



SF 611 – Housing Assistance (LSB2822SV)
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Fiscal Note Version – New

Description

[Senate File 611](#) creates a Disaster Recovery Housing Assistance Program and related fund to be administered by the Iowa Finance Authority (IFA). The Program is for forgivable loans and grants for homeowners and renters with homes that are destroyed or damaged due to a natural disaster in a county that is the subject of a state of disaster emergency proclamation by the Governor. The Program also includes homes affected by major disasters in Iowa recognized by the President of the United States after March 12, 2019, but before the effective date of the legislation. Administrative rules will determine the amount of assistance for eligible applicants.

The Disaster Recovery Housing Assistance Program can be funded through an appropriation, a transfer of unobligated moneys from any fund created and controlled by the IFA through Iowa Code section [16.5\(1\)\(s\)](#); a transfer from any fund created and controlled by the Iowa Economic Development Authority (IEDA) through Iowa Code section [15.106A](#); and from the Senior Living Revolving Loan Program Fund, the Home and Community-Based Services Revolving Loan Program Fund, the Transitional Housing Revolving Loan Program Fund, and the Community Housing and Services for Persons with Disabilities Revolving Loan Program Fund.

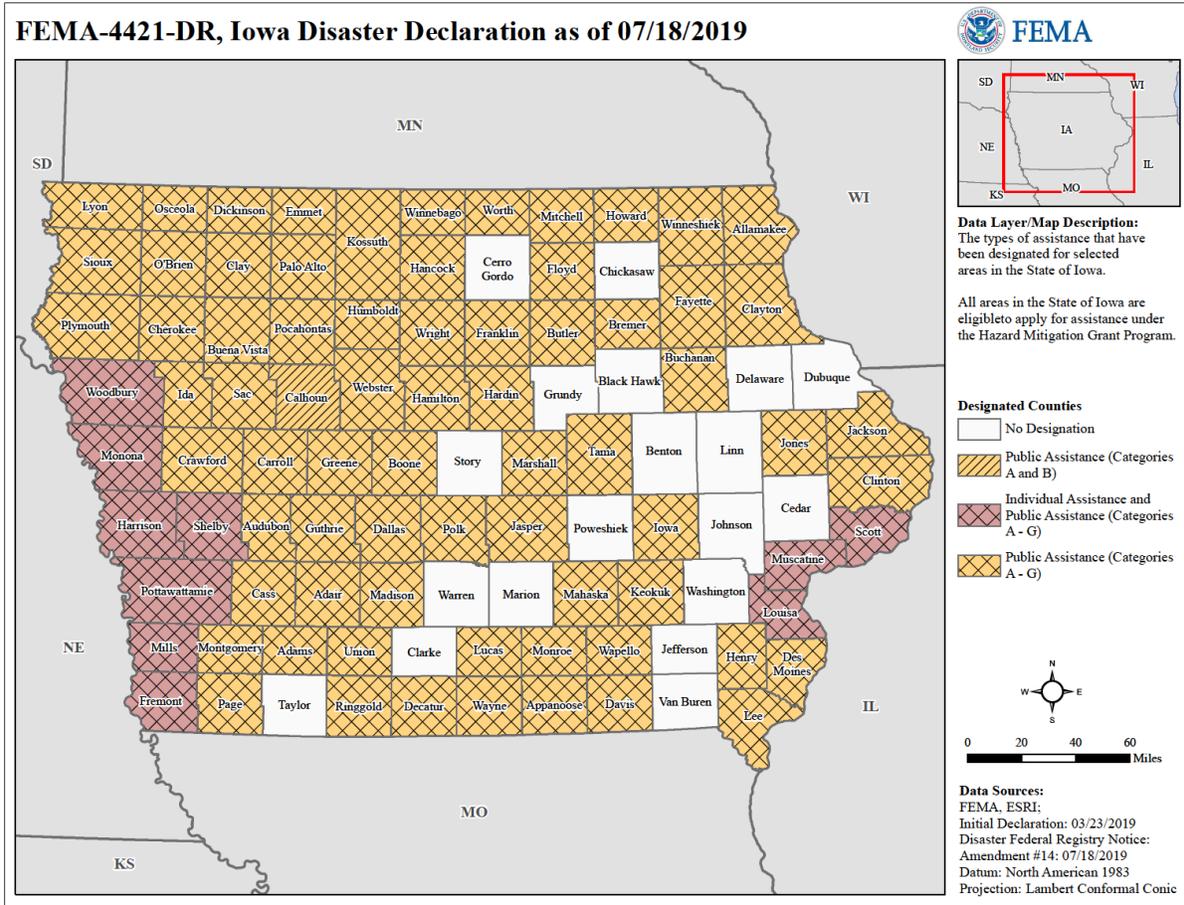
The Disaster Recovery Housing Assistance Fund, administered by the IFA, may also allocate grants to the Eviction Prevention Program, created in the Bill, which can make rental assistance grants.

