

AFFORDABLE HOUSING INDUSTRY BRIEFS

All state housing finance agencies (HFAs) met their December 2011 funding **disbursement deadline** under the **Section 1602 low-income housing tax credit exchange program**, according to a Government Accountability Office (GAO) report on Recovery Act programs. The study found that most HFAs also met their February 2012 deadline for **Tax Credit Assistance Program (TCAP)** funds. Nearly all the HFAs reported to GAO that the funds helped restart stalled affordable housing projects that otherwise could not have moved forward. To create the report, GAO used data from HUD and Treasury on program expenditures and surveyed HFA managers. HFAs reported that project developers planned to use Section 1602 funds, TCAP funds, or a combination of these and other funding sources to develop 2,373 projects and 126,058 tax credit units. GAO held back some survey results regarding the LIHTC market and its recovery, as well as responses about the impact of the Community Reinvestment Act (CRA) on tax credit pricing, because they will be published in a forthcoming report. A copy of the GAO's findings on the Recovery Act programs can be found online at www.taxcredithousing.com.



The federal bank and thrift regulatory agencies released the **2012 list of distressed or underserved non-metropolitan middle-income geographies** where revitalization or stabilization activities will receive **CRA consideration** as "community development." The criteria for designating these areas reflect lo-

cal economic conditions, including unemployment, poverty and population changes. Because the U.S. Census Bureau revised some census tract boundaries as a result of the 2010 Census, the agencies advised users to refer to the list published in 2011 and to use the one-year lag provision to determine if an activity is eligible for CRA consideration. In addition, the 2011 lists should be used for American Samoa, Northern Mariana Islands, Guam and the U.S. Virgin Islands until updated lists are released. The current and previous years' lists are available at www.ffiec.gov/cra.



The Office of the Comptroller of the Currency released a list of **CRA performance evaluations** that became public during the period of June 1 through June 30. National banks, federal savings associations and insured federal branches of foreign banks receive these ratings. Of the 42 evaluations made public, three were rated outstanding, 38 were rated satisfactory, one was rated needs to improve, and none received a substantial noncompliance rating. View the evaluations at www.occ.gov.

DEALMAKERS

Officials from the U.S. Department of Housing and Urban Development (HUD) and New York City attended the official opening of **Via Verde**, a development in the South Bronx that offers 151 affordable rental units and 71 co-op units. The approximately \$99 million complex includes a 20-story tower, mid-rise buildings, and townhouses. All of the affordable rental units have been leased to households earning between 30

and 60 percent of the area median income (AMI). The apartments feature Energy Star appliances, energy-efficient lighting, high-efficiency panoramic windows, super-sealed insulation and water-conserving fixtures. The **New York City Department of Housing Preservation and Development (HPD)** provided \$7 million in low-income housing tax credit (LIHTC) equity, \$2.52 million in federal HOME funds and \$9.77 million in City Capital funds to the development. **JPMorgan Chase** provided a total of \$76.5 million in construction loans and state and federal LIHTC equity. Other partners include **Jonathan Rose Companies**, **Phipps Houses**, the **New York City Housing Development Corporation** and the **Federal Home Loan Bank**.



Photo: Courtesy of Branden Wermers
City Scene Apartments opened in San Diego, Calif.

Affirmed Housing Group (AHG) celebrated the grand opening of **City Scene Apartments** in San Diego, Calif. The development is part of the North Park neighborhood's revitalization and stands on the former site of a failed, semi-built market rate property that AHG purchased and redesigned. The resulting property consists of 31 affordable one-, two-, and three-bedroom units reserved for households earning between 50 and 60 percent of AMI. Amenities include a community room, on-site laundry, and a large courtyard. City

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Scene also features solar panels and preferred parking for carpoolers and bicyclists. **U.S. Bank** provided a \$4.7 million construction loan. Financing partners also included **Boston Capital** and the **San Diego Housing Commission**.

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Raymond James Tax Credit Funds completed syndication in June of a \$65 million LIHTC fund that supports the construction or rehabilitation of affordable housing developments in California. The **California Housing Opportunities Fund I LLC** was fully subscribed with 10 investors. The fund will finance the development of 531 units in eight affordable housing developments; one each in Los Angeles, San Diego, Bakersfield, Temecula, Fresno and Porterville, and two in San Francisco.

STATE BRIEFS

The **Louisiana Housing Corporation (LHC)** officially began operations on July 1 as the **state's sole housing agency**. The new agency was formed by the consolidation of the Louisiana Housing Finance Agency and various housing-related programs administered by other state agencies. This move was approved by the state Legislature in 2011. LHC is designed to provide a one-stop shop for state and federal housing programs. It administers dozens of programs including the low-income housing tax credit (LIHTC), mortgage loans, home energy assistance, hurricane recovery and homelessness prevention programs. More information is available on LHC's new web site at www.lhc.la.gov.

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The **California Tax Credit Allocation Committee (TCAC)** released a workbook in June to help team members and energy consultants implement **sustainable building method (SBM) requirements** for their 9 percent LIHTC developments. The Sustainable Building Method and Energy Efficiency Requirements Workbook also includes information about minimum construction standards for 4 percent applicants. Part of the workbook is designed to be completed and submitted with all LIHTC applications. All 2012 applicants are expected to fully comply with the requirements when submitting placed in service packages. A copy of the workbook is available on TCAC's web site at www.treasurer.ca.gov.

