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**GOVERNOR CULVER ANNOUNCES \$2.4 MILLION AWARD FROM
JOHN D. AND CATHERINE T. MACARTHUR FOUNDATION FOR PRESERVATION
OF AFFORDABLE HOUSING**

*Iowa Finance Authority Granted Prestigious Funds to Preserve Affordable Housing for
Families, Seniors, and Persons with Disabilities in Rural Iowa Communities*

DES MOINES – Governor Chet Culver today announced that the Iowa Finance Authority (IFA) will receive a \$2.4 million investment from The John D. and Catherine T. MacArthur Foundation. The funds will help ensure the preservation of rural affordable housing for an estimated 1,200 Iowa families, seniors and persons with disabilities that are at-risk of losing their homes. State and local governments in 40 states competed for MacArthur's support, and Iowa was one of 12 recipients to receive funds and launch innovative projects to preserve affordable rental homes.

"We are committed to preserving the quality of life in our rural communities and serving the needs of our most vulnerable citizens, and these funds help us accomplish both," said Governor Culver. "Thanks to IFA's leadership and the MacArthur Foundation's support, many rural Iowa communities will have affordable rental housing for years to come."

A \$400,000 grant as well as a \$2 million low-interest loan awarded by the MacArthur Foundation will help to preserve the affordability of rental properties about to fulfill their USDA Rural Development (RD) Section 515 affordability contracts. These contracts help finance affordable rental housing properties in rural areas. Rental properties in many rural communities are nearing the end of their 30-year affordability contract. The MacArthur Foundation's investment allows IFA to provide new financing to rehabilitate the properties, make them energy efficient and keep the rents at affordable levels.

The \$400,000 grant will allow IFA to perform a variety of activities including, creating a comprehensive database of all subsidized properties in the state, recruiting nonprofit developers to purchase at-risk properties as well as provide developers with technical assistance.

The \$2 million low-interest loan will be used to establish two revolving loan funds. The first will provide predevelopment loans to preservation-minded developers. The second will be an energy efficiency revolving loan fund, which will cover 60 percent of the cost of energy efficiency

improvements. Local utility companies will conduct energy audits and finance the other 40 percent of improvements necessary to make the rental homes energy efficient.

IFA reserved an allocation of credits from the Low-Income Housing Tax Credit program for developers who preserve affordable rental housing properties. It is IFA's goal to preserve no less than 720 USDA RD Section 515 affordable housing units by 2019.

Iowa Finance Authority Executive Director Bret Mills said, "While every IFA program better the lives of people around the state, we're especially pleased that this partnership with the MacArthur Foundation will specifically help us aid residents in rural areas who may be limited in their housing options. This new initiative demonstrates IFA's commitment to preserving the stock of affordable housing for all Iowans."

"Iowa's model approach demonstrates that using comprehensive data can help to better allocate scarce federal and state resources, and preserve the affordability of rental housing in rural communities that are home to many seniors and persons with disabilities," said MacArthur President Jonathan Fanton.

MacArthur's support for Iowa is a part of the Foundation's Window of Opportunity initiative, a \$150 million, 10-year effort to preserve affordable rental homes across the nation. By investing in public sector efforts such as these, the Foundation hopes to help create a wave of policy reform in cities and states that will make it possible to double the rate of preservation in a decade, to one million units.

For more information on Iowa's MacArthur Foundation award, visit: macfound.org/housing/iowa.

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