

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

New LIHTC Property in Tarboro Provides Much Needed Affordable Housing



Hunter Hill, a new construction LIHTC property located in Tarboro, North Carolina, is a mix of 56 one-, two-, and three-bedroom garden-style units that range in size from 740 to 1,168 square feet.

BY THE NUMBERS

Acquisitions/Rehabilitation 56 units
Private Equity Investment: \$3,651,635

During Construction

Local Jobs Supported: 63
Local Government Revenue: \$429,800

Projected Ongoing Annual Effect

Local Jobs Supported: 18
Local Government Revenue: \$221,000

The need for affordable housing has been evident in Tarboro, North Carolina, for quite some time. As with many manufacturing towns, the tough economy forced people out of higher paying jobs and into other fields. As residents adjusted to living on smaller incomes, the lack of access to quality affordable housing proved to be an issue. Not only was the last LIHTC property built in Tarboro over 12 years ago, but all current LIHTC communities were operating on extensive waiting lists. With market rate apartment communities not a viable financial option for a lot of people, Tarboro was an ideal location to build a new LIHTC community.

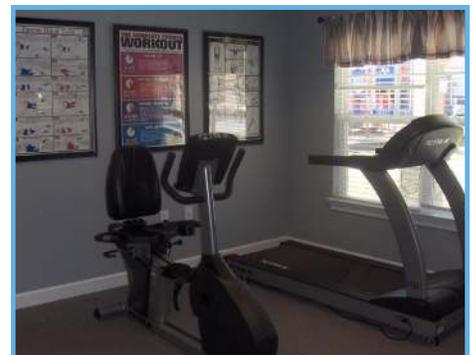
Developed by Holly Smith of Ilex Properties, Hunter Hill is a new construction 56-unit community for families earning 60% or less of the area median income. This development not only offers residents beautiful apartments, but also provides them with a clubhouse that features a fitness center, computer center, laundry facility, and a community room with kitchenette. Additionally, the location couldn't get any better. Hunter Hill residents have easy access to major roadways, and are within walking distance to many restaurants, retail stores, banks, convenience stores, and a supermarket.

On top of all that, Holly Smith and her team wanted to ensure the residents of Hunter Hill had another important amenity – lower energy costs. Because the Town of Tarboro citizens do not directly purchase their electricity from energy producers, which is the standard process in most communities, energy costs tend to run higher than normal in Tarboro. Hunter Hill's inclusion of energy-efficient features has resulted in much lower electricity costs for residents. It is estimated that residents save 50%-60% over the Town of Tarboro's average costs for apartment units, which can translate to a savings of over \$100 per month for the three-bedroom units.

The long list of amenities Hunter Hill offers, coupled with gorgeous units and spectacular curb appeal, contributed to the quick lease-up of this community. The construction of Hunter Hill has given the residents of Tarboro the access to quality affordable housing they deserve.



In addition to this awesome playground, residents have access to a gazebo, picnic area, and walking trail.



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



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