation’s supply of low-income housing has been permanently lost from the stock of available affordable rental housing due to conversion to market-rate rentals or condominiums, demolition or obsolescence.

In 2012, there were 11.5 million extremely low-income families but only 3.3 million housing units that were both available and affordable at that income level.

State allocating agencies, on average, receive applications annually for more than twice as much LIHTC authority as they have available.

To address these unmet needs, the Housing Commission of the Bipartisan Policy Center recently recommended that annual LIHTC authority be increased by 50 percent.
Residents’ Incomes and Eligibility

Under Internal Revenue Code Section 42, at least 20 percent of the units of a LIHTC property must be rented to low-income households. The number of units that must be rented to low-income households and the income limits for those tenants are defined within the minimum set asides: 20/50 or 40/60.

• 20/50 minimum set aside: A LIHTC property must rent at least 20 percent of its total residential units to low-income households who earn less than 50 percent of the area median gross income (AMGI) for that household size.

• 40/60 minimum set aside: A LIHTC property must rent at least 40 percent of its total residential units to low-income households who earn less than 60 percent of the AMGI for that household size.

A LIHTC partnership elects which minimum set-aside it will submit to the Internal Revenue Service.

Tax credit recapture is normally assessed against accelerated credits proportionate to the number of rental housing units out of compliance. However, if the percentage of low-income units in a building falls below the minimum set aside of 20 percent or 40 percent, the partnership loses all previously claimed accelerated tax credits for that building.

The U.S. Department of Housing and Urban Development (HUD) determines what income amounts are included in a household’s gross income and who qualifies as a household member. HUD also uses median family income (MFI) levels for each metropolitan and nonmetropolitan area to calculate each year the income limits that determine which households are eligible to rent an LIHTC unit.

The estimated national MFI for fiscal year 2015 is $65,800, an increase of about 3 percent from $63,900 in 2014. Median income levels vary widely around the country from a low of $16,900 in Aibonito Municipio, Puerto Rico to a high of $131,100 in Los Alamos County, N.M.

Many communities with higher median incomes face shortages of affordable housing. In fact, often because median incomes are higher, these areas can struggle to provide sufficient amounts of workforce housing. One of the LIHTC program’s many benefits is its flexibility; it can be used to develop or preserve affordable housing options in a wide range of markets.

The rate at which median incomes increase (or decrease) also differs significantly by market. For example, the median income in LaPorte County, Ind. fell 19.21 percent in 2015, while the median income in Wibaux County, Mont. grew 37.34 percent in 2015.
LIHTC Property Types, Sizes and Locations

The low-income housing tax credit (LIHTC) is used to develop and preserve a variety of property types that range in size and location. LIHTC properties can be multi-story buildings, garden-style apartments, single-family lease-purchase, single room occupancies (SROs), and the adaptive re-use of historic buildings. They are located in urban and rural areas alike, and serve all sectors of the nation’s population, including:

- Families
- Seniors
- Urban
- Rural
- Single-Family
- Multifamily
- Residents with special needs
- Veterans
- Homeless
- Native Americans
- Farmworkers
- Formerly foster youth
- Historic preservation
- Green development
- Preserving existing affordable housing
- Victims of domestic violence
- Community revitalization
LIHTC Rental Homes Change Lives

For residents of low-income housing tax credit (LIHTC) properties, affordable housing is a game-changer, whether it’s a 65-year-old Bostonian who moved into a senior development, or a developmentally disabled adult in Alameda, Calif., who gets to learn how to live independently.

Frances Sullivan, 65, said living in a LIHTC development changed her life. “It lifted my spirits,” said the resident of the Charlesview Residences in Boston. “It helped so much. There are great people who live here. It’s wonderful.”

Before she moved into Charlesview Residences, Sullivan lived nearby in an apartment building that she considered unsafe and rundown. “There’s no comparison,” she said. “This is a beautiful building. It’s got all new appliances and bathrooms. There are beautiful tile floors and it’s clean.”

Moving into a LIHTC-financed apartment completed an impossible dream for 26-year-old Brittany Cole of Minneapolis. The single mother thought she would never have her own apartment before she moved into West Broadway Crescent apartments in late 2014, with her 7-year-old son. “I only make so much money,” she said. “Most of the apartments here cost more than I make [in a month]. I never thought it would be in my budget. But now I can pay the rent and be OK.”

On the West Coast, William Piehl lives in The Jack Capon Villa in Alameda, Calif., a residence for developmentally disabled adults. He said the LIHTC rental home where he lives provided him a chance to grow. “I love watching movies and I love music. I can do both here,” he said. “I’m so free. I can do whatever I want.”

Piehl credited the housing with putting him in a position to become more independent including cleaning, preparing food and taking care of himself. “I love my home and I have a lot of stuff here,” he said.

The LIHTC also helps military veterans as well. In Battle Creek, Mich., Army veteran Michael Carter was unemployed and homeless for three years before he moved into the Silver Star Apartments. He is now Silver Star’s supportive services coordinator.

Carter said he was first hired as a liaison between property management staff and residents, because he could relate to his peers’ experiences. “People don’t necessarily understand what homelessness is about … they don’t understand the stresses and strains that come along with that,” Carter said. He said that, like many fellow residents, he was unemployed before moving into Silver Star because he had to focus on finding food and shelter every day. “When I finally got my apartment, it took a load off and I could concentrate on other things I needed to do to survive,” he said.

And then consider John Wedgeworth, who lived in the Rosedale Court apartments in Tuscaloosa, Ala., for 13 years before he was displaced by a tornado and subsequent storms in April 2011. Nearly half of the 188-unit apartment complex was destroyed and LIHTCs helped finance the $17.7 million renovation, and subsequent development at the site.

“I was just so happy to come back home, because this is what I know;” Wedgeworth said after the renovation was complete and he moved back in. “This is home.”
State Housing Leaders Call LIHTC Crucial

From the perspective of state leaders, the low-income housing tax credit (LIHTC) is crucial—and that’s true for big states and small ones.

“Given California’s extreme housing shortage, the low-income housing tax credits are extremely important,” said Jacob Roper, the communications director for California Treasurer John Chiang. “The lack of affordable housing is not only pushing Californians out of the communities in which they work and have family roots but is now threatening the vitality of our economy.”

Roper said that the most important tool for affordable housing is the LIHTC. “The low-income housing tax credits are the basic building block with which we finance almost all affordable rental housing in the state,” Roper said. He cited the construction of nearly 7,000 rental homes and the rehabilitation and preservation of nearly 10,000 more in 2014.

Oregon’s population is just 10 percent of California’s, but its need for the LIHTC is just as strong. “Oregon Housing and Community Services [OHCS] understands how vital the LIHTC is to building and rehabilitating affordable housing across Oregon,” said Julie V. Cody, the assistant director of housing finance at OHCS. “Without it, we would be lacking the critical capital resources necessary to do our work.”

“The low-income housing tax credit is not a single success, but an amalgamation of a lot of successes.”

The executive director of the Texas Department of Housing and Community Affairs said the LIHTC affects all levels in his state. “The low-income housing tax credit is not a single success, but an amalgamation of a lot of successes,” said Tim Irvine. “It provides affordable rental properties that are high quality and well maintained, properties that should be a source of pride in their communities. This is shown in the uptick of mixed-income properties we’ve seen of late, properties that serve a range of incomes, including market rate units.”

Irvine said the LIHTC value isn’t just in housing. “This pride is spread to the households living in these properties, helping to place them on a positive trajectory with things like access to jobs, high quality schools, and community assets,” he said.

Oregon’s Cody agreed. “At the end of the day, the LIHTC has built affordable rental homes for people struggling to make ends meet and has made sure they are able to not only afford rent, but also be able to put food on the table because they are no longer experiencing a severe rent burden,” she said.

Cody said the combination of different LIHTCs has helped not only to build, but to preserve affordable housing. “Without the LIHTC, it would have been impossible for us to have preserved these units and the federal rent subsidy which helps the tenants remain in their homes,” she said.

For California’s Roper, it’s an economic issue, too—both for the families involved and for the Golden State. “Hundreds of thousands of families have safe, stable, high-quality housing at a price that allows them to make ends meet and, hopefully, save for the future,” he said. “Moreover, the program allows us to build housing near job centers that is affordable to the workers who make our economy thrive. The low-income housing tax credit is critical to California’s long-term sustainability.”
LIHTC ‘Center of Solar System’ for Developers

Timothy Wheat, regional vice president of Pinnacle Housing group, says the low-income housing tax credit (LIHTC) has astronomical value. “It’s the sun that all the other [affordable housing] programs revolve around,” he said. “It’s the center of the solar system.”

Wheat isn’t alone in that assessment. Affordable housing developers say plenty about the LIHTC, but always with the same theme: It’s indispensable and successful. “You take people whose income makes it so they couldn’t afford housing and, but for the LIHTC, they’re not housed,” said Mark Sween, vice president and project partner at Dominium, a Minneapolis-based developer. “It’s such a flexible program. States get to decide what’s best for them and my sense is that at the federal level, there’s very little overhead. It’s very efficient.”

The “but for” argument made by Sween is cited over and over by developers. “I’d say that probably 85 to 95 percent of what is built as affordable housing using new construction uses the LIHTC,” said Patrick Sheridan, a senior vice president for housing development for nonprofit Volunteers of America. “But for the LIHTC, that wouldn’t happen.”

The efficiency of the LIHTC—which encourages free market investment in affordable housing—is crucial, developers say. Its success since being introduced in 1986 is unmatched. “I think it exceeds expectations by any reasonable metric,” Wheat said. “Could it be better? Sure, we all have suggestions to improve it. But setting that aside, there’s no doubt it exceeded expectations. It’s probably the most successful public-private partnership of the 20th and 21st centuries.”

Sheridan agreed. “I would almost say it’s an overachiever,” he said.

Sween said the LIHTC is more successful the longer it is around, as those involved in the industry get more and more comfortable with how it works. Cynthia Parker, the president and chief executive officer at the nonprofit Bridge Housing, said the greatest value of the LIHTC is that it works for all involved.

“The low-income housing tax credit is one of the most important tools for affordable housing development,” she said. “It’s an effective source of private capital that incentivizes developers and investors alike.”

“The fundamental issue of affordable housing is that residents can’t afford what it costs,” Sween said. “Somebody’s got to come up with the money that fills the gap and what is so powerful about the LIHTC is that it’s the longest-running, most-understood program we’ve ever had. It’s the foundation of all the affordable housing assistance we have.”

Wheat sees it simply: Without the LIHTC, housing conditions in America would be dramatically worse.

“You can’t mass-produce [affordable rental homes] without LIHTCs. It bridges the gap in the free-market system. It’s part of the free-market system and part of the economy.”
Investors, Syndicators Hail Value of LIHTC

Those who put their money into low-income housing tax credit (LIHTC) properties are bullish on the tax credit.

“It is the quintessential public-private partnership,” said Tom Dixon, vice president of acquisitions at Boston Capital. “It’s administered through the state housing agencies, but it requires private financing. It’s a great mix between the two—it has proven to be the best way to build affordable housing.”

Dixon has plenty of company in holding that view among those who syndicate and invest in the tax credit properties. “It’s extremely important. It’s probably the most successful housing program ever enacted in our country, as evidenced by the past 30 years or so,” said Raoul Moore, the senior vice president of tax credit syndication for nonprofit Enterprise Community Partners. “It’s the only housing program that provides affordable housing on any real scale.”

Dixon marvels at the long-term effectiveness of the LIHTC, which is in its fourth decade. “The longevity of the program has been pretty remarkable,” Dixon said. “In so many programs, five years is an eternity. This has been here since 1986.”

For every dollar the government gives, it gets $3 back, when you consider all the sources … that’s a pretty robust return for a government marketplace.

As Dixon points out, the LIHTC has continued through multiple recessions in the United States. “The production aspect of the LIHTC has been phenomenal,” Dixon said. “In times of downturns, the LIHTC still puts out and produces quality and affordable units throughout the states. That’s the best attribute of it—in good times and bad, it produces multifamily housing at a good clip.”

Investors, who recognize the steep price to develop many of the properties that use LIHTCs, say the tax credit is irreplaceable. Philip Melton, executive vice president at Bellwether Enterprises, said the need for the LIHTC has grown as the cost of living climbed in urban areas. “There’s just no way to build these projects without some sort of subsidy,” Melton said.

Melton pointed out that the “investors” aren’t limited to financial institutions. In many developments, local agencies contribute fee waivers or other funding. “They have as high an investment in the program as anyone,” he said. He also said that the flexibility of the tax credit, which requires states to come up with specific plans that fit them, makes the investment attractive.

And Melton pointed out another obvious winner in the “investment” area of the LIHTC: the federal government. “It’s been critical in the past and continues to be,” Melton said. “For every dollar the government gives, it gets $3 back, when you consider all the sources … that’s a pretty robust return for a government marketplace.”
History of Housing Credit Pricing

Since its creation in 1986, the LIHTC has become the most efficient affordable housing program in the United States.

Over time, investors, developers and other members of the affordable housing community have gained experience with the tax credit, and the LIHTC market has increased in efficiency. As the LIHTC matured through the 1990s and early 2000s, more corporations have come to view participation in the tax credit as a solid investment, and increasing demand is reflected by the rise in pricing.

The bursting of the housing bubble in 2007 and the subsequent downturn in the economy temporarily affected demand for LIHTCs, and in turn, pricing. But as the nation recovers from the Great Recession, the LIHTC market has also recovered and is once again considered robust.

The current national average market price for LIHTCs is approximately $0.95 per credit dollar, which investors claim 10 cents a year over 10 years.

LIHTC equity pricing is based on many factors, from deal specifics through real estate investment market forces. However, two factors that do not affect LIHTC equity pricing are the amount of tax benefits flowing from a property or the LIHTC rate.

Source: “Building Affordable Housing Communities Using the Low-Income Housing Tax Credit,” Affordable Rental Housing A.C.T.I.O.N., Spring 2015.
Map of Featured Affordable Properties

Legend
1. Spring Branch Apartments - Huntsville, Ala.
2. Rosedale Court - Tuscaloosa, Ala.
3. Marquee - Phoenix
5. Claremont Villas - Claremont, Calif.
6. Ford Hotel - Los Angeles
7. Mosaic - Los Angeles
8. Oak Park Apartments - Paso Robles, Calif.
9. Hunters View Apartments - San Francisco
10. Fell Street - San Francisco
11. Villa Santa Fe - Santa Barbara, Calif.
12. Garfield Park Village - Santa Cruz, Calif.
13. High Place West/East - Santa Monica, Calif.
15. Grove Street Apartments - Denver
16. South Lowell Apartments - Denver
17. Redtail Ponds Permanent Supportive Housing Property - Fort Collins, Colo.
18. Bayview Towers - Stamford, Conn.
19. Victory Square - Washington, D.C.
20. Heron Run - Smyrna, Del.
22. Parkview Gardens - Miami
23. The View at Sugarloaf - Lawrenceville, Ga.
24. 12th & River - Boise, Idaho
25. Hope Manor - Chicago
27. Patterson Pointe Senior Residence - Bloomington, Ind.
28. Lincoln Apartments - Indianapolis, Ind.
29. Historic Rushton Building - South Bend, Ind.
30. Tallcorn Affordable Housing - Marshalltown, Iowa
32. Family Scholar House - Louisville, Ky.
33. Old Colony - Boston
34. Charlesview Residences - Boston
36. Salem Point Apartments - Salem, Mass
37. Silver Star Apartment Homes Phase II - Battle Creek, Mich.
38 St. George Tower - Clinton Township, Mich.
39 Duluth Firehouse - Duluth, Minn.
40 The Depot at Elk River Station - Elk River, Minn.
41 Veterans Housing at Fort Snelling - Hennepin County, Minn.
42 Hope Cottages - Joplin, Mo.
43 St. Michael’s - Kansas City, Mo.
44 Arcade Building - St. Louis
45 Juniper Village Apartments - Reno, Nev.
46 Asheboro Lofts - Asheboro, N.C.
47 Highland Village - Cary, N.C.
48 Legacy Living at Central Place - Williston, ND
49 Springside School - Burlington Township, NJ
50 The Broadway Townhomes - Camden, NJ
51 Willows at Waretown - Ocean, NJ
52 CAMBA Gardens - Brooklyn, NY
53 Beacon Pointe - Hamilton, Ohio
54 Westmoreland’s Union Manor - Portland, Ore.
55 Limerock Court - State College, Pa.
56 George Street Commons - York, Pa.
57 Arcadia Park - Columbia, S.C.
58 M Station - Austin, Texas
59 Hillside West Senior Apartments - Dallas
60 Tuscan Villas - Midvale, Utah
61 The Station at Pleasant View - Pleasant View, Utah
62 Kings Peak - Roosevelt, Utah
63 Providence Place - Salt Lake City, Utah
64 Roaring Branch - Bennington, Vt.
65 Westwood Oaks - Fairfax, Va.
66 Phelps Road Place Apartments - Madison Heights, Va.
67 Brook Creek Crossings Apartments - Midlothian, Va.
68 LEB Villas - St. Croix, Virgin Islands
69 Columbia City Station - Seattle, Wash.
70 Adams View - Wapato, Wash.
71 Juniper Ridge - Casper, Wyo.
Alabama Gains More Affordable Family Housing

Around Huntsville, Ala., the need for affordable housing is perhaps only eclipsed by the need for affordable family housing. Spring Branch Apartments addresses that need.

The 70-apartment, 11-building development was restored and renovated in 2013 from an aging 90-apartment complex. It once housed African-American soldiers who worked at a local Army base during World War II, and then the owner in 1990 used low-income housing tax credits (LIHTCs) to redevelop it. In 2013, the new owners did it again, rehabilitating it and changing the name from Burgundy Square Apartments to Spring Branch Apartments.

“There is definitely a demand for affordable housing in Huntsville,” said Kenneth Benion, Huntsville’s director of community development. “But the need for affordable housing for families is especially high.” Enter Spring Branch, which has rental homes reserved for residents earning up to 60 percent of the area median income (AMI).

The new Spring Branch Apartments feature 56 two-bedroom, eight three-bedroom and four four-bedroom rental homes, plus two additional rental homes for on-site staff. During redevelopment, one of the old buildings was torn down to make way for a community garden where residents can grow their own fruits and vegetables, as well as a splash park where children can play during hot weather. There are other communal amenities, including a clubhouse with a television and Wi-Fi, a computer lab, a covered pavilion, a central laundry facility, a learning center for children, a playground, 24-hour emergency maintenance services and an on-site manager.

The rental homes were upgraded to include a combination of carpeted and faux wood-plank flooring, ceiling fans in the living rooms and bedrooms, central heating and air conditioning, Energy Star-rated appliances, new cabinets and countertops, and spacious closets.

“There is definitely a demand for affordable housing in Huntsville. But the need for affordable housing for families is especially high.”

Once Spring Branch was completed in November 2013, it quickly leased up.

“Many developers are turning to rehabilitation to preserve and improve Alabama’s aging housing stock,” said Robert Strickland, executive director of the Alabama Housing Finance Authority, which provided the $5.65 million LIHTC allocation. “Though not a process to be taken lightly, successful rehabs can improve the quality of housing, as well as the quality of life for residents.”

At Spring Branch Apartments, that’s a daily fact of life.

LEAD DEVELOPER
NEIGHBORHOOD CONCEPTS INC.

CATEGORY
FAMILIES, PRESERVING EXISTING AFFORDABLE, GREEN DEVELOPMENT

RENTAL HOMES
125

FINANCING
• $5 million LIHTC equity investment from PNC Bank
• Roughly $1.7 million in construction and permanent financing from PNC Bank
• $820,000 in outstanding HUD Urban Development Action Grant funding left over from Spring Branch Apartment’s, formerly Burgundy Square’s, original financial structure
• $246,000 in outstanding CDBG financing left over from Spring Branch Apartment’s, formerly Burgundy Square’s, original financial structure
After the Storm, Affordable Housing Rebuilt in Birmingham, Ala.

When tornadoes hit Tuscaloosa, Ala., in April 2011, they damaged the city housing authority’s oldest public housing development, but also played a role in the redevelopment of the 188-apartment home Rosedale Court apartment complex. It has since gradually reopened after renovations, starting with the ribbon-cutting ceremony in January 2013 to mark the conclusion of the first stage of a three-stage development.

“I was just so happy to come back home because this is what I know. This is home,” said John Wedgeworth, who had lived in Rosedale Court for 13 years. “It’s just totally different now. Now it is just more up-to-date. I have a lot more room.”

The first phase included the renovation of 88 rental homes, including 52 low-income housing tax credit (LIHTC) rental homes and 36 public housing rental homes. The developers added several small parks, pavilions and playgrounds to the property and connected the development to the surrounding community.

It had an effect beyond returning homes to 88 families. “[The rebuild] has been important because the Rosedale complex is located on a gateway to the city,” said Win Yerby, a developer at Doug Hollyhand Realty, which renovated the property. “It was important that the project got started quickly because it exemplified the overall rebuilding effort for the city.”

Residents also got a new community center, exercise facilities and equipment and a cafe with Internet capabilities, as well as new laundry facilities. Each apartment comes with modern appliances, central heat and air, and private patios or balconies.

Rosedale Court was built in 1952 as a barracks-style development with as many units as possible stacked on top of each other. By the time the tornado hit, it was in need of redevelopment and had a LIHTC application pending. “It was somewhat fortuitous that we already submitted an application for Phase I of the tax credits before the tornado hit,” said Yerby. “It was a tragedy, especially given the loss of life, but it was fortuitous that we had a plan in place.”

The tornado accelerated the process, but created additional problems in relocating residents. Still, those involved are happy. Something good came out of a tragedy.

LEAD DEVELOPER
DOUG HOLLYHAND REALTY

CATEGORY
FAMILIES, PRESERVING EXISTING AFFORDABLE

FINANCING
• $14.3 million LIHTC equity investment by Raymond James
• $2.1 million loan from the Tuscaloosa Housing Authority
• $882,000 permanent mortgage from Bank Independent
• $450,000 in HOME funds from the city of Tuscaloosa
After the Storm, Affordable Housing Rebuilt in Birmingham, Ala.

Photos: Courtesy of Tuscaloosa Housing Authority
Like many of its residents, The Marquee apartments in downtown Phoenix, recently entered a new phase of life. The Marquee received a complete makeover in 2013 and now the rental housing complex for low-income seniors provides housing and a growing number of amenities.

“In line with our commitment to strengthen the urban fabric in the communities where we work, we thought it would be the perfect environment for senior housing,” said Eric Paine, the CEO of developer Community Development Partners (CDP). The Roosevelt Row neighborhood where the property is located is in Phoenix’s arts district, with public art projects, historic building restorations and entertainment options.

The Marquee, built in 1959, got a makeover thanks investment in low-income housing tax credits (LIHTCs). The 600-square-foot, one-bedroom, one-bath rental homes include kitchens, living rooms and dining rooms. They feature air conditioning, central heat, dishwashers, refrigerators, gas stoves, washers and dryers, mini-blinds and cable access. The community area has a barbecue area, community room, gated access, elevator, pool and on-site parking.

“The building footprint, with the center courtyard and swimming pool for seniors, located downtown Phoenix, offers a very exciting and unique option for seniors,” said Kim Nash, associate director of community investment for Aegon USA Realty Advisors. “[The] development offers more senior [rental homes] in the downtown neighborhood with close proximity to health care, prescriptions, shopping and city services.”

It also has access to public transportation, located a quarter-mile from a light rail line and near bus routes and freeways. The Marquee is in a part of town that is considered pedestrian-friendly.

Developers liked the building’s mid-century aesthetic, but updated it for the 21st century by gutting the interior and opening up the walls. Some of the original features were returned to the rental homes, including replacing the original boomerang-shaped, Formica-covered countertops. However, new appliances, cabinets, flooring, countertops, plumbing fixtures, electrical infrastructure and accessibility features were added.

Richard D. Fox, a website developer who lived in a nearby studio apartment for 14 years before moving into The Marquee, said he loved the building. “I’ve never been happier,” he said. “There’s no place else I’d rather live than here. I really like the quietness and the community. If they hadn’t made it available to low-income seniors, I wouldn’t be here.”
Marquee Apartments Preserve Affordable Senior Housing in Phoenix

Photos: Courtesy of Community Development Partners
Low-Income Housing Tax Credit Showcase

LIHTCs Fund Affordable Housing for Disabled Adults

Affordable housing is difficult to find anywhere in the San Francisco Bay Area and that’s doubly true for those with special needs who are living on limited income. To address that need, Jack Capon Villa was built in Alameda, Calif., thanks to federal and state low-income housing tax credits (LIHTCs).

The 18 one- and two-bedroom rental homes were developed by Satellite Affordable Housing Associates (SAHA), Housing Consortium of the East Bay (HCEB) and the Housing Authority of the City of Alameda. “From the beginning, the project was very well received,” said Michael Pucci, the housing authority’s executive director. As evidence, he pointed out that Jack Capon Villa was fully occupied by its grand opening in 2014, with a waiting list of 500 people.

Jack Capon Villa apartments are named after the late founder of Alameda’s Special Olympics. They offer features, amenities and service designed to help resident develop and sustain independent lifestyles because many of them are single adults moving out of their family homes for the first time, said Darin Lounds, HCEB’s executive director. All 18 rental homes are prewired for sight and auditory enhancements for doorbells and alarms. Ground-floor homes are wheelchair-accessible, with roll-in showers. Key fobs required for entry to elevators and stairwells provide added layers of security.

The development is two blocks from Alameda’s downtown shopping area and is within walking distance of city bus lines that can take residents to San Francisco in less than 30 minutes. Shared amenities include a community room, laundry facilities, secured bike racks, a computer lab and wheelchair-accessible planter boxes. There are energy-efficient ceiling fans, a solar-heated water system, insulated windows, recycled content carpet and sustainable landscaping that requires minimal watering.

Many residents receive supportive services from the Regional Center of the East Bay (RCEB), a nonprofit service provider under contract with the California Department of

**From the beginning, the project was very well received.**
Developmental Services. “It’s a great model because supportive services follow individuals to the residence, so the property isn’t required to have funding in place for specific services,” said Lounds.

Jack Capon Villa received a reservation of $444,000 in federal LIHTCs and $1.7 million in state LIHTCs. Cindy Heavens, senior property manager for SAHA, said the LIHTCs allowed Jack Capon Villa’s developers to upgrade amenities and features, such as higher-quality carpet in common areas. “They’re the small things that make a big difference,” she said.

With the property up and running, those involved are pleased. “It created a level of independence that they had no way of achieving without affordable housing,” said Lounds. “And we hope we set an example of why we need more of these developments.”

“Photos: Courtesy of Keith Baker

It created a level of independence that they had no way of achieving without affordable housing. And we hope we set an example of why we need more of these developments.”
Affordable Senior Housing Preserved in Educated Southern California Town

Claremont, Calif., has seven academically heralded colleges, an extremely educated population and a lack of affordable housing. Claremont Villas, an affordable housing community for seniors that was purchased in 2011, helps with that.

