

265—3.8(16) Multifamily loan program for workforce housing loan assistance. Projects eligible for loans under this category must satisfy the following conditions, in addition to (or instead of, if there is a conflict) the requirements of rule 265—3.5(16):

3.8(1) A loan made under this category (the “primary loan”) shall be made to an Iowa city or county for the purpose of being reloaned by the borrower in order to provide financial assistance to an identified project to rehabilitate or create new rental workforce or affordable multifamily housing within the borrower’s jurisdiction (the “secondary loan”). The authority may restrict the use of funds to a designated portion of the borrower’s jurisdiction.

3.8(2) At least 50 percent of the housing units rehabilitated or created with the proceeds of the secondary loan shall be restricted to families whose annual income at the time of leasing is at or below 120 percent of the area median income, unless the authority agrees otherwise.

3.8(3) The primary loan may be unsecured, but it shall constitute a general obligation of the borrower.

3.8(4) Preference under this category shall be given to cities and counties that can document an increased need for housing as the result of new job creation within their jurisdiction.

3.8(5) The borrower shall use funds received in repayment of the secondary loan first to make the scheduled principal and interest payments on the primary loan. Any secondary loan payments remaining after all then-due scheduled payments on the primary loan have been repaid may be reloaned by the borrower on the same basis as if such secondary loan payment amounts were proceeds of the primary loan.

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