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Tax credit granted for low-income housing project

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A development company seeking to build low-income apartments in Lander has received the tax credits it needs to get the ball rolling.

The Wyoming Community Development Authority last month approved \$4.77 million in tax credits to go toward the implementation of G.A. Haan Development's Blue Ridge Apartments. Haan is a division of Phoenix Holdings LLC out of Michigan.

Blue Ridge is proposed to be built on property on the east side of Lander near Craig's Floor and Window Covering off Highway 287.

Development authority federal program director Christian Pritchett explained how the credits work.

Each year for the next 10 years, the development authority will give an investment group \$544,919 in tax credit. In exchange for the credit, the investors will give Haan \$4.77 million up front to build the housing complex. The difference

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between the \$5.4 million the investors receive and \$4.77 million Haan receives is the investors' profit in the deal.

"This is our third application in Lander," Haan development coordinator Ben Ide said. "You keep knocking at the door. ... We think it's a great market."

In addition to the tax credits, the development authority awarded the project \$745,000 in a long-term loan at 3 percent interest.

Other capital put toward Blue Ridge is \$935,000.

Haan has put forth \$6,861.

"That's pretty typical for a project like this," Pritchett said of the amount Haan is contributing.

Blue Ridge, when complete, will have 40 units and a livable square-footage of 45,903.

The two-bedroom unit monthly cost could start at \$529, and three-bedrooms could start at \$614.

Leases will be open to those who meet certain income requirements. Units will not be for sale.

Only families whose income is at 60 percent or below the median area income would be allowed to rent, Ide noted in a previous interview.

According to the U.S. Department of Housing and Urban Development, the 2011 median family income for Fremont County is \$56,800. By this standard, only those families making \$34,080 or less each year could live at Blue Ridge.

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development coordinator, G.A. Haan Development

In a partnership with the City of Lander, Haan has applied for a \$465,000 Wyoming Business Council Community Development Block Grant with a \$55,000 match to pay for utility infrastructure improvements. Costs beyond the estimate will be shared equally with the city, up to \$200,000.

Ide received word last week that business council staff submitted a recommendation to the council's board that the grant, reduced by \$5,000, be approved. A decision is expected by the end of the month.

"Our housing project is moving forward either way, though," Ide said. "It's going to be a great project."

The company plans to close on the property and begin construction this summer. Completion is scheduled for summer 2013.

The lease application period will open several months in advance of the completion of the units.

RESPONSE TO CONCERNS

Community members approached Lander City Council in late February with concerns about the development.

One issue raised was whether

there was a need for such housing.

Ide said last week that data from the development authority shows a need, adding that the agency only approves tax credits for projects where they see a need in the market.

Another problem raised in February was how far to the edge of town the apartments will be.

"Part of the problem with the city of Lander ... is there's not a lot of land left within the city that is large enough," Ide responded.

He said other sites were considered but environmental and zoning concerns got in the way.

"I think this was the best site in town," he said.

Ide said the management group Haan uses is accustomed to dealing with low-income units and tenants, and he assured the building would be well taken care of.

"The people who'll live in this development are already in this community," Ide said. "We're not creating this type of tenant. We're just serving their need. ... We're not letting the dregs of society live in our apartments."

He added that one requirement for lease approval is having a job.