

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

### High Demand for Affordable Housing in Asheville



**The Larchmont, located in Asheville, North Carolina, is a LIHTC development comprising one-, two-, and three-bedroom apartments for families earning 60% or less of the area median income.**

The gorgeous Blue Ridge Parkway and famous Biltmore home might draw thousands of tourists to western North Carolina every year, but the vibrant and growing downtown is what inspires people to make Asheville their permanent home. This bustling mountain city is known for its numerous art galleries, burgeoning culinary scene and, of course, the unmatched scenery of the Appalachian Mountains. As the number of service and hospitality workers living in Asheville increases, the demand for affordable housing continues to rise as well. Market studies reveal that in 2012, rental assistance housing and existing LIHTC projects in the area had an average occupancy rate greater than 99%. In addition, there were more than 6,000 income-eligible rental households in the Asheville PMA. These two statistics, in addition to competitive rents in the area, made Asheville an ideal location for a new urban LIHTC development.

The Larchmont, developed by Mountain Housing Opportunities (MHO) in 2012, is a new construction 60-unit community for families located near downtown Asheville. The development consists of two three-story apartment buildings, along with a community building that includes an office, computer center, fitness center, and laundry room. The Larchmont's location inspired architects to utilize some unique design elements not often seen in new construction projects. To help the development blend into the existing residential neighborhood, which dates primarily from the 1920s, The Larchmont was built with low-pitched roofs, wide bands, arches, bay windows, and siding materials selected specifically to mimic the natural materials used on the existing residential homes.

The look of this community isn't the only feature that appeals to potential renters. The Larchmont is located in a developed urban setting convenient to banks, restaurants, and grocery stores. Several services and employment opportunities are within walking distance from the development, and The Larchmont is also served by public transit with a new bus stop built by MHO.

Because of the unique design and urban location, people associated with the development knew that the property would lease up quickly, but the interest and demand that The Larchmont generated were beyond anyone's expectations. Partnership Property Management, the company responsible for managing The Larchmont, reported that they received over 600 inquiries for the 60 available units. Inquiries were answered on a first-come, first-served basis, and because applicants were pre-approved, once the construction was completed, all leases were signed and tenants were moved in within two or three days.

Even though the community has achieved 100% occupancy, the interest in The Larchmont hasn't died down. The development currently has a waiting list of over 25 approved applicants, and the list continues to grow.

#### BY THE NUMBERS

**New Construction: 60 units**

**Private Equity Investment: \$5,397,360**

##### During Construction

**Local Jobs Supported: 73**

**Local Government Revenue: \$496,080**

##### Projected Ongoing Annual Effect

**Local Jobs Supported: 18**

**Local Government Revenue: \$264,560**



**The outdoor space for residents includes a playground for the kids, grills, and covered seating.**



**Nestled within the city, residents have easy access to downtown, but are also treated to gorgeous views.**

## 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