Claremont, located 30 miles east of downtown Los Angeles, is the site for the colleges known as Claremont Colleges. It also features a population with 9.3 percent holding a doctorate degree. With a median monthly rental rate of $1,200, the American Community Survey found that 42 percent of Claremont’s residents spend 35 percent or more of their household income on rent.

“In Southern California, there’s a large disparity between market rent and affordable housing rents,” said Philip Melton, Centerline Capital Group’s senior managing director of affordable housing debt. He said that was particularly important for seniors, who make up nearly 28 percent of Claremont’s population and often live on a fixed income.

Seattle-based multifamily real estate investor, developer and operator Security Properties Inc. acquired Claremont Villas in 2011 from Integrity Housing. The property, which was built in 1994 with the help of low-income housing tax credits (LIHTCs), houses seniors earning 50 percent to 60 percent of the area median income (AMI). There is subsidized rent for 24 rental homes for those earning 50 percent of the AMI.

The property consists of five three-story buildings and a clubhouse. The studio, one- and two-bedroom apartments include individually controlled heating and air conditioning units, walk-in closets and showers and tubs with grab bars. Each rental home also features emergency pull cords.

Community features include a heated pool and spa, a sun deck, barbecue facilities, a laundry facility and community room. “Our goal is to foster safe, healthy and dynamic community,” said Illya Gamel, director of the affordable housing group for Security Properties. One way the company tries to create that is through social activities and classes such as water aerobics, English as a second language courses and community poker night.

Security Properties used part of its loan for property maintenance and repairs, including new asphalt walkways, repainted exteriors and a few additions to the community room. “The property had been very well-maintained and made our long-term investment that much more attractive,” said Gamel. “Preserving the affordability of these valuable assets is central to our affordable housing platform.”

**LEAD DEVELOPER**
SECURITY PROPERTIES INC.

**CATEGORY**
SENIORS, PRESERVING EXISTING AFFORDABLE RENTAL HOMES

**FINANCING**
- $11 million Fannie Mae Affordable Housing Preservation Loan through Centerline
- Bridge loan and Section 1031 exchange proceeds

**CONGRESSIONAL DISTRICT**
CALIFORNIA 27TH

**RENTAL HOMES**
154
Skid Row Hotel Becomes Upgraded Apartments

The Ford Hotel in Los Angeles fell into such disrepair and was so dangerous by the early 2000s that residents wouldn’t enter community bathrooms alone for fear of attack. They also witnessed murders and suicides in the building, located in downtown Los Angeles’ Skid Row neighborhood. The reputation was so bad that by 2008, when Single Room Occupancy Corporation (SRO Housing) purchased the building, it was required to provide armed guards 24 hours a day.

Then everything changed. SRO Housing turned the Ford Hotel into the Ford Apartments, a renovated, upgraded rental housing complex, available to the chronically homeless and very low-income residents. Residents have access to on- and off-site services, as well as public transportation.

“Being able to restore that hope and a sense of dignity for the people living there is really what redeveloping and preserving affordable housing is all about,” said Anita Nelson, SRO Housing’s chief executive officer.

The renovation was made possible through low-income housing tax credits (LIHTCs), private equity and additional state and federal funding.

LA’s Skid Row neighborhood includes about 4,000 homeless people in a 50-block area, with many single-room occupancy (SRO) hotels. As the population shifted to the suburbs in the last half of the 20th century, those SROs fell into disrepair and buildings such as the Ford Hotel became known for prostitution, drugs and violent crime. “In recent decades, [the Ford Hotel] had a pretty notorious and ugly history,” said Jeff Schaffer, vice president and Southern California market leader of LIHTC investor Enterprise Community Partners.

The solution for SRO Housing was to convert the 295 small units into the 151 efficiency rental homes. The building was gutted, removing asbestos, lead and other hazards, while structural supports were added along with seismic upgrades. Bars were removed from the windows and doors and large windows were added.

SRO Housing added a community room, game room, library/computer room, laundry rooms and lounges on each floor, while the rental homes were doubled in size with kitchenettes and bathrooms added. There is a 24-hour security system and a live-in manager.

“[SRO Housing] is really working to change the face of Skid Row in Los Angeles,” said Schaffer. “This … one property is going to provide housing for 150 individuals.” That includes not only improved and bigger apartments, but services. “Services are really there for the residents,” said Nelson. “We really try to provide those additional recreational and social services.”

With that approach, and $12 million in equity from LIHTCs, the Ford Apartments has a new start.

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**LEAD DEVELOPER**
SRO HOUSING

**CONGRESSIONAL DISTRICT**
CALIFORNIA 34TH

**CATEGORY**
FAMILIES, FORMERLY HOMELESS, PRESERVING EXISTING AFFORDABLE RENTAL HOMES

**151**

**FINANCING**

$18.5 million from Los Angeles County Department of Mental Health Mental Health Services Act Housing program

$12 million in equity for federal LIHTCs

$4.5 million from Community Redevelopment Agency of Los Angeles

$1.5 million from Federal Home Loan Bank of San Francisco’s Affordable Housing Program

$482,000 through California Tax Credit Allocation Committee Tax Credit Assistance program
Los Angeles Apartments a Mosaic of Families, Seniors

The Mosaic Apartments in Los Angeles provide a literal walkway from families to seniors, all in one housing development.

The apartment complex in the Pico-Union neighborhood, which opened in late 2011, includes two apartment buildings—one for seniors, one for families—linked by a block-long outdoor walkway. “The name Mosaic came about because it pulls from different components, ethnicities and ages,” said Maurice Ramirez, executive vice president of developer AMCAL Multi-Housing Inc. “Not just to create a building, but to provide for this kind of experience.”

AMCAL Multi-Housing and Killefer Flamming Architects held a series of meetings with neighbors and potential residents to come up with their plan. In addition to the unusual walkway, there is support: through a contract with nonprofit LifeSTEPS, residents of all ages have access to long-term case management services. “Having something like LifeSTEPS there … means that there’s housing stability,” said Beth Southorn, LifeSTEPS’ executive director. LifeSTEPS and AMCAL also provided funding to provide resident services that include computer and job training, as well as English language classes, nutrition programs and parenting classes.

The result is a well-rounded development. “It’s housing for seniors and it’s housing for families,” said Percival Vaz, AMCAL’s chief executive officer. “It’s a brand-new, high-quality housing in an area that hasn’t had that in years. This kind of project will make Pico-Union stand out.”

The 56 rental homes range from one to three bedrooms and target residents earning 30 to 60 percent of the area median income (AMI). Mosaic features two community rooms, laundry facilities, a lounge, fitness center, barbecue area and tot lot. The family building’s community room connects to the tot lot, while the senior building’s community room is quieter and smaller. “The seniors have their own spaces,” said John Arnold, project architect. “It gives [families and seniors] their own place to be … but they can interact with each other. It’s an architectural manifestation of these two groups, families and seniors, living together in one project.”

Mosaic bridges historic commercial and residential areas in the Pico-Union neighborhood, an area with many single-family Craftsman and Victorian-style homes along Union Avenue, as well as Pico Boulevard businesses with mosaic tiles embedded in their facades. Architects incorporated Craftsman-style elements on the Union Avenue side and patterned mosaic entryway leads on the Pico Boulevard side.
Aging Apartments Get Rebirth in Paso Robles, Calif.

After more than 60 years of continuous use, the Oak Park Apartments in Paso Robles, Calif., needed an update. Thanks to low-income housing tax credits (LIHTCs), the housing development is being transformed into 302 affordable rental homes.

“The stock of affordable housing was not meeting the demand for the community in Paso Robles and the original project was deteriorating,” said Dave Cooke, executive director of the Paso Robles Housing Authority, one of the partners of the development, as well as property manager.

The four-phase development, which is slated to be completed in 2016, began with a phase that consisted of 13 buildings with four to seven rental homes each. It involved tearing down 40 of the original apartments and building 80 new affordable rental homes in their place. They included eight one-bedroom, 44 two-bedroom, 26 three-bedroom and two four-bedroom apartments. All are reserved for residents earning up to 60 percent of the area median income (AMI) and 32 of the 80 new rental homes are designed as project-based Section 8 housing, while 20 are reserved for farmworker families.

The property opened in 1942, with 148 rental homes to house soldiers stationed at nearby Camp Roberts. After World War II ended and the demand for military housing declined, the property was converted to U.S. Department of Housing and Urban Development (HUD) low-income housing by the Paso Robles Housing Authority, with which it remained.

The first phase or redevelopment included a manager’s office, a laundry facility and space for the Paso Robles Housing Authority to offer on-site services, including a jobs skills program for adults and a number of after-school programs for children. Outdoor amenities in the first phase included outdoor space, a picnic area with barbecues, a playground and basketball and volleyball courts. The rental homes include central air conditioning, storage space, walk-in closets, modern kitchen appliances, washing machine and dryer hookups and a patio or private deck.

Those involved are proud of the development and positive about its impact. “This is a high-profile project,” said Monique Hastings, senior vice president of the Newport division of LIHTC equity investor Alliant Capital. This is just phase one of a multiphase development that replaces existing public housing and upgrades the neighborhood.”

The first phase not only leased out fully, but there were 500 people on the waiting list.

LEAD DEVELOPER
PASO ROBLES HOUSING AUTHORITY, MONTEREY COUNTY HOUSING AUTHORITY DEVELOPMENT CORPORATION

CATEGOR Y
FAMILIES, PRESERVING EXISTING AFFORDABLE, FARMWORKERS, GREEN DEVELOPMENT, RURAL

RENTAL HOMES
302

FINANCING
• $16.8 million LIHTC equity investment syndicated by Alliant Capital through one of its multi-investor funds
• $3 million permanent loan from the USDA
• $2.9 million seller’s note
• $2.1 million permanent loan from Rabobank
• $1 million loan from the City of Paso Robles
• $945,580 in San Luis Obispo County HOME funds
• $579,950 in other financing
Struggling SF Neighborhood Gets Lift from LIHTCs

Once seen as a textbook example of crumbling public housing, Hunters View Apartments are bringing new hope to one of the roughest neighborhoods in San Francisco. The development, which broke ground in 2014, aims to renovate more than 700 affordable rental homes around the Bayview-Hunters Point neighborhood in the south part of the city over the next half-decade.

“This was about so much more than providing housing, it was really about transforming lives,” said Rich Gross, vice president and Northern California market leader at Enterprise Community Partners, the parent company of Enterprise Community Investment, which syndicated the tax credits. “This was one of the worst housing projects in the country ... There was high violence; there was high drug and alcohol abuse and serious mental health issues.”

Now there is new life. The first phase of the development replaced 87 of the severely dilapidated public housing units and added 20 rental homes financed through low-income housing tax credits (LIHTCs). They were made available to tenants earning 50 percent or less of the area median income (AMI). The buildings sit atop a bluff that overlooks the San Francisco Bay and the city’s skyline.

It wasn’t simple. The former Hunters View Apartments were built in 1957 on the foundations of World War II Navy shipyard workforce housing and weren’t meant to be permanent homes. However, they housed residents for more than 50 years. The existing buildings in that phase had to be demolished and replaced three new buildings, but first there needed to be new infrastructure, including a new street grid and new underground utilities. In addition to the 107 new rental homes, construction also brought a community room, management offices and a new park. Residents continued to live at the property during the first phase and were relocated from the existing phase one rental homes to previously vacant rental homes in the next two phases.

Gross said that the

LEAD DEVELOPER
JOHN STEWART COMPANY, RIDGE POINT NON-PROFIT CORPORATION AND DEVINE & GONG INC.

CONGRESSIONAL DISTRICT
CALIFORNIA 12TH

CATEGORY
FAMILIES, SINGLE-FAMILY, PRESERVING EXISTING AFFORDABLE RENTAL HOMES

107

FINANCING
• $41 million construction loan from Citi Community Capital
• $29.2 million in LIHTC equity from Bank of America, syndicated by Enterprise Community Investment
• $19.5 million loan from the San Francisco Redevelopment Agency/Office of Community and Infrastructure Investment
• $10 million loan from the State of California Department of Housing and Community Development Multi Family Housing Program
• $8.1 million in HUD financing from the San Francisco Housing Authority
• $7.9 million from the State of California Department of Housing and Community Development Infill Infrastructure Grant program
• $3.5 million loan from San Francisco’s HOPE SF program
• $1 million loan from Federal Home Loan Bank’s Affordable Housing Program

This will be a stimulus for the Chinatown redevelopment as a whole. Salinas was hit hard with the meltdown in homeownership. We have experienced high demand for multifamily rental product due to families that have lost their homes.
The proposed overall development includes 741 rental homes scattered throughout an 18-block area. The plan includes replacing the original 267 public housing units and adding 83 new affordable rental homes for residents earning 50 percent or less of the AMI, as well as 59 homes for sale to residents earning 80 percent or less of the AMI, 17 units that will be developed through Habitat for Humanity and 315 market-rate homes for sale.

The plan also includes retail space. The estimate is that the three-phase development will be complete in 2020 or 2021.
San Francisco Affordable Housing Gets Rehabilitation, Resyndication

Fell Street Apartments in San Francisco have been popular since they were built in 1994. A resyndication and rehabilitation of the property using low-income housing tax credits (LIHTCs) in 2012 assured that they will remain affordable housing well into the future.

“The Fell Street Apartments is such a perfect location and is so inexpensive for what you get,” said Kevin Leichner, project manager at BRIDGE Housing Corporation, Fell Street Apartments’ nonprofit developer, owner and property manager. “In [the] Hayes Valley [neighborhood], when we ordered a market study for the building, there weren’t even any comparable units for the family units there. They just don’t have any in Hayes Valley. There were no true comparables for the three-bedroom units, for example. So if you have a family and you qualify, this is your best option in this neighborhood.”

That is proven by the vacancy rates. In the 10 years leading up to the renovation, vacancy rates were at 2 percent. When a rental home becomes available, there is a waiting list of applicants ready to be qualified.

The building underwent a $17.3 million redevelopment. There are four studios, 20 one-bedroom rental homes, 24 two-bedroom rental homes and 34 three-bedroom rental homes, which are all set aside for residents earning 40 to 60 percent of the area median income (AMI).

Individual units received a number of upgrades, with many getting new carpet and countertops, as well as new appliances. Workers were only in each rental home for about two days, so residents didn’t have to leave. “We worked in cooperation with the residents in order to make the rehab possible,” Leichner said.

Property-wide alterations included replacement of aging building elements and systems with more efficient and higher-performing alternatives. The courtyard was completely renovated and BRIDGE refurbished the children’s play area in the courtyard. Each rental home comes with a parking spot beneath the building and residents have access to a variety of programs, including computer classes with an on-site computer lab, English as a second language (ESL) courses, health and nutritional cooking classes, after-school tutoring and a variety of financial literacy classes. The building also added a 92-kilowatt photovoltaic electric system on the roof, which offsets 3,500 therms of natural gas use annually.

“I feel so proud, fortunate and appreciative to be living at Fell Street,” said Thuylynh Nguyen, who has been a resident there since 1994. “Living at Fell Street is a big financial relief. It’s a big burden off my family. It gives us peace of mind.”

<table>
<thead>
<tr>
<th>LEAD DEVELOPER</th>
<th>BRIDGE HOUSING CORPORATION</th>
</tr>
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<tbody>
<tr>
<td>CATEGORY</td>
<td>FAMILIES, PRESERVING EXISTING AFFORDABLE, GREEN DEVELOPMENT</td>
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<td>RENTAL HOMES</td>
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<td>FINANCING</td>
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<td>$8.1 million construction financing loan from Wells Fargo</td>
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<td>$5.4 million equity investment in LIHTCs and ITCs from Wells Fargo</td>
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<td>$5 million in tax-exempt bonds investment from California Department of Housing and Community Development</td>
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<td>$2.7 million takeout mortgage from California community Reinvestment Corporation.</td>
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LEAD DEVELOPER
BRIDGE HOUSING CORPORATION
CATEGORY
FAMILIES, PRESERVING EXISTING AFFORDABLE, GREEN DEVELOPMENT
RENTAL HOMES
82
FINANCING
- $8.1 million construction financing loan from Wells Fargo
- $5.4 million equity investment in LIHTCs and ITCs from Wells Fargo
- $5 million in tax-exempt bonds investment from California Department of Housing and Community Development
- $2.7 million takeout mortgage from California community Reinvestment Corporation.
Affordable Senior Housing Upgraded, Preserved in Sunny Santa Barbara

Santa Barbara, Calif., has one of the lowest affordability indexes in the nation, according to the Housing Authority of the City of Santa Barbara (HACSB), and no wonder. With its Mediterranean climate, red-tile-roofed properties and cultural offerings, the city—90 miles northwest of Los Angeles—is a desirable place to live, particularly for seniors, who make up more than a quarter of the city’s population.

Two senior properties, HACSB’s Villa Santa Fe Apartments and Villa La Cumbre, were combined to form Villa Santa Fe Apartments LP, a single-purpose entity for rehabilitation using low-income housing tax credits (LIHTCs). They are now called Villa Santa Fe I and II.

“The refinancing and rehabilitation of Villa Santa Fe is the key to keeping this housing affordable in perpetuity for low-income seniors,” said Johanna Gullick, senior vice president and Southern California market manager at Union Bank’s Community Development Finance (CDF) division.

Villa Santa Fe I (formerly called SHIFCO, after its original developer, the Senior Housing Inter-Faith Corporation) consists of 106 one-bedroom rental homes, one two-bedroom manager’s apartment, a community room and a manager’s office on eight acres overlooking the Pacific Ocean. Six miles inland is Villa Santa Fe II (formerly called Villa La Cumbre), with 60 one-bedroom rental homes with full kitchens, bathrooms, washer and dryer hookups and private patios or balconies. Common amenities include laundry facilities, carports, storage, community garden space and a recently refurbished recreation room.

“Santa Barbara is one of the most beautiful places in the continental U.S.,” said Drew Robison, Bellwether Enterprise’s national director of FHA lending. “You couldn’t pick a better piece of real estate for the deal.”

About $5.6 million in renovations included new kitchen cabinets, countertops, appliances, kitchen and bathroom plumbing, lights, outlets, windows and sliding glass doors. The interior and exterior of both sites were repainted before the development finished in 2014.

Because the properties are more than five miles apart, they couldn’t qualify as a scattered-site development under California Tax Credit Allocation Committee (TCAC) regulations. HACSB had to submit separate 4 percent LIHTC and bond applications for each property, but used one U.S. Department of Housing and Urban Development (HUD) loan for both.

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<th>HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA</th>
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<td>• $18 million from Bellwether Enterprise’s HUD FHA 223(f) LIHTC pilot program loan</td>
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<td>• $12.5 million in permanent subordinated loans from HACSB</td>
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<td>• $9.8 million in LIHTC equity from Union Bank</td>
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<td>• $5 million in construction financing from HACSB</td>
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Congressional District: California 24th
Senior Housing in Santa Cruz, Calif., Gets Upgrade

After 50 years of housing seniors, Garfield Park Village in Santa Cruz, Calif., needed some sprucing up. Thanks to the U.S. Department of Housing and Urban Development (HUD) Senior Preservation Rental Assistance Contract (SPRAC) and low-income housing tax credits (LIHTCs), it happened.

The $34 million rehabilitation gives a fresh look to the development for seniors 62 and older— in a city with an extremely competitive housing market. “Santa Cruz is being squeezed out by the Silicon Valley,” said Kathleen Mertz, senior project manager at Christian Church Homes, the property owner. “Between the [University of California, Santa Cruz] and the Silicon Valley, there is not a lot of affordable housing. Because of this, there is definitely a strong demand for affordable housing in Santa Cruz.”

Garfield Park Village features 12 cottages with four rental homes each, a 46-unit apartment building, a separate manager’s apartment and an administration building. There are 38 studio apartments, 48 one-bedroom rental homes, eight two-bedroom rental homes and the manager’s apartment. More than 5 percent of the rental homes were made to be Americans with Disabilities Act (ADA)-compliant. Apartments are reserved for residents making as much as 50 percent of the area median income (AMI), although Mertz said that existing residents earning up to 80 percent of the AMI were grandfathered in.

The renovations were extensive. The property received updated heating and ventilation, all of the original single-pane windows were taken out and replaced with new, double-pained windows, and Energy Star-rated appliances and light fixtures were installed in each rental home, along with low-flow faucets and toilets. The updated property also includes an expanded community garden with assigned planter boxes for residents, a computer center, a community room with lounge seating and kitchen, a library and an expanded laundry facility.

The redevelopment is occurring in four phases, with roughly 24 rental homes being rehabilitated at a time.

In December 2013, Garfield Park Village became one of the first Section 202 properties in the country to be awarded and then implement at SPRAC from HUD. The SPRAC was for rental assistance to 65 rental homes, with the goal of preserving deep affordability at expiring Section 202 properties to prevent the displacement of income-eligible elderly residents. Now Garfield Park Village will feature 84 rental-assisted rental homes, including 19 project-based Section 8 rental homes.

“Prior to rehab, Garfield [Park Village] had only 19 units receiving rental assistance subsidies,” said Jovan Ludovice, project manager at CCH. “Without additional rental assistance, Garfield would not have been able to leverage enough financing to complete the rehab.”

The redevelopment is expected to be complete in fall 2015.

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LEAD DEVELOPER: CHRISTIAN CHURCH HOMES

CATEGORY: SENIORS, RESIDENTS WITH SPECIAL NEEDS, PRESERVING EXISTING AFFORDABLE, GREEN DEVELOPMENT

CONGRESSIONAL DISTRICT: CALIFORNIA 20TH

RENTAL HOMES: 95

FINANCING:

- $17 million construction loan from Union Bank
- $10.1 million, 4 percent LIHTC equity investment from National Equity Fund
- $8.6 million permanent loan from Union Bank
- $755,000 in HUD HOME funds from the city of Santa Cruz
- $1 million Flex Sub Loan deferral from HUD
- $407,000 sponsor loan from CCH
- $254,000 in income operations during construction
- $95,000 in existing replacement reserves
Wait Worth it for Affordable Housing in Santa Monica, Calif.

It took 11 years, but High Place West was worth it. The 47-unit affordable housing development in Santa Monica, Calif., opened in March 2013, providing housing for families and preparing the way for the second phase—High Point East—which opened a year later.

“These two developments, which both utilize the 4 percent low-income housing tax credit (LIHTC), will help fill a void in the affordable housing market in the expensive beach community of Santa Monica,” said Sarah Letts, executive director of Community Corporation of Santa Monica (CCSM), which developed the property.

It was a long process. CCSM began the development process in 2002 and before construction could begin, it had to get High Place Street’s eight dilapidated 1950s buildings condemned, relocate some of the development’s residents, construct an alleyway, prepare the site and get final approval from the city of Santa Monica. Once Benchmark, the development’s general contractor, received notice to proceed with construction, it went quickly.

High Place West features six three-story residential buildings with 32 two-bedroom rental homes and 15 three-bedroom rental homes clustered around an landscaped interior courtyard. Shared space includes an outdoor play area for children, a community room with a kitchen as well as a subterranean garage with 80 parking spaces. All rental homes are available to residents earning between 35 percent and 60 percent of the area median income (AMI).

Each rental home at High Place West features Energy Star-rated appliances, LED lighting, energy-efficient heating systems, low-VOC paint and low-flow fixtures. The complex features rooftop solar panels to power common areas.

There are also tenant services that have no cost, including job-readiness workshops, exercise and health classes, a women’s event day, art events and more.

“The primary goal is to provide affordable housing in the city,” said Letts. “The rate of rent increases in seaside cities like Santa Monica is extremely high, which is why we need to increase the stock of affordable housing. We are fully invested in making sure High Place West is an asset to the city in providing affordable housing.”

Reagan Maechling, senior underwriter at LIHTC syndicator Enterprise Community Investment, said Santa Monica is a great market in which to build affordable housing. “It is a bonus that Santa Monica has such a strong housing market, such a need for affordable housing,” Maechling said. “Market rates and occupancy levels are very high, so they will have no problem leasing up the property and keeping it occupied.

High Point East, the second phase of the development, opened in 2014. It has 44 affordable rental homes.

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LEAD DEVELOPER
COMMUNITY CORPORATION OF SANTA MONICA

CATEGORY
FAMILIES, PRESERVING EXISTING AFFORDABLE, GREEN DEVELOPMENT

RENTAL HOMES
47

FINANCING

• $12 million in tax-exempt bonds from Citi
• $11.4 million loan from city of Santa Monica
• $7.7 million equity investment in 4 percent LIHTCs from JPMorgan Capital Corporation
• $3.3 million permanent loan from Housing and Community Development Department MHP program
• $1.3 million permanent loan from California Community Reinvestment Corporation
Pilot Program, LIHTCs Preserve Colorado Senior Housing

A 25-year-old senior affordable housing development in Colorado received propertywide renovations for the first time under a U.S. Department of Housing and Urban Development (HUD) pilot program that used low-income housing tax credits (LIHTCs).

Garden Park Villa in Cañon City, about 115 miles southwest of Denver, received $1.7 million in 4 percent LIHTCs through the Colorado Housing Finance Authority in 2012. Under the HUD Multifamily Low-Income Housing Tax Credit Pilot program, which was created to streamline Federal Housing Administration (FHA) mortgage insurance applications for LIHTC properties, it was able to close its loan within 135 days of application, which helped reduce the interest rate to less than 5 percent. The owner, National Church Residences, was then able to go ahead with the renovations.

“National Church Residences does a nice job in keeping projects in good condition and very livable for residents,” said Lori Little, director of syndication and developer advisory services at National Affordable Housing Trust (NAHT), which provided the tax credit equity. “We worked with National Church Residences to try to figure out what [updates] would keep the project meaningful for the next 20 years.”

The size of Garden Park Villa and the per-unit construction costs made it a good fit for the HUD pilot program, according to Little. Those limitations include a maximum of $40,000 per rental home in rehabilitation work—updates to Garden Park Villa averaged about $35,000 per rental home. They included new refrigerators, air conditioning units, wireless emergency call systems, low-flow shower heads, energy-efficient light fixtures and other appliances. There are also new water boilers, security cameras, intercoms and canopies at the entrances.

Another requirement of the pilot program is that residents can only be relocated for up to 30 days during the rehabilitation work, but Garden Park Villa residents remained in their homes during the renovation.

“It’s going to be a successful program,” said David Lacki, managing director of affordable housing for Lancaster Pollard, which granted Garden Park Villa’s $3 million loan. “We wanted to get our hand on the [Grand Park Villa] deal to be one of the first.”

Vandana Sareen, NAHT’s vice president of origination and development, said the renovation was a success. “This shows how mission-driven owners who are willing to invest money that they could have taken out of a project can instead leverage it as a way to modernize existing occupied housing portfolio in a timely fashion,” she said.
Renderings: Courtesy of Nico Marques / Photekt
Denver Neighborhood Getting Long-Needed Affordable Housing

A Denver neighborhood that dearly needs affordable housing will get more in 2016. The Grove Street Apartments, scheduled to break ground in summer 2015, will provide 42 rental homes for households earning between 30 and 60 percent of the area median income (AMI).

