
FISCAL TOPICS

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Home and Community-Based Services (HCBS) Rent Subsidy Program

The Home and Community-Based Services (HCBS) Rent Subsidy Program provides eligible applicants who are not yet eligible for other local, State, or federal assistance with a monthly rent assistance payment. Since fiscal year (FY) 2012, \$658,000 has been appropriated annually from the legislature to the Iowa Finance Authority (IFA) for the Program, which helps an average of 330 Iowans each month to stay in their homes.

Background

The HCBS Rent Subsidy Program provides rent assistance to individuals on one of the Medicaid Home and Community-Based Services (HCBS) Waivers. Individuals who are on an HCBS Waiver have their health care and other support services paid for by the Medicaid Program; however, due to federal law, the Medicaid Program cannot pay for housing unless it is in an institutional setting. The Rent Subsidy Program provides a monthly rent assistance payment to these individuals to help them live successfully in their own homes or communities until they become eligible for any other local, State, or federal rent assistance. By providing a rent subsidy and allowing these individuals to live in their homes or communities, the State is able to save money by avoiding higher cost institutional-based care and allowing individuals to remain in a less restrictive setting. The Program has been administered by the Iowa Finance Authority (IFA) since FY 2005.

Eligible recipients are approved participants in one of the HCBS waiver programs, provide evidence they are paying more than 30.0% of their gross income for rent, live in qualified rental units, and provide evidence they are currently ineligible or are on a waiting list for U.S. Department of Housing and Urban Development (HUD) rental assistance or other rental subsidy programs. A qualified rental unit is an apartment, mobile home, or private room for which a signed rental agreement exists and which is governed by Iowa Code chapter [562A](#). The maximum monthly rental assistance is equal to the rent paid, not exceeding 100.0% of the eligible applicant's county of residence Fair Market Rent (FMR) as determined by HUD, minus 30.0% of the gross income of the eligible applicant.

Funding

The Rent Subsidy Program began in FY 1997 as an allocation of the General Fund State Supplementary Assistance appropriation to the Department of Human Services (DHS) in [SF 2442](#) (FY 1997 Health and Human Services Appropriations Act). The Program was funded with an annual allocation from the DHS until FY 2004, when the Program was funded by the Senior Living Trust Fund (SLTF) as part of a larger appropriation to the DHS in [HF 667](#) (FY 2004 Health and Human Services Appropriations Act). In FY 2005, the DHS transferred the Program to the IFA through an Iowa Code chapter [28E](#) agreement, and in FY 2006, the IFA received a direct appropriation for the Program from the SLTF in [HF 825](#) (FY 2006 Health and Human Services Appropriations Act). The Program resumed funding from the General Fund in FY 2012 in [SF 517](#) (FY 2012 Economic Development Appropriations Act) at \$658,000 annually,

More Information

HCBS Rent Subsidy Program: www.iowafinance.com/renter-programs

Iowa Finance Authority: www.iowafinanceauthority.gov

Medicaid HCBS Waivers: www.legis.iowa.gov/docs/publications/FTNO/10773.pdf

LSA Staff Contact: Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov

continuing in FY 2022 in [HF 871](#) (FY 2022 Economic Development Appropriations Act). The Program currently receives 100.0% of its funding from a State General Fund appropriation. See **Table 1** below for Program metrics from FY 2017 to FY 2021.

Table 1: Home and Community-Based Services (HCBS) Rent Subsidy Program Statistics				
Fiscal Year	Unique Households	End of Fiscal Year Wait List	Total Amount Expended	Average Monthly Subsidy
2021	315	122	\$ 643,000	\$ 209.63
2020	406	55	647,000	185.71
2019	409	74	652,000	177.99
2018	402	189	656,000	165.31
2017	504	7	650,000	156.95

Source: Iowa Finance Authority

Governance

2017 Iowa Acts, [HF 586](#) (Iowa Finance Authority Programs Act) authorized the Program under the IFA. The Iowa Finance Authority Board of Directors oversees the administration of the Rent Subsidy Program, as authorized in Iowa Code section [16.55](#). Administrative rules for the Program under [265—24](#) were last updated in 2017.

Related Statutes and Administrative Rules

Iowa Code section [16.55](#)

Iowa Code chapter [28E](#)

Iowa Code chapter [562A](#)

Iowa Administrative Code [265—24](#)

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