

**15.354 Housing project application and agreement.****1. Application.**

a. A housing business seeking workforce housing tax incentives provided in [section 15.355](#) shall make application to the authority in the manner prescribed by the authority. The authority may accept applications on a continuous basis.

b. The application shall include all of the following:

(1) The following information establishing local participation for the housing project:

(a) A resolution in support of the housing project by the community where the housing project will be located.

(b) Documentation of local matching funds pledged for the housing project in an amount equal to at least one thousand dollars per dwelling unit, including but not limited to a funding agreement between the housing business and the community where the housing project will be located. For purposes of this paragraph, local matching funds shall be in the form of cash or cash equivalents, or in the form of a local property tax exemption, rebate, refund, or reimbursement.

(2) A report that meets the requirements and conditions of [section 15.330, subsection 9](#).

(3) Information showing the total costs and funding sources of the housing project sufficient to allow the authority to adequately determine the financing that will be utilized for the housing project, the actual cost of the dwelling units, and the amount of qualifying new investment.

(4) Any other information deemed necessary by the authority to evaluate the eligibility and financial need of the housing project under the program.

**2. Registration.**

a. Upon review of the application, the authority may register the housing project under the program. If the authority registers the housing project, the authority shall make a preliminary determination as to the amount of tax incentives for which the housing project qualifies.

b. After registering the housing project, the authority shall notify the housing business of successful registration under the program. The notification shall include the amount of tax incentives under [section 15.355](#) for which the housing business has received preliminary approval and a statement that the amount is a preliminary determination only. The amount of tax credits included on a tax credit certificate issued pursuant to [this section](#), or a claim for refund of sales and use taxes, shall be contingent upon completion of the requirements in [subsection 3](#).

**3. Agreement and fees.**

a. Upon successful registration of the housing project, the housing business shall enter into an agreement with the authority for the successful completion of all requirements of the program.

b. The compliance cost fees imposed in [section 15.330, subsection 12](#), shall apply to all agreements entered into under this program and shall be collected by the authority in the same manner and to the same extent as described in that subsection.

c. A housing business shall complete its housing project within three years from the date the housing project is registered by the authority.

d. Upon completion of a housing project, an examination of the project in accordance with the American institute of certified public accountants' statements on standards for attestation engagements, completed by a certified public accountant authorized to practice in this state, shall be submitted to the authority.

e. (1) Upon review of the examination and verification of the amount of the qualifying new investment, the authority may issue a tax credit certificate to the housing business stating the amount of workforce housing investment tax credits under [section 15.355](#) the eligible housing business may claim.

(2) If upon review of the examination in subparagraph (1) the authority determines that a housing project has incurred project costs in excess of the amount submitted in the application made pursuant to [subsection 1](#), the authority shall do one of the following:

(a) If the project costs do not cause the housing project's average dwelling unit cost to exceed the applicable maximum amount authorized in [section 15.353, subsection 3](#), the authority may consider the agreement fulfilled and may issue a tax credit certificate.

(b) If the project costs cause the housing project's average dwelling unit cost to exceed the applicable maximum amount authorized in [section 15.353, subsection 3](#), but does not cause the average dwelling unit cost to exceed one hundred ten percent of such applicable maximum amount, the authority may consider the agreement fulfilled and may issue a tax credit certificate. In such case, the authority shall reduce the amount of tax incentives the eligible housing project may claim under [section 15.355, subsections 2 and 3](#), by the same percentage that the housing project's average dwelling unit cost exceeds the applicable maximum amount under [section 15.353, subsection 3](#), and such tax incentive reduction shall be reflected on the tax credit certificate. If the authority issues a certificate pursuant to this subparagraph division, the department of revenue shall accept the certificate notwithstanding that the housing project's average dwelling unit costs exceeds the maximum amount specified in [section 15.353, subsection 3](#).

(c) If the project costs cause the housing project's average dwelling unit cost to exceed one hundred ten percent of the applicable maximum amount authorized in [section 15.353, subsection 3](#), the authority shall determine the eligible housing business to be in default under the agreement and shall not issue a tax credit certificate.

4. *Maximum tax incentives amount.*

a. The maximum aggregate amount of tax incentives that may be awarded under [section 15.355](#) to a housing business for a housing project shall not exceed one million dollars.

b. If a housing business qualifies for a higher amount of tax incentives under [section 15.355](#) than is allowed by the limitation imposed in paragraph "a", the authority and the housing business may negotiate an apportionment of the reduction in tax incentives between the sales tax refund provided in [section 15.355, subsection 2](#), and the workforce housing investment tax credits provided in [section 15.355, subsection 3](#), provided the total aggregate amount of tax incentives after the apportioned reduction does not exceed the amount in paragraph "a".

c. (1) The authority shall issue tax incentives under the program on a first-come, first-served basis until the maximum amount of tax incentives allocated pursuant to [section 15.119, subsection 2](#), is reached. The authority shall maintain a list of registered housing projects under the program so that if the maximum aggregate amount of tax incentives is reached in a given fiscal year, registered housing projects that were completed but for which tax incentives were not issued shall be placed on a wait list in the order the registered housing projects were registered and shall be given priority for receiving tax incentives in succeeding fiscal years.

(2) The authority shall administer allocations reserved for qualified housing projects in small cities separately from the general allocation in subparagraph (1). The authority shall issue tax incentives for small cities under the program on a first-come, first-served basis until the maximum amount of the allocation reserved for small cities under [section 15.119, subsection 2](#), paragraph "g", is reached. The authority shall maintain a list of registered housing projects in small cities under the program so that if the maximum aggregate amount of tax incentives reserved for small cities is reached in a given fiscal year, such registered housing projects that were completed but for which tax incentives were not issued shall be placed on a wait list in the order the registered housing projects were registered and shall be given priority for receiving tax incentives in succeeding fiscal years. If the maximum aggregate amount of tax incentives reserved for small cities is not reached in a given fiscal year, the authority may issue tax incentives reserved under this subparagraph (2) to other housing projects registered under [subsection 2](#).

5. *Termination and repayment.* The failure by a housing business in completing a housing project to comply with any requirement of this program or any of the terms and obligations of an agreement entered into pursuant to [this section](#) may result in the reduction, termination, or rescission of the approved tax incentives and may subject the housing business to the repayment or recapture of tax incentives claimed under [section 15.355](#). The

repayment or recapture of tax incentives pursuant to [this section](#) shall be accomplished in the same manner as provided in [section 15.330, subsection 2](#).

[2014 Acts, ch 1130, §16, 24 – 26](#); [2015 Acts, ch 138, §129, 131, 132](#); [2017 Acts, ch 54, §76](#); [2017 Acts, ch 134, §7](#)

Referred to in [§15.106B](#), [§15.119](#), [§15.355](#)

Section takes effect May 30, 2014; applies retroactively to January 1, 2014, for tax years beginning on or after that date; and applies to qualifying new investment costs incurred on or after May 30, 2014; [2014 Acts, ch 1130, §24 – 26](#)

2015 amendment to subsection 3, paragraph e, takes effect July 2, 2015, and applies retroactively to May 30, 2014, for agreements entered into pursuant to this section on or after that date; 2015 Acts, ch 138, §131, 132

Code editor directive applied

Subsection 4, paragraph c amended