Affordable Housing

The Low-Income Housing Tax Credit (LIHTC) is an essential tax incentive program for creating and preserving affordable housing; one which can present challenging business, tax and legal issues for investors, syndicators, developers and lenders. LIHTC projects typically involve multiple layers of debt and equity, including other state and federal tax credit programs, state and federal grants and subordinate loans, and operating subsidies.

Lathrop GPM's Affordable Housing group has a comprehensive nationwide practice experienced in facilitating complex LIHTC transactions. Our attorneys' extensive experience is enhanced by our commitment to provide high quality legal services that are proactive, continually anticipating and addressing our clients' business goals.

Our professionals combine their multidisciplinary experience with state-of-the-art knowledge and innovative techniques to structure, document and close these multifaceted transactions in a timely and cost-efficient manner, and to assist our clients in handling any post-closing asset management and exit issues and strategies.

Our specialized experience includes:

- Combining LIHTCs with Historic Rehabilitation Tax Credits and Renewable Energy Tax Credits
- Combining LIHTC with state tax credits
- Combining LIHTC with HUD 202 and 811 capital advances
- Utilizing LIHTC as part of HUD Mixed-Finance Public Housing transaction
- Mixed-income and mixed-use projects, including combining affordable housing with ground-floor commercial space, clinic facilities, governmental facilities, educational facilities, day care centers, and other non-residential uses
- Mixed-use projects utilizing condominium ownership

- Single-family scattered site projects
- Special-needs housing, including senior, veterans, formerly homeless, and alcohol/drug rehab facilities
- Tax-exempt bond financing
- HUD financing
- Federal Home Loan Bank, HOME and CDBG grants and loans
- Leveraging tax increment financing (TIF) proceeds
- Property tax abatement or exemption
- Project-based Section 8 and VASH vouchers
- Compliance issues
- Restructuring of equity and debt
- Year 15 exit issues

Representative Experience

- Representation of an equity investor in connection with a new construction mixed use affordable housing project and health clinic of a building, located in **Denver, Colorado**, developed as 78 units of residential housing for the homeless with a health clinic on the first and second floors of the building. Financing included federal low-income housing tax credits, Federal Home Loan Bank Affordable Housing Program and conventional financing.
- Representation of equity investors in connection with an $18 million affordable and market rate housing condominium project, located in 10 historic buildings and one new construction building in **Cincinnati, Ohio**, financed with federal and Ohio historic tax credits, Federal low-income housing tax credits, conventional financing and taxable bonds. The ground-floor commercial condominium units in the project are separately owned and are intended to be developed using federal new markets tax credit financing.
- Representation of an equity investor in connection with the new construction of 53 affordable senior apartment units in **Idaho**, financed with a conventional construction first-mortgage loan and a permanent HUD 202 capital advance (with PRAC rental subsidy), HOME Investment Partnership Act funds, and 9% federal low-income housing tax credits. Total development costs were approximately $12 million.
- Representation of an equity investor in connection with its investment in a $14.5 million affordable housing condominium, with 136 studio apartment units, that was part of an overall $25.5 million

rehabilitation of a former hotel in **Portland, Oregon**. The other condominium unit within the building was rehabilitated for use as a drug and alcohol detoxification facility, with 44 transitional housing units, using federal new markets tax credits. The development financing includes 4% acquisition and 9% rehabilitation federal low-income housing tax credits, a below-market permanent first-mortgage loan eligible for Oregon Affordable Housing Tax Credits, and a subordinate loan from the non-profit sponsor of numerous federal and non-federal loans, grants and subsidies.

- Representation of an equity investor in connection with the construction of 58 affordable apartment units for homeless veterans in **Missouri**. The project is the first phase of a projected 144-unit development that will include a veterans' supportive services center. The development financing includes 9% federal and Missouri low-income housing tax credits, a permanent loan of HOME Investment partnership Act funds, and a subordinate loan of Missouri Affordable Housing Assistance Program tax credit proceeds. The project will also receive Section 8 project-based vouchers through the local housing authority. Further, the nonprofit sponsor will provide social services to residents. Total development costs are approximately $11 million.
- Veteran's, **St. Louis, Missouri** - special needs, transitional wing and permanent wing.
- TLC Washington Apartments, **Denver, Colorado** - elderly housing.
- Representation of equity investor in connection with a $15.1 million rehabilitation of a 1923 school building with a new construction addition, located in **Milwaukee, Wisconsin**, into 72 units of multi-family rental housing for elderly residents. The building contributed to the historic significance of the surrounding campus, including a historic chapel. Financing included federal low-income housing tax credits, federal historic tax credits, conventional financing, and subordinate cash flow financing.
- The Greens at Branson Hills Phase II, **Branson, Missouri** - elderly townhouse project financed in three phases with three allocations of LIHTC.
- Representation of an equity investor in connection with a $12.4 million rehabilitation and new construction of a building, located in **Omaha, Nebraska**, into 80 units of LIHTC housing, with commercial space on portions of the first and second floors of the building. Financing included federal low-income housing tax credits, conventional financing, HOME Investment Partnership Act loan financing, and TIF loan financing, with the commercial space to be

developed as offices for a university and an affiliate of the Veteran's Administration

- Housing Authority Project, **Portland, Oregon.**