

Housing Renewal Program

Iowa now has a program to tackle problem properties

The Housing Renewal Program (HRP) is a tool to acquire properties in need of significant rehabilitation. The properties receive a minimum of \$25,000 in health and safety improvements. Finished houses are sold to families under 120% of the area median income. This includes hard working families with low and moderate incomes. These are teachers, home health care workers, bus drivers, and more.

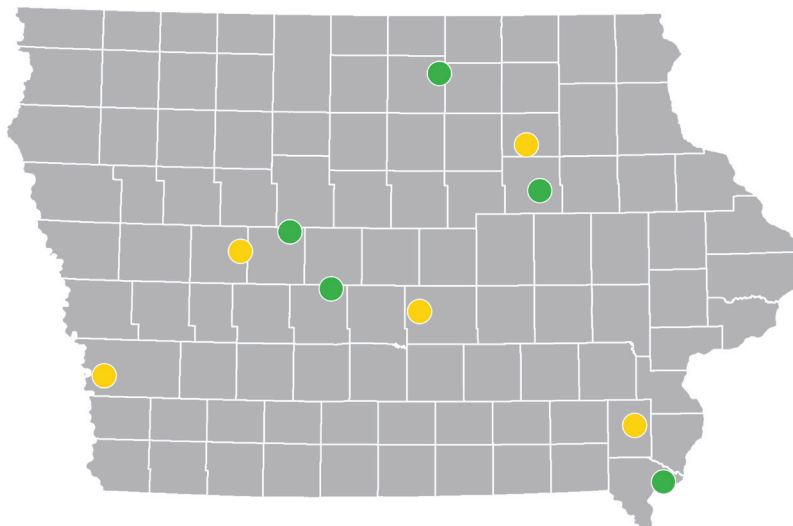
The Problem it Solves:

Developers pass over certain properties because the project has too much risk. Even after repairs, the property value remains lower than the cost of improvements. The developer loses money. No financial institution will loan money for this type of project. Therefore, these properties are left untouched for many years.

Key Features:

HRP lowers the risk for developers and lenders with two key features:

- HRP provides up to \$100,000 of capital for the project on day one. This helps developers secure additional financing for the project.
- HRP guarantees the developer loss. The loss is forgiven and the remaining capital is returned to the Housing Renewal Fund for future projects.



Five projects are underway in Waterloo, Perry, Churdan, Mason City, and Fort Madison.

Anticipated future project locations.

HRP has allowed us to:

- Purchase problem properties from landlords.
- Pay for back taxes and title issues to be cleared.
- Partner with small towns by lowering risk.



Fort Madison

Southeast Iowa Regional Planning Commission

Property Features: This property was owned by a Chicago-based company that purchased it through a tax sale. This company owns 33 tax sale properties in Lee County alone. It has been untouched for several years and an eyesore in the community. HRP provided funds to acquire the property and pay legal fees to clear the title and tax issues. After many months of legal work, rehab has started on this property. The community hopes this will spark other investments into this neighborhood.



Mason City

Habitat for Humanity of North Central Iowa

Property Features: This property was split into 2 apartments and owned by a problem landlord. This landlord owns the majority of houses in the neighborhood. The neighborhood has high crime rates. North Central Iowa Habitat is working with the city to revitalize this neighborhood. HRP allows the funds needed to rehabilitate this house. This is the first of many houses they hope to acquire from this landlord.



Churdan

Region XII Council of Government

Property Features: Churdan 2.0, a local community development group, acquired this property from an estate sale. They are partnering with Region XII to rehabilitate the property. HRP funds are paired with the State Housing Trust Fund to supplement the project costs. This is a great example of how a very small community can layer funding together to tackle housing problems.