

# LIHTC

Low Income  
Housing Tax  
Credit



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

### New LIHTC Community in Richmond Serves Important Role in Redevelopment Plan



Belle Summit Apartments, a new construction LIHTC property located in Richmond, VA, serves families earning 50 percent or less of the Area Median Income.

The Old Manchester Redevelopment Area of Richmond, Virginia, is undergoing quite the transformation. Located on the south side of the Lee Bridge, Manchester served as a major seaport and independent municipality until 1910, when it was consolidated into the city of Richmond. The once booming tobacco plants and manufacturing facilities of this historic area soon became uninhabited until the city council adopted the Richmond Riverfront plan in November 2012. Now, the underutilized Manchester area is being tapped as a hot spot for commercial and residential development. Belle Summit, a LIHTC community, is part of this revitalization.

Located at the corner of Cowardin and Springhill, Belle Summit is a 50-unit new construction development built on what was once a vacant lot. The single building community, which was co-developed by RHA/Housing, Inc. and Landbridge Development, LLC, is comprised of one-, two-, and three-bedroom units. Residents have access to a community room, fitness center, computer room, and gated covered parking on the ground floor. Additionally, each apartment has a balcony or patio, is outfitted with Energy Star appliances, and was built to meet EarthCraft standards.

As the Manchester area began its restoration, the development team quickly saw the importance of building affordable housing for Richmond residents. Belle Summit, one of many new rental communities within the redevelopment, serves families earning 50 percent or less of the Area Median Income. These income-restrictions ensure that low-income residents have a safe, affordable place to live in an up-and-coming neighborhood. Additionally, the community's close proximity to downtown Richmond – the central business district is just a few minutes away – means residents have easy access to employment and community services.

As the redevelopment moves forward, the Manchester area continues to flourish. Many cutting-edge organizations and businesses are moving into former warehouses and being constructed on empty land to take advantage of the gorgeous views of the city and James River. As Manchester quickly moves to the top of the list of Richmond's most promising areas, Belle Summit provides low-income residents assurance that they'll have necessary access to beautiful, safe, affordable housing.

#### BY THE NUMBERS

**New Construction: 50 units**  
**Private Equity Investment: \$6,153,421**

##### During Construction

**Local Jobs Supported: 61**  
**Local Government Revenue: \$413,400**

##### Projected Ongoing Annual Effect

**Local Jobs Supported: 15**  
**Local Government Revenue: \$220,500**



Residents have access to a community room and kitchen, perfect for social gatherings and potlucks.



The gorgeous city views are one of the features parts of this low-income community.

## 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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