



## COMMONWEALTH of VIRGINIA

Virginia Department of Housing  
and Community Development

### **For Immediate Release**

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### ***Virginia named finalist in MacArthur Foundation Housing Initiative*** *New report details effects of foreclosure crisis on rental market*

**Richmond** - The John D. and Catherine T. MacArthur Foundation today selected Virginia to compete for up to \$5 million in new funding to support state and local rental housing preservation efforts.

The Virginia Department of Housing and Community Development (DHCD), who is the applicant for Virginia, would use the funding to support a comprehensive affordable rental housing preservation initiative.

The proposal calls for a partnership between DHCD, Virginia Community Capital (VCC), a statewide nonprofit Community Development Financial Institution, and the Virginia Housing Development Authority, which administers Low Income Housing Tax Credits.

“Access to affordable housing – for both homeowners and renters - is a critical issue for citizens of Virginia,” said DHCD Director Bill Shelton. “Our proposal will target specific types of housing markets including high cost markets such as Northern Virginia, university community markets, areas with strong military facility influences, and rural markets throughout the state to further preserve and create affordable rental housing.”

A new report released today by Harvard University’s Joint Center for Housing Studies details the devastating effect the mortgage crisis is having on the rental market. The report shows that the increasing number of mortgage foreclosures has added to the number of households vying for affordable rental units, noting that the number of renter households jumped by nearly one million last year, more than four times faster than the pace of renter growth from 2003 to 2006.

While acknowledging the importance of efforts to assist homeowners facing foreclosure, the report proposes the development of a new and more balanced set of housing policy initiatives that would expand opportunities for renters and homeowners alike. The Harvard Joint Center for Housing Studies report is accessible at:

[http://www.jchs.harvard.edu/publications/rental/rh08\\_americas\\_rental\\_housing/](http://www.jchs.harvard.edu/publications/rental/rh08_americas_rental_housing/).

“This new report underscores that the demand for affordable rental housing is increasing at the same time that the supply of low-cost rental is declining,” said Jonathan Fanton, president of the MacArthur Foundation. “The debate on national housing policy must not exclude the more than

35 million renter households. We clearly need policies that honor the role of rental housing as well as homeownership.”

“The diverse cities, counties, and states selected as finalists for MacArthur funding share a commitment to preserving and improving affordable rental housing and have offered ideas that we believe are creative and potentially very effective.”

DHCD’s proposal to the MacArthur Foundation requests \$3,650,000, which will be used for technical assistance for project development, a predevelopment fund, funds to leverage VCC’s loan capital, and a policy forum with local housing officials to determine best practices, funding strategies and more effective development models. All activities are expected to take place over a three to five year period.

In Virginia 31.1 percent of occupied housing units are rental. The median housing costs associated with rent increased 15 percent between 2000 and 2005 while median household income increased by only five percent during the same period. The number of rental units, the escalating costs and the extreme shortage of units in some Virginia markets makes affordable rental housing an increasingly urgent issue.

The MacArthur Foundation will provide a total of \$35 million in multi-year grants and program-related investments (low-interest loans) to up to 10 state and local governments that are demonstrating outstanding leadership through promising, high impact approaches to preserving and improving affordable rental housing.

Individual awards, which will be announced in early 2009, will range from \$250,000 to \$5 million and must be used to design, demonstrate or scale up a significant preservation initiative. The 21 finalists announced today were selected from more than 80 jurisdictions that applied.

These grants and low-interest loans are part of MacArthur’s \$150-million *Window of Opportunity* initiative, which seeks to preserve 300,000 affordable rental homes across the country. The foundation also aims to stimulate policy reforms that reverse the loss of existing, affordable rental homes, enabling communities and rental housing owners to preserve at least one million units over the decade ahead.

### **About DHCD**

DHCD is committed to creating safe, affordable, and prosperous communities to live, work and do business in Virginia. DHCD partners with Virginia’s communities to develop their economic potential, regulates Virginia’s building and fire codes, provides training and certification for building officials and support for Virginia’s homeless, and invests more than \$100 million each year into housing and community development projects throughout the state. By partnering with local governments, nonprofit groups, state and federal agencies, and others, DHCD is working to improve the quality of life for Virginians.

### **About John D. and Catherine T. MacArthur Foundation**

The John D. and Catherine T. MacArthur Foundation is a private, independent grantmaking institution helping to build a more just and sustainable world. Through the support it provides, the Foundation fosters the development of knowledge, nurtures individual creativity, strengthens institutions, helps improve public policy, and provides information to the public, primarily through support for public interest media. With assets of more than \$6.8 billion, the Foundation makes approximately \$260 million in grants annually. More information is available at [www.macfound.org](http://www.macfound.org).