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Supportive Services Enhance Multi-family Housing Investments

Many of the affordable housing projects in which banks make Low Income Housing Tax Credit (LIHTC) investments provide supportive services for their residents. In some instances, banks have also provided additional assistance to nonprofit groups administering the supportive services through grants and volunteer services.

On-site provision of social services can help tenants manage their financial obligations, reduce tenant turnover, and improve the long-term financial viability of rental housing projects. Recent research by

the Family Housing Fund shows that annual public

savings from using housing-based services can exceed \$40,000 per family.

Two examples – one in Minnesota and the other in Florida – illustrate how these supportive services can enhance multi-family housing investments:

- Skyline Tower in St. Paul, MN, was a troubled high-rise multi-family project that was renovated with the support of an \$8.5-million low income housing tax

credit investment from a national bank's CDC. Built in 1972, the 504-unit high-rise -- one of the nation's largest assisted housing projects -- had long since fallen on hard times. As Hamdi Bouh, a resident, told the St. Paul *Pioneer Press*, "The bathrooms were very awful." And Skyline, whose residents have average annual household incomes below

\$10,000, had earned a reputation as a magnet for drug dealers and other criminals. It was known locally as "the ghetto in the sky."

The challenge, as one participating banker put it, was simple and straightforward: "Do

we want to make another 500 units of affordable housing go

away, or do we want to step up and do something?" They stepped up, helping CommonBond Communities, an experienced nonprofit housing developer, to buy Skyline and launch a \$15-million-plus renovation that included creating a 17,000-square-foot Advantage Center. The center offers a Career Advantage employment program, youth enrichment activities, a computer lab, and an onsite social worker to work with residents. An independent six-



An instructor and his students are involved in youth enrichment activities in the Advantage Center at Skyline Tower in St. Paul, MN.

month study of the program found that the work status, welfare status, and earned income of Career Advantage participants is consistently better than non-participants.

- Greenwood Apartments in Clearwater, FL, a 44-year-old, 200-unit low-rise apartment project, was poorly maintained for decades. Then its new nonprofit owner, Clearwater Neighborhood Housing Services -- a veteran member of the National NeighborWorks Network -- launched a \$14-million renovation, financed in part by a national bank CDC's \$4-million LIHTC investment. Greenwood Apartments now has 192 two- and three-bedroom apartments with modern amenities for families with incomes from 35 percent or less to 150 percent of the average median income for the area.

The participating bank CDC also helped finance a "Make a Difference" center built by the City of Clearwater and operated by Clearwater NHS. Located across the street from the apartment complex and free to residents, the center includes a playground, computer lab, after-school facility, library, kitchen, and laundry. Local staff of the investing bank held a book drive that collected hundreds of books for the library and stocked the center with donated board games. Additionally, the center will offer the *Financial Fitness for Life* program, a joint effort by the bank and the National Council on Economic Education (NCEE) that helps children and young adults become skilled consumers, savers and investors.

Clearwater NHS has now built and redeveloped more than 623 affordable housing units in the Greenwood area of Clearwater, and is changing the face of the neighborhood in other positive ways -- for example by buying an old saloon adjacent to Greenwood Apartments which will be redeveloped to house a Head Start facility, a business incubator, and an ice cream parlor. Meanwhile, the Greenwood Apartments project has earned the Fannie Mae Foundation's annual Maxwell Award of Excellence for 2002-2003.

At the grand opening -- or re-opening -- of Greenwood Apartments on June 12, 2003 (during National NeighborWorks Week), dignitaries led by U.S. Secretary of Housing and Urban Development Mel Martinez agreed with Clearwater NHS executive director Isay Gulley that "now we have an entirely new complex that our tenants and our community can truly be proud of." So can the national bank whose commitment to Clearwater, enhanced by the bank's Part 24 investment authority, helped make it all happen.

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