

Novogradac Journal of Tax Credits

News, Analysis and Commentary On Affordable Housing, Community Development and Renewable Energy Tax Credits

September 2012, Volume III, Issue IX

Published by Novogradac & Company LLP

HTCs, LIHTCs Help Single Parents Earn College Degrees

By Jennifer Dockery, Assignment Editor, Novogradac & Company LLP

Children are once again running through the halls of the former Stoddard Johnston Elementary School in Louisville, Ky. This time, however, their parents are also dragging around school books. Family Scholar House Inc. (FSH), a Louisville-based not-for-profit organization, and its development partner, Marian Development Group LLC (MDG), have renovated the 1915 building into apartments for single parents who are pursuing college degrees. In the past four years, FSH has used low-income housing tax credits (LIHTCs) and historic tax credits (HTCs) to develop properties near colleges and universities in Louisville. The Stoddard Johnston Family Scholar House is FSH's third such property to provide housing to single parents as they work to improve their financial situation.

"At the end of that four years, what you're turning out is a taxpayer. They're getting really good jobs. Not only do we break [the cycle of poverty] for the single parent, we break it for the child," said Jacob Brown, MDG's principal.

A Comprehensive Program

FSH began in 1995 as Project Women, an organization founded by leaders from six Catholic religious orders that wanted to support single mothers pursuing college degrees. The sisters used donations to rent apartments for single mothers and their children. Renting single units was expensive, however, and by 2005, the organization was only providing apartments to four families. The organization decided that if it developed its own housing units, it could assist more families. In October 2008, the group opened the Louisville Scholar House. In January 2011, FSH opened



Photo: Courtesy of Marian Development Group LLC
Marian Development Group preserved the doors and floors in the early 1900s school building.

the Downtown Scholar House and in January of this year, it opened Stoddard Johnston. At press time, the three Louisville developments housed 167 single-parent families, including four families headed by single fathers.

"Instead of paying for apartments, we're paid for apartments," Cathe Dykstra, FSH's president and CEO, said of operating the Family Scholar Houses.

Stoddard Johnston features 57 two- and three-bedroom units on four acres near the University of Louisville. The apartments are in the renovated school building and in two new buildings on the school grounds. All of the units were designed with single-parent households in mind and

continued on page 2

continued from page 1



Photo: Courtesy of Marian Development Group LLC
Apartments in the old school building were built in the classrooms and feature hardwood floors and the historic doors.

include two bathrooms with double sinks and laundry facilities. Amenities include a media lab, computer classes, financial literacy classes, tutoring and children's activities. Stoddard Johnston also includes an on-site academic services center with space for case management, community meetings and programs and a sensory room that provides services to children with special needs, such as those with autism and attention deficit disorders.

To live in one of the units, a single parent must have a high school diploma or GED and be a full-time student pursuing a college degree. While living at Stoddard Johnston, the student must maintain at least a 2.0 GPA. Parents meet twice a month with an academic adviser and twice a month with a family advocate. Residents must also volunteer in the community for at least four hours each month. Those who complete a four-year degree transition out of housing within 90 days, but those who earn a two-year degree can remain in the units if they are pursuing an additional degree. Dykstra said that 72 percent of the students earn degrees in health care fields. At press time, 81 program participants had earned degrees.

"It's a comprehensive program that serves every member of the household, not just the college student," Dykstra said. She added that FSH works with families before and after they move in and that many families use FSH's services without living in the units.

The majority of the funding for Stoddard Johnston came from the LIHTC program. PNC provided nearly \$8.4 million in equity for the LIHTCs and more than \$923,000 for the HTCs. Louisville Metro provided \$500,000 in HOME funds and \$300,000 in Community Development Block Grant program funds. The Louisville Metro Housing Authority provided \$340,000 through annual contribution contract mixed financing. An \$866,000 permanent mortgage from PNC rounded out the financing for the \$11.6 million development.

continued on page 3

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ISSN 2152-646X

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continued from page 2

Preserving the Past

MDG preserved the 1915-building's beaux arts exterior and that of two additions added in 1923 and 1930. In the historic building, the developer rebuilt the existing windows and installed thermal glass that resembled the original glass. The original brick and stonework was restored. Inside, the developer preserved the terrazzo floors in the hallways and matched the trim in the stairwells. Historic units incorporate original classroom doors and baseboards, as well as blackboards similar to those that once hung in the classrooms.

"You hate to change the character of the building," Brown said of preserving the building's historic features. The two new buildings have exterior details similar to those of the historic school building.

Both the historic and new buildings include energy-saving features, including compact fluorescent lighting, programmable thermostats and low-flow water fixtures. Outside, the developer added bioswales, pervious pavement and surface collection units to reduce the development's effect on the city's combined storm and sewer system.

A Constant Need

At press time, 1,804 families were receiving services through FSH. Demand for the housing units is strong with 551 families on the waiting list, Dykstra said. A fourth Louisville development, Parkland Scholar House, is under development and is expected to be completed in summer 2013. Through an affiliate program, FSH is replicating its program model in other communities. The group has also received LIHTCs for a development in Pikeville, Ky. and is working on another development in Indianapolis, Ind. ❖

This article first appeared in the September 2012 issue of the Novogradac Journal of Tax Credits.

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