

# LIHTC

Low Income  
Housing Tax  
Credit



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

### LIHTC Rehabilitation Improves Community for Davisville Residents



Dutch Ridge, a LIHTC rehabilitation project located in Davisville, West Virginia, is a mix of 24 one- and two-bedroom units that range in size from 605 to 767 square feet.

Brand new Energy Star kitchen appliances, new carpet and flooring, high-efficiency water heaters, new HVAC systems – these are just some of the interior improvements residents of Dutch Ridge in Davisville, West Virginia, are now able to enjoy thanks to a LIHTC rehabilitation project completed in 2013. Owned and managed by The Woda Group, Inc., this aging community dates back as one of Woda’s oldest rural developments and was in need of an overhaul.

Located six miles south of downtown Parkersburg, Dutch Ridge is a USDA Rural Development 515 project. This 24-unit, three-building community is targeted toward families earning 60% or less of the area median income. USDA Rural Development rental assistance is available for 18 of the 24 units.

Before construction began, the community was 100% occupied with a lengthy waiting list. Dutch Ridge residents are loyal, with most having lived at the property for five to six years - including one resident who moved in when the property was first built in 1993. This dedication led to little turnover during construction, and now 15 of the 24 units remain occupied by prior tenants.

In addition to the extensive interior renovations completed during the rehabilitation, the exterior of the buildings underwent a transformation as well. Brick was added to the facades, all the siding was replaced, new windows and doors were installed, stairwells were re-done, and new insulation was added. The community improvements were rounded out by upgrading the laundry facility, repaving the parking lot, installing new lighting, replacing the landscaping, and adding new signage throughout the community.

The families who live in Dutch Ridge have always enjoyed spending time outside together, but the renovation has given them even more reasons. Residents love playing on the new playground and hosting get-togethers in the brand new picnic area. In addition, CAHEC’s Rex Williams Wellness Center Grant has provided the Dutch Ridge residents with jump ropes, hula hoops, a horseshoe set, soccer equipment, a basketball hoop, and various other outdoor equipment.

The property upgrades, both internally and externally, not only make the community more aesthetically pleasing, but also create a development that is more energy-efficient, safer, and most importantly, still affordable. The best part? The loyal residents who loved Dutch Ridge before the rehabilitation are even happier now.

#### BY THE NUMBERS

Acquisitions/Rehabilitation 24 units  
Private Equity Investment: \$2,494,975

##### During Construction

Local Jobs Supported: 29  
Local Government Revenue: \$198,432

##### Projected Ongoing Annual Effect

Local Jobs Supported: 7  
Local Government Revenue: \$105,840



Seen here prior to the rehabilitation, Dutch Ridge, which was built in 1993, was in need of some updates.



A new picnic area and laundry facility are two of the highlights of the rehabilitation for the Dutch Ridge residents.

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

