

Senate Study Bill 1272 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON KRAAYENBRINK)

A BILL FOR

1 An Act creating the disaster recovery housing assistance
2 program and fund, and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 16.57A Transfer of unobligated or
2 unencumbered funds — report.

3 1. Notwithstanding any other provision of law to the
4 contrary, the authority may transfer any unobligated and
5 unencumbered moneys in any revolving loan program fund created
6 pursuant to section 16.46, 16.47, 16.48, or 16.49, for deposit
7 in the disaster recovery housing assistance fund created in
8 section 16.57B.

9 2. Notwithstanding section 8.39, and any other law to
10 the contrary, with the prior written consent and approval of
11 the governor, the executive director of the authority may
12 transfer any unobligated and unencumbered moneys in any fund
13 created pursuant to section 16.5, subsection 1, paragraph
14 "s", for deposit in the disaster recovery housing assistance
15 fund created in section 16.57B. The prior written consent and
16 approval of the director of the department of management shall
17 not be required to transfer the unobligated and unencumbered
18 moneys.

19 3. Notwithstanding section 8.39, and any other law to the
20 contrary, with the prior written approval of the governor, the
21 director of the economic development authority may transfer
22 any unobligated and unencumbered moneys in any fund created
23 pursuant to section 15.106A, subsection 1, paragraph "o",
24 for deposit in the disaster recovery housing assistance fund
25 created in section 16.57B.

26 4. Any transfer made under this section shall be reported in
27 the same manner as provided in section 8.39, subsection 5.

28 Sec. 2. NEW SECTION. 16.57B Disaster recovery housing
29 assistance program — fund.

30 1. *Definitions.* As used in this section, unless the context
31 otherwise requires:

32 a. "*Disaster-affected home*" means any of the following:

33 (1) A primary residence that is destroyed or damaged due
34 to a natural disaster that occurs on or after the effective
35 date of this Act, and the primary residence is located in a

1 county that is the subject of a state of disaster emergency
2 proclamation by the governor that authorizes disaster recovery
3 housing assistance.

4 (2) A primary residence that is destroyed or damaged due to
5 a natural disaster that occurred on or after March 12, 2019,
6 but before the effective date of this Act, and is located in a
7 county that has been declared a major disaster by the president
8 of the United States on or after March 12, 2019, but before the
9 effective date of this Act, and is located in a county where
10 individuals are eligible for federal individual assistance.

11 *b. "Fund"* means the disaster recovery housing assistance
12 fund.

13 *c. "Local program administrator"* means any of the following:

14 (1) The cities of Ames, Cedar Falls, Cedar Rapids, Council
15 Bluffs, Davenport, Des Moines, Dubuque, Iowa City, Waterloo,
16 and West Des Moines.

17 (2) A council of governments whose territory includes at
18 least one county that is the subject of a state of disaster
19 emergency proclamation by the governor that authorizes disaster
20 recovery housing assistance or the eviction prevention program
21 under section 16.57C on or after the effective date of this
22 Act.

23 (3) A community action agency as defined in section 216A.91
24 and whose territory includes at least one county that is the
25 subject of a state of disaster emergency proclamation by the
26 governor that authorizes disaster recovery housing assistance
27 or the eviction prevention program under section 16.57C on or
28 after the effective date of this Act.

29 (4) A qualified local organization or governmental entity
30 as determined by rules adopted by the authority.

31 *d. "Program"* means the disaster recovery housing assistance
32 program.

33 *e. "Replacement housing"* means housing purchased
34 by a homeowner or leased by a renter needed to replace
35 a disaster-affected home that is destroyed or damaged

1 beyond reasonable repair as determined by a local program
2 administrator.

3 *f. "State of disaster emergency"* means the same as described
4 in section 29C.6, subsection 1.

5 2. *Fund.*

6 *a. (1)* A disaster recovery housing assistance fund is
7 created within the authority. The moneys in the fund shall be
8 used by the authority for the development and operation of a
9 forgivable loan and grant program for homeowners and renters
10 with disaster-affected homes, and for the eviction prevention
11 program pursuant to section 16.57C.

