Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 265—Chapters 12, 20, 22, 23, 31, 36, and 40
"Rescission of Chapters"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 16.2D, 16.5(1)"r," 16.35, 16.40, 16.48, and 2009 Iowa Acts, Senate File 376

State or federal law(s) implemented by the rulemaking: Iowa Code sections 16.2D, 16.35, 16.40, 16.46, and 16.48, and 2009 Iowa Acts, Senate File 376

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 30, 2024	1963 Bell Avenue
1 to 1:15 p.m.	Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis. Written comments in response to this Regulatory Analysis must be received by the Iowa Finance Authority (IFA) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Lisa Connell
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: lisa.connell@iowaeda.com

Purpose and Summary

Pursuant to Executive Order 10 (January 10, 2023), IFA proposes to permanently rescind the following obsolete and unnecessary chapters:

- Chapter 12, which describes the policies applicable to low-income housing tax credits (LIHTC) administered by IFA. 2024 Iowa Acts, Senate File 2387, amends Iowa Code section 16.35 so that IFA is no longer required to adopt rules specifying the application procedure and allowance of low-income housing tax credits. Those aspects of program administration are addressed in the qualified allocation plan (QAP) adopted by IFA pursuant to Internal Revenue Code Section 42 and the applicable Treasury regulations.
- Chapter 20, which describes the policies and procedures applicable to the Senior Living Revolving Loan Program. The policies and procedures of the program are established pursuant to Iowa Code section 16.46, and the applicable QAP adopted by IFA pursuant to Iowa Code section 16.35.
- Chapter 22, which describes the policies and procedures applicable to the Iowa Aftercare Services Rent Subsidy Program. The program was discontinued effective June 30, 2024.
- Chapter 23, which describes eligibility requirements and administration of the Transitional Housing Revolving Loan Program Fund. The fund assisted in the development of affordable housing for parents completing or participating in substance abuse treatment pursuant to Iowa Code section 16.48. The ongoing obligations of two loan recipients are addressed in a comprehensive loan agreement. The requirements of the program are sufficiently described in Iowa Code section 16.48 if

there is interest in the fund in the future, and the Iowa Code section does not require the authority to promulgate rules.

- Chapter 31, which describes the council on homelessness and its duties. 2024 Iowa Acts, Senate File 2385, amends Iowa Code section 16.2D to eliminate the council and assign its duties to IFA.
- Chapter 36, which describes the Public Service Shelter Grant Fund. The fund was established pursuant to 2009 Iowa Acts, Senate File 376, section 28, and discontinued in 2011.
- Chapter 40, which describes the Iowans Helping Iowans Housing Assistance Program. The program was established to provide financial assistance to eligible residents for the purpose of either repairing or rehabilitating eligible residents' disaster-affected homes or to purchase a home. The last loan issued under this program was in 2012, and loan agreements issued under this program have expired.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

- Classes of persons that will bear the costs of the proposed rulemaking:

The rescission of Chapters 12, 20, 22, 23, 31, 36, and 40 does not impose any costs.

- Classes of persons that will benefit from the proposed rulemaking:

Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of IFA. Rescinding chapters where there is no statutory requirement for IFA to promulgate rules will reduce unnecessary rules and streamline IFA's ongoing rule review.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- Quantitative description of impact:

The rescission of Chapters 12, 20, 22, 23, 31, 36, and 40 does not impose any costs.

- Qualitative description of impact:

Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of IFA. Rescinding chapters where there is no statutory requirement for IFA to promulgate rules will reduce unnecessary rules and streamline IFA's ongoing rule review.

3. Costs to the State:

- Implementation and enforcement costs borne by the agency or any other agency:

IFA staff time will continue to be required to administer LIHTC and the Senior Living Revolving Loan Program.

- Anticipated effect on state revenues:

The rescission of chapters has no fiscal impact.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The rescission of Chapters 12, 20, 22, 23, 31, 36, and 40 does not impose any costs. Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of IFA. Rescinding chapters where there is no statutory requirement for IFA to promulgate rules will reduce unnecessary rules and streamline IFA's ongoing rule review.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

IFA has not identified less costly methods or less intrusive methods.

6. Alternative methods considered by the agency:

- Description of any alternative methods that were seriously considered by the agency:

IFA did not consider any other methods.

- Reasons why alternative methods were rejected in favor of the proposed rulemaking:

IFA did not consider any other methods.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The rescission of chapters does not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **265—Chapter 12**.

ITEM 2. Rescind and reserve **265—Chapter 20**.

ITEM 3. Rescind and reserve **265—Chapter 22**.

ITEM 4. Rescind and reserve **265—Chapter 23**.

ITEM 5. Rescind and reserve **265—Chapter 31**.

ITEM 6. Rescind and reserve **265—Chapter 36**.

ITEM 7. Rescind and reserve **265—Chapter 40**.