

NeighborWorks America and Low Income Housing Tax Credits



Working Together for Strong Communities





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SUMMARY BENEFITS OF THE HOUSING PRODUCED USING THE LOW INCOME HOUSING TAX CREDIT

- Major contributor to provision of long-term affordable housing producing over 100,000 apartments annually
- Serves low- and moderate-income working families earning below 60% of area median income
- Provides quality new and rehabilitated affordable rental homes and is often paired with family and community services
- Creates local jobs – about 116 for every 100 apartments.
- Is a key activity to stabilize and improve urban, suburban, and rural communities
- Has created strong private investor interest in supporting affordable housing built around a highly accountable housing program



150 new affordable apartments in transit-oriented development in Austin, Texas by Foundation Communities.

LOW INCOME HOUSING TAX CREDIT BASICS

Originally enacted as part of the Tax Reform Act of 1986, The Low Income Housing Tax Credit generates private capital investment to support the development of new and rehabilitated affordable rental homes for low and very low-income families. The Housing Credit is administered mostly by the States, which allows them to adapt the program to their unique housing needs under broad Federal guidelines. To be eligible for tax credits, a project must set aside at least 20% of units for people earning up to 50% of AMI or 40% for people earning no more than 60% of AMI - most project target 100% of units at 60% of AMI. Units must remain affordable

to income-eligible residents for at least 30 years. Annually, the Housing Credit produces over 100,000 units of affordable rental housing for working-class families, seniors, and the homeless, and in urban, underserved and rural communities; to date, the Housing Credit has produced over 2.4 million affordable rental homes. Building and rehabilitating each 100 Housing Credit apartments generates 116 jobs, including those for architects, plumbers, electricians, carpenters, concrete fabricators, bricklayers, roofers and other specialties and property managers, maintenance workers, service providers and others benefit when the property is occupied.

NEIGHBORWORKS DATA

NeighborWorks network LIHTC Properties serve a variety of populations

- Over 80% serve families
- About 15% serve the elderly
- About 3% serve the homeless
- About 2% serve the disabled

95 NeighborWorks network organizations provide over 40,000 affordable rental homes in 850 LIHTC properties throughout the nation

- Rural: Over 200 properties, or about 25% of all NeighborWorks network LIHTC properties, are in rural areas and provide over 7,000 affordable homes.
- 58 NeighborWorks network organizations have at least 5 LIHTC properties in their portfolios totaling over 750 properties and 35,000 homes.

In just 2 years, NeighborWorks organizations used LIHTCs to create 2,500 affordable rental homes in 50 properties across the country

NeighborWorks network properties are developed in a variety of ways:

- 55% are new construction
- 40% preserve existing housing stock for affordable rental
- Another 5% are conversions to multifamily housing

NeighborWorks America Network Organizations' LIHTC Properties and Units by State in FY11

STATE	PROPERTIES	UNITS	STATE	PROPERTIES	UNITS	STATE	PROPERTIES	UNITS
AL	23	1,192	IN	10	549	NJ	5	103
AK	4	295	KY	11	387	NM	1	24
AZ	3	189	MA	53	3,499	NV	23	2,488
CA	127	6,251	MD	14	1,150	NY	52	1,566
CO	9	704	ME	31	930	OH	60	3,171
CT	16	861	MI	7	260	OR	19	1,030
DE	4	212	MN	37	1,778	RI	12	448
FL	4	606	MO	30	1,004	TN	5	109
HI	1	306	MT	5	194	TX	11	1,494
IA	42	898	NC	50	2,822	VA	57	3,480
ID	5	285	ND	2	91	VT	76	1,868
IL	4	153	NE	7	233	WI	2	41
			NH	25	586	TOTALS	847	41,257

Source: NeighborWorks data reported as of FY11 by all NeighborWorks network organizations with 100 or more units of affordable rental housing.



36 affordable family apartments in renovated building in Takoma Park, Maryland developed by Montgomery Housing Partnership.



A family living in M Station, a property developed by Foundation Communities in Austin, Texas.

In addition to properties owned by NeighborWorks network organizations, network organizations also act as LIHTC syndicators and as developers of LIHTC projects for others. The homes produced under these other efforts are not reflected in this report.

NEIGHBORWORKS NETWORK ORGANIZATION SAMPLE PROJECTS



Veterans Housing in Portland, Oregon

Gray's Landing by REACH and the Portland Housing Bureau in the South Waterfront neighborhood will have forty-two of its 209 affordable apartments targeted to low income veterans who have been homeless within the past two years. Rental assistance will be provided to the veterans by Home Forward, (formerly known as the Housing Authority of Portland). The location is close to public transit options, providing easy access to Oregon Health and Sciences University, the Veterans Administration Medical Center, and other community services. Support services for residents will be provided by REACH, the Veterans Administration and the Housing Authority of Portland, and will focus on serving veterans experiencing homelessness. All apartments will be available to households earning less than 60% of Median Family Income (\$30,660 for a single-person household). The \$50 million development will utilize bond financing and \$11.5 million from the 4% Low Income Housing Tax Credit

program, along with tax increment funds from the North Macadam Urban Renewal Area.

Affordable Senior Housing in Columbus, Ohio

Elim Manor is a 98-unit affordable senior housing development serving seniors age 62 and over that make 50% or less of the Area Median Income. The newly built apartments of HomePort are located in the Easthaven neighborhood of Columbus on the campus of the First Church of God and adjacent to HomePort's 48-unit Elim Estates single-family community. The \$12.2 million complex consists of two distinct properties: a 35-unit Section 202 development with all one-bedroom units and substantial community space; and a 63-unit Section 8 community with 35 one-bedroom units in a two-story elevator building and 28 single-story, one-bedroom ranch style cottages. Financing will come from issuance of Multifamily Bonds, \$2.5 million from the 4% Low Income Housing Tax Credit program, Federal Home Loan Bank Affordable Housing Program, conventional debt, and HOME funds.