12 *(2)* Notwithstanding section 12C.7, subsection 2, interest
13 or earnings on moneys deposited in the fund shall be credited
14 to the fund. Notwithstanding section 8.33, moneys credited to
15 the fund shall not revert at the close of a fiscal year.

16 *b.* Moneys transferred by the authority for deposit in the
17 fund, moneys appropriated to the fund, and any other moneys
18 available to and obtained or accepted by the authority for
19 placement in the fund shall be deposited in the fund.

20 *c.* The authority shall not use more than five percent of
21 the moneys in the fund on July 1 of a fiscal year for purposes
22 of administrative costs and other program support during the
23 fiscal year.

24 3. *Program.*

25 *a.* The authority shall establish and administer a disaster
26 recovery housing assistance program and shall use moneys in
27 the fund to award forgivable loans to eligible homeowners and
28 grants to eligible renters of disaster-affected homes. Moneys
29 in the fund may be expended following a state of disaster
30 emergency proclamation by the governor pursuant to section
31 29C.6 that authorizes disaster recovery housing assistance.

32 *b.* The authority may enter into an agreement with one or
33 more local program administrators to administer the program.

34 4. *Registration required.* To be considered for a forgivable
35 loan or grant under the program, a homeowner or renter must

1 register for the disaster case management program established
2 pursuant to section 29C.20B. The disaster case manager may
3 refer the homeowner or renter to the appropriate local program
4 administrator.

5 5. *Homeowners.*

6 a. To be eligible for a forgivable loan under the program,
7 all of the following requirements shall apply:

8 (1) The homeowner's disaster-affected home must have
9 sustained damage greater than the damage that is covered by the
10 homeowner's property and casualty insurance policy insuring the
11 home plus any other state or federal disaster-related financial
12 assistance that the homeowner is eligible to receive.

13 (2) A local program administrator must either deem the
14 disaster-affected home suitable for rehabilitation or damaged
15 beyond reasonable repair.

16 (3) The disaster-affected home is not eligible for buyout by
17 the county or city where the disaster-affected home is located,
18 or the disaster-affected home is eligible for a buyout by the
19 county or city where the disaster-affected home is located, but
20 the homeowner is requesting a forgivable loan for the repair
21 or rehabilitation of the homeowner's disaster-affected home in
22 lieu of a buyout.

23 (4) Assistance under the program must not duplicate
24 benefits provided by any local, state, or federal disaster
25 recovery assistance program.

26 b. If a homeowner is referred to the authority or to a
27 local program administrator by the disaster case manager of the
28 homeowner, the authority may award a forgivable loan to the
29 eligible homeowner for any of the following purposes:

30 (1) Repair or rehabilitation of the disaster-affected home.

31 (2) (a) Down payment assistance on the purchase of
32 replacement housing, and the cost of reasonable repairs to be
33 performed on the replacement housing to render the replacement
34 housing decent, safe, sanitary, and in good repair.

35 (b) Replacement housing shall not be located in a

1 one-hundred-year floodplain.

2 (c) For purposes of this subparagraph, "*decent, safe,*
3 *sanitary, and in good repair*" means the same as described in 24
4 C.F.R. §5.703.

5 *c.* The authority shall determine the interest rate for the
6 forgivable loan.

7 *d.* If a homeowner who has been awarded a forgivable loan
8 sells a disaster-affected home or replacement housing for which
9 the homeowner received the forgivable loan prior to the end
10 of the loan term, the remaining principal on the forgivable
11 loan shall be due and payable pursuant to rules adopted by the
12 authority.

13 6. *Renters.*

14 *a.* To be eligible for a grant under the program, all of the
15 following requirements shall apply:

16 (1) A local program administrator either deems
17 the disaster-affected home of the renter suitable for
18 rehabilitation but unsuitable for current short-term
19 habitation, or the disaster-affected home is damaged beyond
20 reasonable repair.

