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MINNESOTA AWARDED \$2.25 MILLION BY THE JOHN D. AND CATHERINE T. MACARTHUR FOUNDATION TO PRESERVE AFFORDABLE RENTAL HOUSING
Investment Aimed at Preserving Affordable Housing for an Estimated 12,000 Minnesota Families

(*Saint Paul*) Minnesota Housing announced today that \$2.25 million has been awarded by the John D. and Catherine T. MacArthur Foundation to help ensure the preservation of affordable housing for an estimated 12,000 Minnesota families. Currently, Minnesota faces a potential loss of subsidized rental housing that will affect nearly 52,000 families statewide. Given the fact that it generally costs twice as much to build an affordable home as to preserve one, Minnesota's preservation efforts are critically important and serve as a model for other states throughout the country.

The \$2.25 million in grants and low-interest loans will support the *Minnesota Preservation Plus Initiative*, a statewide effort developed by Minnesota Housing, the Family Housing Fund, and the Greater Minnesota Housing Fund, together with a broader collaboration of organizations dedicated to affordable housing.

"Almost everyone is a renter at some point in their lives, yet the supply of affordable rental homes is shrinking," said Dan Bartholomay, Minnesota Housing Commissioner. "This infusion of dollars will ensure the preservation of nearly 25 percent of the housing that is now at risk."

"Now more than ever, as families lose homes to foreclosure or jobs to the economy, the preservation of affordable rental housing and the creation of a continuum of housing choices is vital to meeting the needs of low and moderate income individuals and families across the state," said Tom Fulton, president, Family Housing Fund

The activities supported by MacArthur grant funds are part of an overall effort to move Minnesota's existing preservation efforts toward a stronger emphasis on *prevention*. For example, the grants will support working groups in identifying gaps in Minnesota's system of preserving affordable housing properties, enable Minnesota Housing to improve its early detection of at-risk properties, and increase operational capacity of owners and developers through technical assistance and asset management tools. A comprehensive feasibility study to explore threats to unsubsidized affordable housing and recommend specific policies and strategies to keep these homes affordable will also be conducted with the new funds. The low-cost loan will capitalize a flexible new \$2 million revolving loan fund.

"This is an area where innovations are achievable and will make a huge difference for low income families and help stabilize communities throughout the state," said Warren Hanson, president and CEO, Greater Minnesota Housing Fund. "We appreciate MacArthur Foundation's breakthrough leadership on preservation nationally, and their generous support."

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A total of 12 states and cities are launching innovative projects to preserve more than 70,000 affordable rental homes, with \$32.5 million in new support from the John D. and Catherine T. MacArthur Foundation. MacArthur's investment – \$9.5 million in grants and an additional \$23 million in low-interest loans – will help all levels of government coordinate their efforts and target places most in need of intervention, track the state of rental housing, preserve affordable rental housing in communities with access to good schools, transit and other amenities and leverage more than \$147 million in other funding. State and local governments in 40 states competed for MacArthur's support, indicating broad, national interest in preserving affordable rental housing.

“Minnesota's timely approach to identifying properties at-risk of becoming unaffordable helps prevent the loss of reasonably-priced rental homes and ensures the strategic and efficient use of scarce public, private, and philanthropic resources,” said MacArthur President Jonathan Fanton.

MacArthur's support for these projects 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.

Minnesota Housing is a state agency committed to finance and advance affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities. The agency invests more than \$1.6 billion in affordable housing each biennium. If ranked among commercial banks, it would be the sixth largest bank, with total agency-wide assets of \$3.2 billion as of March 31, 2008.

The MacArthur Foundation supports creative people and effective institutions committed to building a more just, verdant, and peaceful world. In addition to selecting the MacArthur Fellows, the Foundation works to defend human rights, advance global conservation and security, make cities better places, and understand how technology is affecting children and society. More information is available at www.macfound.org.

The Family Housing Fund is a nonprofit organization whose mission is to provide safe, affordable, sustainable homes to families and children in the Twin Cities metropolitan area through ongoing partnerships with the public and private sector. The Fund supports the cities of Minneapolis and Saint Paul, the Metropolitan Council, and the Minnesota Housing Finance Agency in their efforts to preserve and expand the region's supply of affordable housing. Since 1980, Family Housing Fund investments of \$182.5 million have helped finance more than 31,700 units of affordable housing and leveraged an additional 2.6 billion from government sources, private lenders, investors, and other contributors. www.fhfund.org

Greater Minnesota Housing Fund (GMHF), founded in 1996 by The McKnight Foundation and the Blandin Foundation, is a private, nonprofit organization that supports the creation of healthy communities and affordable homes for working families throughout the 80 counties of Greater Minnesota. GMHF provides both financial and technical assistance to make innovative local affordable housing initiatives possible in partnership with community based organizations. Since its inception, GMHF has provided nearly \$110 million to help create over 8,100 affordable housing units worth over \$947 million statewide. www.gmhf.com

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