

AFFORDABLE HOUSING FINANCE

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Rural Rally

First projects funded under Wyoming's small town set-aside open

BY DONNA KIMURA

New affordable housing has come to three rural Wyoming communities this year.

G.A. Haan Development has opened 12-unit properties in Douglas, Marbleton, and Worland.

They are the first projects funded under a small rural project set-aside in the state's low-income housing tax credit (LIHTC) program. The Wyoming Community Development Authority (WCDA) created the set-aside to meet the needs of the state's many small towns.

"WCDA did a good job in addressing the housing needs of these communities and implementing a solution into the qualified allocation plan," says developer Gerald Haan.

Under the recent set-aside, developers are eligible to receive LIHTCs to build affordable housing in communities with fewer than 7,500 people and that are at least 20 miles away from towns with 7,500 or more residents. At the time, the state specified that projects had to be 12 or fewer units.

WCDA also allowed for a fixed developer fee, noting that the costs and risks of small projects are the same as they are for larger deals.

The state is considering expanding the set-aside to communities with populations up to 10,000 in its 2013 program and allowing projects up to 24 units. This was under discussion in a draft 2013 allocation plan.

Haan Development received LIHTC reservations in 2011. The Michigan-based firm, which had ex-



Pinewood Apartments provides 12 affordable homes in Marbleton, Wyo. It is one of three rural developments that G.A. Haan Development has recently opened in the state.

perience in Wyoming, worked to identify towns with a growing population and an unmet housing need.

"All three fit that bill," says Benjamin Ide, development coordinator for Haan Development, noting that Sublette County, where Marbleton is, had not seen any affordable housing built before.

The financing for each project was closed separately, but the LIHTCs were sold as a bundle. Boston Capital was the LIHTC syndicator. To increase efficiency, Haan Development used the same construction company for each development.

The cost of each project varied slightly, but the financing sources for each were about \$1.85 million in 9 percent tax credits and \$450,000 in HOME funds, allocated by WCDA. Stearns Bank

provided construction financing.

"WCDA is excited that Haan Development has taken the challenge of developing small projects in the more rural areas of Wyoming. These projects help WCDA meet our goals of reaching out to all communities in Wyoming, including the more sparsely populated cities and towns," says Executive Director David Haney.

Rents are restricted at 45 percent of the area median income (AMI) and incomes restricted at 55 percent of the AMI. Because market rents can be lower than LIHTC rents in some rural areas, WCDA allows for properties under the special set-aside to have a 10 percent variance in income and rent levels. ■