Most community development advocates—public and private—had little means 15 years ago to cover the upfront costs of bringing affordable rental housing to neighborhoods in Iowa, Kansas, Nebraska, and Oklahoma. Midwest Housing Development Fund (MHDF) was created in 2000 to help fill the void by offering pre-development financing, typically made to a project in the planning stages of an affordable-housing project. Since its inception, the Omaha-based CDFI has diversified and added construction loans, gap financing, and long-term loans. Its work leverages public and private resources, expands nonprofit capacity, adds to the build-out of sustainable and affordable housing, and helps create community stability and local economic development. Investors reap benefits, too. Many of the fund’s investments are 10-year loans that yield 2 to 5 percent interest, and investors can take shorter-term positions, as well. Investing in MHDF can create credit toward fulfilling Community Reinvestment Act requirements, and the fund’s ability to leverage investments can multiply that effect.

Success Story: Valley View Apartments, Woodland Park, CO

Woodland Park is a growing community, with an economically diverse population. Unfortunately, the number of cost-burdened rental households is also growing, with over 40% of rental households paying more than 40% of their income on rent. There is an overwhelming demand and need for affordable rental options. AmericaWest Housing Solutions is helping address this problem with the development of Valley View Apartments, a 24 unit complex. Valley View will be the first and only affordable rental community in Woodland Park. MHDF provided AmericaWest Housing Solutions $150,000 in predevelopment financing.