

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

City of Goldsboro Helps Finance Affordable Housing for Seniors



The Highlands Apartments serves seniors earning 60% or less of the area median income in Goldsboro, North Carolina.

According to a 2012 market study, affordable housing was in limited supply in Goldsboro, North Carolina. The most recent LIHTC property for seniors had opened in 2002, and all affordable housing in the area—either for families or for seniors—was operating with waiting lists. In addition, population forecasts predicted a steady increase in residents 55 and older as baby boomers aged in place. The City of Goldsboro recognized the need and teamed up with developers on the city's newest LIHTC project.

The Highlands Apartments, developed by RHA/Housing Inc. and Bridgeland Development, LLC, is a new construction 60-unit community for seniors 55 or older. The three-story building, comprising 36 one-bedroom apartments and 24 two-bedroom apartments, includes a multi-purpose room with a full kitchen, three laundry rooms, an exercise room, a computer room, sitting areas on each floor, and a screened-in porch.

This particular LIHTC project was especially important for the City of Goldsboro. In addition to the state and federal tax credit allocations, The Highlands Apartments was awarded various project loans, including a \$300,000 permanent funding loan from the city. This loan, which was also available to aid with construction costs, helped tremendously with the overall project financing. Although the City of Goldsboro had supported development of LIHTC housing in the past, this was the first time it had acted as a financier of a LIHTC development.

This successful collaboration between developers and the City of Goldsboro was an important step in providing more safe, affordable housing for Goldsboro's seniors.

BY THE NUMBERS

New Construction: 60 units
Private Equity Investment: \$5,073,979

During Construction
Local Jobs Supported: 68
Local Government Revenue: \$460,500

Projected Ongoing Annual Effect
Local Jobs Supported: 19
Local Government Revenue: \$237,000



The units are all equipped with energy-efficient appliances to help keep utility bills low for residents.



The outdoor features include beautiful gazebos, raised garden beds, and sidewalks with benches to encourage socializing among the residents.

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 2.6 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 \$1.3 billion toward the development of more than 19,000 units of affordable housing.

How Tax Credits Flow



919.420.0063 • www.cahec.com



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

