

LIHTC

Low Income
Housing Tax
Credit



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

New LIHTC Community in Spindale a Big Success



Timber Ridge, a new construction LIHTC property located in Spindale, NC, serves seniors earning 60 percent or less of the Area Median Income.

BY THE NUMBERS

New Construction: 50 units
Private Equity Investment: \$3,533,970

During Construction
Local Jobs Supported: 57
Local Government Revenue: \$383,750

Projected Ongoing Annual Effect
Local Jobs Supported: 16
Local Government Revenue: \$197,500

As community leaders, project leaders, and Spindale residents gathered back in April to celebrate the grand opening of Timber Ridge, a LIHTC development in Spindale, North Carolina, it was evident that a feeling of pride and accomplishment was in the air. Spindale had recently seen an increase in population and household growth among the senior demographic, creating a need for updated, affordable housing for residents. The Affordable Housing Group of North Carolina, Inc. and Wesley Community Development Corporation knew the best way to solve this problem was to develop a housing community targeted to low-income seniors. The final product exceeded everyone's expectations.

Timber Ridge is a 50-unit new construction development for seniors earning 60 percent or less of the Area Median Income. The community includes 25 one-story, duplex-style residential buildings and one nonresidential building that houses the management office and shared community space. The senior-focused design of the units proved to be a major draw for residents – each spacious apartment has front door parking, a private covered front porch, a small patio, emergency pull chains, grab bars in the bathrooms, and appropriate clearance at doorways. Outside, residents have access to raised garden beds, a covered picnic shelter with a grill, and various seating areas.

Although weather delays proved difficult during the construction phase, project leaders maintained their positive outlook and revealed a completed product everyone was proud to be a part of. Spindale Mayor Mickey Bland summed it up best by saying, "Spindale is fortunate to have affordable housing such as Timber Ridge, which provides a safe and well-maintained environment for our senior citizens – many of whom have transitioned from single family residences. Having been in the affordable housing industry at one time in my career, I am well aware of the benefits that this type of community provides to Spindale and Rutherford County. Spindale is proud that our town was chosen as a site for this attractive project."

The well-thought-out design of the community, along with the senior-focused layout of the units, appealed to the older demographic of Spindale and the surrounding area - the development was fully leased within a few months of the completion of construction. This gorgeous LIHTC complex not only fulfilled a growing housing need, it provided the entire Spindale community a new development they're extremely proud to have as part of their town.



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 \$1.8 billion toward the development of more than 24,000 units of affordable housing.

How Tax Credits Flow



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