“There’s an affordable housing crisis in Denver,” said Denver City Councilman Paul López, who represents the district in which Grove Street Apartments is located. “We’re on the rebound of the recession, so instead of foreclosures, you’re seeing folks being priced out of the neighborhoods they’re living in.”

Project partners said the Westwood neighborhood, where Grove Street Apartments will be located, has a 24 percent poverty rate and is in great need of strategic community reinvestment, especially in quality housing. The U.S. Census found that more than a quarter of Denver’s substandard rental homes are located in Westwood and that 78 percent of renter-occupied housing was built before 1980. That creates a particular demand for more affordable housing, as evidenced by the fact that when developer Gorman & Company conducted its due diligence for the Grove Street Apartments, it found that nearby affordable housing properties had a 99.8 percent occupancy rate and there were waiting lists for more than 300 people.

Kimble Crangle, the Colorado market president for Gorman & Company, said his company was eager to make a difference. “We’re delighted that Gorman & Company has the opportunity to work in this neighborhood on a project that will be catalytic for the community revitalization effort,” said Crangle.

Grove Street Apartments, financed largely through low-income housing tax credits (LIHTCs) is on the former site of a mobile home park and motel that were demolished years ago. Rental homes will come with mini blinds, resilient flooring, full kitchens with a dishwasher and microwave, a washer-and-dryer hookup, central air conditioning and heating, and ceiling fans. Shared amenities will include a community room, picnic area, play area, elevator and fitness center.

Grove Street Apartments will not only provide an affordable housing option to Westwood residents, but will grant them access to a range of services. Mi Casa Resource Center, a local nonprofit dedicated to advancing the economic success of Latino and working families through programs and supportive services, will occupy 20,000 square feet of ground-floor space. “We saw an opportunity to not only add high-quality housing, but high-quality services through our partnership with Mi Casa,” said Crangle.

By moving into Grove Street Apartments, Mi Casa will be more accessible to the families it serves because of its proximity to the apartments and the demographics of Southwest Denver, said Christine Márquez-Hudson, Mi Casa’s executive director and chief executive officer. Márquez-Hudson says Mi Casa plans to bring its comprehensive economic center services and partnerships to the

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<th>LEAD DEVELOPER</th>
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<td>FINANCING</td>
<td>$9.2 million in LIHTCs equity</td>
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<td>$2.5 million in tax-increment financing from Denver Urban Renewal Authority (DURA)</td>
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LEAD DEVELOPER: GORMAN & COMPANY
FINANCING:
- $9.2 million in LIHTCs equity
- $2.5 million in tax-increment financing from Denver Urban Renewal Authority (DURA)
area, providing small business development, career training, financial literacy, home ownership education, GED test preparation, English as a second language (ESL) classes, legal assistance and technology classes. “These services will contribute to the economic advancement of low-income families, as well as the local economy,” said Márquez-Hudson.

Grove Street Apartments received an award of $915,504 in annual 9 percent LIHTCs from the Colorado Housing Finance Authority (CHFA), which was significant in a very competitive era. Jerilynn Martinez, CHFA spokeswoman, said the state housing authority was authorized to award $12 million in LIHTCs for the 2014 funding rounds and received requests for more than $42 million in LIHTCs. “The demand is something that speaks to the critical role that the LIHTC plays and what [LIHTC] developments have done,” said Martinez. “It is an important resource in ensuring that affordable housing gets built and preserved. Not only in Colorado, but nationwide.”

Denver officials see Grove Street Apartments as a key piece to the affordable housing and community development puzzle. Mark Tompkins, the Denver Urban Renewal Authority (DURA) deputy director, said financing such visible, mixed-use developments as Grove Street Apartments will encourage further investment in the area. “Putting a multistory building on the edge of a six-lane road is going to be pretty significant,” Tompkins said. “It’ll provide activity within that stretch of the corridor.”

Derek Woodbury, the communications director for the Denver Office of Economic Development (OED), wrote a letter in support of the property’s LIHTC application. He said that OED and the city are focused on revitalizing the Westwood neighborhood and that other planned or recently completed investments in the area include a mobile home park that will be turned into 185 affordable rental homes, a fresh food distribution center, an early childhood educational center and a city park.

Combining those with the Grove Street Apartments gives a neighborhood that has been sorely in need of affordable housing some reasons for optimism. The use of the LIHTC, combined with other developments in the region, creates benefits for residents and a neighborhood that is grateful for the help.
Denver Apartments Get Update, Expansion

What should you do with aging public housing? Renovate and expand it, if you’re the Denver Housing Authority (DHA). That’s what the organization did with the South Lowell Apartments, which opened in 1973. After the renovation, the aging complex is now a vibrant community with plenty of new amenities.

“This was an opportunity to provide the ability to transform this project into a beacon for public housing,” said Aaron Krasnow, vice president and investment manager at RBC, which provided nearly $5.5 million in equity investment in 4 percent low-income housing tax credits (LIHTCs) for the property. He said RBC was interested because “the rehabilitation on a per-unit basis was significant” and because “we could help turn this into an asset for the people who need it most.”

Those people got more than they had. The overhaul included completely renovating the original doughnut-shaped building and adding a four-story, 28-rental home building in the interior courtyard, making it a “building within a building.” The idea was to get the most out of the 3-acre property.

South Lowell Apartments, which opened in 2013, are now more than 100,000 square feet, including more than 26,000 square feet in the addition. There are 18 one-bedroom apartments, 72 two-bedroom rental homes and six three-bedroom rental homes, all reserved for residents earning 50 percent of the area median income (AMI) or less. There are three communal laundry rooms; a common room with a television, lounge area and kitchenette; a manager’s office; a maintenance office and storage space; a vegetable garden and an outdoor water park for children.

The rental homes feature Energy Star-rated appliances, including dishwashers and garbage disposals; air conditioning; ceiling fans; outdoor patios and vinyl composite flooring. “This was an opportunity to extend the useful life of an old and inefficient building by addressing the long-term capital needs of the building,” said Ben Glispie, Southwest regional manager at Chase Community Development Banking, which provided a $10 million construction loan.

The challenges were clear. Most obvious was designing a new building that fit inside the interior courtyard of the original building. The biggest hurdle, according to Joseph Vigil, partner and architect at WORKSHOP8, the architect for the property, was getting approval from the fire department. It needed access to the property and got it with an opening in the original building.

Residents seemed happy: the development reached 100 percent capacity within three months.
New Approach Brings New Housing for Homeless

The Fort Collins Housing Authority (FCHA) in Colorado took a different approach to provide supportive housing for the homeless: They moved it away from downtown, location of much of the single-room occupancy (SRO) programs, as well as a park and shelter where the homeless congregate. The result is Redtail Ponds Permanent Supportive Housing Property in southern Fort Collins, Colo.

“We found that when we had, in the past, operated an SRO program downtown, right next to the park and shelter where a lot of the homeless congregate, it was hard for residents to separate themselves from the folks still living on the street,” said Kristin Fritz, FCHA senior project manager. “It was hard for them to make that break for a positive change and not get sucked back into potentially bad habits.”

It wasn’t easy. FCHA had to convince skeptics that there would be sufficient services on-site, and then convince neighborhood opponents that it would be a safe, good neighbor. It managed to do both and opened in March 2015.

Redtail Ponds offers 60 one- and two-bedroom apartments to low-income households, homeless individuals with disabilities and homeless veterans. Each rental home has a full kitchen, bathroom, air conditioning unit and appliances. Shared amenities include laundry rooms on each floor, two community rooms, a fitness room, a library, a computer room, secured bicycle storage, a courtyard, a walking path and a garden. A community kitchen is planned so a local nonprofit can help develop a culinary job-training program on-site.

Redtail Ponds also offers case management, counseling and lifestyle coaching services from FCHA, Touchstone Health Partners, the U.S. Department of Veterans Affairs (VA) and the University of Colorado Health. Security and staff are on-site around the clock, seven days a week.

After developing sufficient programs, Fritz said FCHA hosted several outreach meetings in the southern Fort Collins neighborhood and also worked with partner agencies and local shelters to develop a resident screening process to identify those who are most likely to succeed in supportive housing and become self-sufficient. Partners expect Redtail Ponds will be an important source of affordable housing in Fort Collins and a model for future supportive housing developments elsewhere. “At the end of the day, we’re moving people off the streets and into housing – and in many cases, saving people’s lives,” said Fritz.
Affordable Housing Preserved in Pricey Connecticut City

A rent-restricted property in Connecticut’s most expensive city preserved its long-term affordability with a renovation that came about thanks to low-income housing tax credits (LIHTCs). Bayview Towers in Stamford, Conn., celebrated its grand opening in 2014 after a $13 million renovation.

“Stamford is the highest-cost area in Connecticut,” said Suzanne Piacentini, the Connecticut field office director for the U.S. Department of Housing and Urban Development (HUD). “The demand for rental housing in general, and affordable housing in particular, is really high.”

The property was built as New Hope Towers Cooperative Apartments in 1973, funded through the HUD Section 236 rental subsidy program. With the high cost of living in Stamford—the city’s median gross rent is $1,500, compared to $1,000 for the state as a whole—the building owners elected to renovate it using LIHTCs. Bayview Towers serves households with incomes from 25 percent to 95 percent of the area median income (AMI), with most rental homes set aside for those earning less than 50 percent of the AMI.

“This allows young professionals to live in the city, allows seniors to remain in Stamford and allows those who make below 50 percent of the area median income to live where they work,” said Evonne Kleine, commissioner of the Connecticut Department of Housing and chairwoman of Connecticut Housing Finance Authority’s (CHFA’s) board of directors.

Bayview Towers, where 80 percent of the rental homes have two or more bedrooms, has a full-time resident services coordinator, a large community center, a fitness center and a playground. Before construction, many mechanical systems and structural elements weren’t up to code with current health and safety standards, according to Patrick Fry, senior vice president at building owner and lead developer The NHP Foundation. “While Bayview had served the community well, it was at risk and in need of improvements,” he said. “The scope of repairs and improvements needed at Bayview went well beyond what could have been achieved through project reserves and ongoing reserves for replacements.”

Renovation included new flooring, kitchen cabinets, counters, fixtures, tubs and showers, vanities, medicine cabinets and lighting. The property also had new plumbing and electric upgrades, new windows, façade improvements and new roofs.

“Much of downtown Stamford is already built out with good-to-excellent office, retail, multifamily and institutional land uses, which has led to limited growth over the last few years,” said Manganello Ellis, senior vice president and manager of originations for PNC Real Estate’s Tax Credit Capital Group. “Because of the low vacancy rates within market-rate and affordable-rate housing and due to a very high AMI, the retention of Bayview Towers as affordable housing was key.”

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<td>$550,000 deferred developer fee from The NHP Foundation</td>
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<tr>
<td>$500,000 from Connecticut Light and Power through the State of Connecticut’s Housing Tax Credit Contribution program</td>
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BEFORE

AFTER

Photos: Courtesy of The NHP Foundation

www.novoco.com
Victory for Affordable Senior Housing in Washington, D.C.

One thing was clear as Victory Square prepared to open its doors to seniors in northeast Washington, D.C.: there was plenty of demand for affordable housing. That was evident when more than 800 people inquired about renting one of the 98 rental homes in the complex, which opened in 2012.

“The number of people we’ve had on the inquiry list speaks volumes about the level of interest and demand in northeast D.C.,” said Jeff Blackwell, vice president of real estate development at Victory Housing, the nonprofit affordable housing development arm of the Catholic Archdiocese of Washington. Eventually, approximately 400 households applied to live in the four-story, energy efficient building located a half-mile from a light rail stop. It is the first residential component of co-developer Banc of America Community Development Corporation (BACD) and Victory Housing.

As many as 2,000 residential units are planned for Parkside, a master-planned 10-block transit-oriented development near the Minnesota Avenue Metrorail. Parkside will also have as much as 52,000 square feet of retail space and 750,000 square feet of office space, along with a linear park, charter school and a pedestrian bridge that connects the neighborhood to the Metro station.

Residents in Victory Square have access to a beauty salon, fitness room, wellness center and social and educational programing. The property partnered with Educare, an early learning center across the street, to offer intergenerational activities. At Victory Square, 35 rental homes are set aside for those earning 50 percent of the area median income (AMI) and 63 rental homes are for those earning less than 115 percent of the AMI.

There’s plenty of need for such housing in Washington, D.C. The District of Columbia Housing Authority has a waiting list of more than 15,000 applicants ages 55 and older. Victory Square’s residents are virtually all from the local area, according to Maurice Perry, senior vice president of BACDC.

The development, which was delayed two years by the Great Recession, included funds through the DCHA, as well as LIHTCs. “We’ve very comfortable mixing tax credits and public housing operating subsidy,” said Macy Kislinsky, national manager for public housing at NEF. “In D.C., in particular, there’s a lot of demand for both market-rate and affordable housing, so that tells us we’re going to have high occupancies. Using a subsidy makes it that much better.”

**LEAD DEVELOPER**
VICTORY HOUSING

**CONGRESSIONAL DISTRICT**
WASHINGTON, D.C., AT-LARGE

**CATEGORY**
SENIORS, GREEN DEVELOPMENT

**RENTAL HOMES**
98

**FINANCING**
- $7.3 million construction loan from Bank of America
- $5 million in Replacement Housing Factor Funds through the District of Columbia Housing Authority
- $4.9 million in LIHTC equity from National Equity Fund through its Build America Fund
- $3.7 million loan from DC Department of Housing and Community Development
- $2.5 million in Tax Credit Assistance Program funds from D.C. Department of Housing and Community Development
- $1.4 million permanent loan from Bank of America
Residents of Heron Run Apartments in Smyrna, Del., benefited from many upgrades to the affordable housing complex, with the developer using both low-income housing tax credits (LIHTCs) and renewable energy investment tax credits (ITCs). And the new look is substantially different.

“We gutted it down to the sticks. Previously, it was very boring … We dressed it up and increased the size of several units.”

The development has a 50 kilowatt (kW) ground-mounted solar array behind the property that will generate enough electricity to power all common areas, including the office and multipurpose building, maintenance building and outdoor lighting.

The property got ITC equity and LIHTC equity from Discover Bank. “Without the tax credit investments, this redevelopment wouldn’t have happened,” said Matt Parks, Discover Bank’s director of investments. “Let alone feature so many amenities at such an affordable rate.”

Susan Eliason, director of housing development at the Delaware State Housing Authority, said this was a perfect example of what her group wants to do. “It’s been a major focus of ours to preserve rental subsidies in the state of Delaware,” she said. “We can now use [low-income housing] tax credits to preserve structures and keep existing rental subsidy in them.”

Previous residents were all back in the property by the time the development held its ribbon-cutting ceremony in October 2014.

**LEAD DEVELOPER**
GREEN STREET HOUSING

**CATEGORY**
FAMILIES, RESIDENTS WITH SPECIAL NEEDS, PRESERVING EXISTING AFFORDABLE, GREEN DEVELOPMENT, RURAL

**CONGRESSIONAL DISTRICT**
DELAWARE AT-LARGE

**Rental homes**
40

**FINANCING**
- $4.9 LIHTC equity investment form Discover Bank
- $4.1 million in construction financing from Delaware State housing Authority
- $1.5 million in permanent financing from Delaware State Housing Authority
- $1.5 million loan from United States Department of Agriculture
- $55,000 ITC equity investment from Discover Bank
Nonprofit Developer Uses LIHTCs to Rescue Complex

Oakland Terrace, a Section 8 property in Jacksonville, Fla., was ready to be shut down before a nonprofit developer used low-income housing tax credits (LIHTCs) to preserve the property. “It deteriorated to the point that the units were not [meeting] our physical standards,” said Saadia Figueroa-Davis, HUD’s supervisory project manager.

In stepped Ability Housing. In 2009, the nonprofit housing developer partnered with the original owners, who had seen it go through difficult times, to put together a plan to purchase and overhaul the property using LIHTCs. “It changed everything for the property and for the residents,” said Buz Ausley, HUD’s acting field office director.

It had been a long decline. The building was constructed in 1973 by a local Baptist Church, but gradually fell into disrepair. By 1984, HUD provided an allocation of project-based rental assistance. In 2001 there was a mortgage restructuring and with the HUD contract up for renewal, it was discovered that rents were higher than market-rate rents. The mortgage was restructured through the Mark-to-Market program and was refinanced with a Section 223(f) loan to reduce the debt and bring rents into line with market rents. But the property continued to decline and by 2005, its scores reached the “critical” level. Soon HUD considered pulling its contract.

Then Ability Housing came up with a plan that involved LIHTCs and a three-part development.

The first step was addressing critical issues, including safety violations and the hiring of Community Housing Partners as property managers. The second phase involved making all repairs necessary to comply with HUD’s physical standards. The final, LIHTC-funded stage involved substantial renovations and upgrades.

When it reopened in 2013, Oakland Terrace featured 60 two-, three- and four-bedroom rental homes. Ability replaced the kitchen and bathroom cabinets and counter tops and plumbing fixtures, while rental homes were wired for high-speed Internet access. The property also got a new roof, windows and HVAC systems. There are laundry facilities, a community center, library, computer lab and playground.

The preservation of the building was crucial to the area. “It’s a neighborhood that is really in transition,” said Shannon Nazworth, Ability Housing’s executive director. “The loss of the project really would have had a ripple effect on the neighborhood.”

Ability arranged alternate housing for residents during renovation and paid rent at the temporary homes to preserve the Section 8 contract. “The living conditions for the residents will be something that they certainly didn’t experience there before,” said Ausley. “Now we have a center of gravity item in the middle of that community. That becomes a core part of that community and a small community within itself.”

**LEAD DEVELOPER**
ABILITY HOUSING

**CATEGORY**
FAMILIES, PRESERVING EXISTING AFFORDABLE

**FINANCING**
- $6.7 million LIHTC equity from TD Bank for $9 million LIHTC allocation from Florida Housing Finance Corporation
- $2.1 million long-term nonrecourse loan through LISC Capital Magnet funds

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Novogradac & Company LLP
Photos: Courtesy of Ability Housing of Northeast Florida Inc.
LIHTCs Turn Miami Vacant Lot into Garden-Style Apartments

The site of one of the first public housing properties in the nation, which was also the center of race riots in the 1980s, is now the home of an affordable housing apartment complex with a community center, children’s playground and more.

Parkview Gardens in Miami opened in 2013 in the Liberty City neighborhood, thanks to financing that included low-income housing tax credits (LIHTCs). Liberty City is where the Liberty Square public housing complex was built in 1937 as part of President Franklin Roosevelt’s New Deal program. It deteriorated over the decades and in 1980, it was the site of Miami race riots that resulted in 18 deaths and more than $200 million in property damage. The neighborhood continued to struggle, but the developers of Parkview Gardens see their complex as bringing change.

“Liberty City has all the typical statistics of a struggling community,” said Stephanie Berman-Eisenberg, president of co-developer Carrfour Supportive Housing Inc. “It has low graduation rates, high unemployment, low income and homelessness. It has been hit hard with evictions and substandard housing. That’s why there’s such a need for quality affordable housing.”

Carrfour partnered with Tacolcy Economic Development Corporation to build Parkview Gardens on a vacant lot. The result was the $12 million property that consists of 60 garden-style rental homes spread across six, three-story buildings. Apartments range from one to three bedrooms, with flat-style rental homes on the ground level and townhome-style residences above.

Residents have access to a two-story parking garage, a community center, a children’s playground, an exercise room, a technology lab with three Internet-ready computers, a library, a picnic area and several laundry facilities. The gated property is equipped with a surveillance camera system.

Rental homes are available to households earning 60 percent or less of the area median income (AMI), with six rental homes set aside for those making less than 33 percent of the AMI. The developers give preference to local residents and veterans, working closely with the U.S. Department of Veterans Affairs (VA) to provide support and services to veterans.

When it opened in 2013, it was immediately popular among residents. “There is such a need for good affordable housing,” said Berman-Eisenberg. “The people [who live in Liberty City] want to stay in Liberty City. A lot of their families have been there for generations and consider it to be their home. Our idea was to provide residents with the option to stay.”

The benefit of the development wasn’t just new housing. Carrfour worked closely with contractors to prioritize local residents for the 160 construction jobs created.

“I think [Parkview] will have a big impact on this area of Miami,” said Dave Urban, director of RBC Capital Markets’ tax equity group, which invested in the development. “This project will turn that area around and more people will see the benefits of investing there.”

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LEAD DEVELOPER
CARRFOUR SUPPORTIVE HOUSING INC.

CATEGORY
FAMILIES, PRESERVING EXISTING AFFORDABLE, VETERANS

FINANCING
+ $9.1 million LIHTC equity from RBC Capital
+ $1.6 million from Miami-Dade County surtax funding
+ $343,000 from city of Miami HOME Funding

CONGRESSIONAL DISTRICT
FLORIDA 24TH

RENTAL HOMES
60
Georgia Apartments Get Much-Needed Overhaul

After nearly 20 years, The View at Sugarloaf apartments in Lawrenceville, Ga., needed a makeover and thanks to low-income housing tax credits (LIHTCs), they got it.

The 14-building complex was purchased by Prestwick Companies in 2012, then redeveloped using LIHTCs and U.S. Department of Housing and Urban Development (HUD) funding.

“This was truly a good preservation deal,” said Jody Tucker, founding partner and CEO at Prestwick. “These units could have gone market-rate if we weren’t the ones rehabbing them.” Instead, the renovation was a complete overhaul, demolishing the building that originally housed the leasing office and laundry facility and replacing it with a new clubhouse that features a new leasing office and laundry area, a fitness center and a computer center. A swimming pool and new playground and picnic area were also added.

The development has 52 two-bedroom, two-bath rental homes and 78 three-bedroom, two-bath apartments. All are for residents earning 60 percent or less of the area median income (AMI).

There were also site improvements on the rest of The View at Sugarloaf. New plumbing and electrical fixtures were installed, as were new mechanical systems, including energy-efficient heating and air conditioning and hot-water heaters. Kitchens in each rental home got new cabinets, counter tops, sinks, disposals, stoves and ovens and Energy Star-rated dishwashers and refrigerators. Flooring was replaced to include new carpet and vinyl, new interior and exterior doors were installed and all apartment interiors received new paint, Energy Star-rated ceiling fans and miniblinds.

There also are external improvements. The existing vinyl siding was removed and replaced with plank siding, all windows were replaced with energy-efficient models and the roofs were redone to include new shingles, gutters and downspouts.

“There is a need for low-income residents in Lawrenceville to have affordable housing that is close to a lot of amenities, including recreation, shops and medical services,” said Laurel Hart, Georgia Department of Community Affairs (GDCA) director of the housing finance and development division. Hart pointed out that The View of Sugarloaf is also adjacent to a bus line, which is helpful for residents without a car.

The redevelopment was done in three phases, with four or five buildings renovated at a time.

LEAD DEVELOPER
PRESTWICK COMPANIES

CATEGORICAL DEVELOPMENT
FAMILIES, GREEN DEVELOPMENT

RENTAL HOMES
130

FINANCING
- $9.5 million federal LIHTC allocation from the Georgia Department of Community Affairs
- $9.5 million state LIHTC allocation from the Georgia Department of Community Affairs
- $9 million federal LIHTC equity investment from SunTrust
- $6.5 million equity bridge loan from SunTrust
- $4.2 million HUD FHA 221(d)(4) loan from Centerline Capital Group
- $3.1 million state LIHTC equity investment from SunTrust
Idaho Seniors Benefit from Attractive, Energy Efficient Housing

One of the best places to retire in America needed affordable senior housing and it not only received it, but it got a bonus: an environmentally friendly building near some of the city’s best attractions.

A multifamily rental housing development, 12th & River Senior Apartments, opened in 2012 in Boise, Idaho, as the city’s first new senior multifamily development in two years. Boise, which was rated third in CNN Money’s list of “25 Best Places to Retire” a year earlier and was in the middle of a population boom among seniors, needed the housing—and got some, close to its attractive downtown area.

“There are a lot of things to do here in the valley that seniors and families see as a real benefit—recreational activities, a strong downtown, a nice greenbelt that goes along the Boise River,” said Bob Reed, vice president and director of development for Mercy Housing Northwest–Idaho, developer of the three-story building. It was Mercy Housing Northwest-Idaho’s first development in Boise, although the nonprofit organization had developed and managed more than 500 affordable rental homes in the state.

The development has solid community impact, as it allows seniors to live independently with a quality of life service.

The 12th & River Senior Apartments in downtown Boise are close to public transportation and the scenic Boise River Greenbelt, a 22-mile walking and biking trail that follows the river through the city. It is for residents 55 and older.

There was a significant need for affordable senior housing in the city, since a Brookings Institution analysis of U.S. Census data reported that Boise had nearly a doubling of residents 55 and older between 2000 and the opening of 12th & River Apartments. That created a real need for senior housing to go on top of the existing need for affordable housing: a report by the city of Boise that showed the city had 1,100 affordable rental homes, but needed another 4,000.

The complex was also sustainably designed and is on track to achieve LEED Platinum certification. The structure was built on a sustainable site that already had infrastructure, which was used for the complex. During construction, energy efficiency was emphasized, along with it being a sustainable model. For instance, more than 70 percent of the construction waste was diverted from local landfills and advanced framing techniques reduced the amount of lumber needed, which also allowed more insulation.

The 12th & River Senior Apartments also has a high-efficiency irrigation system and drought-tolerant native plants. The energy conservation features include triple-glazed windows, low-flow water fixtures, a rainwater collection system and high R-value insulation. The building has a

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LEAD DEVELOPER
MERCY HOUSING NORTHWEST–IDAHO

CATEGORY
SENIORS, GREEN DEVELOPMENT

FINANCING
+ $7 million in LIHTC equity provided by U.S. Bancorp Community Development Corporation
+ $4.3 U.S. Department of Housing and Urban Development Section 202 capital advance
+ $590,000 HOME loan from city of Boise
52-kilowatt rooftop solar array and an advanced heat reclaim system, which redistributes waste heat from the cooling system to heat the cooler areas of the water, in addition to heating water.

Jim Glancy, the principal architect at Glancey Rockwell & Associates, said that the combination of the energy conservation features will result in the utility savings of 50 percent when compared to a structure built to meet code requirements. He said that the air quality is also superior to that of a standard building; none of the materials used contain chlorofluorocarbons and low-emission paints and floor coverings were used. “It’s a healthy building,” he said.

Residents have access to on-site laundry facilities, a courtyard, a business center, a hair salon and a community room with a full kitchen. Mercy conducted resident surveys to create a large menu of supportive services. They include such things as classes on health and nutrition, fitness and financial planning.

Major financing for the $11.9 million development included $7 million in low-income housing tax credit (LIHTC) equity provided by U.S. Bancorp Community Development Corporation (USBCDC), as well as a $4.3 million U.S. Department of Housing and Urban Development (HUD) Section 202 capital advance.

