

# LIHTC

Low Income  
Housing Tax  
Credit



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

## Adaptive Reuse in Dunn Transforms Historic School



Harnett Training School, an adaptive reuse located in Dunn, NC, has 37 LIHTC units that serve seniors aged 62 and older earning 60 percent or less of the Area Median Income.

The Harnett County Training School has been a landmark in Dunn, North Carolina, since its construction in 1922. Partially funded by Chicago philanthropist Julius Rosenwald, the school was built to provide education for the African American students in the area. After several expansions, the school became one of the largest Rosenwald schools in the state. Over time, desegregation made the school obsolete and it sat unoccupied for many years. The City of Dunn made the preservation of the school for use as affordable housing for seniors a priority when it adopted the Northeast Dunn Community Revitalization Plan in November 2011. Now, this historic building rich in culture has been transformed to serve the housing needs of Dunn's elderly residents.

Harnett Training School Apartments is a 37-unit development serving seniors aged 62 and over earning between 30 percent and 60 percent of the Area Median Income. Co-developed by Scott A. Redinger, Inc. and Dunn Community Development Corporation, this community is comprised of two separate buildings on this historic campus that offer residents both one- and two-bedroom options. In addition to the adaptive reuse of the original school building into 13 spacious apartments, a brand new residential building was constructed to include 24 additional units. The community also features access to a senior center and a nearby park with walking trails. To guarantee affordability for residents, rental assistance ensures that tenants pay no more than 30 percent of their income for rent.

The adaptive reuse of this campus goes beyond simply providing much needed affordable housing for local seniors. Along with the rehabilitation of the main school building, the other three existing structures – a gymnasium/auditorium, a classroom annex building, and a multi-purpose building – were also remodeled. The complete project, which renovated or replaced more than 80,000 square feet, is meeting the needs of Dunn residents on several levels. Central Carolina Community College has leased the renovated classroom annex and multi-purpose building for culinary classes, barbering classes, and college preparatory classes for high school students. Additionally, the newly restored gymnasium is being utilized by the Dunn Police Athletic League for its youth recreation program.

The extensive renovation of this historic campus is nothing short of impressive. The collaboration of all of the partners involved resulted in a development that serves the needs of several generations of Harnett County residents. This transformation ensures that Dunn seniors have necessary access to safe, affordable housing.

### BY THE NUMBERS

Adaptive Reuse: 37 units

Private LIHTC Equity Investment: \$3,583,538

#### During Construction

Local Jobs Supported: 42

Local Government Revenue: \$283,975

#### Projected Ongoing Annual Effect

Local Jobs Supported: 12

Local Government Revenue: \$146,150



Residents enjoy beautiful outdoor space for gardening and cook-outs.



The adaptive reuse includes the renovation of a classroom annex and multi-purpose building to provide leased space for Central Carolina Community College.

## 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 2.7 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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