21 (2) Assistance under the program must not duplicate
22 benefits provided by any local, state, or federal disaster
23 recovery assistance program.

24 *b.* If a renter is referred to the authority or to a local
25 program administrator by the disaster case manager of the
26 renter, the authority may award a grant to the eligible renter
27 to provide short-term financial assistance for the payment of
28 rent for replacement housing.

29 7. *Report.* On or before January 31 of each year, the
30 authority shall submit a report to the general assembly
31 that identifies all of the following for the calendar year
32 immediately preceding the year of the report:

33 *a.* The date of each state of disaster emergency proclamation
34 by the governor that authorized disaster recovery housing
35 assistance under this section.

1 *b.* The total number of forgivable loans and grants awarded.

2 *c.* The total number of forgivable loans, and the amount of
3 each loan awarded for repair or rehabilitation.

4 *d.* The total number of forgivable loans, and the amount of
5 each loan, awarded for down payment assistance on the purchase
6 of replacement housing and the cost of reasonable repairs to be
7 performed on the replacement housing to render the replacement
8 housing decent, safe, sanitary, and in good repair.

9 *e.* The total number of grants, and the amount of each grant,
10 awarded for rental assistance.

11 *f.* The total number of forgivable loans and grants awarded
12 in each county in which at least one homeowner or renter has
13 been awarded a forgivable loan or grant.

14 *g.* Each local program administrator involved in the
15 administration of the program.

16 *h.* The total amount of forgivable loan principal repaid.

17 Sec. 3. NEW SECTION. 16.57C **Eviction prevention program.**

18 1. *a.* "*Eligible renter*" means a renter whose income meets
19 the qualifications of the program, who is at risk of eviction,
20 and who resides in a county that is the subject of a state of
21 disaster emergency proclamation by the governor that authorizes
22 the eviction prevention program.

23 *b.* "*Eviction prevention partner*" means a qualified local
24 organization or governmental entity as determined by rule by
25 the authority.

26 2. The authority shall establish and administer an eviction
27 prevention program. Under the eviction prevention program,
28 the authority shall award grants to eligible renters and to
29 eviction prevention partners for purposes of this section.
30 Grants may be awarded upon a state of disaster emergency
31 proclamation by the governor that authorizes the eviction
32 prevention program. Eviction prevention assistance shall be
33 paid out of the fund established in section 16.57B.

34 3. *a.* Grants awarded to eligible renters pursuant to this
35 section shall be used for short-term financial rent assistance

1 to keep eligible renters in the current residences of such
2 renters.

3 **b.** Grants awarded to eviction prevention partners pursuant
4 to this section shall be used to pay for rent or services
5 provided to eligible renters for the purpose of preventing the
6 eviction of eligible renters.

7 4. The authority may enter into an agreement with one or
8 more local program administrators to administer the program.

9 Sec. 4. NEW SECTION. **16.57D Rules.**

10 The authority shall adopt rules pursuant to chapter 17A to
11 implement and administer this part, including rules to do all
12 of the following:

13 1. Establish the maximum forgivable loan and grant amounts
14 awarded under the program.

15 2. Establish the terms of any forgivable loan provided under
16 the program.

17 3. Income qualifications of eligible renters in the
18 eviction prevention program.

19 Sec. 5. CODE EDITOR DIRECTIVE. The Code editor shall
20 designate sections 16.57A through 16.57D, as enacted by this
21 Act, as a new part within chapter 16, subchapter VIII, and may
22 redesignate the new and preexisting parts, replace references
23 to sections 16.57A through 16.57D with references to the new
24 part, and correct internal references as necessary, including
25 references in subchapter or part headnotes.

26 Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate
27 importance, takes effect upon enactment.

28 **EXPLANATION**

29 The inclusion of this explanation does not constitute agreement with
30 the explanation's substance by the members of the general assembly.