Reed said the capital advance from HUD was significant. “It was a huge plus to have [the Section 202 advance] in the project,” he said, adding that it helped the development’s LIHTC application. The 12th & River also received a Section 202 project rental assistance contract to subsidize the operating costs for 41 of the 53 rental homes and a $590,000 HOME loan from the city of Boise.

The development was not only the first development in Boise for Mercy Housing Northwest-Idaho, it was the first HUD Section 202 mixed-finance transaction for USBCDC. “The timing was just perfect for us to do this and we had the right sponsorship in place,” said Sebastian Glowacki, business development officer at USBCDC. “That’s key when you’re trying something new.”

Glowacki said U.S. Bank is active in the Boise area and that 12th & River Apartments were important for the region. “In addition to being in the bank’s footprint, the development has solid community impact, as it allows seniors to live independently with a quality of life service,” Glowacki said. “Projects like these don’t come around very often, making it an attractive investment.”
VA Funds, LIHTCs Provide Hope to Veterans in Chicago

Combining a U.S. Department of Veteran Affairs (VA) program with low-income housing tax credits (LIHTCs) created an innovative home for veterans: Hope Manor in Chicago.

“The VA wanted the same thing we wanted: veterans served in a consistent way,” said Mitchell Milner, a consultant who specializes in financing veterans housing and arranged Hope Manor’s funding for Volunteers of America of Illinois (VOAIL).

The development involves a combination of the VA’s Per Diem program, which provides supportive services and temporary housing to formerly homeless vets, with LIHTCs. It created an affordable apartment building that opened in 2012.

Hope Manor features 30 studio apartments, 10 two-bedroom suites and 10 three-bedroom suites. It can house as many as 80 formerly homeless veterans who require different levels of assistance—supportive housing for as many as 50 homeless vets in need of immediate and intensive services, as well as affordable housing for 30 veterans who need less-intensive, longer-term assistance.

The Chicago Housing Authority (CHA) provides Section 8 vouchers for the studio apartments. Hope Manor’s 20 suites accommodate Per Diem program participants. Suite residents rent one bedroom and sign a rider for the services, which allows VOAIL to connect the services to the Per Diem subsidy instead of the lease. The Per Diem program is part of the VA’s Health Care for Homeless Veterans programs and funds community organizations that provide services to homeless veterans. Those funds can only subsidize Hope Manor’s operational costs, with VOAIL receiving a daily stipend that covers rent and service costs for each Hope Manor resident. VOAIL can charge for rent and services as long as the rent doesn’t exceed 30 percent of the veteran’s monthly income and services are billed at a predetermined rate.

Hope Manor provides safe and decent housing and access to supportive services so veterans can get their lives back on track and achieve self-sufficiency.

There are services onsite through the Jesse Brown VA Medical Center. There is also a business resource center and health and wellness clinic. The residents have access to employment readiness classes, job training and coaching, computer training, peer support groups, recovery resources, individual counseling and case management services.

“The local VA has become an integral partner in the project,” Milner said. “That’s the key to making these projects work. With...
[the VA's] support for these services, this project would be impossible.”

“Hope Manor provides safe and decent housing and access to supportive services so veterans can get their lives back on track and achieve self-sufficiency,” said Rebecca Boykin, IDHA’s communications manager.

Typically, the Per Diem money goes to transitional housing facilities solely dedicated to assisting veterans. So when VOAIL began planning Hope Manor, it wanted to use the subsidy for use at the affordable housing development. Eventually, the VA agreed to a few program changes that enabled Hope Manor to use the Per Diem funding.

VOAIL broke ground on Hope Manor II, the second phase of the Hope Manor Project, in 2013. The Chicago property is focused on the extreme housing needs of veterans with children and has 73 rental homes. Plans are underway for Hope Manor III in Joliet.

Meanwhile, Hope Manor provides assistance worthy of its name.
LIHTCs Lead to Change of Housing to Newer, Better Replacement

Residents in need of affordable housing in Urbana, Ill., saw addition by subtraction when developers tore down an existing development. That’s because they replaced the old property with 36 improved rental homes, financed by low-income housing tax credits (LIHTCs).

The Benoit Group and the Housing Authority of Champaign County, co-general partners in the development of Hamilton on the Park, knew they were doing the right thing. “We had to demolish the old building completely and build a new one in order to be competitive with the private market,” said Housing Authority of Champaign County executive director Edward Bland.

That’s what they did, creating a complex that opened in late 2013 and has four one-bedroom apartments, 12 two-bedroom rental homes and 20 three-bedroom rental homes spread over six residential buildings. Apartments range from 875 square feet to 1,450 square feet and the development features a clubhouse with a computer center and community room, an on-site management office, a kitchen, and 40 parking spots. There is also a playground and picnic area, with an underground stormwater retention system.

All 36 rental homes receive project-based rental assistance and five are compliant with Americans with Disabilities Act provisions. Residents must earn between 30 and 60 percent of the area median income (AMI) and Hamilton on the Park has four supportive housing rental homes.

Construction took 11 months, with each apartment featuring its own washer and dryer, central heating and air-conditioning, and a mix of carpeting and tile flooring. The rental homes have 9-foot ceilings with ceiling fans in the living rooms.

But the benefit of the development wasn’t limited to residents. “In addition to replacing an aging public housing development with new quality affordable housing, construction on Hamilton on the Park created an estimated 68 good-paying jobs to help advance the economy in the Urbana area,” said Rebecca Boykin, communications manager at Illinois Housing Development Authority (IHDA), which allocated the LIHTCs.

Equity from the LIHTCs was crucial, funding more than 90 percent of the construction costs. “The housing credit is our best tool for leveraging private capital to make developments like this possible,” said Boykin. “Quality housing like this is not only transformative for the residents who live there, but for our communities. Housing is an economic engine that generates jobs and local revenue.”

With six buildings, Hamilton on the Park was able to lease up each building as it was completed. By the time 11 months was up, the aging complex was no more. In its place was the improved Hamilton on the Park.
Photos: Courtesy of The Benoit Group
Indiana Senior Housing Addresses Shortage

The first senior housing development financed with low-income housing tax credits (LIHTCs) in Bloomington, Ind., was overdue. “There was a tremendous shortage of senior housing in Bloomington,” said Peter Schwiegeraht, senior developer at Miller-Valentine Group. “We recognized the need and wanted to lend a hand.”

The result is the four-story Patterson Pointe Senior Residence. The property, which opened in October 2013, includes one- and two-bedroom apartments for seniors earning 60 percent or less of the area median income (AMI). All are wheelchair accessible and 12 rental homes meet Americans with Disabilities Act (ADA) standards. “This was way overdue,” said Kerry Conway, the executive director of Area 10 Agency on Aging, referring to the need in the city of 80,000 people.

The $9.7 million development was financed primarily through LIHTC equity. Alan Rakowski, the rental housing tax credit manager at the Indiana Housing and Community Development Authority (IHCDA), which administered the LIHTC allocation, said the need for such housing played a role. “In assessing applications for the tax credit program, we want to ensure it fills a need for the community,” he said. “The demand for senior housing in the Bloomington area is very high and Patterson Pointe assists in providing an affordable option.”

Each apartment has large windows; a front-loading washing machine and dryer with storage space beneath; an island in the kitchen to increase counter space; maple kitchen cabinets; a pantry; ample closet space and its own heater. All appliances are Energy Star-rated and all apartments have roll-in showers. There also is plenty of community space: A community room with tables and chairs, a lounge area with couches, a fitness center, a theater room and a business center. There is on-site management and 24-hour emergency maintenance.

“With our other two developments, I’ve noticed that when people move in, they don’t move out unless they need a nursing home,” said Conway. “I expect the same for Patterson Pointe.”

Patterson Pointe Senior Residence is part of a 16-acre redevelopment plan. It will also include the New Tech High School, a 109-unit apartment complex and a 70-unit mixed-use development with commercial space. There also will be a large park, complete with walking trails, picnic areas and the restoration of an existing stream channel. “With the creation of affordable senior housing, not only are we able to revive a blighted area, we are also able to touch the lives of seniors in Bloomington,” said Schwiegeraht.

**Funding Data**
- $9.8 million LIHTC allocation from the Indiana Housing and Community Development Authority (IHCDA)
- $8.2 million in low-income housing tax credit (LIHTC) equity from Nationwide Insurance and syndicated by the Ohio Capital Corporation for Housing (OCCH)
- $500,000 Affordable Housing program (AHP) loan from the Federal Home Loan Bank of Indianapolis
- $402,000 in U.S. Department of Housing and Urban Development (HUD) HOME funds from the city of Bloomington
- $350,000 Rural Development Section 538 Guaranteed Rural Rental Housing Program loan from the U.S. Department of Agriculture
Veterans Find Help, Homes in Indianapolis

The site of a former ironworks foundry in Indianapolis is now where 75 formerly homeless veterans call home. The Lincoln Apartments, an $11.6 million low-income housing tax credit (LIHTC) development for veterans, opened in 2013 with a dedication ceremony on the 150th anniversary of the Gettysburg Address and now serves former military members who hit hard times.

Lincoln Apartments was developed on the housing-first model, the concept that a homeless person must first have stable and permanent housing before other issues can be effectively addressed. In this case, the permanent housing is a development with 25 efficiency studios and 50 one-bedroom apartments, all fully furnished. Amenities include a shared computer training room, laundry room, fitness center, indoor bike storage and a common gathering room.

“We’ve always been supportive of permanent supportive housing as a solution to end chronic homelessness,” said Fred Hash, director of business development at Great Lakes Capital Fund (GLCF), the syndicator of the LIHTC property.

The complex is located about a mile from the Richard L. Roudebush Veterans Affairs Medical Center. It’s on the site of a 19th century ironworks foundry that was demolished in the early 1960s. The lot sat vacant for nearly a half-century, and then the land was donated for affordable housing by the city of Indianapolis. That meant it required a cleaning of the environmental contaminants left over from the factory before construction.

Once it opened, it began serving veterans. Dennis Quinn, senior vice president of GLCF and president and CEO of Building Blocks Non-Profit Housing Corporation, a development entity, sees Lincoln Apartments as a great way to address veterans’ needs. “We want [Lincoln Apartments] to be holistic, not just housing,” he said.

Part of that comes with physical and mental health services, as well as links to job training and opportunities. One of the main goals of Lincoln Apartments is the reintegration of the veterans into the community. “What all of this is about is getting [veterans] back on their feet and gainfully employed again,” said Mark Wester, vice president of contracts and agreements for Medallion Management Inc., the property manager. Department

We’ve always been supportive of permanent supportive housing as a solution to end chronic homelessness.

LEAD DEVELOPER
BUILDING BLOCKS NON-PROFIT HOUSING CORPORATION

FINANCING
- $12 million in low-income housing tax credits (LIHTCs) allocated by the Indiana Housing and Community Development Authority (IHCDA)
- $10 million in LIHTC equity syndicated by the Great Lakes Capital Fund, from Fifth Third Bank, Huntington Bank and several Indiana community banks
- $500,000 HOME loan from the city of Indianapolis
- $500,000 Affordable Housing Program award from the Federal Home Loan Bank of Indianapolis, through the National bank of Indianapolis
- $300,000 in soft loans from the IHCDA
- $282,000 in deferred developer fees from Building Blocks Non-Profit Housing Corporation
- $250,000 grant from the Environmental Protection Agency (EPA)
of Veterans Affairs (VA) case managers also work with Lincoln Apartments residents to explore what type of services they need.

“No one deserves to be homeless,” said Deborah Walls, community residential program manager for Volunteers of American of Indiana, the volunteer coordinator at the complex. “We’re very encouraged that Lincoln Apartments supports veterans.”

That isn’t all. Development partners hope that the successful collaboration between the public and private entities in building Lincoln Apartments will lead to more permanent supportive housing developments for veterans in the area. “It’s the first of its type in the city of Indianapolis,” said Quinn. “But hopefully not the last.”

Photo: Courtesy of Megan Barnett
Historic Building Provides Affordable Housing in South Bend, Ind.

The first “skyscraper” in South Bend, Ind., is now affordable housing for seniors, after being vacant for more than a decade. The Historic Rushton Building, built in 1906, now has 23 affordable rental homes in South Bend’s West Washington Historic District. There are five studios, 15 one-bedroom apartments and three two-bedroom rental homes, all reserved for tenants earning between 40 percent and 60 percent of the area median income (AMI). It’s a journey back to the building’s origins, when it was a 35-unit apartment building.

“The Rushton was the first ‘high-rise’ residential building in South Bend, but was vacant, abandoned and in severe disrepair,” said Anthony Fitts, a principal at co-owner and developer Onyx Llama LLC. “The [historic tax credit] program was a crucial component to the development’s success. We were able to return a well-located, significant historic property back to its original purpose—housing—and meet the goals established long ago when the property was originally listed as a local historic asset.”

Developers also used low-income housing tax credits (LIHTCs) to finance the property, which was completed in October 2013. It includes on-site storage space and two community rooms, one with a computer room and one with a television. An adjacent parking lot is available for residents and the development is on a municipal bus route.

“This was a mission-based project for us. It’s what we do,” said Marco Mariani, executive director at South Bend Heritage, co-developer of the property with Onyx Llama and AP Development LLC. “We transform neighborhoods and serve low- to moderate-income people. We also wanted to work to preserve the history of the building.

Developers did that, while also equipping the rental homes with modern amenities. Each apartment includes a washer and dryer, wall-to-wall carpeting, bay windows, intercoms, smoke detectors, green features and numerous universal design and Americans with Disabilities Act (ADA) accessibility features. The historic preservation included the porcelain tile mosaic work on the first floor, an interior staircase, bay windows and hardwood flooring.

“For me, it’s about the people and helping to stabilize a neighborhood,” said Mariani. “If we can do that by preserving a historic building, that’s great, too.”

Jack Brummett, senior vice president at Great Lakes Capital Fund, agreed. “This development took a deteriorating historic building that would have continued to decay and returned it to very good condition, which created affordable housing for low-income residents.”

This development took a deteriorating historic building that would have continued to decay and returned it to very good condition, which created affordable housing for low-income residents.

LEAD DEVELOPER
SOUTH BEND HERITAGE, ONYX LLAMA AND AP DEVELOPMENT LLC

CONGRESSIONAL DISTRICT
INDIANA 2ND

CATEGORY
SENIOR, HISTORIC PRESERVATION, RESIDENTS WITH SPECIAL NEEDS

RENTAL HOMES
23

FINANCING
• $2.8 million LIHTC equity investment from 1st Source Bank
• $2.8 million in construction financing
• $365,000 in HTC equity from 1st Source Bank
• Approximately $322,000 in tax increment financing

Novogradac & Company LLP
Iowa Hotel Becomes Affordable Housing, Thanks to LIHTCs

The former Hotel Tallcorn is once again home for residents in Marshalltown, Iowa, as it approaches its 100th anniversary. Low-income housing tax credits (LIHTCs) played a key role in its rebirth.

The Tallcorn, a $11.3 million development, opened as an affordable rental housing property in 2014, which was 86 years after its 1928 debut as the Hotel Tallcorn. It was a welcome rebirth after some tough years: After decades as a landmark hotel in Marshalltown, it was converted to market-rate housing and renamed the Tallcorn Tower in the 1970s. Then it fell into disrepair before a combination of the LIHTC, the historic tax credit (HTC) and other financing helped make it back into a key building in Marshalltown, a city of 27,000 residents in central Iowa.

“This project could not be done without the combination of those two [tax credit] financing elements, just given the extent of the renovation that was required to address the needs of the property,” said Cynthia Lee, the associate vice president of housing developer for nonprofit developer CommonBond Communities. “Ultimately, the housing that we’re developing is very much needed in this community.”

CommonBond faced some difficulties. It had to deal with problems that included failing mechanical systems, old roofing, lead paint, asbestos and pest infestation, according to Lee.

The construction converted the existing 65 one-bedroom apartments into 49 larger, more functional affordable rental homes—42 one-bedroom and seven two-bedroom apartments. The ground floor includes a fitness room, community room, craft room, computer lab and property management office. Forty-five of the 49 rental homes are rent-restricted at 40 percent and 60 percent of the area median income (AMI), with four apartments at market rate. Ten apartments are set aside for formerly homeless households and 13 are set aside for residents with physical, mental or developmental disabilities.

CommonBond offers onsite services such as counseling, case management and advocacy. A coordinator works with local service providers to provide other opportunities for residents.

“For a community our size, people don’t always think it can be done,” said Michelle Spohnheimer, the director of housing and community development in Marshalltown. “But this shows we can really do this and our community can do and have great things.”

<table>
<thead>
<tr>
<th>LEAD DEVELOPER</th>
<th>COMMONBOND COMMUNITIES</th>
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</thead>
<tbody>
<tr>
<td>CATEGORY</td>
<td>FAMILIES, HISTORIC PRESERVATION, HOMELESS, RESIDENTS WITH SPECIAL NEEDS</td>
</tr>
<tr>
<td>RENTAL HOMES</td>
<td>49</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCING</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Iowa Brownfield/Grayfield Redevelopment Tax Credit Program</td>
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<tr>
<td>• $7.6 million in LIHTC and HTC equity from Wells Fargo Affordable Housing Community Development Corporation</td>
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<tr>
<td>• $7.2 million bridge loan from Wells Fargo Bank</td>
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<tr>
<td>• $6.3 million in 9 percent low-income housing tax credits allocated by the Iowa Finance Authority</td>
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<tr>
<td>• $2 million in Iowa State Historic Preservation and Cultural and Entertainment District Tax Credits</td>
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<td>• $1.8 million in federal historic rehabilitation tax credits (HTCs)</td>
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<tr>
<td>• $1 million in funds from CommonBond Communities</td>
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<tr>
<td>• $570,000 loan to bridge state historic credit proceeds from NeighborWorks Capital Corporation</td>
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<tr>
<td>• $399,950 in state and local grants</td>
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<tr>
<td>• $250,000 in funds from the Federal Home Loan Bank of Pittsburgh Affordable Housing Program</td>
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College Landmark Becomes Affordable Senior Housing

The former administrative and social center of the College of Emporia, in Emporia, Kan., has a new life. It’s now Kenyon Heights Apartments, an affordable rental housing property for seniors, largely funded with low-income housing tax credits (LIHTCs).

“‘It’s truly an iconic building within Emporia and marketing for the deal is built in instantly with the project,’” said Greg Hand, senior vice president of underwriting for WNC & Associates Inc., the tax credit investor for the development.

Kenyon Hall was completed in 1928; a 60,000-square-foot Tudor Gothic-style building that was constructed to replace an earlier administration building destroyed by a fire. It hosted official college events including dedications, music festivals, theatrical productions and commencement ceremonies. After student enrollment and financial troubles led to the College of Emporia closing in 1974, the building was intermittently occupied by various religious groups and changed ownership several times.

Emporia-based Mitchell-Markowitz Construction bought it in 2006 and considered demolishing it to build market-rate apartments, due to the bad condition of the building. But preservation advocates went to bat for the building and Mitchell-Markowitz wanted to save it—leading to the decision to restore the building with LITHC funding. After a renovation, it opened in 2013, with 47 rental homes.

“It looks like a Gothic cathedral from Europe,” said Fred Bentley, Kansas Housing Resources Corporation’s director of rental housing development. “It was a building that was on its way to being demolished and I just felt that it as a crime against architecture not to try and save it. This can be the face of our program. It’s the flagship of our portfolio of more than 30,000 units.”

Kenyon Heights Apartments consists of 21 one-bedroom, 22 two-bedroom and four two-story loft apartments, all with new electrical, mechanical and plumbing systems. Each rental home comes equipped with an oven, refrigerator, microwave, dishwasher, garbage disposal, heat and air conditioning units and a walk-in or roll-in shower. Community amenities include a free-use laundry room on each floor, courtyard, kitchen, meeting room, picnic area, community room, computer lab, exercise room and storm shelter. Rental homes are available to seniors earning 60 percent or less of the area median income (AMI), with 10 apartments reserved for those earning 40 percent or less of the AMI.

“There’s new life for older buildings, even if people assume there isn’t,” said Jay Manske, of Manske & Associates, which contributed funds in managing member equity and permanent loans. “They assume that it costs too much to renovate … successful development shows people that the proper team in place and a viable plan can bring a building back to life.”

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**LEAD DEVELOPER**
MITCHELL-MARKOWITZ CONSTRUCTION

**CONGRESSIONAL DISTRICT**
KANSAS 1ST

**CATEGORY**
SENIORS, HISTORIC PRESERVATION

**RENTAL HOMES**
47

**FINANCING**
- $6.9 million in LIHTC equity from WNC & Associates
- $682,000 in permanent loans from Mitchell Markowitz and Manske & Associates
- $42,000 in managing member equity from Mitchell Markowitz and Manske & Associates
LIHTC Properties in Kentucky Change Lives for Students, Families

The old proverb wasn’t sufficient for Cathe Dykstra, president and CEO of Family Scholar House (FSH) in Louisville, Ky. “We hear about ‘Give someone a fish and they eat for a day, teach them how to fish and they eat for a lifetime,’” Dykstra said. “But we help people buy a fishing pole, get a license and show them where the lakes are. We teach them how to clean, cook, eat and celebrate it.”

FSH, she said, does it all—and a key component is low-income housing tax credits (LIHTCs). FSH is a nonprofit whose mission is to end the cycle of poverty and transform the community by empowering families and youth to succeed in education and achieve lifelong self-sufficiency. At a fundamental level, FSH helps homeless parents find housing and gives them support while they attend college so they can change their family’s future.

It works. “Once they get started and understand the process, you see single-parent families who literally skip away,” said Jake Brown, founder and principal of the Marian Group, which has partnered with FSH on four LIHTC housing developments, with another on the way. “The weight of the world is off their shoulders. They see an opportunity for stable housing, to work toward a college degree and career-track employment. Their children find stability and permanence in their home life and education. This program gives them a hand up and we are proud to support a model that creatively uses the LIHTC and housing subsidy dollars through long-term self-sufficiency.”

FSH has 215 rental homes across four Louisville campuses, as well as an affiliate facility in Pikeville, Ky., and one under construction in Covington, Ky. In 2014, the nonprofit served nearly 2,500 families with more than 3,900 children.

It began as Project Women in 1995, but when Dykstra started in 2005, there were four people in the program with four staff members. In 2008, FSH opened a 56-unit apartment complex. A second campus opened in 2011, a third in 2012 and the fourth in 2013. The fifth will begin construction in summer 2016. Now FSH has 12 full-time staff members and 1,500 volunteers. Nearly 400 families, with more than 500 children, have lived in the residential program and there is a 93 percent completion rate for college credit hours attempted by participants.

FSH offers plenty of opportunities, but the housing is at

The vision pitched to her would serve 12 people, but she saw something much greater. “We were raising money for four apartments, but I knew enough about tax credits to know better,” Dykstra said. “We switched from having four apartments to being a nonprofit developer who worked with the support of others.”

She said the problem was clear. “There is no way that a single mother can come out of poverty, domestic violence and can attend a college and take care of her children while sleeping in a car,” Dykstra said. “Without household stability, you can’t do it. Housing is critical to everything we do—it’s such a basic need and an essential foundation.”

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the base. The Marian Group builds campuses of 48 to 64 rental homes, all oriented to the middle, which creates a community feel. Additionally, there are on-site services and a community service volunteer requirement. And the fact that all the residents are attending college adds to the atmosphere.

“Our goal is to end poverty, one family at a time. I see this as economic development,” said Dykstra. “In order to come up with all the funding we need, we must have the tax credit.”

The next development will break ground in June 2016: 412 intergenerational rental homes, with seniors and a family section. It will be built by the Marian Group with LDG Development and it will feature 64 FSH units—32 traditional rental homes and 32 apartments for youth aging out of foster care, who do not have children. Like the student-parents serviced, they will be required to be in a post-secondary education program.

“It will be a large-scale community development,” Brown said. “Family Scholar House will be a strong anchor. In addition, we will have senior units, family units and a Boys and Girls Club. There will be an academic services center open to the public. There’s a 3-acre park in the center of the site for sports, community, gardening and just bringing the neighborhood together. I believe the park will be a wonderful catalyst for the community.”

The success of FSH has brought plenty of fans, included many elected officials. “FSH’s education, housing and supportive services offer the stability to help families escape poverty and begin a life of self-sufficiency,” said Rep. John Yarmuth, D-Ky. “They are a national model and a source of pride for our community.”
LIHTCs Pave Way for Major Renovation of Boston Public Housing

An iconic public housing community in Boston–Old Colony, which consisted of 845 apartments in 22 three-story brick walk-up buildings–was so distressed by 2009 that it needed a drastic upgrade. A plan involving Boston Housing Authority (BHA) and Beacon Community Development helped transform the public housing development from the ground up, using an assortment of funds, including low-income housing tax credits (LIHTCs).

It started with the first of three phases in 2010, when the U.S. Department of Housing and Urban Development (HUD) awarded Old Colony Phase One with $19.2 million in American Recovery and Reinvestment Act (ARRA) competitive grants. It also received $7.5 million in state and federal LIHTCs, as well as other city and state resources. The development began.

Phase One involved the demolition of seven distressed buildings, which were replaced with 116 new apartments in a mid-rise building and four clusters of townhomes, all with rental homes available to households earning 60 percent or less of the area median income (AMI). It was a new look.

“While the old buildings were indistinct, drab, monotonous, barrack-style structures, the new buildings have individual identity, varying façades and roof lines,” said Jay Szmanski, an associate of The Architectural Team and project manager for Old Colony’s first two phases. Several rental homes were built with individual entrances with raised stoops, bay windows and increased private patio space.

The first phase was fully occupied by mid-2012.

One of the priorities was knitting the development into the surrounding neighborhood, in contrast to the disconnected roads and walls that previously isolated it. “What we wanted to do was to break down those walls, literally and figuratively, to create better access to the site,” said Szymanski. The city constructed new roads, pedestrian paths and water/sewer infrastructures.

Educational resources was another goal for the developers, so Phase One included construction of the 10,000-square-foot Joseph M. Tierney Learning Center, which includes a day care center, multipurpose room, classrooms on the upper floors for after-school programs and adult education, a computer room for adult education and small offices plus conference space for center management staff from Action for Boston Community Development.

Funding for subsequent phases was secured during the first phase, including more LIHTC funding. The second phase, which will result in 169 rental homes, is scheduled to be completed in 2015. A third phase will later follow.

<table>
<thead>
<tr>
<th>LEAD DEVELOPER</th>
<th>BEACON COMMUNITY DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONGRESSIONAL DISTRICT</td>
<td>MASSACHUSETTS 8TH</td>
</tr>
<tr>
<td>CATEGORY</td>
<td>FAMILIES, PRESERVING EXISTING AFFORDABLE</td>
</tr>
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<tr>
<td>FINANCING</td>
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<td>$26.7 million construction loan from MassHousing, backed by an investment from AFL-CIO Housing Investment Trust.</td>
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<td>$19.2 million in American Recovery and Reinvestment Act competitive grants</td>
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<td>$2.2 million in federal 4 percent LIHTCs</td>
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<td>Additional funding from city and state resources</td>
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Boston Affordable Apartments Get New Life

The aging Charlesview Apartments in Boston have a new life in a new location with a slightly new name. In 2013, the apartments in the Allston-Brighton neighborhood moved about a half-mile through a land swap with Harvard University, giving Charlesview Inc., the building’s nonprofit owner, the chance to build an entirely new development and preserve the project-based rental assistance from the old building.

