

Projects to compete for WHEDA tax credits

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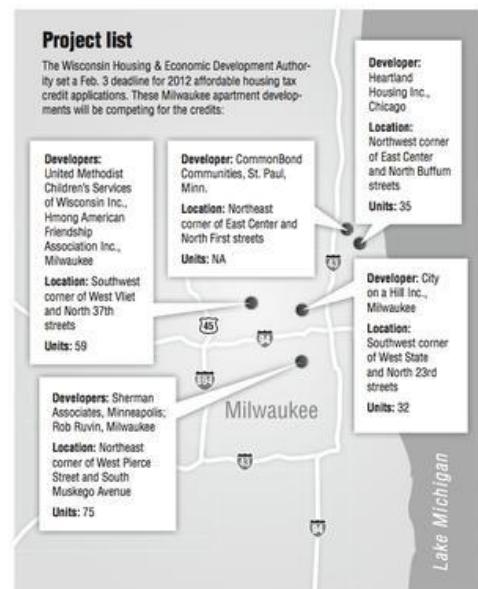
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Five affordable housing developments with a combined 200 apartments have been proposed for the city of Milwaukee, but there is expected to be heavy competition for the estimated \$12.5 million in available tax credits companies need to finance the projects.

The five apartment projects are contenders to apply for housing tax credits available in 2012 through the [Wisconsin Housing & Economic Development Authority](#). Developers sell the credits to investors to raise money for affordable housing development, but the tax credits have been in high demand. This year, WHEDA received \$38.8 million in applications for the \$17 million in available 2011 credits. The deadline for 2012 applications is Feb. 3.

Paul Keenan, project manager for Minneapolis-based Sherman Associates, said he expects applications for tax credits across the Midwest to outweigh the overall supply by 5-to-1. Sherman Associates, in partnership with Milwaukee developer [Rob Ruvin](#), is planning to buy and renovate a Milwaukee industrial building on West Pierce Street into 75 apartments geared toward families. “It’s in sort of an up-and-coming area,” he said of the site. “It’s a neighborhood that has a strong family nucleus, which directs us to use larger, two- and three-bedroom units.”

Another developer that applied for city rezoning in late November is City on a Hill Inc., Milwaukee, which plans to build 32 townhouse-style apartments to replace a parking lot at West State and North 23rd streets, said executive director [Diane De La Santos](#). City on a Hill in July opened 51 affordable apartments for seniors in the William A. Passavant elderly residential care complex, 2195 W. State St., which was built using tax credits.



"We have certainly found with this most recent project that it leased up very quickly," De La Santos said.

CommonBond Communities, St. Paul, Minn., also applied for rezoning to build affordable housing units at East Center and North First streets.

Two of the projects would be built on city-owned land. A city-owned lot on West Vliet Street could be developed into a 59-apartment building for seniors. United Methodist Children's Services of Wisconsin Inc. and the Hmong American Friendship Association Inc. partnered on that development.

Chicago-based Heartland Housing Inc. plans to buy a vacant Riverwest site from the city to build roughly 35 apartments for families, said executive director **Michael Goldberg**. It would be the Chicago-based company's third Milwaukee project.

But even if the projects secure WHEDA tax credits next year, more money will be needed to fill budget gaps. Sherman Associates and Ruvin have applied to put the building for their project on the national register of historic places, Keenan said. That would qualify the project for historic renovation tax credits.

De La Santos and Goldberg said they will seek other gap financing, such as from the city of Milwaukee's Housing Trust Fund. That fund this year provided \$818,395 to five projects after receiving \$3.1 million in applications.

"There is always a need for that gap financing," Goldberg said. "Tax credits get you, you hope, 75 percent of the financing."

<http://www.bizjournals.com/milwaukee/print-edition/2011/12/09/projects-to-compete-for-wheda-tax.html?page=all>