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## Elm Grove Companies to convert 96 apartments to affordable housing

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Rochester, NH Real Estate development firm Elm Grove Companies is renovating Country Brook Apartments, converting 96 market-rate apartments to a workforce housing community at 68 Hemingway Dr. Utilizing a relatively new income averaging program under the federal Low-Income Housing Tax Credit (LIHTC) program rules, the renovated units will provide homes to families who earn between 20% and 80% of Area Median Income (AMI), or as low as \$16,300 per year and up to about \$93,000 per year.

Low-Income Housing Tax Credits are allocated by New Hampshire Housing to developers to stimulate investment in affordable housing. The federal LIHTC program is an important public/private financing tool that encourages developers and investors to create affordable multifamily housing for low- and moderate-income families by using tax credits to leverage private

equity investment in these properties.

“We are in the process of renovating units as they become available. Existing residents are being offered newly renovated units within their income bracket and upon transfer to the new unit, we will renovate the old unit and continue this process to the end,” said Chris Schleyer, principal and head of property management at Elm Grove Companies. “This has allowed us to get underway without displacing the vast majority of residents.”

This development is a substantial undertaking with total projected development costs exceeding \$23 million, encompassing acquisition, construction, financing, and other soft costs. In addition to the LIHTC allocation, New Hampshire Housing is providing permanent bond financing of \$13.2 million and temporary construction financing of \$5.2 million. RBC Community Investments (RBC) is providing equity financing in conjunction with an allocation of \$8.25 million in LIHTC credits and solar tax credits of approximately \$200,000. The New Hampshire Community Loan Fund and Genesis Community Loan Fund are partnering to provide \$750,000 of financing. Additionally, Eversource through the Community Action Partnership of Strafford County is also providing heating, cooling, and weatherization measures through the NH Saves program.

“We are well aware of the desperate need for more affordable housing across the state,” said Matt Menning, principal and head of operations at Elm Grove. “The positive impact that these housing opportunities have on our local communities is clearly evident, and we want to continue to do our part to increase access to affordable housing options. Further, the city of Rochester was very supportive of the conversion and helpful in completing the necessary steps to move the project forward. New Hampshire municipalities play a key role in helping developers create affordable housing.”

Elm Grove anticipates all unit renovations to be completed by the end of 2023.

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