The Bill is effective upon enactment.

Background

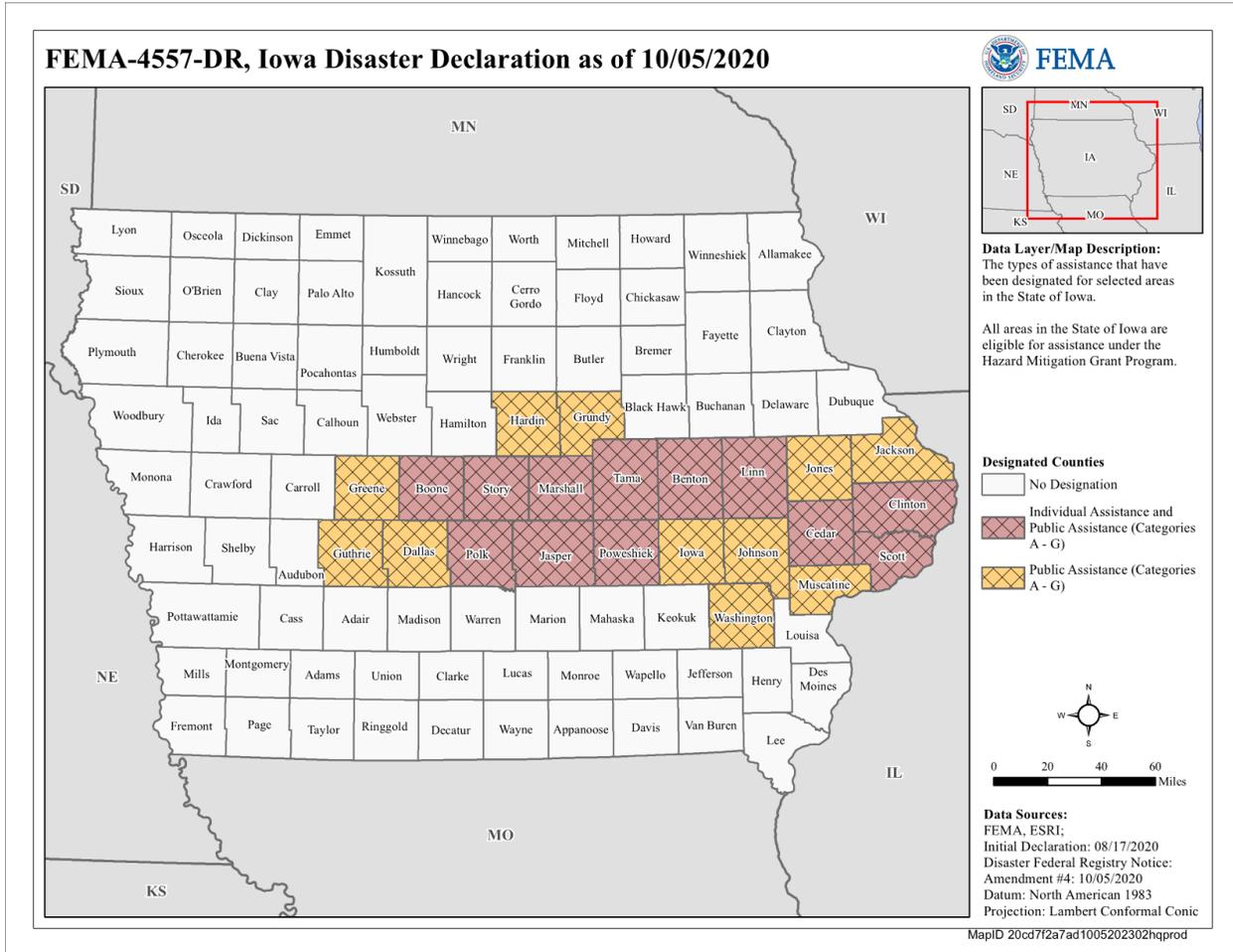
Beginning March 13, 2019, historic flooding impacted the State of Iowa. Thousands of homes were destroyed, causing hundreds of millions of dollars in damages. On March 23, 2019, the President declared a major disaster in the State of Iowa and signed the presidential declaration [FEMA-4421-DR-IA](#). With the declaration, the President authorized federal funds from Public Assistance Programs for 56 Iowa counties (see **Map 1** below). FEMA-4421-DR-IA also authorized federal funds from Individual Assistance grants in Fremont, Harrison, Mills, Monona, and Woodbury counties. A total of 1,735 individual assistance applications from the Federal Emergency Management Agency (FEMA) were approved for reimbursement, totaling \$15.3 million. Funding from [federal public assistance](#) totaled \$194.8 million and was allocated to debris removal, infrastructure, and recreational facilities. State appropriations for flood mitigation from 2019 Iowa Acts, [SF 638](#) (Standing Appropriations Act), and 2020 Iowa Acts, [SF 2144](#) (Supplemental Appropriations Act), totaled \$36.0 million.

