

LIHTC

Low Income
Housing Tax
Credit



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

Rehab of LIHTC Property in Beckley Provides Updated Affordable Housing



Greenbrier Estates, a rehabilitated community located in Beckley, WV, has 125 LIHTC units that serve families earning 60 percent or less of the Area Median Income.

Beckley, West Virginia, like so many other small cities across the country, has experienced a demand for affordable housing for quite some time. Steady population growth and stable employment rates have turned the largest city in the southern part of the state into a hub for retail and services. As workers continue to seek housing, the local rental communities have displayed consistently high occupancy rates. With tax credit properties all 100 percent occupied and market rate units averaging above 98 percent occupied, the need to preserve the existing supply of affordable housing has become increasing evident.

The rehabilitation of Greenbrier Estates, a 150-unit LIHTC community, is providing Beckley residents updated affordable housing options, while ensuring the steady demand is continuing to be met. Developed by Millennia Housing Development, the community features 13 residential buildings that contain 128 garden style apartments and 22 townhome style units. Of the 150 total units, 25 units are market rate and are restricted to residents earning at or below 80 percent of the Area Median Income. The remaining 125 units serve families earning 60 percent or less of the Area Median Income.

The transformation of this community included complete renovations to both the interior and exterior of the units. Prior to the rehabilitation, the buildings displayed mansard roofs – gambrel-style roofs commonly seen on barns. When the renovations occurred, these were removed and replaced with traditional pitched shingle roofs, creating a much more aesthetically pleasing development. Additionally, the interior of the units were updated. The renovated units include new energy-efficient appliances, garbage disposals, ceiling fans, flooring, and updated kitchen and bathrooms. Finally, the community received other upgrades as well. A new playground was installed for the kids, along with a picnic pavilion with a grill. A new community building includes an on-site management office, laundry facilities, community room, and clubhouse.

As the city of Beckley continues to thrive and the demand for affordable housing remains consistent, the need to preserve the existing supply of housing continues to be of importance. The rehabilitation of Greenbrier Estates provides the hardworking families of Beckley, West Virginia, access to updated affordable housing, and it is also a step in the right direction to ensure the residents will continue to have access to housing for many years to come.

BY THE NUMBERS

Acquisition/Rehabilitation: 150 units

Private Equity Investment: \$1,806,371

During Construction

Local Jobs Supported: 183

Local Government Revenue: \$1,240,200

Projected Ongoing Annual Effect

Local Jobs Supported: 45

Local Government Revenue: \$661,500



Prior to the rehab, the buildings displayed mansard roofs - gambrel-style roofs commonly seen on barns.



After the renovations, the outside of the units are much more modern and traditional.

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



919.420.0063 • www.cahec.com

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

