

Community Housing Development Organization Helps Residents Maintain Independence

By Jennifer Dockery, Staff Writer, Novogradac & Company LLP

On July 4, 2008, the first residents of Independence Place moved into their new apartments. In an effort to provide more affordable housing in rural Indiana to those with developmental disabilities, Four Rivers Resource Services Inc. (FRRS), an Indiana-based not-for-profit, teamed up with development consultant Milestone Ventures Inc. to open the 32-unit apartment complex in Linton, a small coal mining city near Bloomington, Ind. The new development, partially funded with a low-income housing tax credit (LIHTC) equity investment from Great Lakes Capital Fund (GLCF), will house many of the same people that utilize FRRS' supportive services.

Mark Hunter, director of housing development at FRRS, says that studies that his organization has undertaken have identified a "great need" for housing in the type of families that it serves. "Several of our clientele are now tenants," he said. "We serve a lot of the clientele we deal with on a daily basis." Funded in part by Indiana's Family and Social Services Administration, FRRS specializes in helping people with developmental disabilities. It provides numerous services

that include job placement assistance, case management, parenting and child development classes, and supportive living programs.

After recognizing a need for affordable housing in the Linton area, FRRS consulted Chuck Heintzeman and Carla Naum, co-owners of Milestone Ventures, an experienced tax-credit developer based in Indianapolis. They worked with FRRS to identify a potential development in Linton, prepare applications for funding and select the development team. Milestone Ventures also coordinated with the management company during the leasing period.

"FRRS was interested in meeting an unmet need for family housing in Linton and wanted to provide units that were affordable and accessible to accommodate their clients with developmental disabilities," Heintzeman said. In 2007, FRRS became certified as a community housing development organization (CHDO) and used a grant to renovate the Plainville Group Home in Plainville, Ind.

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One Housing Finance Agency's Response

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- requirements and all will incorporate many other green features, such as low-maintenance exteriors and high-efficiency HVAC systems.
- Lack of "Hair": The recycled projects have no market-rate units or commercial space, there are no supportive services funded or operated by the projects, only one is focused on a specialized population, and the QAP deeper rent targeting is for only 25 percent to 40 percent of the units and is reasonable based county income levels.

the income and expense escalations, increasing hard cost contingency and operating expense minimums, allowing applications to include an additional contingency for cost overruns, and authorizing NCHFA to set a maximum equity price assumption.

We now know better than to think that this is the last challenge NCHFA, developers, investors and syndicators will face in 2009. The new year promises to be just as fast-moving and uncertain as the end of 2008. ❖

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Upcoming for 2009

The last stage of our three-part plan was to change the QAP in order to make 2009 projects even more attractive to equity providers. These were important revisions but not radical departures from the past. They included: changing



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Photo Courtesy: Milestone Ventures Inc.

Independence Place consists of 30 apartment units for those facing economic challenges and those with developmental disabilities.

Construction of the CHDO's first new apartment community began in mid-December 2007. The four-building complex offers 30 one-, two-, three- and four-bedroom apartments to individuals and families who earn anywhere from less than 30 percent of the area median income (AMI), to families earning as much as 60 percent of AMI. The remaining units are market-rate units. Four of the units are partially accessible and two units have roll in showers for residents. Units have washers and dryers, refrigerators, microwaves and ranges. Amenities include a common area with a workout room, community room, playground and basketball court. The brick buildings feature stepless entryways.

"FRRS was very active during the design phase and the input of the staff who provide in home services for persons with developmental disabilities resulted in modifications to the handicapped accessible units to allow for greater independence...by their clients," Heintzelman said.

Total development costs for Independence Place were almost \$4.2 million and construction costs were \$2.5 million. The development was funded by the Federal Home Loan Bank, a HOME grant from the Indiana Housing and Community Development Authority, and LIHTCs. GLCF provided more than \$2.7 million in tax credit equity through one of its multi-investor funds.

"Where we have the service provider, a non-profit corporation involved with a for-profit corporation like Milestone Ventures, those are the ones that have the most success," said Jack Brummett, a regional president at GLCF who

is based in the company's Indianapolis office. GLCF had worked with Milestone Ventures on tax credit properties in the past and was familiar with FRRS because of the supportive services it provided.

"It was in line with our mission. It met a screaming need in our community," said Steve Sacksteder, executive director of FRRS. He added that many of the residents use services provided by FRRS. The company also used \$7,000 of its developer fee to establish a homeless rental assistance fund and a homeless self-sufficiency fund for residents.

FRRS has memorandums of understanding with many local service providers. WorkOne Linton provides employment services including résumé writing, interviewing, job skills assessments and counseling. The Bloomfield Eastern Greene Public Library and the Greene County Literacy Coalition provide GED classes. One-on-one tutoring in English, reading and writing, and math are also available. Purdue Extension, part of Purdue University, provides financial literacy training and other classes, including decision making and nutrition. Additionally, Four Rivers Ride Solution has added Independence Place to its regular bus route.

The first building at Independence Place opened in May 2008 and the remaining three buildings opened in July. The complex achieved total occupancy on November 30. Currently, FRRS and Milestone Ventures are working on a 30-unit development in Washington, Ind. ❖