

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

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GOVERNOR CULVER ANNOUNCES MORE THAN \$51 MILLION IN AWARDS TO BUILD AFFORDABLE HOUSING

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 \$51 million in Housing Tax Credits to finance the construction of new affordable housing in Waukee, Ames and Keokuk. The awards were made with a special allocation of Housing Tax Credits that the state of Iowa received to assist counties impacted by last year's historic storms and floods.

"Seventy-eight Iowa counties were declared Presidential Disaster Areas in 2008 and are still suffering from a loss of affordable housing because of storm or flood damage," Governor Culver said. "With today's invest of Housing Tax Credits, Iowans will benefit from 250 new units of safe, decent affordable housing. These much-needed units will help hard-working families, young Iowans starting out on their career paths and older Iowans who wish to live independently. Affordable housing is a vital component to the recovery and ongoing health of our state."

Awards announced today include:

Laverne Apartments, Ames

- 712 S 16th Street
- 62 units of housing for families
- New construction
- Housing tax credit award: \$13,107,620
- Developer: MWF Properties, LLC, 612-243-4637

Westport Terrace Apartments, Keokuk

- 950 Johnson Street Road
- 72 units of housing for families

- New construction
- Housing tax credit award: \$8,443,780
- Developer: National Development Company, 217-222-1707

Hometown Harbor Waukee, Waukee

- 560 SE Brick Drive
- 116 units of housing for seniors
- New construction
- Housing tax credit award: \$29,645,720
- Developer: Jim Bergman, 563-441-6123

The Iowa Finance Authority (IFA) has administered the federal Tax Credit program since its inception in 1986. Iowa received an additional allocation of 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 counties that were declared Presidential Disaster Areas are eligible to receive tax credits from the special allocation. IFA accepts applications for Housing Tax Credits on an ongoing basis.

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 Housing Tax Credit program has enabled the development of nearly 19,000 units of affordable housing units in Iowa.

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