“The Charlesview Apartments had reached the end of their useful life,” said James Madden, project manager at The Community Builders (TCB), which partnered with Charlesview Inc. to build the new Charlesview Residences. “The development had the potential to really help change the surrounding neighborhood.”

Charlesview Apartments were a 1970 urban renewal property in the heart of an area where Harvard wanted to expand. So the university purchased the 4.5-acre site and provided Charlesview Inc. the rights to a 9-acre lot a half-mile away. Thus came the Charlesview Residences, a mixed-income, mixed-use development that spans five city blocks. It includes 240 rental homes, 15,000 square feet of retail space and a 10,000 square-foot community center.

Amenities include a computer lab, a 243-spot underground parking garage, storage space and a community room that can serve more than 100 people. Individual rental homes include Energy Star-rated appliances, including washing machines and dryers and central air and heating. All kitchens have stoves, dishwashers and refrigerators. The development includes four retail spaces and a day care center, as well as an array of educational classes and other activities.

Even skeptical residents love their new homes. “In the beginning, I didn’t want to move,” said Elsa Rojas, who has been a resident for more than 30 years. “But when I did, it was another world, completely. Everything is new, clean and modern. I have a washer and dryer, air conditioning and a beautiful kitchen. It is unbelievable. I love it.”

Those involved in the financing loved the deal. “This was a great opportunity to create new affordable housing in an area of great need,” said Kim Nash, associate director for Aegon USA Realty Advisors Community Investments. “Replacing old obsolete housing with new modern housing will give over 240 tenants many years of quality affordable housing. This was also an opportunity to keep the social connections of the community intact, since most of the residents were relocated to the new units.”

They’ve found a new home, a half-mile away.

<table>
<thead>
<tr>
<th>LEAD DEVELOPER</th>
<th>THE COMMUNITY BUILDERS</th>
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</thead>
<tbody>
<tr>
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<td>$65 million in funding and land proceeds from Harvard University</td>
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<td>$27 million LIHTC equity investment from Google, syndicated by Aegon USA Realty Advisors</td>
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<td>$2 million Priority Development Fund second mortgage</td>
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Cape Cod Town Uses LIHTCs to Build Housing for Residents

Seaside Provincetown, Mass., sees its population grow to 25,000 people in the summer—with as many as 100,000 visiting on weekends—while it drops to 2,500 in the winter. Because rental property can fetch top dollar from tourists, landlords tend to demand significantly higher rents from summer visitors, resulting in a dearth of affordable year-round housing.

This need led to the development of Province Landing, which provides year-round affordable rental housing for families earning up to 80 percent of the area median income (AMI).

“Because preference is given to people who resident in Provincetown, it will enable these residents to cut back on their commute and live all year-round in Provincetown,” said Bryan Kilbane, Red Stone Equity Partners’ director of acquisitions. Red Stone was the syndicator for the low-income housing tax credits (LIHTCs) that helped fund Province Landing in 2012. “You have permanent housing for those residents.”

Most of the town, which sits at the end of a peninsula, is in the Cape Cod National Seashore, which limits development possibilities. With a large number of homes serving as second residences for the homeowners, seasonal workers struggle to find housing. “We realized we had to do something to retain residents and the character of the town,” said Michelle Jurasiewicz, Provincetown’s community housing specialist and grant administrator. “We didn’t want to be a community of second homes.”

A market study showed that the closest comparable properties were a 20- to 40-minute drive from Provincetown. It also revealed that most of the people who work in restaurants and beach resorts commute at least 30 minutes and many commute nearly an hour.

Province Landing includes 41 affordable rental homes with five apartments affordable to families with extremely low incomes. The six Cape Cod-style buildings contain 25 one-bedroom, 21 two-bedroom and four three-bedroom rental homes. Twenty-five apartments are accessible to those with disabilities and several have incorporated features for those with hearing or visual impairments. It also includes 2,500 square feet of community space.

“There’s such a dire need there,” Kilbane said of Provincetown. “I think this will promote more affordable housing not only in Provincetown, but along the Cape.”

Soon after opening, all the rental homes were filled.

“Provincetown is not a big city … but there are such limited housing options that I wasn’t surprised that all the units were filled,” Kilbane said. “This is hopefully the first step to bring quality [affordable] housing to people.”

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**LEAD DEVELOPER**
THE COMMUNITY BUILDERS

**CATEGORY**
FAMILIES, RURAL

**CONGRESSIONAL DISTRICT**
MASSACHUSETTS 9TH

**RENTAL HOMES**
50

**FINANCING**

+ $11.7 million in Neighborhood Stabilization Program 2 funds
+ $9.2 million in LIHTC equity from Red Stone Equity Partners
+ $1 million in Community Based Housing program and HOME funds from state of Massachusetts
+ $550,000 in Community Based Housing program and HOME funds from Massachusetts Affordable Housing Trust Fund
+ $125,000 in HOME funds from Barnstable County
Historic Apartments in Salem, Mass., Gain Renovation

A collection of century-old buildings in Salem, Mass., were preserved for affordable housing after North Shore Community Development Coalition (North Shore CDC) used low-income housing tax credits (LIHTCs) and federal and state historic tax credits (HTCs) to renovate them.

The 77 rental homes are spread across 11 buildings in the Point neighborhood. They were purchased and transformed into affordable housing in the late 1980s and then renovated in 2014. “These buildings are the bedrock of the surrounding community. This is our mission: to protect, preserve and invest in affordable housing,” said Bruce Erlich, senior investment officer at Massachusetts Housing Investment Corporation, which provided closing and asset management services and played a key role in acquiring the transaction and getting it underwritten. “This project provides quality low-income, urban housing in a region with very high housing costs. It is very important to keep the affordable housing stock in eastern Massachusetts.”

Each of the 11 buildings has between three and 16 apartments, with a total of 48 two-bedroom and 29 three-bedroom rental homes. Seven apartments are project-based Section 8 apartments, 20 are reserved for residents earning 50 percent of the area median income (AMI) or below and 50 more are for tenants earning 60 percent of the AMI and below.

The renovation—which required tenants to be relocated for up to two weeks—included new mechanical systems and boilers for each building. Most rental homes got new kitchens and bathrooms, with kitchen renovations including new appliances, cabinets, flooring and countertops, while bathrooms received new flooring, cabinets, tiling and low-flow fixtures. High-efficiency windows were installed in each building and extensive masonry work was done on the exterior of the buildings.

More than 90 construction jobs were created by the renovation. “It’s a chance to recapitalize the whole portfolio and modernize the buildings,” said Mickey Northcutt, CEO of North Shore CDC. “And it improves the quality of life for the residents.”

A little over 100 years ago, a large fire swept through the Point neighborhood and all 11 Salem Point development buildings, along with much of the surrounding neighborhood, were rebuilt between 1915 and 1917. To qualify for the HTCs and preserve the early 20th century

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**LEAD DEVELOPER**
North Shore Community Development Coalition

**CONGRESSIONAL DISTRICT**
Massachusetts 6th

**CATEGORY**
Families, Preserving Existing Affordable, Historic Preservation, Green Development

**RENTAL HOMES**
77

**FINANCING**
- $7.7 million construction bridge loan from Eastern Bank
- $5.3 million 4 percent LIHTC equity investment from Institution for Savings
- $5 million seller’s note
- $2.1 million permanent loan from Eastern Bank
- $1.9 million federal HTC equity investment from Institution for Savings
- $1.4 million state HTC equity investment from Dorfman Capital
- $950,000 in Housing Innovation Funds from the Commonwealth of Massachusetts
- $400,000 grant from the Federal Home Loan Bank of Boston
- $400,000 in U.S. Department of Housing and Urban Development HOME funds through the North Shore HOME Consortium
- $350,000 in Community Development Block Grant funds from the City of Salem
- $100,000 in Weatherization Grant funds from the City of Salem
- $55,000 Massachusetts Development Brownfields grant

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Novogradac & Company LLP
architecture of the neighborhood, North Shore CDC helped get the entire neighborhood listed as a National Historic District on the National Register of Historic Places. The state and federal HTCs were used to preserve the original exterior masonry work, restore the large entryway doors of each building and replace the windows with historically accurate replicas.
Veterans Get Affordable Housing Thanks to LIHTCs

The Silver Star Apartments Home Phase II in Battle Creek, Mich., had an appropriate time for its grand opening: Veteran’s Day, 2013. One hundred formerly homeless vets celebrated as the privately owned and operated Silver Star followed its 75-rental home first phase with the 100-rental home second phase, which used $12 million in low-income housing tax credit (LIHTC) equity in its funding.

The first phase was also one of the first LIHTC developments in Michigan to provide permanent supportive housing to homeless veterans, in 2009. “We house the person first and then deliver services,” said Chris LaGrand, Michigan State Housing Development Authority’s (MSHDA’s) chief housing investment officer.

The first phase’s success paved the way for Phase II and the second phase involved many of the financing partners from the first phase. “With the provision of supportive services targeted at homeless veterans, it’s easy to get behind, because it’s the right thing to do,” said Patrick Lonergan, senior vice president of investor Fifth Third Bank.

Silver Star offers Veterans Administration (VA) services, but also makes local neighborhood resources such as computer literacy training and personal finance classes available. Both Silver Star phases consist of one-bedroom rental homes fully furnished and stocked with appliances, flatware, tableware, bedding, linin, sundries and food donated by the local community. Phase I has an exercise room, computer lab, kitchen, arts room and a small theater. Phase II has a larger computer lab, library, craft room, exercise room, gymnasium, music therapy room, large theater, woodworking shop and metal working shop.

Among those welcoming residents at the grand opening was Michael Carter, Silver Star’s supportive services coordinator. He is an Army veteran who was unemployed and homeless for three years before moving into Silver Star Phase I in 2009. “People don’t necessarily understand what homelessness is about … they don’t understand the stresses and strains that come along with that,” said Carter. “When I finally got my apartment, that took a load off and I could concentrate on other things I needed to do to survive.”

Silver Star partners hope that it will be a model for permanent supportive housing for veterans in need across the country. “When you look back on your career, there are always those one or two developments that stand out,” said Mark McDaniel, president and CEO of Great Lakes Capital Fund. “For me, it’s Silver Star.”

LEAD DEVELOPER
FRONTIER DEVELOPMENT GROUP

CATEGORY
VETERANS, HOMELESS

RENTAL HOMES
100

FINANCING
• $15 million in LIHTCs allocated by the Michigan State Housing Development Authority (MSHDA)
• $12 million in low-income housing tax credit (LIHTC) equity from Great Lakes Capital Fund, including $2.4 million in equity from Fifth Third Bank through a single-investor fund
• $2.7 million HOME loan from MSHDA
• $1.3 million permanent loan from MSHDA
Michigan Senior Development Gets LIHTC Boost

Hundreds of seniors in Clinton Township, Mich., live in an upgraded rental housing development, thanks to $20.3 million in rehabilitation work made possible by low-income housing tax credits (LIHTCs).

The 11-story, 205-apartment St. George Tower was upgraded in 2014, largely due to nearly $500,000 in LIHTCs allocated by the Michigan State Housing Development authority. Those LIHTCs led to an equity investment of nearly $5 million for the property that offers the Department of Housing and Urban Development (HUD) project-based Section 8 rental assistance to all rental homes.

The result was new landscaping, sidewalks, repaved parking areas, a new generator, a new front-entry canopy and property signs, new doors and windows, repaired and repainted balconies, new security systems, new mechanicals, modernized elevators and new finishes, fixtures and appliances in all rental homes. The changes make St. George Tower, which serves low-income seniors, fully compliant with modern accessibility requirements.

Without the LIHTCs, it would have been difficult, if not impossible. “Without being able to utilize affordable housing financing tools like tax credits and bonds, properties like St. George Tower would eventually face significant capital needs for things like mechanical systems, windows, doors, roofs, etc.,” said Christine Robertson, the vice president of development for property owner The Millennia Companies. “Preservation efforts like these ensure that older HUD-assisted properties can be positioned to serve both existing residents and future residents.”

Barbara Chiapella, the director of multifamily housing in HUD’s Detroit field office, agreed. “Like all properties of its age, the timing for renovation is critical in terms of [preserving St. George Tower’s] benefit to tenants,” she said.

St. George Tower was built by a local church in 1980 under the HUD Section 202 program. Since the Section 8 rental assistance contracts are generally difficult to secure, it would have been difficult to replace St. George Tower had it been allowed to fall beyond repair.

Great Lakes Capital Fund (GLCF) provided $4.6 million in 4 percent LIHTC equity funding. “The nature of the LIHTC program is to be able to make the numbers work where they otherwise wouldn’t be able to in providing affordable housing,” said Ben Stehouwer, an underwriter at GLCF. “It’s a critical piece that allows us to bring private capital to the deal and allow the deal structure to move forward.”

The upgraded apartments weren’t all that was contributed to the community. Partners say St. George Tower’s redevelopment brought an infusion of $9.3 million in economic investment and 200 jobs to the local economy.

### LEAD DEVELOPER
THE MILLENNIA COMPANIES

### CATEGORY
SENIOR, PRESERVING EXISTING AFFORDABLE, RESIDENTS WITH SPECIAL NEEDS

### RENTAL HOMES
205

#### FINANCING
- $8.4 million permanent mortgage from the Michigan State Housing Development Authority (MSHDA)
- $4.6 million in low-income housing tax credit (LIHTC) equity from Great Lakes Capital Fund
- $1.9 million HOME loan through MSHDA
- $1.9 million MSHDA preservation fund loan
- $1.4 million from operations and deferred developer fee
- $1 million seller note
- $1 million transfer of reserves
Former Duluth, Minn., Firehouse Becomes Affordable Housing

A neighborhood in Duluth, Minn., that had double the citywide unemployment rate got 40 new multifamily rental homes thanks to a resident-inspired plan to create more low-income housing tax (LIHTC) housing.

Firehouse and Firehouse Flats is a $9.3 million property in Duluth’s Hillside neighborhood that opened in 2013. Hillside’s unemployment rate was 11.2 percent, compared to the citywide rate of 5.2 percent, and a stakeholder group drafted a revitalization plan to spur reinvestment in the area. Part of that was Firehouse and Firehouse Flats, built in and adjacent to Duluth’s historic Fire House No. 1, a three-story building with underground parking.

“This was definitely a neighborhood-generated idea,” said JeriLynn Young, vice president for U.S. Bancorp Community Development Corporation, the subsidiary of U.S. Bank that arranged the LIHTC financing for the development in partnership with United Healthcare.

And it was one that was needed. “There’s a clear demand and shortage of affordable housing in Duluth,” said Pam Kramer, executive director of the Duluth office of the Local Initiatives Support Coalition (Duluth LISC).

Firehouse and Firehouse Flats feature eight one-bedroom, 28 two-bedroom and four three-bedroom apartments, all with high ceilings, washer and dryer units and quality cabinets. Several rental homes have a view of Lake Superior. Amenities include a courtyard, rooftop deck, community room, underground parking, storage and a fitness center.

Nine rental homes are set aside for households earning 30 percent or less of the area median income (AMI) and 27 are set aside for households earning 60 percent of the AMI or less. The remaining four rental homes are set aside for formerly homeless residents. A local social services group, Churches United In Ministry, provides case management services, such as helping tenants maintain housing and find sources of income to pay rent.

In addition to the LIHTCs, developers were able to arrange historic tax credit (HTC) financing, which meant they took great care to preserve historic features of the old fire house. This was particularly an important development after flooding caused more than $100 million in damage to Duluth and the surrounding communities in 2012. “It puts even more focus on having suitable housing available to all income levels,” said Young.

“There building in already-established neighborhoods is the best thing we can do.”

**LEAD DEVELOPER**

**LEAD DEVELOPER**

**LEAD DEVELOPER**

**CONGRESSIONAL DISTRICT**

**METROPLAINS LLC**

**MINNESOTA 8TH**

**CATEGORY**

**RENTAL HOMES**

**FAMILIES, HISTORIC PRESERVATION**

**40**

**FINANCING**

- $7.6 million tax credit equity by United Healthcare in partnership with U.S. Bank for state LIHTCs, federal HTCs and state HTCs.
- $1.4 million from Minnesota Housing in form of 30-year deferred loan
- $220,000 from Greater Minnesota Housing Fund in form of 30-year deferred loan
Photos: Courtesy of Derek Montgomery
Fast-Growing Minnesota Town Gets LIHTC Housing

Elk River, Minn., grew nearly 40 percent in the first decade of the new century, but no affordable housing was built. That left a definite shortage until The Depot at Elk River Station, a 53-apartment low-income housing tax credit (LIHTC) property, was built in 2013.

“We studied the area and there were a lot of jobs, but no affordable housing had been built in the last 10 years,” said John Duffy, president of Duffy Development, which oversaw the property. “If you look at the demographics of Elk River, our residents are almost an exact slice. The 72 adults that live in the building work in retail, restaurants, health care, law enforcement and administrative jobs and earn an average income of about $35,000.”

The Depot is part of a 200-acre master-planned development with a mix of senior housing, home ownership and a private park. The four-story building is comprised of one-, two- and three-bedroom rental homes with underground and surface parking. All 53 apartments are reserved for households earning 30 to 50 percent of the area median income (AMI), with four rental homes set aside for those making 15 percent AMI or less–families that have experienced long-term homelessness. Those families receive supportive housing services from the Salvation Army.

We studied the area and there were a lot of jobs, but no affordable housing had been built in the last 10 years. If you look at the demographics of Elk River, our residents are almost an exact slice. The 72 adults that live in the building work in retail, restaurants, health care, law enforcement and administrative jobs and earn an average income of about $35,000.

The complex was designed to be family-friendly. Features include an exercise room, guest suite, car wash, business office, community room and security cameras in all public places. The community room features a fireplace, full kitchen, a patio overlooking the wetland and an honor system for book sharing among residents.

The Depot provides convenient access to transportation, with the Northstar Commuter Rail Line just steps away.

“If you think of the perfect match for meeting the needs of residents and a thriving community, this development is it,” said Mary Tingerthal, Minnesota Housing commissioner. “Located just one block from the Northstar Commuter Rail Line, it’s a model for transit-oriented development, with a growing local economy and housing for workers necessary to build community vitality in Elk River—it’s a win-win.”

<table>
<thead>
<tr>
<th>LEAD DEVELOPER</th>
<th>DUFFY DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>CATEGORY</td>
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</tr>
<tr>
<td>RENTAL HOMES</td>
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<tr>
<td>FINANCING</td>
<td>• $6.2 million in LIHTC equity from Boston Financial.</td>
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<tr>
<td></td>
<td>• $1.4 million Section 1602 stimulus funds</td>
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<td></td>
<td>• $531,000 first mortgage from Minnesota Housing Finance Agency through low- and moderate-income rental program.</td>
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<tr>
<td></td>
<td>• $350,000 in grants from Greater Minnesota Housing Fund</td>
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<td>• $58,000 general partner cash</td>
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Photos Courtesy of Duffy Development Company
A historic military base in Hennepin County, Minn., will serve a new purpose as a 58-apartment permanent supportive housing development for homeless veterans and their families. The Veterans Housing at Fort Snelling, scheduled to open in 2015, was financed in part by federal low-income housing tax credits (LIHTCs) as well as federal and state historic tax credits (HTCs).

CommonBond Communities, the developer, converted three former quartermaster stables into efficiency studies and one-bedroom apartments. The fort’s old haylofts were transformed into office space, meeting rooms, a community room and a computer lab. Two buildings that once housed noncommissioned officers became a duplex and fourplex with two- and three-bedroom rental homes.

All rental homes have central air conditioning, walk-in closets and vaulted ceilings. On-site supportive services are provided by CommonBond Advantage Services, the U.S. Department of Veterans Affairs (VA) and others.

“The key takeaway is that we’re bringing much-needed [affordable housing] units online and we’re preserving a national landmark site that was sitting in disrepair,” said Paul Fate, president and CEO of CommonBond Communities. “We are honored to join with so many exceptional partners to lead the transformation of these buildings into dignified housing for people who have served our country so courageously.”

Fort Snelling was built in the early 1820s and thousands of military personnel served there until it was decommissioned in 1946. The fort was Minnesota’s first National Historic Landmark in 1960 and the site of the original fort is now a museum run by the Minnesota Historical Society.

Andrew Michaelson, CommonBond’s director of business development, said Veterans housing at Fort Snelling achieves the purpose of preserving historically significant Upper Post buildings, while also contributing to the national goal of ending veteran homelessness.

In combining the LIHTCs with HTCs, the developers faced challenges in handling the redevelopment of the historic structures.

Veterans Housing at Fort Snelling was cited as an example of how transactions are becoming more complex and requiring more sources of funding. “That’s becoming very normative in the industry because we’re all seeing how valuable our impact is,” said Sonja Simonsen, Minnesota Equity Fund’s director of syndication and senior lender. “We recognize that if we can stretch [resources], it makes a huge difference and in the end, it makes the project more sustainable.”

**LEAD DEVELOPER**

**COMMONBOND COMMUNITIES**

**CATEGORY**

**VETERANS, HOMELESS, FAMILIES, HISTORIC PRESERVATION**

**RENTAL HOMES**

58

**FINANCING**

- $9.3 million in LIHTC and HTC equity from UnitedHealth Group, in partnership with Minnesota Equity Fund
- $5.6 million in housing infrastructure bonds from Minnesota Housing Finance Agency (Minnesota Housing)
- $2.9 million in 20 percent federal historic tax credits (HTCs)
- $2.9 million in 20 percent state HTCs
- $790,000 in Veterans Affairs abatement funds
- $700,000 from Major League Baseball’s Minnesota Twins
- $400,000 annual allocation of 4 percent low-income housing tax credits (LIHTCs) from MHFA
- $300,000 from the Home Depot Foundation
- $200,000 from the Family Housing Fund
Affordable Housing Brings Hope after Missouri Tornado

When a tornado with wind speeds reaching more than 200 mph raced through Joplin, Mo., in 2011, it changed the housing market. Thanks to Hope Cottages, a low-income housing tax credit (LIHTC) property built in the tornado’s aftermath, things are better. The 32 single-family homes, known as Hope Cottages, include three bedrooms, two full bathrooms, a two-car garage and washer and dryer connections.

“The affordable housing market in Joplin literally changed overnight because of the tornado,” said Troy Bolander, planning and community development director for the city of Joplin. “It destroyed many of our older housing [units] and those units weren’t necessarily incentivized, but were affordable because of their age and condition. Those would be difficult to replace at the same low cost.”

Mostly because of the estimated $3 billion in damage to 7,500 homes (including 3,300 rental homes), the rental market in Joplin saw a significant increase. In the two years after the tornado hit, rents went up 22 percent in town, a $120 monthly jump. “The demand for housing of any type in Joplin was huge, but there was an even bigger demand for affordable housing because what was being built immediately after tornado was market-rate homes,” said Greg Hand, vice president of acquisitions at WNC & Associates Inc., which raised equity and syndicated the tax credits for Hope Cottages.

The craftsman-style single-family homes were a good fit in Joplin. “We worked hard to recreate something that looks like it would have been in the neighborhood before, but built to today’s standards,” said Debra Shantz Hart, owner of developer Housing Plus LLC. “It’s the same flavor, but with current amenities.” Instead of basements typical in many Missouri homes, Hope Cottages have a Federal Emergency Management Agency (FEMA)-certified safe room, a steel enclosure bolted into the concrete floor to provide protection in case of another natural disaster.

Rental homes are affordable to families earning 60 percent to 80 percent of the area median income (AMI). The affordable single-family homes create a path to home ownership, since tenants have the option to purchase their homes at a significant discount after the 15-year LIHTC compliance period ends. “That allows families leasing to establish roots in the community and stay in their homes,” Shantz Hart said. “That creates a sense of pride.”

Four years after the devastation, Hope Cottages provide a long-term answer for 32 families. “The name of the project is very appropriate after what happened to Joplin,” said Bolander. “It gives families hope that they can have a home again and it gives us all hope that Joplin will recover.”

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<th>LEAD DEVELOPER</th>
<th>CATEGORY</th>
<th>CONGRESSIONAL DISTRICT</th>
<th>RENTAL HOMES</th>
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<tbody>
<tr>
<td>HOUSING PLUS LLC</td>
<td>FAMILIES, SINGLE-FAMILY</td>
<td>MISSOURI 7TH</td>
<td>32</td>
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FINANCING
- $4.4 million in LIHTC equity from WNC Institutional Fund 37 for state and federal credits
- $250,000 from Missouri Housing Development Corporation
- $250,000 from U.S. Bank
LIHTCs Make Veterans Housing Available in Kansas City

With just 145 permanent housing beds available for Kansas City, Mo.’s 1,800 homeless veterans, there was plenty of need. The Yarco Companies and Catholic Charities of Kansas City-St. Joseph Inc. hope to make a dent with their first affordable housing development for veterans: the St. Michael’s Veterans Center.

The St. Michael’s Veterans Center opened its first phase in 2014, a 58-apartment development on a 24-acre lot adjacent to the Kansas City Veterans Affairs (VA) Medical Center. The property will ultimately feature 180 rental homes, a support services center that offers counseling, job training and medical and case management resources; an honor garden and a recreational building.

“We want to do more than just provide housing,” said Mike Grube, director of development at Yarco. “You have to have the services to go along with it.” Grube said the partners hope to build a campus that provides services that complement those offered at the VA Medical Center.

The first phase had a three-story building with one-bedroom, one-bathroom rental homes along with tenant services. It has a common room and office space on the first floor, rental homes on the second floor and an exercise facility, physical therapy equipment and classrooms on the third floor. Each floor also has a common room and laundry facilities. Apartments feature Energy Star-rated appliances, including dishwashers, ranges, refrigerators and microwaves; as well as carpeting and wood flooring and ceiling fans. Five of the rental homes adhere to Americans with Disabilities Act (ADA) standards.

To help serve St. Michael’s Veterans Center tenants and veterans in the surrounding community, Catholic Charities hired a service coordinator to work on-site. The service coordinator helps veterans find resources available to them in Kansas City and directs them to programs offered by local agencies.

With the first phase done, the next two phases are on the drawing board. The second phase will feature 59 affordable rental homes and an additional 5,000- to 7,000-square-foot services building and construction began in spring 2015. The third phase will add 58 to 60 affordable rental homes and another 5,000- to 7,000-square-foot tenant services building.

The first phase was made possible largely because of federal and Missouri LIHTC allocations. “LIHTCs are the most important part of bringing in equity to this project,” said Grube. “We’ve got to come up with financing that maximizes the equity and limits the amount of debt in the deal. And the LIHTCs do that.”
Historic St. Louis Buildings Transform Into Affordable Housing for Artists

Downtown St. Louis will soon be the home of a mixed-use development in one of the most recognizable historic structures in the city. Part of that will be 202 affordable rental homes, made possible by the low-income housing tax credit (LIHTC).

