

Sec. 2. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 8, 1991

CHAPTER 23

ASSISTANCE FOR COMMUNITY ECONOMIC DEVELOPMENT

S.F. 254

AN ACT relating to economic development by transferring funds to the revolving fund of the rural community 2000 program, establishing time frames for the completion of the community builder program, establishing a planning category in the rural community 2000 program, and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 15.282, Code 1991, is amended to read as follows:
15.282 PURPOSE.

The purpose of this part is to assist communities and rural areas of the state with their development and governmental responsibilities by providing low-interest and no-interest loans or grants for traditional infrastructure, new infrastructure, and housing, and their efforts relating to community, business, and economic development under the community builder program established in section 15.308.

The department may also provide assistance for infrastructure assessment or planning efforts pursuant to rules established by the department.

Sec. 2. Section 15.283, subsection 2, Code 1991, is amended to read as follows:

2. The program shall provide for ~~three~~ four categories of assistance. These are the traditional infrastructure category, the new infrastructure category, ~~and the housing category, and the planning category.~~

Sec. 3. Section 15.283, subsection 3, Code 1991, is amended to read as follows:

3. All moneys available for the traditional infrastructure category, ~~and the new infrastructure category, and the planning category~~ shall be administered by the department. All moneys available for the housing category shall be administered by the Iowa finance authority. The Iowa finance authority may transfer a portion of the funds appropriated for the housing category to the department for purposes of the planning category to be administered by the department.

Sec. 4. Section 15.283, subsection 4, Code 1991, is amended by striking the subsection and inserting in lieu thereof the following:

4. Moneys available under this program for the traditional infrastructure category, the new infrastructure category, and the planning category shall be allocated by the director. Annually, not more than three hundred thousand dollars of the funds for the program shall be allocated for the planning category. Moneys available under this program for the housing category shall be allocated by the executive director of the Iowa finance authority who may transfer a portion of the moneys to the department for the planning category. If moneys allocated to the housing category are not used or dedicated by April 1 of the fiscal year, the moneys shall be reallocated to the other categories that have the most need as determined by the department. At least one-third of the moneys allocated for the traditional infrastructure category, the new infrastructure category, and the housing category shall be set aside for cities with populations of five thousand or less. For the purposes of this set-aside, a city located in a county

with a population in excess of three hundred thousand, if the city is contiguous to another city in the county and that other city is contiguous to the largest city in that county, shall be considered as having a population in excess of five thousand.

Sec. 5. Section 15.283, subsection 6, Code 1991, is amended by striking the subsection.

Sec. 6. Section 15.284, subsection 4, Code 1991, is amended to read as follows:

4. The ~~finance division of the department~~ shall rank the applicants according to financial need, cost-benefit of the project, percent of match, impact, including an increase in fire or public safety because of completion of the project, and ability to administer the project.

Sec. 7. Section 15.285, subsection 1, Code 1991, is amended to read as follows:

1. The new infrastructure category contains projects described in section 384.24, subsection 4, and projects which are services or processes that do not currently meet the guidelines of standard public works projects. These include, but are not limited to, communication systems, day care, technology transfer adaptation, medical decision-support systems, special transportation services, physical improvements under town square and main street programs, physical improvements to historic, art, and cultural sites and attractions, emergency medical services, and speculative shell buildings built by a local community development organization, and other projects described in section 384.24, subsection 4.

Sec. 8. Section 15.285, subsection 4, Code 1991, is amended to read as follows:

4. The ~~finance division of the department~~ shall rank the applications according to the applicant's financial need, cost-benefit of the project, current conditions or situations, percent of private investment or contribution, and ability to administer the project.

Sec. 9. NEW SECTION. 15.286A PLANNING.

1. The planning category contains projects that include but are not limited to planning efforts leading to completion of the community builder program established in section 15.308 and for statewide or regional infrastructure assessment or planning.

2. A city, cluster of cities, county, group of counties, unincorporated community, group of unincorporated communities, council of governments, or regional planning commission is eligible to apply for loans or grants from this category for planning efforts related to the community builder program.

