

# Low-income housing association fills gap as tax credits run out

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**T**he collapse of the housing market has decimated tax credit programs for affordable housing. Because the housing itself usually provides little, if any, revenue for investors, most investors lose their enthusiasm quickly once the credits expire and typically opt to sell their interest in the properties.

That's starting to happen at some locations around Sacramento, where 15-year tax credits offered to investors under a 1986 tax reform law are now running out.

Enter Sacramento Mutual Housing Association, which develops and manages several low-income housing communities. The nonprofit developer has purchased two such projects in the Del Paso neighborhood this year, after investors sold off their minority interests, and plans to "modernize" them. Sacramento Housing and Redevelopment Agency had been the general partner at the two properties: Norwood Avenue Apartments and adjacent property Norwood Estates.

SMHA will spend \$3 million to replace roofs, stucco siding and paint; repair parking areas and driveways; install security cameras; and make the complexes' ramps accessible for people with disabilities.

Funding for the improvements came from SHRA, Community Housing Capital, a non-profit that supports affordable housing, and Community Development Financial Institution.

With other properties in the region in the same boat, look for SMHA to continue to pick up additional projects.



Sacramento Mutual Housing Association develops housing that is affordable to a diversity of households. Our housing builds strong and stable communities through resident participation and leadership development.

For more information, call (916) 453-8400 or visit our website at [mutualhousing.com](http://mutualhousing.com).