The Arcade Building, built in 1919, had been vacant for 20 years until it was purchased by Dominium in August 2014. The owner, developer and property manager is transforming it into a mixed-used development that features affordable and market-rate housing as well as classroom space for nearby Webster University. “When people say they don’t build them like that anymore, they are referring to the Arcade Building,” said Dominium partner and vice president Jeff Huggett, speaking of the Gothic structure with ornate terra cotta work.

The 18-story, 500,000-square foot Arcade Building and the adjacent Wright Building, which was built in 1906 and connects to the Arcade Building’s lower levels, will also have 80 market-rate apartments. The affordable rental homes are specifically designed to meet the needs of local artists and the property will feature more than 13,000 square feet of artist studio space that will be made available to dancers, musicians, painters and other types of artists.

The affordable housing options will include 130 one-bedroom, 65 two-bedroom and seven three-bedroom rental homes. The development will feature a fitness center and club room, a community room and a barbecue area on the roof of the Arcade Building, with views of the St. Louis Arch and Mississippi River. Webster University will occupy 55,000 square feet on the first two floors and on the mezzanine level of the Arcade and Wright buildings under a long-term lease.

The combination of new markets tax credits (NMTCs), historic tax credits (HTCs) and LIHTCs made it complicated for all involved, but they said it was well worth it. “This was the last building that needed to be redeveloped in the Old Post Office Square, said Bill Seddon, director of the New Markets Tax Credit program at St. Louis Development Corporation. “To keep it intact was very important to us. To find uses in an old urban setting like this is not easy. So when you can hit a home run like this, you go for it.”

The construction is expected to be complete in late 2015 or early 2016.

| LEAD DEVELOPER | DOMINIUM |
| CONGRESSIONAL DISTRICT | MISSOURI 1ST |
| CATEGORY | ARTISTS, HISTORIC PRESERVATION |
| RENTAL HOMES | 202 |

**FINANCING**

**LIHTC INVESTMENT**
- $44 million construction loan from U.S. Bank Community Lending Division
- $19.7 million federal LIHTC equity investment from U.S. Bank
- $14.2 million federal historic tax credit (HTC) equity investment from U.S. Bank
- $12.8 million state HTC equity investment from U.S. Bank
- $8.9 million permanent loan from Cornerstone Permanent Mortgage Fund (Boston Capital Finance)
- $4.2 million in U.S. Department of Housing and Urban Development (HUD) HOME funds from the Missouri Housing Development Corporation
- $4 million loan from the St. Louis Development Corporation

**NMTC INVESTMENT**
- $12.8 million federal NMTC equity investment from U.S. Bank
- $12.7 million permanent loan from BMO Harris Bank
- $11.3 million construction loan from BMO Harris Bank
- $9.7 million in federal HTC equity provided by U.S. Bank
- $8.3 million state HTC equity investment from U.S. Bank
- $800,000 loan from the St. Louis Development Corporation
Northern Nevada Community Housing Resource Board (NNCHRB) is as close to a sure thing as you find in Reno, Nev. The nonprofit owner, manager and developer of affording housing recently completed its ninth housing development in the region, with two more properties on deck. The Juniper Village Apartments in Reno is the latest success story, an affordable rental housing development with 17 one-bedroom and 27 two-bedroom apartments. The development serves tenants earning 40 percent of the area median income (AMI) and less, with nine rental homes set aside for tenants with special needs.

NNCHRB is partnering with local nonprofit The Ridge House to provide case management and supportive services for residents.

The Juniper Village Apartments received a $6.3 million allocation of 9 percent low-income housing tax credits (LIHTCs) to help finance the development. “Our research with our staff economist and our work with our sister state health care agencies show that there is a deep need for special-needs households,” said Mike Dang, chief of federal and state programs at Nevada Housing Division. “[NNCHRB] has a specialty focus, providing homes for those with special needs. They also partner with supportive services agencies to help meet their tenants’ needs.

The Juniper Village Apartments features a gymnasium, a large community space with a library, a computer lab, an exercise room and a lounge area with a television and a kitchen. Outdoor amenities include a barbecue area, horseshoe pit and a children’s playground.

Construction was completed in April 2015 and to Matthew Fleming, the executive director of NNCHRB said he hopes the development will have a “positive psychological impact, which forces people to re-evaluate their concept of low-income housing. When these types of developments happen, there are often low expectations,” he added. “But we’ve seen with our past projects that our work has a tendency to deliver positive impact on the surrounding community and revitalize downtrodden neighborhoods. That is always what we strive for when designing and building a new project. We want our tenants to be as proud of their new homes as we are.”
Former North Carolina Mills Now Affordable Housing

The former Asheboro Hosiery Mill and Cranford Furniture Mill in downtown Asheboro, N.C., have gone from industrial sites to underused buildings to affordable housing, making life better for 70 families.

The Asheboro Lofts, completed in 2013, used low-income housing tax credits (LIHTCs) and historic tax credits (HTCs) to transform the 95,326-square-foot former mills into 20 one-bedroom, 32 two-bedroom and 18 three-bedroom apartments in downtown Asheboro—adding housing and vibrancy to the downtown area. The rental homes are available to families earning less than 60 percent of the area median income (AMI).

The property was purchased as part of the city’s redevelopment plan in an area that has seen a resurgence of both businesses and residences. “Over the last 20 years, people like us have been really active in getting people to move back downtown,” said Richard Angino, president and chief executive officer of building owner The Landmark Group.

The factory sites, which were once home to the B&H Panel Company, were built in 1917 and 1925, were underused for decades before they were purchased by The Landmark Group in 2011. Until two months before Landmark purchased the property, the buildings were used for an operating cabinet shop that outgrew the community.

After a gut rehabilitation that followed requirements of the National Park Service (since the HTCs were involved), the 70 apartments have new life. They include high ceilings, large windows and other historical elements, along with energy-efficient designs, high-speed Internet access and new appliances. The developers removed, repaired and replaced the solid wood floors in the cabinet shop building and refinished the floors in the better-preserved hosiery building. The property also received Energy Star appliances, energy-efficient air conditioning and heating systems and a tight building envelope.

The fact that the development used HTCs meant that special attention had to be paid to the historic features. Landmark returned the buildings’ exteriors to their historic appearance and removed two newer outbuildings and several other segments that connected the two L-shaped buildings. Windows were repaired and rearranged, with new windows installed or original windows from less-visible walls mounted into bricked-up windows.

The community has a technology learning center, exercise room, playground and outdoor sitting and picnic areas. The

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**LEAD DEVELOPER:**
THE LANDMARK GROUP

**CONGRESSIONAL DISTRICT:**
NORTH CAROLINA 2ND

**CATEGORY:**
FAMILIES, HISTORIC PRESERVATION, GREEN DEVELOPMENT

**RENTAL HOMES:**
70

**FINANCING:**
- $5.6 million in LIHTC equity
- $2.7 million in state HTC equity
- $1.8 million in federal HTC equity
- $560,000 in owner equity
Asheboro Lofts are in a thriving area, with access to public transit, schools, a farmers market and venues for shopping, dining and recreation. “It really changes the nature of everything in a half-mile or so of it, tremendously,” said Tom Maxell, vice president of originations for tax credit investor WNC.

The funding for the property included $6.5 million in LIHTCs that were syndicated for $5.6 million and a $2 million federal HTC allocation that brought in $1.8 million. There was also a $3.9 million state HTC allocation that brought in $2.7 million—making $10.1 million in tax credit investment. The addition of the state historic credits, which expired in North Carolina, was a major key, according to Angino. “They fill the gap that makes this thing happen in the first place,” he said. “If you didn’t have the mill credits, you couldn’t do a building like this.”

Significant in the development was the lack of hard debt, just $560,000, due to the presence of the tax credits. The development of the complex was a major economic boost to Asheboro, too. Landmark estimated that the development pumped about $9 million into the local economy during construction and said that the annual boost to the economy will be about $225,000.

Angino said the combination of the HTCs and LIHTCs brought an extra dimension to the development and described the Asheboro Lofts as new construction in a historic shell. “In reality, this is just new construction,” he said. “We’re just not creating the exterior walls.”

And the beneficiaries are families in need—it was 100 percent leased quickly.
Building a 278-apartment, multistage, affordable housing development in one of the wealthiest towns in North Carolina wasn’t easy. But it was successful.

Highland Village, located on 18 acres in Cary, N.C., was completed in 2012, more than a decade after nonprofit developer DHIC Inc. began work to bring more affordable housing to the site of such high-paying employers as IBM, GlaxoSmithKline and Cisco. “We’ve been able to fit [Highland Village] into a high-income community and provide an alternative that was not previously available,” said Gregg Warren, president of DHIC. “It’s been really well-received.”

But it wasn’t always that way. At the outset, residents of a neighboring subdivision protested the development, fearing that affordable housing would lower their property values. The city decided to rezone the land and make the development possible and Warren said virtually all of the opponents grew comfortable with the plan. “Some of the folks were raising Cain. One of them became one of our first property managers and I’m sure some of their parents are living there now,” he added.

The first three communities were Commons at Highland Village, a 68-rental home senior property; Highland Manor, a 32-apartment senior property; and Highland Village Apartments, a 50-rental home family development for families earning between 30 and 60 percent of the area median income (AMI). Highland Terrace was the fourth property, an 80-apartment senior development with drought-tolerant landscaping, energy-efficient mechanical systems and appliances, low-flow plumbing fixtures and a super-insulated building envelope. The final piece was a 48-apartment Towns at Highland Village, with homes for sale.

“When they showed me the apartment, I almost passed out,” said Highland Terrace resident Virginia Hall. Hall said living at Highland Terrace allows her to be near her daughter, who lives 20 minutes from the property. A nearby bus stop and with downtown Cary a mile away, Hall doesn’t need to own a car.

The demand for senior housing surprised those involved with the development. “Even in our non-age-restricted community, half of those residents are seniors,” said Warren. Each of the five properties was financed independently, with LIHTC equity helping fund the Commons at Highland Village and the Highland Village Apartments.

Scott Farmer, the director of rental investment at the North Carolina Housing Finance Agency, said the properties that received LIHTC allocations and other agency funding have all performed well. And Warren said the success of the development proves that fears of affordable housing hurting property values are unfounded. “The townhomes we’re selling now are the last component of this development and they’re selling fine,” he said in 2012. “A well-designed community can improve a neighborhood and open up development opportunities.”

**LEAD DEVELOPER**
DHIC INC.

**CATEGORY**
SENIORS, FAMILIES, SINGLE-FAMILY, GREEN DEVELOPMENT

**RENTAL HOMES**
278

**FINANCING**
- $4.2 million in LIHTC equity from RBC Capital Markets for Commons at Highland Village
- $2.7 million in LIHTC equity from Enterprise Community Investment for Highland Village Apartments
- Funding from U.S. Department of Housing and Urban Development (HUD) Section 202 program
- Funding from North Carolina Housing Finance Agency’s Rental Production Program
- Funds from Wake County
- Funds from town of Cary
- Funds from NeighborWorks America
Historic High School Provides Senior Housing in Oil Boom Region

The middle of North Dakota’s oil boom is a hard place to find affordable housing. In fact, Williston, N.D., is the most expensive place to rent an entry-level apartment in the United States, according to Apartment Guide. It’s more expensive than New York City or Silicon Valley, with the average monthly rent for a 700-square-foot, one-bedroom, one-bathroom apartment at $2,400.

“In North Dakota, we’re in the midst of an economic boom and the significant increases in population put a premium on housing,” said Jennifer Henderson, division director of planning and housing development for the North Dakota Housing Finance Agency (NDHFA). “While the state has been working very hard to encourage development, the need for affordable housing options in Williston and all over the state continues.”

In response to that shortage, Lutheran Social Services of North Dakota teamed up with Enterprise Community Investment Inc. and NDHFA to convert a former high school into Legacy Living at Central Place, a $10.6 million affordable housing property for seniors financed partly by low-income housing tax credits (LIHTCs). It opened in 2014.

The 44-apartment development includes 35 rental homes for residents who earn 60 percent or less of the area median income and nine rental homes for those at or below 30 percent AMI. It was much-needed for residents who have been adversely affected by the influx high-income oil industry workers who can afford to pay significantly higher rental rates. “The tenants we talked to are faced with increasing rents and costs that they couldn’t possibly have expected or absorbed,” said Jessica Thomasson, director of Lutheran Social Services Housing.

Legacy Living at Central Place also preserves a local historic landmark. The Art Deco building was constructed as Williston High School in the early 1930s and later became a junior high school. It sat vacant for about six years until Lutheran Social Services began renovation work in 2012. Renovation work included preserving terrazzo flooring and much of the original hardwood. Some of the lockers in the hallways were kept, but in cases when they were removed, developers filled the alcoves with benches and slate chalkboards from the classrooms.

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<tr>
<td>CATEGORY</td>
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<td>FINANCING</td>
<td>$7.1 million in tax credit equity from Enterprise Community Investment</td>
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<tr>
<td></td>
<td>$1.8 million in federal historic rehabilitation tax credits (HTCs)</td>
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<td>$1.2 million loan from the United States Department of Agriculture (USDA) Rural Development Section 538 program</td>
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<td>$777,000 in Community Development Block Grant (CDBG) funding</td>
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<td>$611,000 in annual 9 percent low-income housing tax credits (LIHTCs) from the North Dakota Housing Finance Agency (NDHFA)</td>
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<td>$611,000 from the North Dakota Housing Incentive Fund</td>
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<td>$471,000 in deferred developer fees</td>
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<td>$210,000 from Lutheran Community Foundation</td>
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<td>$265,000 from the Williston Star Fund</td>
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<td></td>
<td>$50,000 from AgriBank Rural Community Grant Fund</td>
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<td>$25,000 pre-development loan from Enterprise Community Partners</td>
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In North Dakota, we’re in the midst of an economic boom and the significant increases in population put a premium on housing. While the state has been working very hard to encourage development, the need for affordable housing options in Williston and all over the state continues.

Classrooms and offices were converted into one- and two-bedroom apartments. Shared amenities include a laundry room, elevator, free parking and a guest suite available for visitors. The former gymnasium was converted to a dining and events room that Lutheran Social Services hopes will someday host daily noontime meals for tenants and the neighboring community.

Enterprise contributed $7.1 million in tax credit equity, an amount that those involved said was crucial. “The housing tax credit and the historic tax credit played a huge part—I don’t know how else they would have done it without the tax credits,” said Russell Kaney, program director of Enterprise’s National Rural & Native American Initiative.
Historic School Becomes Housing for Seniors

A former elementary school in Burlington Township, N.J. has a new “student body”: Seniors. The former Mitchell School at Springside, built in stages beginning in 1915, completed its transformation to senior housing in October 2013 with the opening of the affordable senior housing Springside School Apartments for those 55 and older.

“The school board decided to stop using the facility several years ago,” said Matthew Reilly, president and CEO of co-developer Moorestown Ecumenical Neighborhood Development Inc. (MEND). “It was functionally obsolete.” MEND acquired the building and teamed up with Conifer Realty LLC to convert the building to affordable housing, using low-income housing tax credits (LIHTCs) and historic tax credits (HTCs) as key pieces of the financing.

The result was a conversion of the school into 32 affordable rental homes and the construction of a two-story addition that houses 43 apartments behind the original building.

There are 68 one-bedroom rental homes and seven two-bedroom apartments. All feature full kitchens, bathrooms and living and dining areas. They have 10- to 12-foot ceilings, large windows, garbage disposals and dishwashers.

The school’s gymnasium was converted into a community room and the development also features a library, laundry facility, computer room and exercise room, as well as outdoor amenities that include an outdoor patio and gazebo overlooking the retention pond. Since it’s housing for seniors, co-developers also added a life alert system and gave tenants medical alert necklaces that enable the tenant to contact emergency services as needed.

Rental homes are reserved for those earning 30, 50 or 60 percent of the area median income (AMI). Sixteen apartments are reserved for non-age-restricted special-needs population, based on a state initiative to provide more permanent housing for people with special needs.

Because the development received HTCs, the renovation preserved the historic features of the school, which was built as a four-classroom schoolhouse. Developers kept the original doors and the brick-and-mortar exterior, while replacing the windows. The school’s original coat closets and hallways were preserved, as were blackboards and a “girls” sign on a restroom door. “Personally, I like the adaptation and reuse of old historic buildings,” said Chris Murray, senior vice president at Red Stone Equity Partners, the tax credit syndicator. “[It is always beneficial when you can] take a vacant historic building and transform it into something productive in the community.”

The renovation and construction were complete in October 2013 and it began filling quickly. It was fully leased within months.

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<tr>
<th>LEAD DEVELOPER</th>
<th>MOORESTOWN ECUMENICAL NEIGHBORHOOD DEVELOPMENT INC., CONIFER REALTY LLC</th>
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<td>CATEGORY</td>
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<td>RENTAL HOMES</td>
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<td>FINANCING</td>
<td>• $13.9 million low-income housing tax credit (LIHTC) equity investment from TD Bank</td>
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<td>• $10.5 million in interim construction financing provided by TD Bank</td>
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<td>• $1.6 million historic tax credit (HTC) equity investment from TD Bank</td>
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<td>• $850,000 in U.S. Department of Housing and Urban Development (HUD) HOME funds</td>
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<td>• $346,000 mortgage from the New Jersey Housing and Mortgage Finance Agency</td>
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<td>• $200,000 in municipal housing trust funds from the township</td>
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New Jersey Affordable Housing Gets Facelift

A 175-apartment, 10-block, scattered-building affordable housing development in Camden, N.J., is getting a complete makeover through a combination of funding that includes low-income housing tax credits (LIHTCs). That’s good news to those involved. “Though Camden, a city of 77,000, is one of America’s poorest cities, we are very pleased to be part of its growing redevelopment effort,” said Anthony L. Marchetta, executive director of the New Jersey Housing and Mortgage Finance Agency (HMFA).

The Broadway Townhomes were converted into affordable housing in 1991, but the renovation—which will gut each rental home to the studs—was due after more than two decades.

Renovations are extensive: They include comprehensive building envelope repairs, including insulation and sealing; new Energy Star-rated fenestrations and exterior lighting; water-saving plumbing upgrades; 95 percent direct vent gas furnaces; updated electrical work; and high-efficiency water heaters. There will be upgraded kitchens with Energy Star-rated appliances, reconstructed bedroom closets with shelving, new mini-blinds for all windows, as well as replacement of wall board, trim, paint, casework, flooring and floor sheeting.

The result will be 76 renovated two-bedroom rental homes available at $946 per apartment and 99 three-bedroom apartments for $1,189 per month. Nine of the ground-floor rental homes will be reconfigured to comply with Uniform Federal Accessibility Standards and Department of Housing and Urban Development (HUD) Section 504 requirements. Broadway Townhomes will also get a new community room.

Broadway Townhomes received a $19 million 4 percent LIHTC allocation from New Jersey HMFA, plus $27.5 million through the Conduit Bond Program to rehabilitate the existing rental homes and build the community room. “The redevelopment will stabilize the rental-occupied housing by replacing deteriorated, occupied structures with attractive new units and community facilities,” said Marchetta. “The redevelopment will have the direct economic benefit of providing jobs. Many of these job opportunities will be earmarked for Camden residents.”

The development was under HUD’s Rental Assistance Demonstration program, which allows public housing and moderate rehabilitation properties to convert to long-term Section 8 rental assistant contracts. It also allows rent supplement, rental assistant payment and moderate rehabilitation properties to convert to tenant-based vouchers issued upon contract expiration or termination to project-based assistance.

There is an 18-month construction timeline, with renovations expected to be completed by the end of 2015.

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<td>$27.5 million via the Conduit Program from the New Jersey Housing and Mortgage Finance Agency</td>
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<td>$19 million 4 percent LIHTC equity investment from R4 Capital</td>
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<td>$17.5 million HUD 221(d)(4) loan from Love Funding</td>
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<td>$9.7 million in New Jersey Economic Redevelopment and Growth Credits awarded by the New Jersey Economic Development Authority, and to be purchased by a state credit investor</td>
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<td>$8.8 million mortgage assumption</td>
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<td>$4.7 million deferred developer fee</td>
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<td>$2.9 million seller’s note</td>
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Senior Housing Rises in Wake of Hurricane Sandy

Senior housing is always a need—and the need became even more dramatic in New Jersey after Hurricane Sandy devastated much of the East Coast in 2012. One answer is Willows at Waretown, a senior development in the Township of Ocean, N.J. that is scheduled to open in late 2015.

“Township of Ocean is a major senior market,” said Geoffrey Long, director of development at Ingerman, a New Jersey-based housing developer. “Trying to provide high-quality senior housing is especially important after Hurricane Sandy … There were limited opportunities to get financing for an apartment site near this many amenities. This was a high-impact project in terms of helping with the recovery after Hurricane Sandy.”

Roughly 2.4 million households in New Jersey lost power during Hurricane Sandy and 346,000 homes were damaged or destroyed. Willows at Waretown is part of the massive rebuild and is funded partly by low-income housing tax credits (LIHTCs).

The three-story development will feature 70 one-bedroom rental homes and six two-bedroom apartments. It will also have a community room with a kitchen, game tables and an area with a television; shared laundry facilities; a social services office and several outdoor seating areas. Rental homes are reserved for tenants earning 60 percent or less of the area median income (AMI). Because it’s located in a designated disaster area, priority will be given to Sandy-impacted individuals during the first three months of lease-up.

The location is prime. Willows at Waretown is located along a major corridor in the Township of Ocean, putting residents in proximity to a number of amenities, including grocery stores, pharmacies, convenience stores and the Jersey shore. Long said that having that many amenities nearby makes senior housing much more attractive, as does the fact that there will be local bus service at the site.

The development is also a financial boon to the area. The New Jersey Housing and Mortgage Finance Agency (HMFA), which provided the 4 percent LIHTC allocation and other financing, estimates that it will generate approximately $28 million in one-time economic output and approximately 168 full-time jobs during construction. It also estimated that the development will provide about $3.1 million in ongoing economic output and 18 full-time jobs annually.

“We believe Willows at Waretown will provide much-needed, high-quality affordable senior housing in an area that does not have an abundance of senior housing,” said Tricia Yarger, director at Citi Community Capital, which provided construction and permanent lending.

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**LEAD DEVELOPER**
INGERMAN

**CATEGORY**
SENIORS, RURAL

**RENTAL HOMES**
76

**FINANCING**

- $9.1 million in Community Development Block Grant (CDBG) Disaster Recovery funding through the Fund for Restoration of Multifamily Housing (FRM) program from the New Jersey Housing and Mortgage Finance Agency (HMFA)
- $6.8 million construction bridge loan from the HMFA
- $5.3 million 4 percent LIHTC equity investment was syndicated by Enterprise in one of its proprietary funds
- $2.4 million in permanent financing from the HMFA
- $207,000 from the Ocean Township Affordable Housing Trust Fund
Brooklyn Hospital Property Becomes Affordable Housing

More than 400 people benefit from an affordable rental housing development in Brooklyn that is not only new, but just steps away from a full-service medical center. CAMBA Gardens, next to Kings County Hospital Center (KCHC), opened in 2014.

“It was really a thoughtful approach to creating affordable housing,” said David Rowe, assistant deputy director of housing developments for CAMBA/CAMBA Housing Ventures Inc., a Brooklyn-based nonprofit.

The development came about after KCHC began developing its master plan and found that it had several unused land parcels. It consulted with CAMBA and eventually closed on a $68 million development that combined tax-exempt bonds, 4 percent low-income housing tax credits (LIHTCs) and a number of city and state programs. It provides affordable housing for formerly homeless and working families.

The complex includes 146 apartments that are permanent supportive housing with project-based rental subsidies for formerly homeless families or individuals with special needs. In addition, there are 61 rental homes for families and individuals earning up to 60 percent of the area median income (AMI) and two rental homes for on-site superintendents. CAMBA Gardens includes 132 studio apartments, 29 one-bedroom apartments, 33 two-bedroom rental homes and 15 three-bedroom apartments.

“We especially need rental buildings focused on special needs [populations],” said Ruth-Anne Visnaukas, deputy commissioner of development for New York City Housing Preservation and Development. “They’re the most vulnerable populations we have in the city.”

The building is modeled to be 23 percent more efficient than comparable-sized buildings, with nontoxic finishes, high-efficiency boilers, low-emissivity windows, ample kitchen and bathroom ventilation, energy-saving lighting and appliances, low-flow water fixtures and recycled content materials.

There is also a garden and drought-resistant landscaping.

“The garden is part of a huge outdoor space that not a lot of New York City developments are able to have,” said Margaret Taddy, a CAMBA project manager.

CAMBA is also the on-site social service provider through an arrangement with the New York City Department of Health and Mental Hygiene. It provides case management and programs, such as nutrition counseling, yoga and financial management, both on-site and with referrals to medical care and mental health services, job training,

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<th>LEAD DEVELOPER</th>
<th>CAMBA/CAMBA HOUSING VENTURES INC.</th>
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<td>CATEGORY</td>
<td>FAMILIES, FORMERLY HOMELESS, RESIDENTS WITH SPECIAL NEEDS, GREEN DEVELOPMENT</td>
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<td>FINANCING</td>
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<tr>
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<td>• $34 million in tax-exempt bond financing through the New Issue Bond Program, with credit enhancement from TD Bank.</td>
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<td>• $26.1 million in HOME funds from New York City Department of Housing Preservation and Development</td>
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<td>• $25 million in LIHTC equity from Enterprise Community Partners Inc.</td>
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<td>• $5.2 million from New York State Homeless Housing Assistance Corporation</td>
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<td>• $2 million in City Capital Allocation Funds</td>
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<td>• $1.4 million from Federal Home Loan Bank of New York Affordable Housing Program.</td>
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<td>• $578,000 grant from New York State Energy Research and Development Authority</td>
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Residents will benefit by the fact that they will be able to have easy ... access to health care," said Rowe. “They’re able to live healthier lives and thus have more preventative health care.”

The property created about 250 construction jobs and at least 20 full-time permanent positions, including building superintendents and service providers. CAMBA Gardens II, a 293-apartment complex, is scheduled to finish in fall 2016.
LIHTCs Provide New Life for Aging Public Housing Site

A 70-year-old superblock-style public housing development in Hamilton, Ohio, has a new look and new life thanks to an unexpected source: low-income housing tax credits (LIHTCs).

Bambo Harris Homes was built in 1942, but by the 1990s, operator Butler Metropolitan Housing Authority (BMHA) knew something needed to be done for the aging and outdated property. Asbestos and lead paint created health hazards, while outdated utility systems drove up operating costs. The housing authority stopped re-renting apartments in 1999 and by 2001 planned to demolish the building and rebuild it with HOPE VI funds from the U.S. Department of Housing and Urban Renewal (HUD). The plan failed.

By 2007, HUD had denied the funding application four times, yet the demolition was near. That’s when BMHA learned about the LIHTC program, leading to a five-year process to create a new development: Beacon Pointe. BMHA partnered with Herman & Kittle Properties Inc. (HK) to work with the community and former residents in creating a new development that ultimately opened in 2014.

