

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

New LIHTC Property Perfect for Small Community



Linville Cove, a new LIHTC property located in Newland, North Carolina, provides affordable housing to seniors while making a positive economic impact on the town.

BY THE NUMBERS

New Construction: 32 units
Private Equity Investment: \$3,427,067

During Construction

Local Jobs Supported: 36
Local Government Revenue: \$245,600

Projected Ongoing Annual Effect

Local Jobs Supported: 10
Local Government Revenue: \$126,400

Newland, North Carolina, is a small mountain town nestled near the Tennessee border. With a population of less than 700, Newland is a close-knit community, and residents take great pride in their small town. However, nearly 37% of the residents are over 50 years of age and live on limited incomes, and affordable housing for seniors wasn't as readily available as the town and surrounding areas needed - that is, until last year. The completion of Linville Cove in 2012 opened up new doors for both the Town of Newland and local residents.

Developed by Western N.C. Housing Partnership, Inc. and managed by Partnership Property Management, LLC, Linville Cove is a 32-unit new construction LIHTC community. This development, comprising one- and two-bedroom apartments, is for seniors earning 60% or less of the area median income. In addition, all of the units receive project-based rental assistance.

Herb Isaac, Linville Cove's maintenance man, has been able to witness the impact this development has had on the Newland community firsthand. Mr. Isaac is a Newland native and had retired after owning a local construction company for more than 35 years. When word of this development got out, Mr. Isaac was so thrilled to see this sort of project come to Newland that he came out of retirement to work at Linville Cove. "This is an incredible opportunity for any community," Mr. Isaac said. "I wanted to be a part of it."

The impact this development has on the community is twofold: seniors have a safe, affordable place to call home and the Town of Newland benefits economically. Linville Cove is located within easy walking distance of the town's business district. This location gives Linville Cove residents - both long-time Newland residents and new transplants - quick access to a drug store, a grocery store, and a discount store. As Linville Cove continues to grow, so will the business it brings to the Town of Newland.

According to Mr. Isaac, Linville Cove is a win for everyone. "The town gets some big benefits, but the residents gain a lot, too. They are so close to everything they could need, including a senior center. This place is a blessing to each resident. They love living at Linville Cove and genuinely feel that it is the perfect place for them."



The outdoor space for residents includes a gazebo, a covered picnic area, walking trails, and three outdoor sitting areas.



The community space gives the residents a place to hold weekly Bible study, birthday parties, exercise classes, and many other fun group activities.

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.

How Tax Credits Flow



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

