Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 265—Chapter 19
"State Housing Trust Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 16.5(1)"r" and 16.181
State or federal law(s) implemented by the rulemaking: Iowa Code sections 16.5(1)"r" and 16.181

Public Hearing

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

September 24, 2024	1963 Bell Avenue
9:30 to 9:45 a.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 (Authority) 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, the Authority proposes to rescind 265—Chapter 19 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the housing trust fund (Fund) established pursuant to Iowa Code section 16.181.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

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

Entities that apply for and are approved for grants from the Fund will bear the costs of the rulemaking.

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

Entities that apply for and are approved for grants from the Fund will benefit from clarity and streamlining of the rules.

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:

Entities interested in applying for grants from the Fund may require staff time to complete an application. Recipients may similarly incur costs to comply with reporting and monitoring requirements. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary, depending on the compensation of staff or service providers involved.

- Qualitative description of impact:

Entities that apply for and are approved for grants will benefit from clarity and streamlining of the rules.

3. Costs to the State:

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

Authority staff time is required to review and approve applications, administer grants, and communicate with program applicants and recipients.

- Anticipated effect on state revenues:

The rulemaking has no fiscal impact. The Authority is directed to administer the Fund by Iowa Code section 16.181.

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

Only the entities that will potentially benefit from financial assistance bear the costs of the rulemaking. The costs to the state to administer the program are proportional to the activities supported by financial assistance.

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

The Authority has not identified less costly methods or less intrusive methods of administering the Fund.

6. Alternative methods considered by the agency:

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

The Authority did not consider any alternative methods.

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

The Authority did not consider any alternative 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 proposed rules do not have a substantial impact on small business. The application, contracting, and monitoring requirements related to the program are no more than necessary to administer the statutory requirements of the program. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Rescind 265—Chapter 19 and adopt the following **new** chapter in lieu thereof:

CHAPTER 19
STATE HOUSING TRUST FUND

265—19.1(16) Trust fund allocation plans. The state housing trust fund is established pursuant to Iowa Code section 16.181.

19.1(1) The authority shall allocate funds in the state housing trust fund according to Iowa Code section 16.181 and the following allocation plans:

a. The Iowa Finance Authority State Housing Trust Fund Allocation Plan for the Local Housing Trust Fund Program dated September 8, 2021; and

b. Iowa Finance Authority State Housing Trust Fund Allocation Plan for the Project-Based Housing Program dated August 5, 2009.

19.1(2) The trust fund allocation plans for the local housing trust fund program and the project-based housing program include the plans, applications, and application instructions. The trust fund allocation plans for the local housing trust fund program and the project-based housing program are incorporated by reference pursuant to Iowa Code section 17A.6.

265—19.2(16) Location of copies of the plans. The trust fund allocation plans for the local housing trust fund program and the project-based housing program will be posted on the authority's website at www.iowafinance.com. The plans incorporate by reference Iowa Code section 16.181.

These rules are intended to implement Iowa Code sections 16.5(1)*"r"* and 16.181.