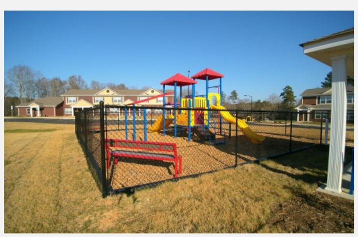
LIHTC

The Low-Income Housing Tax Credit (LIHTC) program was created in 1986 to encourage private investment in the development and rehabilitation of rental housing for low- to moderate-income families, seniors, and persons with special needs. LIHTCs are governed by Section 42 of the Internal Revenue Code and corresponding Federal Regulations. The Federal government allocates LIHTCs to each state according to a population-based formula. At the state level, Housing Credit Agencies administer the LIHTCs to owners of housing developments according to their state Qualified Allocation Plan, which must meet Federal guidelines.



Commercial grade equipment used in all developments

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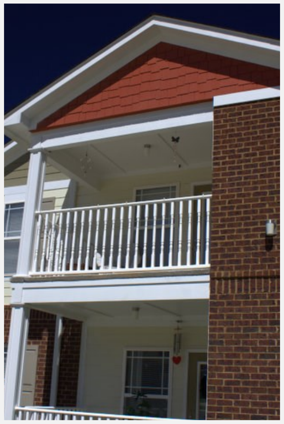

Modern architectural design along with energy efficient appliances

Making Home a Reality

Since the inception of the Low Income Housing Tax Credit program in the 1986 tax reform, approximately $100 billion of investor equity has been put to work in the development of more than 2.5 million affordable housing units in the United States. The LIHTC program has proved to be the most effective vehicle for raising private -sector community investments.

Multifamily rental housing has long been an important part of the constellation of housing choices for families and individuals. It plays an increasingly important role in "workforce housing," providing homes for our nation's teachers, firefighters, police officers, health care workers, and public employees. These vital workers contribute to the community, but their incomes are often less than what is required to support a comfortable, middle-class life.

Nonetheless, there is continuing resistance to higher density housing, to rental housing, and to low income housing.

With other types of infrastructure, high-density development actually is more efficient than low density development. By their very nature, longer sewer lines and sprawling utility (water, gas, and electric) supply systems are more costly; traditional development patterns also dictate expensive road construction. In addition, local governments must provide fire and police protection (as well as other services) over a larger area. By contrast, compact development benefits from economies of scale and geographic scope – and these benefits are large, potentially saving more than $125 billion in the 2000-2025.

Thus, rather than imposing a greater burden on local governments, higher density developments like apartments are actually more fiscally prudent than traditional suburban sprawl.

Multi-Family Complex in Conway SC

Property Values Concerns that multifamily rental housing will lower the value of their single-family houses has driven many residents to oppose new apartment developments in or near their neighborhoods. Local officials often echo these property value claims, either because they believe lower property values will injure their community's tax base or reputation or because they want to sound responsive to constituent concerns.

The fear that housing density will hurt property values seems to be primarily based on anecdotes. By contrast, most research has come to a different conclusion: in general, neither multifamily rental housing, nor low-income housing, causes neighboring property values to decline.

Conclusion: Growth is necessary for communities to succeed, but growth must be evenly balanced in order to make a community strong and successful. Without affordable housing there is no community balance.