Map 1: Counties Designated Under FEMA-4421-DR, Iowa Disaster Declaration as of July 18, 2019



On August 10, 2020, a derecho hit central and eastern Iowa, causing both significant structural and crop damage across a large part of the State. The President issued a major disaster [declaration](#) for 16 counties on August 17, 2020. The declaration has been amended on multiple occasions to add additional counties and to make individual assistance available in the counties most impacted by the storm. **Map 2** below shows that as of October 5, 2020, 23 counties qualify for public assistance and 12 counties qualify for both public assistance and individual assistance. As of February 3, 2021, FEMA has approved 3,063 individual assistance applications totaling \$11.1 million to rebuild after the storm.

Map 2: Counties Designated Under FEMA-4557-DR, Iowa Disaster Declaration as of October 5, 2020



The IFA also administered the COVID-19 Iowa Eviction and Foreclosure Prevention Program, funded through \$37.4 million in Iowa Coronavirus Relief Fund allocations. The Program provided up to four months of actual rent or \$3,200, whichever was lower, in grants to income-eligible renters and homeowners who were at risk of eviction or foreclosure due to the pandemic. As of January 11, 2021, nearly 15,000 applicants have received \$33.4 million in assistance from the Program.

Assumptions

There are no General Fund appropriations into the Disaster Recovery Housing Assistance Fund for FY 2022 or FY 2023. The Program may be funded from unobligated funds transferred from other programs administered by the IFA, and this funding is to be reported monthly to the Legislative Fiscal Committee.

Fiscal Impact

Costs or expenditures from the creation of a Disaster Recovery Housing Assistance Program and an Eviction Prevention Program cannot be estimated, as no appropriation or transfer has been made to fund the Program.

In the event a future disaster produces a disaster declaration by the Governor, activating the Disaster Recovery Housing Assistance Program, 0.25 full-time equivalent (FTE) position will be

necessary to assist the IFA Housing Program Manager to administer the Program. Costs will be funded through an annual 5.0% administrative allowance cap in the Disaster Recovery Housing Assistance Fund or from other internal resources.

Sources

Legislative Services Agency

Iowa Finance Authority

Federal Emergency Management Agency

/s/ Holly M. Lyons

April 28, 2021

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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