

CHAPTER 26
VARIANCE PROCEDURES FOR TAX INCREMENT FINANCING (TIF) HOUSING PROJECTS

Chapter rescission date pursuant to Iowa Code section 17A.7: 7/2/30

261—26.1(403) Purpose. The authority is given the responsibility to rule on requests for variances in the percentage of low- and moderate-income benefit required in certain tax increment financing (TIF) districts for residential development as prescribed in the law. These rules establish procedures and criteria for variance requests.

[ARC 9298C, IAB 5/28/25, effective 7/2/25]

261—26.2(403) Definitions.

“Authority” means the economic development authority created in Iowa Code section 15.105.

“Housing project” means a project in an urban renewal area established solely upon findings under Iowa Code section 403.2(3) that is primarily intended to support housing activities. These may include but are not limited to the following: public streets and utilities, site preparation, housing rehabilitation, real property acquisition, new housing construction, and conversion of existing structures into housing units.

“Low- or moderate-income families” or *“LMI families”* means the same as “low or moderate income families” as defined in Iowa Code section 403.17.

“Municipality” means the same as defined in Iowa Code section 403.17.

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261—26.3(403) Variance request procedure.

26.3(1) A municipality may request a variance at any time.

26.3(2) Requests for a variance shall be submitted on forms prescribed by the authority. The authority may request additional information from the municipality as part of the application review. Application information will be available on the authority’s website.

26.3(3) The authority may modify the request to maximize the level of benefit to low- or moderate-income families, while preserving the financial feasibility of the TIF-supported housing project.

26.3(4) The authority will notify municipalities of its decision in writing. If the request is approved, the authority will indicate the level of the variance and the conditions for compliance with the variance. If the request is denied, the authority will state its reasons for the denial.

[ARC 9298C, IAB 5/28/25, effective 7/2/25]

261—26.4(403) Criteria for review. The authority will review the application on the following criteria:

1. Financial feasibility of the housing project with and without a variance of the low- and moderate-income benefit percentage.

2. Percentage of low- or moderate-income families in the community at the time of application as determined by the latest United States Department of Housing and Urban Development, Section 8, income guidelines.

3. Plan to utilize funds for housing activities benefitting low- or moderate-income families.

4. Other factors that may impact the project’s need for a variance as determined by the authority.

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These rules are intended to implement Iowa Code section 403.22.

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