Division 1

Iowa Housing Tax Credit Program (Effective January 1, 2022)

Tax credit authorized if all of the following are met:

- Taxpayer has ownership interest in qualified development
- Credit amount is allocated by a qualified allocation plan
- Credit in necessary for financial feasibility of development
- Credit is less than 30% of owner's basis of the development
- Development is subject to a recorded restrictive covenant to be maintained and operated as a qualified development in compliance with title 8 of Civil Rights Act for at least the compliance period (15 years)

After application review, IFA will issue a tax credit certificate stating the credit the taxpayer is eligible for each year of the ten years of the credit period. If unsuccessful, applicants can reapply in subsequent applications.

Excess credit is not refundable but can be credited to tax liability for the next 5 years or until depleted, which ever happens earlier. Taxpayer can claim this credit under a partnership, LLC, S corp, estate or trust that has income taxed directly to the individual on a pro rata share of the earnings from that entity. All tax credits maximum of $15 million in a calendar year plus the unallocated credits from the preceding calendar year and previously allocated credits that haven't been recaptured, revoked or recovered by the authority.

Credit certificate must be included with tax return. Certificate must include taxpayer's name, address, TIN, amount of credit, name of development. Certificates can be transferred to any person or entity. Submit name, address, TIN of transferee to IFA within 90 days of transfer. IFA will issue a replacement certificate within 30 of receiving the transfer. Transferee cannot claim the credit until they have that replacement certificate.

IFA monitors compliance and reports to the Department of Revenue.

Annual report to general assembly including number of credits issued and description of each development including location, household type, demographic information, income levels or residents, and rent of the development.

Division 2

Strikes the Housing Trust Fund

Division 3

Workforce Housing Tax Incentives

Increases credits to $50 million with $20 million reserved for small cities (defined in §15.352). Changes the maximum dwelling unit cost from $200,000 in code to whatever IFA determines in rules. Upon completion, housing business must submit exam by a CPA and a statement of final amount of the new investment for the project and whatever IFA and Dept. of Revenue set in rules.

Division 4

Downtown loan guarantee program

IEDA and IFA will establish and administer the program to encourage downtown business and banks to reinvest and reopen.

Loan factors:

- Finances an eligible Main Street Iowa Challenge Grant or Downtown Resource Center Community Catalyst Building Remediation Grant
- Finances a rehabilitation project or acquisition costs associated with the project
- At least 25% of costs are used for construction or renovation
- Projects includes a housing component
- Loan is used for construction or permanent financing of the project of both.
- Federally insured financial lending institution issued the loans
- Does not reimburse borrower for working capital, operations, or similar expenses.
- Meets Downtown Resource Center and Main Street Iowa design reviews.

Loan equal to or less than $500,000, IEDA guarantees up to 50%. Loan more than $500,000, IEDA guarantees up to $250,000. Loans may be guaranteed for up to 5 years or longer if a review finds that an extension would be beneficial. Loan must be secured with mortgage against the project. Lender will pay an annual guarantee fee (TBD in rules). IEDA can deny guarantee for unreasonable loans fees or interest rates. Loan can't be insured or guaranteed by another local, state, or federal guarantee program and is not transferable if the loan or project is transferred. Guarantee proportionally pays the percentage of loss to the lender in event of default.

Division 5 (Effective upon enactment)

Disaster Recovery Housing Assistance Program and Fund

Executive director of authority and the director of IEDA can transfer any unobligated and unencumbered money in any fund into the disaster recovery housing assistance fund with written consent and approval of the governor. The authority can transfer unobligated and unencumbered funds from 4 other revolving funds (§16.47-.49) into this fund.

Disaster-affected home includes primary residence that were destroyed or damaged from a natural disaster from March 12, 2019 in a county declared a major disaster by the president and are eligible for federal assistance. It also includes damaged that occurs after the effective date in a county subject to governor's state of disaster proclamation.

Fund created for a forgivable loan and grant program for homeowners and renters with disaster-affected homes and for eviction prevention program. To be eligible, homeowner or renter must register for the disaster case management program.

Homeowners must meet all:

- Damage must be greater than insurance coverage plus any other disaster related assistance

- Program administrator must deem home suitable for rehabilitation or damaged beyond reasonable repair.
- The home is not eligible for a buy out or the homeowner is requesting a forgivable loan for repair of the home in lieu of a buyout
- Assistance can't duplicate other benefits from a local, state, or federal disaster assistance program.

  Forgivable loans can be used for repair of home or down payment assistance on replacement housing (not located in a 100-year floodplain). If homeowner sells the housing prior to the end of the loan term, the remain principal is due and payable (TBD in rules).

Renters are eligible is program administrator deems the disaster-affected home suitable for rehabilitation but unsuitable for current habitation or home is damaged beyond repair. Can't duplicate other disaster recovery assistance programs. If eligible, IFA can award a grant to pay for short-term rent for replacement housing.

IFA must submit annual report including number of grants and forgivable loans and the date of the state of disaster.

Eviction prevention program

Eligible renters have income that meets the qualifications (TBD in rules), is at risk of eviction, and resides in a county that is subject to disaster proclamation that authorizes eviction protection. Grants can be paid to eligible renters or eviction prevention partners to pay for rent of services of eligible renters.

Division 6 (effective upon enactment)

Brownfields and Grayfields

Increases from $10 million to $20 million. Extended repeal date 10 years to 2031.