

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

Property Rehab in Fayetteville Preserves LIHTC Housing



Colony Place Apartments, located in Fayetteville, North Carolina, is a LIHTC development for families with incomes ranging from 50% to 60% of the area median income.

When the previous owner of Colony Place Apartments in Fayetteville, North Carolina, fulfilled his obligations with HUD in 2010, the Low Income Housing Tax Credit (LIHTC) community and its residents faced some uncertainty about their futures. Colony Place Apartments was at risk of being converted to a market rate community, opening up the possibility that many residents would no longer be able to afford to stay in their current apartments. Fortunately, Beacon Management Corporation acquired the property and saw great value in rehabilitating and preserving it as a LIHTC community.

Completely renovated in 2012, Colony Place Apartments consists of 100 two- and three-bedroom apartments, along with a newly constructed 4,000 square foot clubhouse that consists of a community room, community kitchen, computer room, and a laundry room. One of the key points of the rehabilitation process was making the apartments more energy-efficient. The kitchens are now equipped with Energy Star appliances, along with new heating and AC units, more efficient water heaters, new insulation, and new windows in all of the units.

The work done to Colony Place Apartments not only extended the life of the property; it made the community safer. A fence was constructed around the rear perimeter of the property to impede access by non-residents, something that was considered an issue before the change in ownership. In addition, new security policies were put into place to better protect the residents.

The rehabilitation of Colony Place Apartments created a more beautiful, up-to-date, and energy-efficient community where residents feel safe and can take pride in where they live. The most important part? This LIHTC housing preservation gives people who would not ordinarily be able to afford a market-rate apartment a place they can call home.

BY THE NUMBERS

New Construction: 100 units

Private Equity Investment: \$5,711,466

During Construction

Local Jobs Supported: 61

Local Government Revenue: \$413,400

Projected Ongoing Annual Effect

Local Jobs Supported: 15

Local Government Revenue: \$220,500



Pre-rehab, the community also needed several site improvements, including a replacement of all of the existing parking lots and driveways.



The newly remodeled landscaping includes this gazebo, which offers residents a covered place to relax outdoors.

The Need for Affordable Housing Is Critical

In 2010, the National Low Income Housing Coalition reported that "the demand for low-cost rental housing has grown" during the past few years while the supply of affordable housing has declined. At a time when unemployment is high and more households are entering the rental market, the challenge of finding safe, quality affordable housing increases. With affordable rental housing in such short supply, the Low Income Housing Tax Credit serves a greater need than ever.

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 2.4 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 \$1.2 billion toward the development of more than 18,000 units of affordable housing.

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