

**265—3.4(16) Multifamily loan program for workforce housing loan assistance.**

**3.4(1) Eligible applicants.** To be eligible for a loan under this rule (the “primary loan”), applicants shall:

- a. Be an Iowa city or county (the “borrower”).
- b. Agree to use the primary loan proceeds to make a loan to a third party to build housing in the applicant’s jurisdiction that meets the requirements of this rule and subrules 3.3(1), 3.3(3), and 3.3(4) (the “secondary loan”).

**3.4(2) Eligible projects.** As determined by the authority, to be eligible for a loan under this rule, projects shall:

- a. Be financially feasible for at least the term of the assistance.
- b. Have adequately funded replacement and operating reserve funds.
- c. Consist of at least five housing units.
- d. For the term of the loan, reserve at least 50 percent of the housing units rehabilitated or created with the proceeds of the secondary loan for families whose annual income at the time of leasing is at or below 120 percent of the area median income and whose rent is no more than 30 percent of the income of a family whose annual income is 120 percent or less of the area median income unless the authority agrees otherwise.
- e. Preference shall be given to cities and counties that can document an increased need for housing as the result of new job creation within the city’s or the county’s jurisdiction.

**3.4(3) Loan terms.**

- a. The primary loan is a general obligation of the borrower, but may be unsecured.
- b. 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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