

# LIHTC

Low Income  
Housing Tax  
Credit



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

### Mars Hill Welcomes First LIHTC Community



Mars Hill Commons, a new construction LIHTC property located in Mars Hill, NC, serves families earning 60 percent or less of the Area Median Income.

Nestled in the Blue Ridge Mountains of North Carolina, the Town of Mars Hill boasts the perfect combination of rural and scenic beauty with the perks of nearby city life - residents have access to the Blue Ridge Parkway and the Appalachian Trail, while major shopping and dining in Asheville is located a short 20 miles away. The appeal of a place like Mars Hill is leading to an increase in population and household growth, and although the economy has stabilized, the residents were still struggling with a common problem across the country: access to affordable housing. [Mountain Housing Opportunities \(MHO\)](#), a local nonprofit, had a solution: the development of Mars Hill Commons, the first unsubsidized LIHTC property for the Town of Mars Hill.

Mars Hill Commons is a 48-unit new construction development for families earning between 30 percent and 60 percent of the Area Median Income. The garden-style apartments, which include Energy Star appliances, a patio/balcony, and extra storage are housed in four beautiful residential buildings. Residents are also treated to an abundance of amenities, including a fitness center, computer center, two playgrounds – one for older children and one for younger tots, a covered picnic area, and outdoor seating. Although there are no age restrictions for tenants at Mars Hill Commons, the first floor one- and two-bedroom apartments are an attractive living alternative for seniors, the demographic group with the highest projected household growth in the area.

Even though it took several years to solidify the need for affordable housing outside of Asheville, Mars Hill Commons had a significant amount of area community support. Nonprofits, city and county governments, and various other groups rallied to help make this deal possible. In fact, two local banks were the top contenders for the construction and permanent financing. Supporting a project like this is a lot easier when the developer is a seasoned professional with an excellent track record of developing unique affordable housing projects in the Asheville area. Prior to Mars Hill Commons, CAHEC and MHO had partnered on nine successful projects.

Mars Hill Commons is preparing to celebrate its early success with a Ribbon Cutting Ceremony on Friday, August 28. With the leasing on schedule, this gorgeous LIHTC community has positioned itself to be a model for future rural developments.

#### BY THE NUMBERS

**New Construction: 48 units**  
**Private Equity Investment: \$3,073,160**

**During Construction**  
**Local Jobs Supported: 54**  
**Local Government Revenue: \$368,400**

**Projected Ongoing Annual Effect**  
**Local Jobs Supported: 15**  
**Local Government Revenue: \$189,600**



In July of 2014, community and project leaders gathered to celebrate the groundbreaking.



The community has spacious one-, two-, and three-bedroom units available.

## The Need for Affordable Housing Is Critical

*Housing Landscape 2015* from the Center for Housing Policy reveals that in 2013, one in four working renter households spent more than half of their income on housing each month. Even though the median income of working renters increased 6.7 percent from 2010 to 2013, rents increased 4.9 percent during that time period, leading to only slight improvements in housing affordability. 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 \$1.6 billion toward the development of more than 23,000 units of affordable housing.

### How Tax Credits Flow



919.420.0063 • [www.cahec.com](http://www.cahec.com)

ANASLEF

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

