



Tax credit program boosts housing support for Salem, Beverly agencies - Salem News: Business

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By Ethan Forman Staff Writer

Peter and Joan Johnson are long-time supporters of affordable housing. And while Peter Johnson does not consider himself a wealthy person, he's found a way to stretch what he and his wife give to the cause.

The Johnsons donate to both Harborlight Community Partners in Beverly and North Shore Community Development Corporation in Salem. And because both agencies have been awarded Community Investment Tax Credits, the Johnsons can get more than half their money back in the form of tax credits and deductions.

“What it has allowed us to do is to increase the amount we are giving to each,” Johnson said.

The state recently awarded the two organizations a total of \$210,000 worth of state Community Investment Tax Credits, allowing them to widen their reach for new donors and maximize the impact of charitable gifts.



BEVERLY — Renovations to Harborlight Community Partners' Harborlight House, an assisted living facility, may also be bolstered by state Community Investment Tax Credits. The agency has been awarded \$110,000 in such tax credits. Courtesy photo

That's because for every \$1,000 or more in donations, the donor will get a 50 percent state tax credit. When the tax credit is paired with a donor's federal tax deduction, the savings can be as much as 65 percent or more, depending on the donor's tax bracket.

Essentially, this allows the two nonprofits to leverage the tax credits for a combined \$420,000 in donations to affordable, low-income or senior housing on the North Shore. The use of tax credits may also spur new donors to give to these organizations year after year.

The North Shore CDC, which is active in Salem, Beverly, Peabody and Lynn, was awarded \$100,000 in tax credits this year. Harborlight got \$110,000 in tax credits.

North Shore CDC has been working on the North Shore for 40 years, investing in low-income and distressed neighborhoods. Harborlight, which was founded more than 50 years ago, works on affordable housing and supportive services for elders and families in need.

Housing & leadership

Each nonprofit will use the money to bolster their community investment plan. North Shore plans to expand its youth workforce development program, called YouthBuild North Shore; develop additional affordable housing; and expand its leadership development program.

Harborlight plans to use the funds to support housing in Beverly, Peabody, Ipswich, Rockport, Gloucester, Marblehead, Hamilton and Wenham.

The local tax credits are part of a statewide program that awarded \$5 million in credits to 44 community development corporations statewide.

Last year was the first year of the program, and the North Shore CDC was awarded \$80,000 in tax credits, said Jackie Giordano, the agency's director of external affairs. Those tax credits leveraged \$160,000 in new, private donations, she said.

"We want the people who live, work and play in these communities to invest back into the community," Giordano said.

Here's how the tax credits work. A donor who makes a gift of \$2,000 to either organization would receive a \$1,000 state tax credit. If the credit is more than the donor owes in taxes, that amount is refundable. Donors also receive a federal tax deduction, which in some cases could be 35 percent, depending on the donor's tax bracket. That means a donor would only be out of pocket \$650.

The hope is that donors will give more, stretching their donation. There is a limited supply of tax credits, and they are supplied on a first-come, first-served basis. Last year, North Shore CDC sold out by October, Giordano said.



Courtesy photo: North Shore Community Development Coalition's youth workforce development program, YouthBuild North Shore, will be supported by funds raised through the Community Investment Tax Credit program.

The tax credits are attractive not only to individuals and corporations, but to nonprofits and banks, she said.

Widening support

Andrew DeFranza, executive director of Harborlight Community Partners, said some donors want to maximize their philanthropic impact, and others are excited about "what that level of resources can do in the community."

DeFranza likes the tax credits because it has the potential to expand the nonprofit's base of support, what he calls "the multiplication of friends and partners."



DAVID LE/Staff photo: North Shore CDC has used tax-credit investments to help fund renovations at properties it operates on Peabody Street in Salem.

North Shore CDC has used the money it raised through the tax credit program toward the \$18 million renovation of 77 affordable apartments it operates scattered throughout the Point Neighborhood in Salem.

The money also helped with its YouthBuild North Shore program, which serves 32 at-risk young people in Salem and Lynn who are working toward their high school diplomas while also learning job skills building affordable housing. Giordano said about half the donors restricted their donations to YouthBuild.



WENHAM: Harborlight Community Partners' proposed 60-unit elderly housing development in Wenham could benefit from investments in state Community Investment Tax Credits the organization has been awarded. Courtesy photo

Harborlight has 371 housing units

in eight North Shore communities, for elders, first-time buyers, those needing assisted living and others, most of whom have incomes below the area median income.

Money from the tax credits will go to initiatives such as Harborlight's 60-unit Maple Woods elderly housing project, which the Wenham Zoning Board recently approved. The money would also assist with renovations to Harborlight House, an assisted living facility that Harborlight operates, said Bethany Blake, the organization's fundraising coordinator.

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http://www.salemnews.com/news/business/tax-credit-program-boosts-housing-support-for-salem-beverly-agencies/article_3458a873-4890-5b3d-8d67-12ba980ee42e.html