

OFFICE OF THE GOVERNOR
Governor Chet Culver ★ Lt. Governor Patty Judge

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**GOVERNOR CULVER ANNOUNCES \$12
MILLION AWARD TO BUILD
AFFORDABLE HOUSING IN WATERLOO**

***LOW-INCOME HOUSING TAX CREDITS AID COUNTIES
IMPACTED BY NATURAL DISASTERS OF 2008***

DES MOINES – Governor Chet Culver announced today that the state of Iowa will award more than \$12 million in Low-Income Housing Tax Credits to finance the construction of new affordable housing in Waterloo. The Preserve at Crossroads will include 12 buildings and 96 units of family housing and will be located west of Camelot Drive and the Sears Street intersection. The project's developer, TFG Development AH, LLC, was awarded \$1,209,245 in tax credits, but the actual award exceeds \$12 million because the credits are committed annually for a 10-year period.

"Thousands of Iowans lost their homes because of last year's devastating storms and floods. The Low-Income Housing Tax Credit program is one of the important initiatives that is helping our state recover and is creating vital new housing for Iowans who are working hard to get back on their feet," Governor Culver said. "Today's award to construct The Preserve at Crossroads is another step toward building a better, stronger Iowa."

Governor Culver met with civic leaders from Waterloo and Cedar Falls today, where he discussed his \$700 million Rebuild Iowa Infrastructure Investment Program.

The Iowa Finance Authority (IFA) has administered the federal Low-Income Housing Tax Credit program since its inception in 1986. Iowa received an additional allocation of Low-Income Housing Tax Credits when Congress passed the Title VII Heartland Disaster Relief Act in October 2008. These credits total more than \$600 million and are available through 2010. Projects in the 78 counties that were declared Presidential Disaster Areas are eligible to receive tax credits from the special allocation. IFA accepts applications for Low-Income Housing Tax Credits on an ongoing basis.

The Preserve at Crossroads is the first project in Waterloo to receive tax credits from the Disaster Relief Act.

Developers who receive tax credits sell them to corporate investors to generate equity for the housing developments. The tax credits provide a dollar-for-dollar reduction to the investor's federal tax liability on ordinary income. Most investors realize a double-digit return on their tax credit investment.

In its history, the Low-Income Housing Tax Credit program has enabled the development of nearly 19,000 units of affordable housing units in Iowa.

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