Manchester Housing & Redevelopment Authority (MHRA) is the largest public housing agency – and largest landlord – in Northern New England. MHRA is widely recognized for its array of supportive programming offered to residents, so when it was time to develop more affordable housing, the agency turned to one of its longtime service partners.

The Mental Health Center of Greater Manchester (MHCGM) has worked with the housing authority for years, including programs to move potential residents who are homeless into section 8 housing. According to MHRA Interim Executive Director Dick Webster, when the staffs of MHRA and MHCGM got together and determined that the city needed to build more affordable housing for people with disabilities, the South Main Street Apartments were born.

Mental disability is a contributing factor for chronic homelessness, according to Rik Cornell, Vice President of Community Relations at MHCGM. South Main Street provides homes for people making 50% or less of the median income, who have experienced homelessness (or are at risk of being homeless as a result of their disability), while the Mental Health Center offers residents the supportive services they need to be successful.

“There are really very few places for homeless people with mental issues to rent in the community,” explained Cornell. “They can live independently without supervision, but they sometimes need support – and often these people don’t have anyone.”

Joining forces

The housing authority even collaborated with MHCGM on the design of the property. The two groups met early on to discuss what the needs of South Main Street residents would likely be, so that the appropriate features would be incorporated into the plans. (The apartments were designed by Fred Matuszewski, a founding partner of CMK Architects.)

Completed in the fall of 2016, the single-story property has 20 one-bedroom apartments and on-site laundry facilities. There is also a common area for residents to gather, or for other agencies to provide educational or recreational programming. An office offers a private meeting space for residents.

South Main Street residents manage their mental health issues...
South Main Street
(continued from the previous page)

through their own individual therapy, while MHCGM connects them to activities that boost their independence, but wouldn’t ordinarily be offered in a therapeutic setting, such as learning how to cook, shop for groceries, or manage money.

ROOMS WITH A VIEW

Every New England town has a Mast Road. In colonial days, harvesting wood for masts on British Navy war ships was a booming business. In Manchester, New Hampshire, Mast Road ran right down to the Piscataqua River, where trees would be splashed into the water and floated down to Newburyport in Massachusetts.

South Main Street, situated on the corner of South Main Street and Log Street, is located close to the old Mast Road. Webster admits that having the apartments so close to the river made the project more complex because a portion of the property was on the flood plain and needed to be elevated – but everyone agrees that the location and attending view is worth it.

Cornell believes that a lot of things were done right with this project, like having great access to bus lines and bike trails and walking trails along the river. He stressed that because mental illness and homelessness are both burdened by a tremendous amount of stigma, places like South Main Street help to communicate positive messages to the surrounding community.

“You wouldn’t know by looking at this building that mentally ill people live here,” he said. “The residents get the housing and support they need, and the community gets attractive apartments that enhance the neighborhood, while increasing acceptance for this kind of programming. It’s a win for everybody.”

ABOUT MHRA

The Manchester Housing and Redevelopment Authority is the region’s leading provider of housing assistance. MHRA owns and manages almost 1,300 public housing apartments for low-income families, elderly, and adults with disabilities.

MHRA provides housing subsidies for over 1,800 households through the administration of the Section 8 Housing Choice Voucher Program.

The agency also offers the Homeownership Program, conducted in conjunction with the Housing Choice Voucher Program and operated in partnership with New Hampshire Housing Finance Authority and NeighborWorks Southern New Hampshire.

MHRA is widely recognized for its array of supportive programming offered to residents. Among the programs operated by MHRA are adult employment and vocational services, social activities for the elderly and adults with disabilities, and Supportive Services programs, which provide the services needed (meals, housekeeping, etc.) to allow the elderly and persons with disabilities to maintain their independence.

In 1989, MHRA’s changed its original name – Manchester Housing Authority – to better reflect MHRA’s role as the primary redevelopment entity in the City of Manchester.

Through the years, MHRA has carried out a number of major redevelopment initiatives that have changed the face of Manchester and contributed substantially to the city’s economic health by creating jobs and increasing Manchester’s tax base.
**HIF Consulting**

**Extensive Expertise for Housing Professionals**

What do you do with years of experience navigating the complexities of the Low Income Housing Tax Credit program, plus specialized regional knowledge about developing and maintaining affordable housing? Answer: you share it.

The Northern New England Housing Investment Fund, which has been in business since 1996, started HIF Consulting in 2004 to provide strategic and technical assistance to developers, owners, lenders, public housing authorities, and other housing professionals in Maine and New Hampshire.

According to Tom MacDonald, NNEHIF’s Vice President of Acquisitions, when the company first began to offer consulting, it was to complement their core business and to meet a perceived need among their developer-partners – not to compete with them.

