

# AFFORDABLE HOUSING FINANCE

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## LIHTC YEARBOOK

Housing tax credit creates affordable  
homes and jobs for Americans







Pictured are (from top left) Poehler Lofts in Lawrence, Kan.; Oak Street Lofts in Portland, Maine; Cascade Ridge in Great Falls, Mont.; and Cypress Cove in Winter Haven, Fla.

## PROJECTS OF NOTE

A LOOK AT 13 LOW-INCOME HOUSING TAX CREDIT DEVELOPMENTS AROUND THE NATION THAT SHOW THE WIDE RANGE OF HOUSING THE PROGRAM HAS FINANCED AND THE PEOPLE IT SERVES.

Developers not only build affordable housing with the low-income housing tax credit, but they also revitalize communities and create jobs. We've estimated how many jobs on the projects of note that follow.

To make these estimates, we used a formula created by the National Association of Home Builders (NAHB) in its 2010 study "The Local Economic Impact of Typical Housing Tax Credit Developments." The NAHB found that the construction of a typical 100-unit family tax credit development creates an average of 122 local one-

year jobs. The construction of a typical 100-unit seniors or special-needs tax credit development creates an average of 113 local one-year jobs.

The rehabilitation of existing developments is also important to providing affordable housing and creating new construction jobs. For every \$100,000 spent on residential remodeling, 1.11 jobs are created, according to NAHB's analysis of home construction data from the U.S. Bureau of Economic Analysis.

Also, the following projects are labeled with their congressional districts. These are based on the districts for the 113th Congress. ■





# MAKING FARMWORKER HOUSING MAINSTREAM

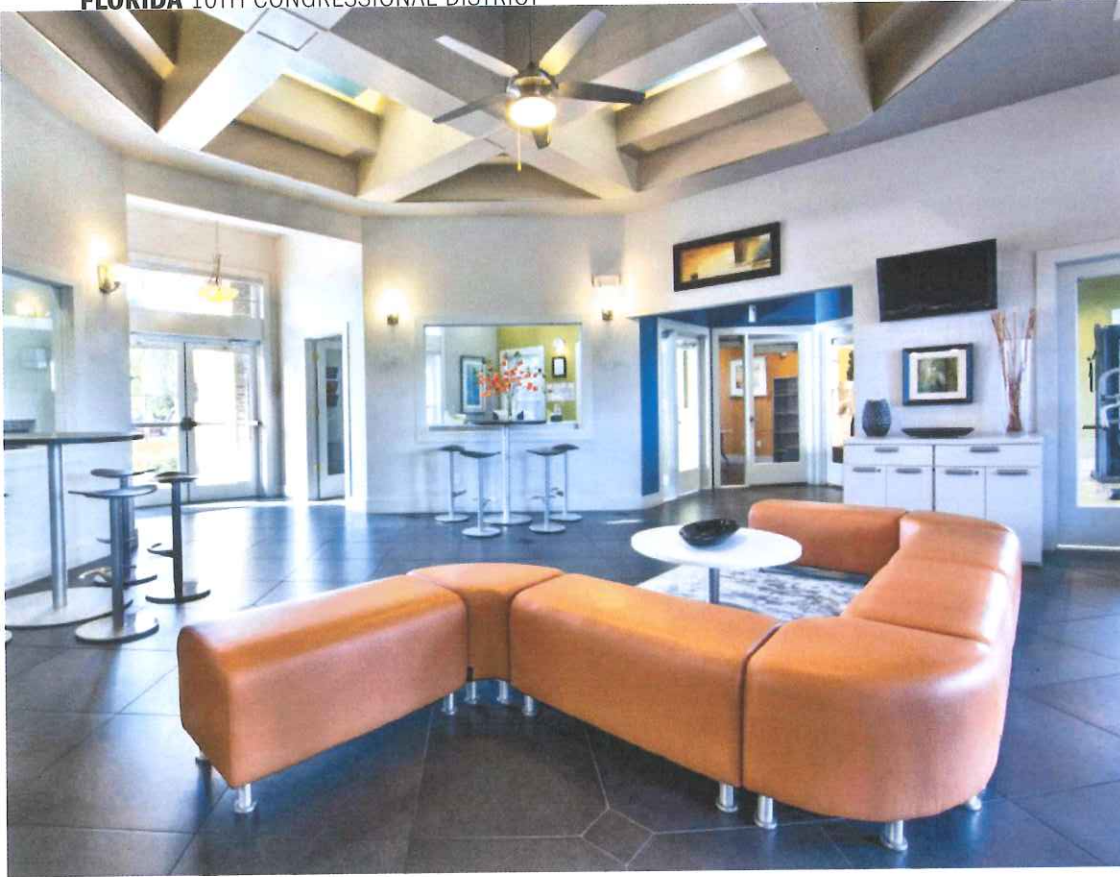
**N**onprofit developer Rural Neighborhoods not only works to provide housing for some of Florida's agricultural workers, but it also strives to change the image of what many perceive farmworker housing to be.

Rural Neighborhoods President Steven Kirk says when many people think of farmworker housing, they think of migrant labor camps from decades ago. But that's no longer the case.

"The thing we've accomplished over the past decade is that we've changed local government's view of what farmworker housing can be," says

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Kirk. He attributes part of that to creating developments with the help of the low-income housing tax credit (LIHTC). With a mix of public and private-sector involvement, the product is comparable to any rental housing in the community.

For developments funded with LIHTCs to be designated as farmworker housing, Florida Housing Finance Corp. requires that 40 percent of the units must be set aside for agricultural workers. This allows for the projects to have a diverse economic and demographic mix. “That’s an extremely good model of how you want to build affordable housing,” Kirk says.

One recent example is Cypress Cove in Winter Haven, which Rural Neighborhoods partnered with for-profit developer Pinnacle Housing Group to build. The 80-unit development, which was completed in spring 2011, targets farmworkers in Polk County, which is one of the epicenters of the state’s agricultural business. Forty percent of the units are targeted to farmworkers earning less than 40 percent of the area median income (AMI), while the rest of the units are for those earning less than 60 percent of the AMI.

“When you target at 40 percent, you tend to really match the demand with the product,” says David Deutch, a partner at Pinnacle Housing Group. “That’s the beauty of the tax credit program, you can target units to extremely low-income families and still have a viable pro forma.”

Cypress Cove is among the recent developments to benefit from the Tax Credit Assistance Program and exchange funds that Congress passed as part of the American Recovery and Reinvestment Act to bolster LIHTC construction during the economic downturn.

The development, which was built on the site of a former cement manufacturing facility, had a strong environmental impact. It is Florida Green Building certified, with a strong focus on energy and water efficiency to save residents money as well as to save on maintenance and other property costs for the long term. It also is adjacent to Winter Haven’s central recreation corridor created under the Rails-to-Trails program and features many indoor and outdoor amenities, including a library, a computer lab, a tot lot, and a fitness center. ■

BY THE NUMBERS

**98**  
NAHB local one-year  
jobs estimate

**80**  
Number of units

**\$14.3 million**  
Total development cost

**\$13.9 million\***  
Total LIHTC investment

Income-targeting: 32 units for residents earning no more than 40 percent of the area median income; and 48 units at 60 percent AMI

\* Includes Tax Credit Assistance Program and Tax Credit Exchange Program funds

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