

LIHTC

Low Income
Housing Tax
Credit



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

New LIHTC Development in Morganton Helps Meet Affordable Housing Demand



Sienna, a new construction community located in Morganton, NC, has 76 LIHTC units that serve families earning 60 percent or less of the Area Median Income.

BY THE NUMBERS

New Construction: 76 units
Private Equity Investment: \$4,797,600

During Construction

Local Jobs Supported: 93
Local Government Revenue: \$628,368

Projected Ongoing Annual Effect

Local Jobs Supported: 23
Local Government Revenue: \$335,160

Morganton, North Carolina, is facing a challenge many cities and towns across the country are encountering – a shortage of affordable housing for families. As population growth continues to climb and economic conditions improve, more working families are seeking affordable places to call home and most cities and towns are struggling to keep up. Morganton is no exception. Overall occupancy rates in the local market are high for both LIHTC and market rate units. With the current LIHTC properties nearing full capacity and remaining that way, Morganton needed to provide low-income families in the area with another option. The development of Sienna is a much needed solution to this growing problem.

Sienna is a 76-unit new construction development for families earning between 40 percent and 60 percent of the Area Median Income. Developed by Workforce Homestead, Inc. and Align Development, LLC, this community offers one-, two-, and three-bedroom units ranging in size from 789 to 1,231 square feet in four, three-story buildings. Each of the spacious units includes ENERGY STAR appliances, ceiling fans, a pantry, walk-in closets, a porch or balcony, washer and dryer hookups, and exterior storage.

In addition to the interior features, Sienna offers families numerous other amenities as well. From a Tot Lot designed specifically for the younger kids to play to a covered picnic area for family gatherings, this development provides ample opportunities for neighbors and families to socialize together. Additionally, a community building is home to the on-site management office, a fitness center, and a computer center. Sienna utilized two of CAHEC's [Community Investments](#) grants to help furnish these spaces. Our Technology Resource Grant provided a computer, monitor, and printer for their computer center, while our [Rex Williams Wellness Grant](#) provided \$6,500 in fitness equipment to assist the residents in living a healthy and active lifestyle.

With significant support from the community, the development of Sienna has proven to be a successful step in the right direction to helping eliminate a growing demand for affordable housing in the Morganton area, specifically for working families. The completion of Sienna means the Morganton community can provide housing options for low-income families for years to come, while residents of this gorgeous new development now have a safe, affordable place they can call home.



Project leaders, community members, and residents gathered to celebrate the grand opening on August 25.



Residents can enjoy fantastic outdoor amenities including a playground, tot lot, covered picnic area, grills, and a gazebo.

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 \$1.9 billion toward the development of more than 24,000 units of affordable housing.

How Tax Credits Flow



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