“From what I’ve seen from projects like Beacon Pointe, these are nothing like the [affordable] housing communities of the past,” said Jeffery Diver, executive director of Supports to Encourage Low-Income Families (SELF), the service provider at Beacon Pointe. “[Beacon Pointe] presents itself very well and it will be a gem in that particular neighborhood.”

Beacon Pointe Town Homes is a 60-rental home property with four public housing units, 12 Section 8 units and 44 LIHTC rental homes. There are one-, two-, three- and four-bedroom apartments and several are set aside for people with disabilities. The apartments feature carpeting, air conditioning, dishwashers and washer and dryer hookups. Beacon Pointe includes a 3,200-square-foot community and property management building, which has a basement safe room in case of hazardous weather, a computer lab and a game room.

There is also space for meetings, classes, legal aid and other activities. The grounds feature a community garden, where The Ohio State University teaches gardening classes. The adjacent Booker T. Washington Community Center offers classes and recreation activities.

Bambo Harris, named after an early 1800s African-American mill owner, was for more than 50 years a 141-apartment public housing development that had a building style that isolated residents from the surrounding neighborhood, something BMHA wanted to change. The housing authority determined that the outdated design of the buildings and use of hazardous materials would require extensive renovation, so for most of the first decade of the 21st century, BMHA sought redevelopment funding.

After being denied by HUD, it paired up with Indianapolis-based developer HK, which had experience in LIHTC development and was looking to expand its business in Ohio. When it came time to apply for LIHTCs, the housing authority worked with HK and examined both the 4 percent and

CONGRESSIONAL DISTRICT
OHIO 2ND

RENTAL HOMES
60

FINANCING
• $9.6 million in equity from Raymond James for LIHTCs.
• $625,000 in HUD replacement housing factor funds
9 percent LIHTCs. After choosing to apply for the 9 percent credits, both worked with community members to design the new development, choosing townhomes rather than garden-style apartments. That came after originally basing its design on the unfunded HOPE VI. “We want to build something that … the community can be proud of for many years to come,” said Ben Jones, deputy director of BMHA. “We want to do something that will make everybody proud, [build] a place to call home.”

The choice of which tax credit to seek was another point of discussion. “We looked at the universe of funding possible out there and asked, ‘Where is our best opportunity?’” said Jones. He said after examining both the 4 percent and 9 percent LIHTC possibilities, they chose the 9 percent because it offered “the biggest bang for the buck.”

BMHA sought LIHTCs in 2010, but didn’t score high enough to receive an award. Discussions with the Ohio Housing Finance Agency (OHFA) about improving its application, led BMHA to add on-site amenities and supportive services. “[We] had what was required, but [we] didn’t have what was needed,” Jones said of the original application. HK and BMHA developed a service plan with SELF—which had an existing relationship with the housing authority, having submitted support letters in the previous LIHTC and HOPE VI applications—to offer programs that include individual development accounts, classes to improve residents’ economic situation and an employment education program that provides everything from steel-toed boots to emergency dental care.

In 2011, the development was awarded more than $9.6 million in LIHTCs. “We thought it was interesting that it was going to have a supportive services component,” said James Dunton, vice president and director of acquisitions for the Midwest region for Raymond James, the LITHC equity provider. “We think the community will rally behind the project and it will be a very successful development.”

A planned second phase will include additional rental homes and common space.
LIHTCs Finance Facelift for Aging Portland Senior Complex

A 50-year-old affordable senior housing property in Portland, Ore., is getting an update, thanks to low-income housing tax credits (LIHTCs). Westmoreland’s Union Manor will be completed in nine phases wrapping up in early 2017, improving the building envelope and boosting its energy-efficiency, fire safety, accessibility and seismic resistance.

“It’s great to take a building that has good bones, a great residential community and make it last another 50 years,” said Phillip Dochow, senior project manager of developer Housing Development Center. Westmoreland’s Union Manor was one of 12 developments in the country awarded federal rent subsidies through the initial round of the United States Department of Housing and Urban Development’s (HUD’s) Senior Preservation Rental Assistance Contract (SPRAC) program. HUD granted 67 new rent subsidies and extended 217 existing subsidies at Westmoreland’s Union Manor, with all contracts for 20 years and automatically renewable for another 20. It helped spur a $15 million LIHTC equity investment by PNC.

Union Manor opened in 1966 as the first affordable housing project by Union Labor Retirement Association (ULRA), a volunteer-led nonprofit that began four years earlier. For five decades, it provided 301 rental homes in southeast Portland.

“I love the fact that residents get an update,” said Patrick O’Toole, property manager for Manor Management Services. Dochow said it was due. “It was built in 1966 and is a seven-story, reinforced-concrete building,” he said. “The insulation is almost nonexistent and it leaked heat. The entire skin will be replaced … it will provide better thermal performance.”

Developers had to contend with the fact that seismic codes changed significantly since 1966, as well as dealing with a spring-fed stream that is a critical habitat for Coho salmon. The experience for residents, who have to be relocated for about 50 days at a time, had a good start. “They’re really, really supportive,” said O’Toole. “More than 99 percent realize that it’s a good thing that really needs to happen.”

“It’s a fantastic project. It’s a big one for the area, to take a 50-year-old institution in the neighborhood and give life to the units for another 40 to 50 years.”

Matt Harrington, vice president and regional manager of originations at LIHTC investor PNC Real Estate, liked the goal. “I think it’s a well-executed project that’s going to preserve some important senior affordable housing in a great area,” he said.

O’Toole, who has been around Westmoreland’s Union Manor since 1986, was equally pleased. “It’s a fantastic project,” he said. “It’s a big one for the area, to take a 50-year-old institution in the neighborhood and give life to the units for another 40 to 50 years.”

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<td>• $26 million FHA 221(d)(4) mortgage</td>
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<td>• $15 million LIHTC equity from PNC</td>
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<td>• $1.3 million in grants and reserves</td>
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<td>• $800,000 in project income.</td>
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LIHTC Development Helps Families Near Penn State

An affordable housing development 3 miles from Pennsylvania State University gets passing grades from residents—mostly because it provides an alternative to high prices resulting from students who attend the nearby university.

Limerock Court, which opened in early 2014, features 36 rental homes spread across five residential buildings in College Township, within the borough of State College, Pa. It was made possible through funding from low-income housing tax credits (LIHTCs) and PennHOMES funding.

As is the case with many other college towns, student-driven demand for housing in State College pushed rental rates beyond the budget of many working families. “One of the issues is that the rental market is heavily tailored to student housing and the rents are much higher, due to this demand,” said Ara Kervandjian, managing member of Progress Development Group, which developed the property.

At the time of the construction of Limerock Court, there were more than 400 families on a waiting list for affordable housing.

“We needed to find housing for people who are working for and supporting the community and can’t find homes for their own families,” said Laura Northup, director of development for Mullin & Lonergan Associates Inc., a consulting firm that helped PDG with its funding application and is the property’s compliance manager.

The situation in State College isn’t unique. Northrup said it’s common to see families struggle to find housing near universities, because property owners can generate more income by renting to students. Those students typically rent individual rooms, allowing property owners to charge multiple renters for one house, rather than a family renting the apartment as a single household.

Limerock Court features 17 two-bedroom and 19 three-bedroom garden-style apartments. Rental homes were constructed as townhomes stacked above flats. Four are available to households earning 20 percent of the area median income (AMI), 15 are for households earning up to 50 percent of the AMI and 17 are open to households earning up to 60 percent of the AMI.

Residents have private front and rear porches or balconies and have their own washer and dryer. There is a separate centrally located community center building with a large recreation area, kitchen and offices for supportive services and management teams.

“What impressed us with Limerock is that it’s workforce housing in an area where the demand is high,” said Brian A. Hudson Sr., Pennsylvania Housing and Finance Agency’s executive director and CEO. PHFA awarded the LIHTCs and PennHOMES funding. “More importantly, the location is within easy access to downtown State college, the historic district, grocery shopping and transportation.”

Karen Welsh, president of UpStreet Architects Inc., said her team designed Limerock to be marketable and complementary.
to the surrounding neighborhood. “The site is on the edge of the historic community of Lemont and the materials and style were selected to reflect the community,” she said. Features and amenities were chosen for marketability, durability and efficiency in this large rental market. Visibly, it is a quality housing development. Operationally, it is affordable and efficient.”
Historic Area in Pennsylvania Gets Affordable Housing

York, Pa., has a new affordable housing option with George Street Commons—and it fits in with the historic downtown. “This development is within the historic district of York and adjacent to a [19th century] warehouse,” said Dave Uram, principal and co-founder of co-general partner Partnership for Income Restricted Housing Leadership LLC (PIPHL). “We wanted the development to blend within the context of the city. We respected the architectural history of York. It has a lot of Revolutionary War and Civil War-era buildings.”

Downtown York has been called an “architectural museum” because of the vast number of historically preserved buildings. Now it has George Street Commons, a 28-apartment mixed-use development funded largely by low-income housing tax credits (LIHTCs). The transit-oriented, mixed-use development provides two- and three-bedroom townhomes to residents earning 50 to 60 percent of the area median income (AMI). A small percentage of the rental homes will be available to residents earning 20 percent of the AMI and seven apartments will receive project-based Section 8 rental subsidy from the U.S. Department of Housing and Urban Development (HUD), allowing them to spend no more than 30 percent of their income on rent.

Uram said the size of the rental homes made George Street Commons particularly important. “There is a real need in the market for large family units,” he said. Uram said the area has few three-bedroom rental homes.

George Street Commons, which opened in October 2013, has an energy-efficient geothermal heat pump system, which is expected to reduce energy costs by 50 percent. The 1.3-acre site also has a 1,700-square-foot community center that houses the management office and supportive service space, where the local YMCA provides services. Those include on-site case management, budget counseling and financial management, parenting programming, and distance learning and continuing education opportunities.

Residents also have access to job readiness classes and employment and education classes offered by other local agencies.

Along with the townhouses, the development also features a 2,100-square-foot grocery store called Green Grocer, which will designate a portion of its space to fresh fruits and vegetables.

“This is the first time we’ve added an element like this into a deal,” said Larry Richardson, president and CEO of co-general partner Y Community Development Corporation (YCDC). “We are excited to see the result of this and the possibility of duplicating it in other developments.” Uram said there is a lack of healthy food options in the area and said this could help change the neighborhood.

One thing that didn’t change the neighborhood is George Street Commons’ design. The developers made sure it fit aesthetically within the historic city.
Photos: Courtesy of PIRHL, LLC
Affordable Apartments Diversify Housing Stock in Columbia, S.C.

The capital city of South Carolina is home to the state university, a large number of high-tech startup companies and high real estate prices. To provide more affordable housing to the growing population of Columbia, S.C., the Carlisle Development Group opened Arcadia Park Apartments, a low-income housing tax credit (LIHTC) development near Decker Boulevard, Richland County’s international corridor.

Decker Boulevard is lined by global restaurants, bakeries and shops. Three miles away is Sesquicentennial State Park, with 1,400 acres of forestland, camping sights and nature trails.

"Among other benefits, Arcadia Park will help make it possible for residents to live closer to where they work, reducing travel time and road congestion," said Laura Nicholson, development director at South Carolina State Housing Finance and Development Authority. The downtown region and the University of South Carolina are both within a 20-minute drive from Arcadia Park. That’s important in a region that has grown fast, with 130,000 people living within the city limits and more than 700,000 residing in the surrounding area.

Arcadia Park is LEED-certified and features 60 garden-style rental homes for residents earning up to 50 percent or 60 percent of the area median income (AMI). Each apartment has central air conditioning, ceiling fans, Energy Star appliances, washer and dryer hookups, storage space and a dedicated computer nook. The overall property includes a community club house, leasing office, computer room, exercise room, laundry facilities, gazebo and a playground, with outdoor exercise stations scattered along a walking path that runs through the property. It was fully preleased before the residents moved in in 2013 and there was a two-year waiting list.

“You can imagine a tenant who’s been living in the area [with high market-rate housing] and suddenly discovering this great value,” said Ken Naylor, chief operating officer of Miami-based Carlisle Development Group.

Arcadia Park experienced little opposition during its development. “It was a concept that sold itself because people understood the need for quality affordable housing,” Naylor said. The development was Carlisle’s first affordable housing community in South Carolina.

“Arcadia Park is structured with low leverage and conservative rents, which allows the project to downside well and be resilient to changes in the market and economy through the 15-year compliance period,” said John Lisella III, vice president of U.S. Bancorp Community Development Corporation. “The starting rents offered a nice competitive advantage to the rental comps.”

**LEAD DEVELOPER**
CARLISLE DEVELOPMENT GROUP

**CONGRESSIONAL DISTRICT**
SOUTH CAROLINA 6TH

**CATEGORY**
FAMILIES, GREEN DEVELOPMENT

**RENTAL HOMES**
60

**FINANCING**
- $8.5 million LIHTC allocation from SC Housing
- $8 million LIHTC equity from U.S. Bank
- $700,000 permanent loan from U.S. Bank
- $525,000 in HOME loans

Novogradac & Company LLP
Texas Nonprofit Builds Dream Development

A nonprofit in Austin, Texas, got a chance to build its dream development, a multifamily rental housing property that has ample classroom and child care space for its emphasis on learning and building financial stability for its residents.

M Station opened in 2012. Thanks to an allocation of low-income housing tax credits (LIHTCs), Foundation Communities built its first ground-up community in a decade—opening with a community day care center and adult learning center, all located near public transit. Through its combination of services, M Station helps 150 families become self-sufficient.

“It’s wonderful to be able to build from scratch a really big learning center,” said Walter Moreau, Foundation communities’ executive director. “It’s the excitement of having something new and being able to build exactly what you want.”

The property is geared toward families with children, consisting of one-, two- and three-bedroom rental homes. Fifteen are for families with extremely low incomes, including those who have experienced homelessness; 120 are for lower-income working families; and 15 are market-rate units. In addition, 14 apartments are accessible to people with mobility disabilities and three are accessible for those with visual and/or hearing issues.

“It’s wonderful to be able to build from scratch a really big learning center.”

Each rental home features an additional room that residents can use as a playroom or an office and all apartments include Energy Star appliances, washing machine and dryer connections, 9-foot ceilings and ceiling fans. The building also has an on-site clothes care center, covered bike parking, a computer lab, a community learning center, sports court, play area and day care center. “We really tried to think of amenities and services for families with children [and] we are very proud to have achieved LEED Platinum green rating,” Moreau said.

There are plenty of residential services, including an 18-month program that helps families transition out of homelessness and develop life skills. There are also classes for 30 adult students who haven’t previously attended college. “They have so many programs and services that help people become self-sufficient,” said David Potter, Austin’s housing development manager. “They’ve got a whole variety of services that help their residents move up or improve their situations.”

The Open Door Preschool also operates a day care center, preschool and after-school program for elementary school children. Foundation Communities provides the space in exchange for $5,000 a month in scholarships that it then distributes to families in the building who might not otherwise be able to afford it.

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<td>RENTAL HOMES</td>
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FINANCING
- $13.5 million construction loan from Bank of America Merrill Lynch
- $13.2 million LIHTC equity from Bank of America Merrill Lynch
- $4.9 million permanent loan from Bank of America Merrill Lynch
- $2 million in general obligation bonds from city of Austin
- $1.5 grant from Home Loan Bank of San Francisco
- $1 million from NeighborWorks
- $1 million from Foundation Communities through private fundraising.
Dallas Senior Apartments Prove Popular

In keeping with a Texas stereotype, they do senior housing big in Dallas. The Hillside West senior apartments, which opened in 2013, were immediately at close to 100 percent occupancy. They were the second low-income housing tax credit (LIHTC) property by GroundFloor Development in Dallas’ Canyon in Oak Cliff community to do that.

“Dallas is the ninth-largest city in the country and there is a tremendous demand for new, high-quality affordable housing,” said Brandon Bolin, founder and CEO of GroundFloor Development. “Both Hillside West Apartments and Taylors Farm Apartments [another GroundFloor property] ... are 98 percent leased.”

Hillside West is for residents 62 and older who earn 60 percent of the area median income (AMI) or less. The development is 4 miles west of Dallas and features 58 one-bedroom and 72 two-bedroom apartments. Part of the attraction of Hillside West is a need for affordable senior housing, but another is the attractive amenities. The 100,000-plus-square-foot development includes a clubhouse with a dining area, activities area, a swimming pull with sundeck and seating, an outdoor barbecue area, a fitness center and a business center with computers. There is also an herb garden, dog run and access to the neighborhoods hiking and bike paths.

In addition, there are social services, with access to notary services, basic adult education classes, computer skills classes, counseling, health and nutrition courses and health screenings.

“Hillside West Apartments does more than just provide Dallas with additional affordable seniors housing stock,” said Bolin.

The complex is also appealing. “If you design very attractive housing with good urban form, substantial landscaping and do not skimp on the cost of sustainability components, then we know from prior experience in the market-rate segment that people will want to live there and be proud of their home,” Bolin said.

With concern for the residents, there are few steps in the development. Instead, the architect designed gradual slopes, which make it easier for senior residents to maneuver. “When I looked at the master plan, I got very excited ... We tried to adhere to the goals of the master plan, which were a little more urban and pedestrian,” said Rick Garza, principal at RPGA Design Group, the architect.

The plan in the neighborhood goes beyond Hillside West. The Canyon in Oak Cliff development is a 200-acre, mixed-used development with residential housing developments, retail, entertainment, restaurants, office space and medical facilities. The master plan is scheduled to be complete by 2020.

Hillside West is the second development completed and its popularity bodes well for the rest of it.
Growing Utah Town Gains Affordable Senior Housing

Midvale, Utah, saw its economy transition to that of a wealthier community—which presented a problem for those who spent their lives working in the formerly blue-collar community. Enter Tuscany Villas Apartments, an affordable senior housing complex that’s part of a 160-acre master-planned community at a former Superfund cleanup site.

“This particular project helps ensure that as Midvale transforms from a blue-collar community with ore-smelting roots to a white-collar business town and destination bedroom community, affordable housing opportunities are preserved for the very retirees who helped build this community,” said Steve Graham, president of Utah Community Reinvestment Corporation (UCRC).

The apartments, which opened in 2012, are the fourth property completed in Bingham Junction, a transit-oriented development. An affordable multifamily community and two market-rate luxury apartment communities preceded it. “We felt that a senior community would be a great complement to the rest of the communities we have in place there,” said Kipling S. Sheppard, president and CEO of developer Wasatch Advantage Group (WAG).

The development’s 76 rental homes are reserved for residents 55 and older who earn 50 percent or less of the area median income. Five apartments are accessible, five are for people transitioning out of homelessness and another five are set aside for people with mental disabilities. Amenities include an outdoor hot tub, a business center, a fitness center and a community room with a full kitchen where residents can host events. The development received $8 million in low-income housing tax credit (LIHTC) equity toward its $10.5 million price tag.

The development quickly filled up and some immediately wrote letters to Wasatch Advantage Group’s property management team to express how comfortable and secure they feel in their new home. “Most of the residents have called it their own personal five-star hotel,” said property manager Clark Hunt. “They can get more of a value for their dollar here and we’re close to public transportation.”

The development is just steps away from a light-rail station and a full-service grocery store. More retail, office and housing components are still to come at Bingham Junction, according to Sheppard.

<table>
<thead>
<tr>
<th>LEAD DEVELOPER</th>
<th>WASATCH ADVANTAGE GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>CATEGORY</td>
<td>SENIORS, RESIDENTS WITH SPECIAL NEEDS, HOMELESS</td>
</tr>
<tr>
<td>RENTAL HOMES</td>
<td>76</td>
</tr>
<tr>
<td>FINANCING</td>
<td>• $8 million in LIHTC equity from JPMorgan Chase, syndicated by Red Stone Equity Partners</td>
</tr>
<tr>
<td></td>
<td>• $2.5 million in permanent financing from Utah Community Reinvestment Corporation</td>
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</tbody>
</table>

Congressional District: Utah 4th
Photos: Courtesy of Wasatch Advantage Group LLC
Utah Housing Success Brings Phase II

When the first phase of The Station at Pleasant View was completed in Pleasant View, Utah, there was an obvious next step: the second phase.

The Station at Pleasant View II, which duplicated the first stage’s 72 affordable rental homes financed by low-income housing tax credits (LIHTCs), opened in early 2015, providing not only housing, but plenty of amenities. It offers a computer office, a laundry facility, an outdoor playground, a gazebo and barbecue area, a sports court and raised vegetable gardens, as well as a clubhouse with a large gathering area.

“We wanted to build a high-quality product,” said Kirt Peterson, co-owner of Horizon Development and Management LLC, which developed the property. “One, it makes for a better product. And two, it lowers the costs of utilities and makes the rents more affordable to tenants.”

The Station at Pleasant View II has rental homes for residents earning between 25 and 50 percent of the area median income (AMI) in 18 four-plexes, with a combination of two-, three- and four-bedroom apartments. There are 28 two-bedroom, 35 three-bedroom and nine four-bedroom apartments, with nine rental homes fully accessible, seven reserved for residents who have experienced domestic violence and five set aside for homeless or near-homeless individuals.

Apartments have Energy Star-rated appliances, additional insulation and energy-efficient lighting and low-flow irrigation throughout the property. Each rental home also features 10-foot ceilings, ceramic tile flooring, patios and sound barriers so residents can enjoy quieter living experiences.

LIHTCs were the primary financial tool, with nearly $11 million in tax credit equity out of the $16.5 million development costs.

The success of the first phase of The Station at Pleasant Valley allowed for an easier time with the investment for the second phase, according to Steven Graham, Utah Community Reinvestment Corporation president, which provided both a permanent loan and bridge loan.

“We wanted to build a high-quality product. One, it makes for a better product. And two, it lowers the costs of utilities and makes the rents more affordable to tenants.”

“Normally, for Kirt [Peterson] to get money from a perm lender, he would have to have the whole project rented out,” Graham said. “We would then release all of the money at once and he would use that to pay off the construction lender.” Instead, Horizon was able to eliminate the need for a construction lender due to the money available from UCRC.

With the success of both phases of The Station at Pleasant View, low-income residents in that Utah city now have 144 more rental homes. Success built upon success.
Utah Program Uses LIHTCs to Assist Ownership

Three homes in Roosevelt, Utah, are giving residents a chance to achieve homeownership through a state program that uses low-income housing tax credits (LIHTCs). It led to the sale of 87 homes in the state, generating more than $2 million toward future affordable housing in Utah.

The Utah Housing Corporation offers the CRedits to OWN (CROWN) program. Under the CROWN program, residents renting a home at the end of the 15-year LIHTC compliance period have the right of first refusal to purchase the home for the balance of the remaining debt and a partial return of tax credit equity, according to Susan Van Arsdell, Utah Housing’s vice president. Residents earn equity for each year they occupy the home and their rental payments reduce the debt. Because of that, said Cindy Warren, the executive director of the Roosevelt City Housing Authority (RCHA), “these tenants will get their home well below market-rate.”

The homes in Roosevelt, known collectively as Kings Peak, are for residents earning 56 percent of the area median income (AMI) or less. Each is a four-bedroom, two-bath home built on 1 acre, which is typical for the rural Utah community. Each has a two-car garage and landscaped front and back yards. There is a brick and vinyl siding on the exterior of the Energy Star-certified homes, with state-of-the-art dishwashers, refrigerators, stoves and ovens, and air conditioners.

Warren said that residents are responsible for maintaining and repairing their homes, which is different than a typical rental household. The purpose is to teach renters more about the responsibilities of homeownership, which is a goal of the CROWN program.

The homes were built on previously vacant plots of land. According to Warren, residents of nearby homes said “I never would have thought that was low-income housing.”

The homes cost about $200,000 to build, and nearly $150,000 of that was provided with LIHTC equity. Utah Housing also provided a $42,000 permanent loan to each house. When the home is sold, proceeds partially return the tax credit equity, which is applied to the CROWN Community Fund. That fund is used to finance the construction of other affordable housing. Kings Peak benefitted from about $30,000 in proceeds from the sale of previous CROWN homes.

The tax credit equity that was used to lower the debt also enabled RCHA to charge lower rental rates, which made the homes affordable to some of Roosevelt’s lowest income-earners, according to Utah Housing. These homes, which were leased up by April 2014, brought the total to six CROWN homes in Roosevelt and more than 300 statewide. So far, 87 have been sold, generating the $2.26 million in funds for further affordable housing. “Our co-development partners tell us the CROWN program is successful because it fills a need: families need assistance to transition to homeownership,” said Van Arsdell. “When you open the door to homeownership, you open the door to opportunity.”

**LEAD DEVELOPER**

UTAH HOUSING

**CONGRESSIONAL DISTRICT**

UTAH 1ST

**CATEGORY**

SINGLE-FAMILY, FAMILIES, GREEN DEVELOPMENT, RURAL

**RENTAL HOMES**

3

**FINANCING**

- Roughly $490,400 LIHTC allocation from the Utah Housing Corporation for the construction of all three homes, or roughly $163,400 per home
- Each house received roughly $148,500 in LIHTC equity financing
- $42,000 permanent loan to each home from the Utah Housing Corporation
- Roughly $30,000 in proceeds from the sale of previous CROWN homes went toward the development of Kings Peak
- $10,000 in deferred loans to each home from RCHA
Salt Lake City Workers Get ‘Providential’ Help from LIHTC Property

For some Salt Lake City residents, the Providence Place Apartments are aptly named. The seven-story property provides housing for people who earn too much for most of the downtown area’s affordable properties, but not enough to afford market-rate housing. It’s a godsend in a tough housing market.

That’s not all: Providence Place Apartments was delayed by high costs, and then made possible by a combination of suddenly affordable prices and the availability of funds—including low-income housing tax credits (LIHTCS). The result? Workforce housing within walking distance of jobs and transportation in the nation’s 48th-largest metropolitan area.

“Other than housing, for most low-income people, one of the largest costs is commuting to their job,” said Rachel Diller, vice president at Goldman Sachs Urban Investment Group (UIG), which supplied the LIHTC equity. “Now residents can take the streetcar or walk downtown.”

The developers combined the federal LIHTC equity with federal stimulus funds, Tax Credit Assistance Program (TCAP) money and other resources to create a community for residents making 60 percent or less of the area mean income (AMI). That’s not enough to afford most downtown Salt Lake City apartments, but too much to meet the target of 40-percent-or-less target for most of the city’s affordable housing.

The development opened in January 2012. The Wasatch Advantage Group actually received tax-exempt bond allocation and city housing trust funds in 2006, but was stalled by high development costs. Executives considered other options for the land, which is on the east side of Salt Lake City’s downtown, an area scheduled for major commercial real estate development. Instead, they stayed the course. “When we had the opportunities to sell the land or go market rate, we just didn’t feel that was the best use for the property,” said Kipling S. Sheppard, the president and CEO of Wasatch Advantage Group. “We felt strongly that workforce housing was needed to support the massive redevelopment that’s taking place in downtown Salt Lake City.”