31 This bill creates a disaster recovery housing assistance
32 program and fund.

33 **DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM — TRANSFERS.**

34 The bill permits the authority to transfer unobligated moneys
35 in Code section 16.46 (senior living revolving loan program

1 fund), 16.47 (home and community-based services revolving loan
2 program fund), 16.48 (transitional housing revolving loan
3 program fund), or 16.49 (community housing and services for
4 persons with disabilities revolving loan program fund) to the
5 disaster recovery housing assistance fund created in the bill.

6 After the prior written consent and approval of the
7 governor, the bill permits the executive director of the Iowa
8 finance authority to transfer any unobligated moneys in any
9 fund created pursuant to Code section 16.5(1)(s), for deposit
10 in the fund. The bill waives the prior written consent and
11 approval of the director of the department of management to
12 transfer the unobligated moneys.

13 After prior written approval of the governor, the bill
14 permits the director of the Iowa economic development authority
15 to transfer any unobligated and unencumbered moneys in any fund
16 created pursuant to Code section 15.106A(1)(o), for deposit in
17 the fund.

18 The bill requires any transfer to be reported to the
19 legislative fiscal committee of the legislative council on a
20 monthly basis.

21 DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM — FUND. The
22 bill creates a disaster recovery housing assistance fund
23 (fund) within the authority. The purpose of the fund is for
24 the development and operation of a forgivable loan and grant
25 program for homeowners and renters with disaster-affected
26 homes, and for an eviction prevention program created in the
27 bill. The bill prohibits the authority from using more than
28 5 percent of the moneys in the fund on July 1 of a fiscal year
29 for purposes of administrative costs and other program support
30 during the fiscal year.

31 The bill directs the authority to establish and administer
32 a disaster recovery assistance program (program) and to
33 use the moneys in the fund to provide forgivable loans to
34 eligible homeowners and grants to eligible renters with
35 disaster-affected homes. "Disaster-affected home" is defined

1 in the bill as a primary residence that is destroyed or damaged
2 due to a natural disaster that occurs on or after the effective
3 date of the bill, and that is located in a county that due to
4 the natural disaster is the subject of a state of disaster
5 emergency proclamation by the governor that authorizes disaster
6 recovery housing assistance; or a primary residence that is
7 destroyed or damaged due to a natural disaster that occurred on
8 or after March 12, 2019, but before the effective date of the
9 bill, and is located in a county that has been declared a major
10 disaster by the president of the United States on or after
11 March 12, 2019, but before the effective date of the bill,
12 and is located in a county where individuals are eligible for
13 federal individual assistance.

14 The authority may enter into an agreement with one or
15 more local program administrators to administer the program
16 and moneys in the fund may be expended following a state of
17 disaster emergency proclamation by the governor that authorizes
18 disaster recovery housing assistance or the eviction prevention
19 program. "Local program administrator" is defined in the bill
20 as cities of Ames, Cedar Falls, Cedar Rapids, Council Bluffs,
21 Davenport, Des Moines, Dubuque, Iowa City, Waterloo, and West
22 Des Moines; a council of governments whose territory includes
23 at least one county that is the subject of the state of
24 disaster emergency proclamation by the governor that authorizes
25 disaster recovery housing assistance or the eviction prevention
26 program; a community action agency as defined in Code section
27 216A.91 and whose territory includes at least one county that
28 is the subject of the state of disaster emergency proclamation
29 by the governor that authorizes disaster recovery housing
30 assistance or the eviction prevention program; or a qualified
31 local organization or governmental entity as determined by rule
32 by the authority.

33 To be considered for a forgivable loan or grant under the
34 program, the homeowner or renter must register for the disaster
35 case management program established pursuant to Code section

1 29C.20B. The disaster case manager may refer the homeowner or
2 renter to the appropriate local program administrator.