“NNEHIF was very sensitive about responding to requests for help from our clients and others, always careful not to step on the toes of developer-partners,” explained MacDonald. “Fortunately, it never became an issue, and developers who wanted to get involved with Housing Credits or affordable housing – but perhaps didn’t have the time or experience – sought us out.”

Before MacDonald joined NNEHIF in 2011, he owned MacDonald Associates, an affordable housing due diligence and Housing Credits consulting firm. He is responsible for overseeing the acquisitions of investments and coordinating the activities of HIF Consulting.

**FROM SOUP-TO-NUTS TO À LA CARTE**

Early on, HIF Consulting provided a fee-based service to put a development deal together, get the property built, and then see it through to occupancy. Over the years, the consulting has evolved to more of an à la carte model, but one where the consultants suggest to you what your best options are.

One example of a very focused consulting project is The Ledges, a community in Saco, Maine that The Caleb Group needed help refinancing in 2012. The project was complicated, consisting of four separate properties with differing capital needs and three distinct Housing Assistant Payment contracts.

In addition, said Debbie Nutter, President and CEO of The Caleb Group, the expectations of the existing lender and investor also had to be addressed, while also maintaining appropriate resident communication for the extensive renovation.

After two years, the restructured financing, Housing Credit investments, and capital improvements all came to fruition.

“HIF has an experienced consulting team that truly partners with the sponsor throughout the process – and they’re extremely responsive to funder, lender, and investor expectations,” said Nutter. “This knowledge, coupled with the group’s strong communication skills, serves to minimize the impact of the issues that inevitably arise.”

**BEYOND HOUSING CREDITS**

While most discussions originate around how, when, and why to use Housing Credits, consulting is often about other matters, including project feasibility, due diligence, and oversight of design and construction oversight for various types of properties.

Assignments can be short-term such as completing financial applications, or projects like The Ledges that can take years to complete.

Consulting isn’t limited to development. The asset management group also offers third-party consulting. An owner with a portfolio of projects, for instance, may be losing money every month and not understand why. HIF Consulting is able to review the portfolio and offer solutions to better position the properties.

It’s important to note that however a company works with HIF consulting, there is no requirement to continue working with NNEHIF on the actual investment, and the syndication need not go through them.

“We’ve worked on a number of projects that ended up with other investors, but every deal is different, so we stay flexible,” said MacDonald. 

To learn how HIF Consulting can help you, contact Tom MacDonald at (207) 772-8255 or tmacdonald@nnehif.org.
Community Capital 2017
NNEHIF’s 20th multi-investor fund

Northern New England Housing Investment Fund (NNEHIF) is now offering Community Capital 2017, its twentieth multi-investor fund. CC ‘17 is a limited partnership structured to pool capital from multiple investors, which is then invested in affordable housing developments in Maine and New Hampshire.

NNEHIF’s early funds had as few as four or five investors, but for the last three Community Capital funds there were an average of a dozen investors – last year, there were 13. In addition to an increased number of investors, there’s been a trend toward more community banks; in recent years, more than half of the fund’s investors have been community banks.

There are 11 projects in Maine and New Hampshire with 2017 tax credit reservations, including family units, senior housing, and two historic rehabilitation projects.

NNEHIF is encouraged by the robustness of the project pipeline, despite the current uncertainty in the market about possible tax reform.

“NNEHIF’s funds have a proven track record and the vast majority have exceeded targeted yields,” said NNEHIF President Bill Shanahan. “That said, we have to be realistic about the environment we’re in today, so we’re working closely with investors to help them meet their investment objectives.”

Tax Credit Reservations 2017

NEW HAMPSHIRE
$2,544,659

MAINE
$3,080,908

One investment objective that hasn’t changed is that banks, big and small, still need to sustain their CRA commitments.

“CRA is expected to remain an important aspect of our business. Until there’s more clarity regarding what the current administration may or may not do to reduce regulatory oversight, TD Bank is an active CRA investor,” said David Birkhahn, V.P. and Team Lead of the Community Capital Group at TD Bank.

NNEHIF’s long-term relationships with developers, managers, lenders and housing agencies – in both states – also remain strong. To name one example, NNEHIF has worked with all the developers that have 2017 tax credit reservations, with the exception of one new developer partner in New Hampshire that is also a HIF Consulting client.

Also unchanging is the organization’s expertise in the Housing Credit program and affordable housing development. In fact, last year NNEHIF added more experienced staff to the team, in anticipation of this year’s challenges.

“To our perspective, this is the way markets behave and we have to deal with conditions as they are,” said Shanahan. “Projects have momentum, the world moves on – and we’re here for the long haul.”

To find out more about the Community Capital 2017 Fund or Housing Credits investments, contact NNEHIF President Bill Shanahan at (207) 772-8255 or bshanahan@nnehif.org.