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Nearly one in four North Carolina households pay more than half of their income toward housing costs, according to a report from the **North Carolina Housing Finance Agency**. The report, called the **State of Housing for North Carolina**, examines the state's housing statistics and trends to provide a picture of how housing costs are affecting homeowners and renters, and how economic changes have affected the housing market. The study said that a first-quarter uptick in single-family and multifamily building permits could signal improvements for the state's housing market. Download a copy of the report at www.nchfa.com.

PEOPLE IN THE INDUSTRY

Steven Spears joined **Mercy Housing** as senior vice president and chief financial officer. He brings more than 30 years of financial services experience to the organization, where he is responsible for financial planning and for ensuring accurate financial reporting. Spears previously served as chief deputy director of the California Housing Finance Agency. Prior to that, he was the principal consultant at The SAER Group. Spears holds a master's of business administration degree from the University of Tennessee-Knoxville and a juris doctor from the University of the Pacific.

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National Equity Fund (NEF) named **Michael A. Jacobs** senior vice president and head of its acquisitions group. Jacobs will oversee the acquisition of low-income housing tax credit (LIHTC) properties throughout the country. He has more than 19 years of experience in the affordable housing industry, and most recently served as vice president for The Alliant Company. Prior to that, Jacobs was the Midwest region vice president of acquisitions for NEF, where he worked for more than 11 years. He earned a master's degree in urban planning from the University of Michigan and a bachelor's degree from Eastern Michigan University.

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RBC Capital Markets announced that **Tom Maxwell** has joined its tax credit equity group as a director in the firm's Boston, Mass. office. He is responsible for originating LIHTC investments in the Northeast and

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working with affordable housing developer clients and sponsors. Maxwell has 30 years of experience in affordable housing and real estate, including expertise in acquisition and syndication transactions.

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Photo: Courtesy of Lancaster Pollard
David Lacki, managing director at Lancaster Pollard

Lancaster Pollard hired **David Lacki** as managing director of the firm's affordable housing group. Lacki will lead an effort to expand the firm's investment banking and mortgage banking finance activities for income-restricted and subsidized rental properties. He most recently served as a director of the housing capital markets group at RBC Capital Markets.

also have first mortgages financed by tax-exempt bonds. HCR may deny funding for proposed developments with studies indicating a saturation of low-income housing, or developments located in areas of the state that have recently received SLIHC or HWF awards. HCR will accept applications until 5 p.m. on November 30, 2012, or until all resources are committed. Funding decisions will be made throughout the year. Application forms and more details are available at www.nyshcr.org.

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The **IRS Office of the Chief Counsel** in June issued **AM2012-004**, an advice memo on how the dissolution of California's redevelopment agencies (RDAs) affects tax-exempt and Build America bonds previously issued by the agencies. According to the memo, regardless of whether the bonds are recourse or nonrecourse, the change in obligator does not constitute a reissuance of the bonds. Additionally, the IRS said, the RDA successor agencies are entitled to claim the refundable credit allowed under section 6431. A copy of the memo is available at www.taxcredithousing.com.

BONDS

The **Internal Revenue Service (IRS)** in June published a document called **"Your Responsibilities as a Conduit Issuer of Tax-Exempt Bonds."** The publication gives municipal governments an overview of the conduit issuer's responsibilities in respect to tax compliance in municipal conduit financings, which are financial arrangements in which a local or state agency issues tax-exempt bonds whose proceeds are used for a specific purpose by an entity other than the agency issuing the bonds. The recommendations apply to all tax-exempt bond issuers, including housing finance agencies. The IRS based its advice on recommendations from the Advisory Committee on Tax Exempt and Government Entities. A copy of the report is available at www.taxcredithousing.com.

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New York State Homes & Community Renewal (HCR) announced the availability of **\$4 million under the state low-income housing tax credit (SLIHC) program for tax-exempt bond financed developments.** The agency is also offering \$7 million under its Homes for Working Families (HWF) program. Applications will be accepted for new construction, substantial rehabilitation and moderate rehabilitation of multifamily housing that will

2012 (effective as of 1/1/2012)		2011		2010	
State	Household Size	2012	2011	2010	2009
CA	1 Person	\$32,750	\$30,000	\$27,750	\$24,750
	2 Person	\$37,000	\$34,000	\$31,000	\$28,000
AZ	1 Person	\$42,100	\$39,200	\$36,300	\$33,500
	2 Person	\$46,750	\$43,500	\$40,250	\$37,000
AZ	1 Person	\$36,000	\$33,000	\$30,000	\$27,000
	2 Person	\$40,250	\$37,250	\$34,250	\$31,250
AZ	1 Person	\$32,000	\$29,000	\$26,000	\$23,000
	2 Person	\$36,250	\$33,250	\$30,250	\$27,250
AZ	1 Person	\$38,000	\$35,000	\$32,000	\$29,000
	2 Person	\$42,250	\$39,250	\$36,250	\$33,250
AZ	1 Person	\$34,000	\$31,000	\$28,000	\$25,000
	2 Person	\$38,250	\$35,250	\$32,250	\$29,250
AZ	1 Person	\$30,000	\$27,000	\$24,000	\$21,000
	2 Person	\$34,250	\$31,250	\$28,250	\$25,250