

LIHTC

Low Income
Housing Tax
Credit



Investing in Your Community, in Your Neighborhood, in Your Future

LIHTC Rehabilitation Improves Community for Davisville Residents



Westgate Terrace is a new construction LIHTC community located in Franklin, North Carolina, for families earning 60% or less of the area median income.

BY THE NUMBERS

Acquisitions/Rehabilitation 60 units
Private Equity Investment: \$4,617,564

During Construction

Local Jobs Supported: 68
Local Government Revenue: \$406,500

Projected Ongoing Annual Effect

Local Jobs Supported: 19
Local Government Revenue: \$237,000

The Town of Franklin, North Carolina, knows how important it is to provide residents with safe, affordable housing. In the last ten years, the town has seen significant population gains, and has recently experienced growth in the health care, local government, and retail sectors, including the completion of a Walmart Regional Supercenter. As the Franklin workforce continues to grow, so does the demand for affordable housing. With all of the local LIHTC properties operating on a waiting list, it became clear that the town was in need of another option. Recognizing this growing issue, The Town of Franklin teamed up with The Flatiron Group, Inc., to develop the town's first new LIHTC community in over a decade.

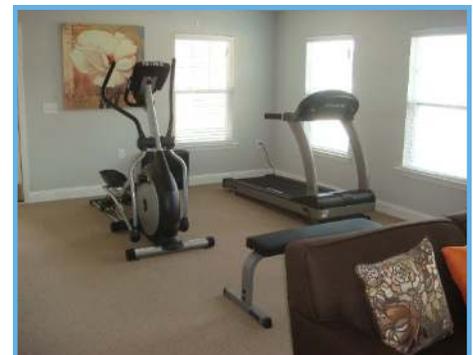
Westgate Terrace is a new construction 60-unit community for families earning 60% or less of the area median income. This three-building development includes a laundry room, outdoor picnic area, playground, computer room, fitness area, covered patio, and a community room. Developable areas in a mountainous region like Franklin can be hard to come by, but the prime location of Westgate Terrace provides residents with breathtaking views, along with easy access to highways, retail areas, and health care.

The partnership between The Flatiron Group and the Town of Franklin was instrumental in making this project possible. Because of this relationship, The Flatiron Group was able to work with a local bank to secure favorable permanent financing terms and the Town of Franklin waived substantial utility tap fees, both of which were necessary to make this development successful. Westgate Terrace should bring the Town of Franklin long-term economic benefits as well. With greater access to affordable housing, the workforce in the area – and therefore the consumer spending - will continue to grow.

To nobody's surprise, Westgate Terrace was 100% leased-up within three months. This prosperous collaboration between The Flatiron Group and the Town of Franklin was an important step in providing residents the access to safe, affordable housing that they deserve.



This community offers spacious one-, two-, and three-bedroom units that range in size from 718 to 1,198 square feet.



A fitness center, provided through CAHEC's Rex Williams Wellness Center Grant, gives residents the opportunity to stay healthy and fit.

The Need for Affordable Housing Is Critical

Housing Landscape 2014 from the Center for Housing Policy reports that despite improvements in the economy since the end of the Great Recession, "housing affordability remains a severe challenge for millions of working individuals and families." The housing crisis of 2008 drove more Americans into the rental market, and now the demand for affordable rental housing exceeds the supply. As discussions regarding tax reform continue, it will be important to remember the LIHTC program's excellent track record and its essential role in developing and preserving affordable housing.

What Is the LIHTC?

Created by Congress as part of the Tax Reform Act of 1986, the Low Income Housing Tax Credit (LIHTC) generates private capital investment used to finance the construction and rehabilitation of affordable rental housing for households earning 60% or less of the area median income. According to the Joint Center for Housing Studies at Harvard University, the housing tax credit is "widely regarded as the most successful housing production and preservation program in the nation's history." Since it was enacted, the LIHTC program has led to the development of more than 2.6 million units of affordable housing.

In addition to providing safe, decent, and affordable housing for working-class families and seniors on limited incomes, the economic impact of the LIHTC program is visible in communities throughout the country. The development of affordable housing increases spending and employment in the local economy. The National Association of Home Builders estimates that for every 100 units constructed with low-income housing tax credits, 116 jobs are created and more than \$3.3 million in federal, state, and local revenue is generated. Moreover, affordable housing can affect an employer's ability to attract and retain employees. LIHTC investment plays a significant role in community revitalization, which in turn can improve economic opportunities for local residents.

Who Is CAHEC?

One of the nation's leading nonprofit equity syndicators, CAHEC helps finance the development of attractive and affordable rental housing. Headquartered in Raleigh, N.C., CAHEC works with investors and developers in eleven states and the District of Columbia to raise and invest capital in affordable housing, historic preservation, and mixed-use community revitalization projects. Since its founding in 1992, CAHEC has raised and committed more than \$1.4 billion toward the development of more than 21,000 units of affordable housing.

How Tax Credits Flow



919.420.0063 • www.cahec.com

ANASLEF

CAHEC is a proud member of the National Association of State and Local Equity Funds