Renovated, Healthier Family Apartments in Worthington, Minnesota

Substantial rehabilitation on the inside and outside of the three 1978-era buildings of Viking Terrace focused on improving energy efficiency and healthier living environments. The renovation of the 60 affordable apartments conducted by Southwest Minnesota Housing Partnership (SWMHP) included installation of a geothermal heating and cooling system and incorporating healthy housing improvements such as whole-unit ventilation system and low-VOC paints, sealants, and adhesives. To further the understanding of the benefits to residents, SWMHP is also working with the National Center for Healthy Housing and the Center for Sustainable Building Research at the University of Minnesota

to evaluate the benefits gained by residents as a result of the improvements. The property offers one-, two-, and three-bedroom apartments with four apartments affordable to families earning 30% of area median income, 47 apartments affordable to families earning 50% of area median income, and the remaining nine apartments rented at market rates. The \$4.7 million project relied on \$2.4 million from the 9% Low Income Housing Tax Credit program, HUD 236 financing, HOME funds, and other local funds.

NEIGHBORWORKS NETWORK ORGANIZATION SAMPLE PROJECTS



New Single Family Rental Homes in Eutaw, AL

Rosie L. Carpenter Haven is a new family neighborhood of 33 single-family homes and a community center developed by Community Service Programs of West Alabama on a site where there had been an empty wooded lot on a dead-end street. The community center is used as a gathering place for the community's seniors and families with children, for residential community meetings, and for social functions such as birthday parties and wedding receptions. In addition, there is a computer lab that is available for residential use that is often used by the children within the community to do homework and access the internet. In addition, Community Service Programs of West Alabama created a community garden on adjoining property which is maintained by the residents of Rosie L. Carpenter Haven. The \$5.5 million development was funded through a combination of private

investment of \$4.5 million through the LIHTC program and a federal HOME loan. The result is the most significant new housing in Eutaw, Alabama, in more than 15 years.



Converting Failed Condominium Property into Affordable Apartments in Montgomery County, MD

7610 Maple is a 36-unit affordable housing community that returned a boarded up building that had become an eyesore for this community and a source of criminal activity into a vibrant affordable housing property in Takoma Park, MD. Montgomery Housing Partnership restored the 8-story brick building originally built in 1966 and acquired in December 2008 from private owners. Located less than a mile from the Takoma Metro station, the building was vacated in 2006 in anticipation of being converted into condominiums. When the condo market

declined, the owner put the property up for sale. In the interim, the building was condemned for multiple fire code violations. Twenty of the apartments are available for households earning less than 60% AMI, 4 targeted for under 30% AMI, and 8 are available at market rate rents. Renovation added a new 2,000-square-foot community center and computer lab for adults and children. Children may also enroll in the on-site play and learn pre-school circle and afterschool Homework Club. The renovation showcases an array of amenities and sustainable green features including water-conserving appliances and fixtures with low-flow toilets, showerheads and faucets, low-VOC paints, primers, adhesives and sealants, Green Label certified carpets, pads, and carpet adhesives, and native landscaping with a selection of new plants and trees that are appropriate to the site's soils. The \$12 million project used \$4.6 million from the 4% LIHTC program, Montgomery County DHCA bonds, and conventional financing.

NEIGHBORWORKS NETWORK ORGANIZATION SAMPLE PROJECTS

Housing for Formerly Homeless Adults in Renovated Historic Building in Minneapolis, MN

The Lamoreaux building provides quality homes for forty formerly homeless adults. The major renovation and addition to the historic, 1912 Lamoreaux – designed by the noted Minneapolis architecture firm of Long, Lamoreaux & Long – was completed by Aeon. Residents have access to Aeon Resident Connections staff members who support successful residency by helping connect residents to mental and chemical health support, employment opportunities, and other life skills support. And, the residents are provided with a 24-hour service desk, sober environment (no drugs or alcohol permitted in building), computer room, community space, and two community kitchens and laundry facilities. The property provides 73 apartment homes – 39 efficiencies and 34 single-room-occupancy units in downtown Minneapolis, affordable to extremely low income households (one person earning at or below \$17,400 annually); and to very low income households (one person earning at or below \$28,950 per year). The \$6.5 million development used \$3.4 million from the Low Income Housing tax Credit program, and funds from state and county financing agencies.



Meeting Children’s Education Needs with a Transit Oriented Development in Austin, TX

M Station by Foundation Communities provides children with support while responding to pressing issues around transportation, water, and air conditioning. The 150-home affordable property has a strong focus on education for lower income families where 15 homes are reserved for families earning below 30% median family income (MFI), 75 homes reserved for below 50% MFI, 45 homes reserved for below 60% MFI, and 15 homes at market rates. The M Station Learning Center provides free after-school and summer education programs as well as daycare for preschool-aged children of families. The \$25 million development also will be the first affordable housing built in one of Austin’s new Transit Oriented Districts and less than a quarter-mile from the new commuter rail platform. Further, to meet the city’s stringent storm-water requirements, the project includes measures that result in a 70 percent reduction in landscape irrigation. And extremely efficient HVAC systems with centralized heat pumps have been included. The project also utilizes solar hot water panels that supply 60 percent of the residents’ hot water needs and a low-cost hybrid insulation strategy. The financing relied on \$13.5 million in the 9% Low Income Housing Tax Credit program, City of Austin Housing Bonds, Federal Home Loan Bank grant, conventional financing, and private fundraising.





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