3. The department may issue requests for proposals for applications on a competitive basis or may negotiate with one or more public or private contractors for statewide or regional infrastructure assessment or planning.

4. The department shall adopt rules pursuant to chapter 17A for administration of this category.

Sec. 10. Section 15.287, Code 1991, is amended to read as follows:

15.287 REVOLVING FUND.

The Iowa finance authority shall establish a revolving fund for the program and shall transfer to the department moneys to be administered by the department. If, during a fiscal year, moneys are not appropriated for the specific purpose of the housing category, the executive director of the Iowa finance authority may retain up to twenty-five percent of the funds appropriated for the program. The moneys in the revolving fund are appropriated for purposes of the program. Notwithstanding section 8.33, moneys in the fund at the end of a fiscal year shall not revert to any other fund but shall remain in the revolving fund. The fund shall consist of all appropriations, grants, or gifts received by the authority or the department specifically for use under this part and all repayments of loans or grants made under this part. However, loan repayments from loans made under section 28.120 which are not allocated to another program shall be deposited in the revolving fund and shall be available for allocation by the director for categories administered by the department.

Sec. 11. Section 15.308, subsection 4, Code 1991, is amended to read as follows:

4. A city, cluster of cities, county, group of counties, unincorporated community or group of unincorporated communities not yet certified under this section but awarded a grant or initiative from the state shall initiate a process to establish a community builder program within six months of the award; to. The community builder program shall be completed within one year, or prior to the completion of the contract period if the contract is longer than one year. However, the program shall be completed within three years of the receipt of the award. The department administering the state financial assistance program may grant an extension if the contract period is less than three years.

Sec. 12. Section 28.120, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 8. Loan repayments made under this section and unallocated funds in the special account in subsection 5 shall be allocated to the revolving account of the rural community 2000 program created in section 15.287.

Sec. 13. 1989 Iowa Acts, chapter 310, section 6, unnumbered paragraphs 2 and 3,* are amended to read as follows:

The funds appropriated by this subsection shall not be granted after July 1, 1989, to a political subdivision which does not have on file with the department of economic development a multiyear community and economic development strategic plan for the subdivision. The department shall adopt rules which require that the plan shall be completed within one year of the receipt of an award and contain key concepts; however, a valid plan shall not be required to be comprehensive. The department may accept the community builder plan under section 15.308 as compliance with this requirement.

Funds appropriated by this subsection are the funds anticipated to be received from the federal government for the designated federal fiscal years under Pub. L. No. 97-35, Title III, Subtitle A, which provides for the community development block grant of which a minimum of four percent shall be set aside and expended half for a grant program for the homeless for the construction, rehabilitation, or expansion of group home shelter for the homeless and half for a home ownership program to help lower income and very low income families achieve single family home ownership. However, after January 1, 1990, the department may allocate the set-aside money between the programs based on the number of applications received. If this allocation for the current federal fiscal year is not fully obligated, the excess shall be allocated to the general competitive program for the following year. The department of economic development shall expend funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

Sec. 14. 1990 Iowa Acts, chapter 1263, section 4, unnumbered paragraph 3,** is amended to read as follows:

Funds appropriated by this subsection are the funds anticipated to be received from the federal government for the designated federal fiscal years under Pub. L. No. 97-35, Title III, subtitle A, which provides for the community development block grant of which a minimum of 4 percent shall be set aside and expended half for a grant program for the homeless for the construction, rehabilitation, or expansion of group home shelter for the homeless and half for a home ownership program to help lower income and very low income families achieve single family home ownership. However, after January 1, 1991, the department may allocate the set-aside money between the programs based on the number of applications received. If this allocation for the current federal fiscal year is not fully obligated, the excess shall be allocated to the general competitive program for the following year. The department of economic development shall expend funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

Sec. 15. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 11, 1991

*Section 6, subsection 1, unnumbered paragraphs 2 and 3, probably intended.

**Section 4, subsection 1, unnumbered paragraph 3, probably intended.