3 DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM — HOMEOWNERS.
4 To be eligible for a forgivable loan under the program,
5 the bill requires a homeowner to own a disaster-affected
6 home located in a county that has been proclaimed a state
7 of disaster emergency by the governor; the home must have
8 sustained damage greater than the damage that is covered by the
9 homeowner's property and casualty insurance policy insuring the
10 home plus any other state or federal disaster-related financial
11 assistance that the homeowner is eligible to receive; an
12 administrator must deem the home suitable for rehabilitation or
13 damaged beyond reasonable repair; if the homeowner is seeking
14 a forgivable loan for the repair or rehabilitation of the
15 homeowner's disaster-affected home, the home cannot be proposed
16 for buyout by the county or city in which the home is located,
17 or the disaster-affected home is eligible for a buyout, but
18 the homeowner is requesting a forgivable loan for the repair
19 or rehabilitation of the homeowner's disaster-affected home
20 in lieu of a buyout; and the assistance does not duplicate
21 benefits provided by other disaster assistance programs.

22 If a homeowner is referred to an administrator by the
23 homeowner's case manager, the bill allows the authority to
24 award a forgivable loan to the eligible homeowner for repair
25 or rehabilitation of the disaster-affected home, or for down
26 payment assistance on the purchase of replacement housing,
27 and the cost of reasonable repairs to be performed on the
28 replacement housing to render it decent, safe, sanitary, and
29 in good repair. Replacement housing purchased by a homeowner
30 cannot be located in a 100-year floodplain. "Decent, safe,
31 sanitary, and in good repair" is defined in the bill to mean
32 the same as described in 24 C.F.R. §5.703. "Replacement
33 housing" is defined in the bill as housing purchased by a
34 homeowner to replace a disaster-affected home that is destroyed
35 or damaged beyond reasonable repair as determined by a local

1 program administrator.

2 The authority shall determine the interest rate for the
3 forgivable loan.

4 If a homeowner who has been awarded a forgivable loan sells
5 a disaster-affected home or replacement housing for which the
6 homeowner received the forgivable loan prior to the end of the
7 loan term, the remaining principal on the forgivable loan shall
8 be due and payable.

9 DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM — RENTERS.

10 To be eligible for a grant under the program, the bill
11 requires the local program administrator to either deem
12 the disaster-affected home of the renter suitable for
13 rehabilitation but unsuitable for current short-term
14 habitation, or damaged beyond reasonable repair; and the
15 assistance does not duplicate benefits provided by any other
16 disaster assistance program.

17 DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM — REPORT. The
18 bill requires the authority to annually submit a report to
19 the general assembly detailing the disaster recovery housing
20 assistance program.

21 EVICTION PREVENTION PROGRAM. The bill requires the
22 authority to establish and administer an eviction prevention
23 program. Under the eviction prevention program, the authority
24 awards grants from the disaster recovery housing assistance
25 fund to eligible renters and eviction prevention partners.
26 Grants may be awarded upon a state of disaster emergency
27 proclamation by the governor that authorizes the eviction
28 prevention program. The bill defines "eligible renter" to mean
29 a renter whose income meets the qualifications of the program,
30 who is at risk of eviction, and who resides in a county that
31 is the subject of a state of disaster emergency proclamation
32 by the governor that also authorizes the eviction prevention
33 program. The bill defines "eviction prevention partner" to
34 mean a qualified local organization or governmental entity as
35 determined by rule by the authority.

1 The bill requires grants awarded to eligible renters to be
2 used for short-term financial rent assistance to keep eligible
3 renters in the current residence of the renter. Grants awarded
4 to eviction prevention partners are to be used to pay for rent
5 or services provided to eligible renters for the purpose of
6 preventing the eviction of eligible renters.

7 DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM — RULES. The
8 authority shall adopt rules pursuant to Code chapter 17A to
9 implement and administer the program including establishing
10 the maximum forgivable loan and grant amounts, the terms of
11 forgivable loans, and income qualifications of eligible renters
12 in the eviction prevention program.

13 EFFECTIVE DATE. The bill takes effect upon enactment.