

LIHTC

Low Income
Housing Tax
Credit



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

New LIHTC Community in Lexington Helps Displaced Residents



Davis Park View, a new construction LIHTC property located in Lexington, Kentucky, is a 14-unit community that consists of two duplexes, two quadplexes, a bungalow, and a cottage.

The Newtown Pike roadway extension project in Lexington, Kentucky, dates back to the 1960s. The Department of Transportation's plan sat stagnant for many years before coming to life, and even then the complex project faced some major hurdles. One of the more pressing issues facing project leaders was displacement housing. This important transportation redevelopment plan would demolish housing resided in by low-income residents. With no comparable rental options available, Davis Park View, a new construction LIHTC development, was the perfect solution.

Developed by AU Associates, who is headquartered in Lexington and takes great pride in their involvement in this "hometown" project, Davis Park View is a beautiful 14-unit rental community for families. The development consists of two duplexes, two quadplexes, a bungalow, and a cottage. All units have Energy Star appliances, including full size washers and dryers and a dishwasher. Also, the location is perfect with public transportation, retail stores, banks, and gas stations all near by. Davis Park View is part of Davis Park, a residential community offering low-income families both rental and homeownership opportunities.

One of the most unique things about Davis Park View is the collaboration effort among various organizations that made this project possible. Households displaced by the Newtown Pike roadway extension were provided temporary housing until construction was complete, and then given the option to move into one of the new units. The Kentucky Department of Transportation agreed to provide the residents making the transition a rental subsidy to guarantee their housing remained affordable. Additionally, AU Associates, the City of Lexington, Kentucky Housing Corporation, the Federal Highway Administration, and the Department of Transportation worked together to secure the land Davis Park View is built on in a Community Land Trust. This setup is the first like it in the state of Kentucky, and ensures that the remaining available units would be affordable for low-income Lexington residents.

This successful partnership between both private and public organizations is a milestone for the neighborhood. Davis Park View exceptionally demonstrates the ability to provide safe, affordable, attractive housing in the heart of downtown Lexington.

BY THE NUMBERS

Acquisitions/ Rehabilitation 14 units
Private Equity Investment: \$1,696,330

During Construction

Local Jobs Supported: 17
Local Government Revenue: \$115,572

Projected Ongoing Annual Effect

Local Jobs Supported: 4
Local Government Revenue: \$61,740



This four-bedroom bungalow offers renters the rare option of living in an unattached unit.



Each unit comes fully-equipped with Energy Star appliances.

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

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