A block east of Providence Place is a 23-acre mixed-use development with an upscale shopping center called City Creek Center. It is the largest component of the city’s redevelopment efforts and opened a few months after Providence Place, with 80 new retailers and the expectation that it would create about 2,000 jobs.

The $18.7 million Providence Place, which is one of downtown Salt Lake City’s largest developments, includes a clubhouse, business center, fitness center, open-air atrium and two stories of dedicated parking. It was leased almost immediately, affirming the developer’s hunch.

“[Providence Place is] providing critical workforce housing to people who would otherwise be priced out of that neighborhood,” said Diller. “And it’s going to have a multiplier effect on the surrounding neighborhoods.”

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**LEAD DEVELOPER**

**CATEGORY**

**CONGRESSIONAL DISTRICT**

**RENTAL HOMES**

**UPDATE**

**CITY CREEK CENTER OPENED IN 2012 AND HAS MORE THAN 100 STORES, 300 CONDOS AND APARTMENTS, AND A HOTEL. IT PROVIDED THE PROMISED 2,000 JOBS.**

**FINANCING**

- $9.8 million in tax-exempt bonds with credit enhancement from HUD
- $5 million in 4 percent LIHTC equity by Goldman Sachs Urban Investment Group
- $2 million tax credit assistant program funds from Utah Housing Corporation
- Unspecified financing from the Olene Walker Housing Loan Program and Salt Lake City Housing Trust Fund
Photos: Courtesy of Wasatch Advantage Group
Historic Housing in Vermont Gets LIHTC Boost

Historic Bennington, Vt., got a boost to its affordable housing stock with the opening of the Roaring Branch Apartments in 2012. The dual-site development consists of seven new duplex buildings on North Branch Street and the redevelopment of three buildings into 12 apartments on Benmont Avenue, about a mile away. The result is 26 affordable rental homes financed with the low-income housing tax credit (LIHTC).

“There are an alarming number of people in Bennington who pay more than 50 percent of their income for rent,” said John Broderick, executive director of Regional Affordable Housing Corporation, the local developer. “The rental stock had deteriorated [in Bennington], but bringing 26 rental homes that are brand new and newly rehabilitated helps upgrade the whole market.”

It was crucial for Roaring Branch to be located within the town limits due to local sensitivity about sprawl and expansion into farmland, and developers found a vacant lot and former logging area near the outskirts of town that still had access to water and sewer lines. That became the North Branch Street site of Roaring Branch.

RAHC and Housing Vermont built duplexes, rather than multifamily buildings, to better integrate with the surrounding homes. “Our design was based on what was existing,” said Broderick. “We did so in a way that will help encourage reinvestment in the rest of the neighborhood.”

That site consists of seven farmhouse-style duplexes, each with its own entrance, parking and yard. About a mile away on Benmont Avenue is the rest of the development: three National Register Historic District buildings, built in the mid-19th century as tenement housing for workers of a nearby mill which produced everything from paisley shawls and cotton underwear to knitting needles and gunpowder machinery. “This project represents the transformation at the Benmont site of what was workforce housing in 1965 to what is workforce housing today,” said Housing Vermont vice president for asset management and partner relations Kenn Sassorossi.

Since the development received federal historic rehabilitation tax credits (HTCs), renovations adhered to preservation standards. The redevelopment expanded the square footage of the homes by increasing the second floor toward the back of the building by about 15 feet. Developers also added new washer and dryer hookups.

“We were able to restore some of the earliest buildings constructed in Bennington to their original beauty and charm and at the same time, expand the housing stock with attractive, energy-efficient buildings that would serve residents for posterity,” said Broderick.

Both sites were fully occupied within four months of competition.
Photos: Courtesy of Mary Claire Carroll
LIHTCs Preserve Affordable Homes in Pricey Fairfax County, Va.

One of the nation’s wealthiest areas saw 50 affordable rental homes for working families preserved, thanks to low-income housing tax credits (LIHTCs).

In Fairfax County, Va., the Community Preservation and Development Corporation renovated 54 rental homes for working families, wrapping up work on West Wood Oaks in 2012. Fairfax County is one of the wealthiest counties in America, which means local lower-income workers often must live an hour or more commute away. “The price of housing near job centers is typically pretty high,” said Christopher LoPiano, senior vice president of real estate at CPDC, which led the preservation of West Wood Oaks. “This is a property that you can live at and walk to work.”

The complex, then known as Suburbia Fairfax Apartments, was built in the mid-1960s with money from the Federal Housing Administration (FHA) Section 236 mortgage program. CPDC acquired the apartment complex in 1996 through a program to preserve affordable housing. Some immediate repairs were made, but by 2010, the property showed its age and needed recapitalization.

In addition to aging HVAC systems, the brick buildings still had their original kitchens and bathrooms, with no apartments accessible to those with mobility issues. CPDC worked with its architects to design renovations and then used LIHTCs to finance them. The result was a $6.6 million renovation that averaged about $60,000 per apartment.

“This was a great opportunity to preserve affordable housing in Fairfax County,” said Stephen Smith, vice president of syndication and origination at Enterprise, an investor in the LIHTCs and holder of the permanent loan. “If not preserved as affordable, properties like this would not be available for low-income families.”

Renovations included improvements to rental homes and the building, and construction of a community center. The apartments received new bathrooms and tub surrounds, vanities and flooring; upgraded kitchens with new flooring, cabinets and appliances; refinished hardwood floors in living rooms and bedrooms; new paint and new light fixtures. The HVAC units were replaced with a high-efficiency system.

The design of the building was also changed. Several more two-bedroom rental homes and accessible apartments were created and the first floor of each building got new laundry rooms. There is now a community clubhouse and outdoor amenities.

The development includes 10 one-bedroom and 44 two-bedroom rental homes. Six of them meet universal design standards for people with disabilities. Of the 54 rental homes, 39 are for families earning no more than 50 percent of the area median income (AMI), three apartments are for those earning 51 percent to 80 percent of the AMI, and 12 are for families earning 80 to 95 percent of the AMI.

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**LEAD DEVELOPER**
THE COMMUNITY PRESERVATION AND DEVELOPMENT CORPORATION

**CATEGORY**
FAMILIES, PRESERVING EXISTING AFFORDABLE, GREEN DEVELOPMENT, RESIDENTS WITH SPECIAL NEEDS

**RENTAL HOMES**
54

**FINANCING**
- $3.9 construction loan from Virginia Community Capital converted to a $2.9 million permanent loan from Enterprise Community Partners
- $2.8 million in LIHTC equity from Enterprise Community Investment Inc.
Photos: Courtesy of Eric Taylor
LIHTCs Help Fund Affordable Housing for Disabled in Virginia

Phelps Road Place Apartments in Madison Heights, Va., serves a crucial need—it’s affordable housing that accommodates people with disabilities. “There is a need in this community for more units catering to the needs of disabled people,” said Ron Mittelman, owner of Locust Hill Consulting Services LLC, which developed Phelps Road Place Apartments. “I thought that I could build an entire building for people [with disabilities] and their families.”

Phelps Road Place Apartments opened in 2013 with eight one-bedroom apartments, 12 two-bedroom apartments and two three-bedroom rental homes. Of the 22 apartments, 11 adhere to the Uniform Federal Accessibility Standards (UFAS), which ensure that buildings are designed and built to be accessible. The other 11 rental homes follow Universal Design standards, which set looser accessibility regulations.

Each apartment has roll-in showers, roll-under sinks, lowered cabinets and public areas that include many features that adhere to regulations set forth by the Americans with Disabilities Act (ADA). The entire building is available to families earning at or below 50 percent of the area median income (AMI).

The building’s sustainable features helped it also earn a small allocation of renewable energy investment tax credits (ITCs). It’s 25 percent more efficient than the Interactional Energy Conservation Code Requirements and uses geothermal heating and air conditioning systems. That saves about 30 percent on HVAC bills.

Mittelman applied for and received low-income housing tax credits in 2008, but problems finding the site and the Great Recession forced him to return the credits and reapply in 2011. He again got the credits and built Phelps Place Apartments, partnering with Lynchburg Community Action Group, a local nonprofit that will purchase the development from Mittelman after the 15-year compliance period.

“This is the type of development that we are proud to be a part of because of the need it fulfills in the community,” said Jim Chandler, director of Virginia Housing Development Authority (VHDA), which administered the federal LIHTCs.

“[Phelps Road Place Apartments] really had a specific purpose,” said Michael Murray, senior vice president of acquisitions for investor City Real Estate Advisors (CREA). “What this development was doing for the community made us really excited about the projects.”

**LEAD DEVELOPER**
LOCUST HILL CONSULTING SERVICES LLC

**CATEGORY**
RESIDENTS WITH DISABILITIES, FAMILIES, GREEN DEVELOPMENT, RURAL

**FINANCING**
- $3 million LIHTC and energy ITC equity investment from City Real Estate Advisors (CREA)
- $2.1 million construction loan from StellarOne
- $700,000 in HOME Funds from Virginia Department of Housing and Community Development
- $154,000 in soft funding from Federal Home Loan Bank of Atlanta
- $125,000 loan from Virginia Housing Development Association through Sponsoring Partnerships and Revitalizing Communities (SPARC) program
LIHTC Development Diversifies Housing in High-Income Area

Affordable housing came to a wealthy city in Virginia, despite the expectation that it wasn’t needed. Then Brook Creek Crossings Apartments— in Midlothian, Va.—was completely occupied within a month of its opening in 2014 and had an immediate 50-household waiting list.

“The biggest point about this project is the fact that there’s nothing like it nearby,” said Adam Oates, group vice president of SunTrust Community Capital, which contributed a construction loan of $9.4 million and a $7.6 million investment in low-income housing tax credits (LIHTCs). “Being able to provide some quality affordable housing in this neighborhood really fills a need.”

Midlothian was ranked among the “10 Perfect Suburbs” by CNBC in 2011, just before the construction of the Brook Creek Crossings Apartments. The city is 15 miles south of Richmond in Chesterfield County, one of the wealthiest counties in the state, with a low unemployment rate and higher-than-average median income. In fact, at the time of construction, the poverty rate in the county was 6.4 percent (compared to the state’s 11.1 percent) and the median household income was $72,363 (compared to the state’s $63,636).

The absence of affordable housing was disguised by the fact that many local workers commuted into Midlothian to work—a fact reflected by the fact that housing market studies had shown little or no demand for affordable housing in town. “Market studies say there’s no demand, but it’s because there’s no supply,” said Chris Dischinger, CEO of LDG Development, pointing out that in the retail and service industries, many workers commute from outside the city to their jobs.

The three-story Brook Creek Crossings Apartments revealed the need and at least partially filled it. In applying for the LIHTCs, LDG Development received a 25-point boost from the state allocation committee for building in a census tract that had a poverty level of less than 10 percent. Only four applications in the Richmond funding pool were awarded LIHTCs and Brook Creek Crossings made the cut by six points. “It’s a new development in an area where there was no affordable housing,” said Jim Chandler, the director of LIHTC programs at the Virginia Housing Development Authority (VHDA). “That’s certainly something that the VHDA is trying to encourage: new developments and new units where there is a need for affordable housing.”

Oates said Brooks Creek Crossing Apartments helps diversify the surrounding neighborhood’s housing stock, which includes market-rate single-family homes, condominiums and town homes. Proposing the apartments in the high-income neighborhood whether there was previously no affordable

<table>
<thead>
<tr>
<th>LEAD DEVELOPER</th>
<th>LDG DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>CATEGORY</td>
<td>FAMILIES, GREEN DEVELOPMENT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONGRESSIONAL DISTRICT</th>
<th>VIRGINIA 8TH</th>
</tr>
</thead>
<tbody>
<tr>
<td>CATEGORY</td>
<td>RENTAL HOMES</td>
</tr>
<tr>
<td>70</td>
<td></td>
</tr>
</tbody>
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FINANCING

- $9.4 million construction loan from SunTrust Community Capital
- $7.6 million in LIHTC equity from SunTrust Community Capital
- $7.4 million in 9 percent low-income housing tax credits (LIHTCs) allocated by the Virginia Housing Development Authority (VHDA)
- $3.9 million permanent loan from VHDA
housing developments was a challenge. Dischinger said that the surrounding neighborhood’s homeowners association was “nervous” about the development and how it could potentially affect home values. But he said the community and planning officials helped gather support for the apartments and made sure that the design of the development fit in with the rest of the neighborhood.

The rental homes at Brook Creek Crossings Apartments range from 770 square feet to 1,136 square feet. All apartments feature EarthCraft certification, the Southeast’s standard for green building. All ground-floor rental homes meet fair housing accessibility guidelines. There are one-, two- and three-bedroom apartments, each with its own dishwasher, refrigerator, stove and microwave. The community amenities include a swimming pool, club house, playground, fitness center and business center with complimentary Wi-Fi on all computers.

The development is also just a mile away from nationally recognized Midlothian High School and Westchester Commons Mall. There is a pharmacy and convenient grocery stores within walking distance. It also has easy access to Route 288 and the Midlothian Turnpike, making it not only affordable, but transportation-friendly.

It provides an oasis of affordable housing in an area that was previously a desert. “The big picture is that we’re providing affordable housing for residents in the Midlothian area, which is usually unaffordable,” said Dischinger. “We’re bringing housing to where people work.”
Virgin Islands Kick-Start LIHTC Developments

The combination of high expenses and severe weather makes it difficult to build anything, particularly affordable housing, on the U.S. Virgin Islands. But thanks to the low-income housing tax credit (LIHTC) and a determined housing authority, Louis E. Brown Villas I offer housing to families earning a maximum of 60 percent of the area median income (AMI).

The former public housing development suffered the effect of multiple hurricanes, starting with category 5 Hurricane Hugo in 1989, which rendered most of the Louis E. Brown Villas buildings uninhabitable. Finally, after a long dry spell, the new Louis E. Brown Villas opened in 2011, with the completion of the first phase of construction.

The only resources available to build affordable housing are tax credits.

Even that came with some drama. “During the first eight months of construction, we had four tropical storms and three hurricanes,” said Marvin Wilmoth, regional director of Carlisle Development Group, the property’s developer. “I’ve heard horror stories about developments [in the Virgin Islands] not being completed and closing timelines getting extended.”

Logistical complications make it even more difficult. Utility costs are about four times what they are on the mainland and most raw materials aren’t available and must be imported. That combination and the high cost of development limit the amount of funding available. “The only resources available to build affordable housing are tax credits,” said Robert Graham, executive director of the Virgin Islands Housing Authority (VIHA).

Eventually, the development will encompass 27 buildings with 244 affordable apartments for both families and seniors. With 4,000 names on its affordable housing waiting list, VIHA was pleased with the development.

“We’re embarking on an aggressive production of affordable housing in the Virgin Islands,” Graham said. “As we succeed and get funding for one, we’re moving on to the next one.” Several other LIHTC developments have been completed since Louis E. Brown Villas I was finished, including two developments financed with the 2014 LIHTC allocation.

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**LEAD DEVELOPER**
Carlisle Development Group

**CONGRESSIONAL DISTRICT**
U.S. Virgin Islands At-Large

**CATEGORY**
Families, Seniors, Green Development

**RENTAL HOMES**
101

**FINANCING**

- $30 million LIHTC equity from Raymond James Tax Credit Funds
- Other funding from HUD programs
Transit-Oriented Property Gives Workers a Home in Seattle

Mercy Housing Northwest’s first affordable housing development in Seattle, where it has its headquarters, has nearly everything: Columbia City Station Apartments in the Rainer Vista redevelopment is close to a light rail station and has easy access to amenities and supportive systems.

“The combination of a large-scale redevelopment with the new light rail gave us more than just a good site,” said Bill Rumpf, president of Mercy Housing Northwest. “By the time we came in, all of these great pieces were in place.” That meant the 52-apartment low-income housing tax credit (LIHTC) property was a popular choice from when it opened in 2012, filling up quickly.

Mercy Housing Northwest has operated out of Seattle for two decades, but this was the first property in its hometown. “In Seattle, the rents are a lot more expensive than they are outside the city,” said Sibyl Glasby, Mercy Housing Northwest’s associate director of real estate development. She said that many of Columbia City Station Apartments’ tenants relocated from outlying areas. “This enabled them to move closer to their jobs,” she said.

The rental homes, which are available to households earning up to 60 percent of the area median income (AMI), were constructed with several site-specific factors in mind. Zoning density requirements were more restrictive on the north side of the property, so the developer placed the two-bedroom rental homes on the south end of the building, which is four stories tall.

They were also built with an eye to universal design and energy conservation. People with limited mobility can access the building, which has level entrances, an elevator and doorways wide enough to meet Americans with Disabilities Act (ADA) requirements. Five rental homes are fully accessible.

Mercy Housing Northwest acquired the site from Rainer Vista’s master developer, the Seattle Housing Authority (SHA). “We were looking for a partner that could bring some density along the light rail and increase the affordable mix,” said Stephanie Van Dyke, executive director of SHA. “[Mercy Housing Northwest] came in with some great ideas for creating affordable workforce units and building a green building in a remarkably short period of time.”

Rainer Vista was constructed in the early 1940s as temporary housing for war workers and SHA began redeveloping the neighborhood in 1999 with a $35 million HOPE VI grant. All 434 of Rainer Vista’s affordable rental homes are in place and the remaining parcels were developed into market-rate housing.

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LEAD DEVELOPER
MERCY HOUSING NORTHWEST

CATEGORY
FAMILIES, RESIDENTS WITH SPECIAL NEEDS, GREEN DEVELOPMENT

RENTAL HOMES
52

FINANCING
• $3.9 million from city of Seattle Office of Housing
• $3.4 million in construction to permanent financing from U.S. Bank
• $2.9 million in LIHTC equity from Union Bank Community Development Finance division
• $2.8 million from Washington Works fund
On the Yakima Nation Reservation near Wapato, Wash., there is a significant housing need. Thanks to Adams View, it’s a little less than it used to be. “The supply and demand of affordable housing is a huge issue on the reservation, as it is on most reservations,” said Don Clem, Yakama Nation Housing Authority project manager. “We have about 1,350 applications representing over 8,000 individuals on lists for housing.”

That need decreased when Adams View opened in 2013. The 68 single-family homes were added to an existing 30-home development as a low-income housing tax credit (LIHTC) property.

The supply and demand of affordable housing is a huge issue on the reservation, as it is on most reservations. We have about 1,350 applications representing over 8,000 individuals on lists for housing.

For Yakama tribal members who live near Wapato, economic survival is a struggle. The unemployment rate when Adams View opened was more than 18 percent and 42 percent of residents lived below the poverty level in the previous year. “The income in the county generally isn’t enough to drive new market-rate housing,” said Alisa Luber, the senior project developer for Mercy Housing Northwest, who worked on Adams View.

Adams View homes, which are leased to households earning between 30 percent and 60 percent of the area median income (AMI), are built around an 11.3-acre center green. It has two basketball courts, bleachers, picnic tables and a 1-mile walking path that winds through the park and surrounding neighborhood. There’s also a conventional playground for toddlers and older children and a second “natural” play area with logs from Yakama Forest Products, a tribal enterprise.

Adams View was quickly 100 percent occupied. The homes are required to be rented for 15 years and then there are options for the tribe to continue renting the homes or to sell them. If the tribe decides to sell the homes, leasees have the option to purchase them if they meet certain requirements, which Clem said is crucial. “It’s important to have a start in a place that lets you prosper and grow,” he said.

The homes have six floor plans for one- or two-story rental homes. They include three or four bedrooms, two bathrooms, two-car garages and large patios. Adams View was designed so rental homes could accommodate extended families, with large gathering rooms that can accommodate groups of family or friends.

There is also energy-efficient green construction, Energy Star appliances, high-efficiency heating and cooling, cellulose insulation, fiberglass windows and doors, metal roofs and fire sprinkler systems.

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Photo: Courtesy of ARC Architects
LIHTCs Help Wyoming City Add Affordable Housing

Demand for affordable housing is nearly everywhere, even in the Cowboy State. Just ask residents of Juniper Ridge, an affordable multifamily housing development in Casper, Wyo., that opened in 2014 after being financed with low-income housing tax credits (LIHTCs).

“Demand for housing in Casper has been pretty high for a number of years and it slowly keeps getting worse,” said Connie Baker Wolfe, interim executive director for nonprofit developer Wyoming Housing Network. “There is even more demand for decent, affordable rental housing. And it’s not just in Casper; it’s across the entire state.”

Juniper Ridge is the second affordable housing property in Casper owned and managed by WHN, following a 127-apartment complex called Spring Hill Apartments. “The lengthy waiting list and lack of affordable units in town prompted WHN to develop [Juniper Ridge],” said Baker Wolfe.

Juniper Ridge features eight one-bedroom, 24 two-bedroom and 23 three-bedroom apartments for residents earning less than 50 percent of the area median income (AMI), with one home reserved for an on-site manager. Nine rental homes are accessible to residents with disabilities.

Juniper Ridge is made up of three buildings on a 3-acre lot, with a 1,200-square-foot community room with a television, kitchen and a number of seating areas; a manager’s office; an outdoor children’s play area with a playground; a picnic area and gazebo; and walking paths. Rental homes are equipped with Energy Star-rated appliances, including low-flow toilets and shower heads as well as efficient electric furnaces, dishwashers, microwaves, refrigerators, garbage disposals, stoves, self-cleaning ovens and washing machines and dryers.

The $9.8 million development received more than $7 million in LIHTC equity from PNC Real Estate. The development was completed in three phases, with the first building completed and ready for occupancy in November 2013. The next two buildings were completed in the next three months.

“There is an overwhelming need for affordable housing in this community,” said Nate Richmond, president of BlueLine Development. “This provided much-needed affordable housing,” said Matthew Harrington, vice president of originations at PNC Real Estate. “This was a new construction project in an area that is growing on the east side of Casper. It’s a great addition to the community.”

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<th>LEAD DEVELOPER</th>
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<td>CATEGORY</td>
<td>FAMILIES, RESIDENTS WITH DISABILITIES, GREEN DEVELOPMENT</td>
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<td>RENTAL HOMES</td>
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<td>FINANCING</td>
<td>$7.7 million low-income housing tax credit (LIHTC) allocation from the Wyoming Community Development Authority</td>
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<td>More than $7 million in LIHTC equity from PNC Real Estate</td>
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<td>$5.4 million bridge loan from PNC Real Estate</td>
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<td>$1.15 million permanent loan from Hilltop National Bank</td>
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<td>$840,000 in U.S. Department of Housing and Urban Development (HUD) HOME funds from the Wyoming Community Development Authority</td>
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<td>$10,000 contribution from the city of Casper</td>
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For More Information

*Low Income Housing Tax Credit: Assessment of Program Performance & Comparison to Other Federal Affordable Rental Housing Subsidies*, a study commissioned by the Housing Advisory Group (HAG) and authored by Novogradac and Company LLP, finds that low-income housing tax credit (LIHTC)-financed properties have a remarkable track record, particularly when compared to the performance of other federal government subsidies of affordable rental housing. The study’s findings substantiate the strength of the LIHTC; with its 25-year track record, the LIHTC stands out as a model of how the tax code can and does, very efficiently, benefit society. [http://www.novoco.com/products/special_report_lihtc.php](http://www.novoco.com/products/special_report_lihtc.php)

*Affordable Rental Housing After Tax Reform: Calculating Corporate Tax Reform’s Possible Effects on Equity Raised from Low-Income Housing Tax Credits*, an analysis released by Novogradac & Company LLP, considers the effects of corporate tax reform and how the resulting changes to the tax code will affect the amount of equity that can be raised from the low-income housing tax credit (LIHTC). [http://www.novoco.com/products/special_reports/novogradac_affordable-rental-housing_tax-reform.pdf](http://www.novoco.com/products/special_reports/novogradac_affordable-rental-housing_tax-reform.pdf)


“Small Ways to Make a Big Difference,” By Michael J. Novogradac, CPA, in the May 2015 Novogradac Journal of Tax Credits, considers - in the spirit of taking the opportunity presented by tax reform as a chance to perfect beneficial tools - discusses ways the tax code could be honed to expand the usefulness of the LIHTC. [http://www.novoco.com/journal/2015/05/news_ww_201505.php](http://www.novoco.com/journal/2015/05/news_ww_201505.php)

To learn more about the LIHTC, contact Peter Lawrence at 202-739-0882 or peter.lawrence@novoco.com, or Michael J. Novogradac, CPA, at 415-356-8000 or michael.novogradac@novoco.com.
About Novogradac & Company LLP

Novogradac & Company LLP is a national certified public accounting and consulting firm headquartered in San Francisco, with offices in Walnut Creek and Long Beach, Calif.; Dover, Columbus and Cleveland, Ohio; St. Louis; Boston; New York; Chicago; Austin, Texas; Portland, Ore.; Naples, Fla., and the greater metropolitan areas of Philadelphia; Washington, D.C.; Atlanta; Detroit; Kansas City, Mo.; and Seattle. The firm maintains clients in a broad range of industries with a major emphasis in the real estate sector, providing publicly and privately held national and multinational enterprises with a full spectrum of audit, tax, valuation, trust and litigation support and general consulting services.

Novogradac & Company LLP offers cost-effective audit, tax and consulting services to a variety of industries and clients, including nonprofits, government agencies, development and construction companies, real estate investment companies and securities firms. The firm works extensively in the affordable housing, community development and renewable energy fields, providing tax, accounting, audit and valuation services to affordable housing developments. The firm has consulted for more than 25 years on thousands of real estate projects and maintains client relationships with the leading affordable housing sponsors in the industry.

Novogradac & Company partners have published numerous affordable housing-industry related articles in national newspapers and highly regarded trade journals. They are the authors of the Low-Income Housing Tax Credit Handbook, the nation’s leading authoritative guide to affordable housing development; they also write and publish the Tax-Exempt Bond Handbook: A Tax Credit Practitioners Guide to Using Tax-Exempt Bonds for Low-Income Housing Tax Credit Projects; LIHTC Property Management book; New Markets Tax Credit Handbook; Historic Rehabilitation Handbook; and Renewable Energy Tax Credit Handbook, as well as other comprehensive tax credit finance reference books. The firm also publishes the Novogradac Journal of Tax Credits, a full color, monthly publication offering news, features and commentary on the low-income housing tax credit (LIHTC), LIHTC compliance, valuation and tax-exempt bond housing industries as well as coverage of new markets tax credit (NMTC), renewable energy tax credit (RETC), historic tax credit (HTC) and HUD programs.

Novogradac & Company LLP sponsors affordable housing, renewable energy and real estate-related conferences coast to coast. These conferences attract hundreds of the industry’s leading experts and participants nationwide. We also conduct workshops and webinars on a variety of affordable housing, new markets and renewable energy related topics. Because of their industry expertise, our professionals are invited regularly to speak at seminars and conferences throughout the country. Many are former associates of international accounting and appraisal firms.

Novogradac & Company LLP is ranked by Accounting Today and Inside Public Accounting as one of the top 50 accounting firms in the nation.