
BUDGET UNIT BRIEF – FY 2024

Fiscal Services Division

July 1, 2023



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

State Housing Trust Fund

Purpose and Legislative History

The State Housing Trust Fund (SHTF) receives a standing appropriation from the Rebuild Iowa Infrastructure Fund (RIIF) that is managed by the Iowa Finance Authority (IFA). The statutory appropriation is reflected in the annual infrastructure budget, specifically in the balance sheet of the RIIF and budget tracking documents. The State Housing Trust Fund was created by the 2003 General Assembly to fund low-income housing. In 2008, the General Assembly created a \$3.0 million standing appropriation from the RIIF for this purpose.

Local Housing Trust Fund Program and Project-Based Housing Program

The SHTF funds low-income housing through two programs: the [Local Housing Trust Fund Program](#) and the [Project-Based Housing Program](#). The Local Housing Trust Fund Program receives at least 60.0% of the annual SHTF allocations to fund grants for organizations certified as Local Housing Trust Funds (LHTF). The remaining funds go to the Project-Based Housing Program to aid projects for affordable single-family and multifamily housing units ineligible for LHTF funding.

Applications for certification for new LHTFs are submitted to the IFA and approved by the IFA Board. Applications for funding are approved by the IFA Board each year. Per statute, to be certified as a LHTF, the LHTF must have a local governing board, a Housing Assistance Plan (HAP) approved by the IFA, a local match requirement approved by the IFA, and sufficient administrative capacity related to its housing programs. All LHTF dollars must benefit low-income households at or below 80.0% of the area median income, while at least 30.0% of the funds must be used to serve extremely low-income households at or below 30.0% of the area median income. Awards from the LHTF must be used for the development or preservation of affordable housing for eligible recipients.

For the Project-Based Housing Program, the Board makes decisions on an ongoing basis until all available moneys for the Program are expended. Eligible applicants for the Project-Based Housing Program include cities, counties, nonprofit housing organizations, for-profit housing development organizations, recognized neighborhood associations, homeless service providers, transitional housing providers, domestic violence shelters, councils of government, and economic development organizations. Program funding for the Project-Based Housing Program must not exceed 75.0% of the total project budget, excluding administrative and developer fee line items. For affordable housing projects benefiting extremely low-income recipients, Program funding may not exceed 90.0% of the total project budget, excluding administrative and developer fee line items.

Funding

More Information

State Housing Trust Fund: iowafinance.com/state-housing-trust-fund/
LSA Staff Contact: Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov

Initial funding for the SHTF began in 2004 from the RIIF. However, the SHTF was not consistently funded again until FY 2008 with the establishment of the current standing appropriation from the RIIF. With the exception of FY 2011, when funds were appropriated from the Revenue Bonds Capitals Fund, each appropriation was funded by the RIIF.

The SHTF also receives funding from the Real Estate Transfer Tax (RETT). The Fund receives 30.0% of RETT revenue up to \$7.0 million. This cap was raised from \$3.0 million to \$7.0 million beginning in FY 2022. The remainder of RETT funds are split between the General Fund (65.0%) and the Shelter Assistance Fund (5.0%).

Related Statutes and Administrative Rules

Iowa Code sections [16.181](#), [16.181A](#), and [428A.8](#)
Iowa Administrative Code [265—19](#)

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