

House File 506 - Introduced

HOUSE FILE 506

BY BOSSMAN

A BILL FOR

1 An Act relating to the workforce housing tax incentives
2 program.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.119, subsection 2, paragraph g, Code
2 2023, is amended to read as follows:

3 g. The workforce housing tax incentives program administered
4 pursuant to [sections 15.351 through 15.356](#). In allocating
5 tax credits pursuant to [this subsection](#), the authority shall
6 not allocate more than ~~thirty-five~~ fifty million dollars for
7 purposes of this paragraph. Of the moneys allocated under this
8 paragraph, ~~seventeen twenty-five~~ million ~~five hundred thousand~~
9 dollars shall be reserved for allocation to qualified housing
10 projects in small cities, as defined in [section 15.352](#), that
11 are registered on or after July 1, 2017.

12 Sec. 2. Section 15.353, subsection 3, paragraph a, Code
13 2023, is amended to read as follows:

14 a. Except as provided in paragraph "b", the average dwelling
15 unit cost does not exceed the maximum amount established by
16 the board for each fiscal year for the applicable project
17 type and project location. The board shall establish the
18 maximum average dwelling unit cost for a project that includes
19 single-family dwelling units that is located in a small city
20 and for a project that includes single-family dwelling units
21 that is located in an urban area. The board shall establish
22 the maximum average dwelling unit cost for a project that
23 includes multiple dwelling unit buildings and is located
24 in a small city and for a project that includes multiple
25 dwelling unit buildings and is located in an urban area. In
26 establishing each maximum average dwelling unit cost, the board
27 shall primarily consider the most recent annual United States
28 census bureau building permits survey and historical program
29 data. For fiscal years beginning on or after July 1, 2023, the
30 maximum average dwelling unit cost established by the board
31 shall be no less than the following:

32 (1) Three hundred sixteen thousand three hundred twenty
33 dollars for a project that includes single-family units that is
34 located in either an urban area or in a small city.

35 (2) Two hundred sixty-eight thousand twenty-two dollars for

1 a project that includes multiple dwelling unit buildings that
2 is located in either an urban area or in a small city.

3 EXPLANATION

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

6 This bill provides that the economic development authority
7 (authority) shall not allocate more than \$50 million in tax
8 credits (credits) to the workforce housing tax incentives
9 program (workforce housing), and that \$25 million of the total
10 cap shall be reserved for allocation to qualified housing
11 projects (projects) located in small cities, as defined in
12 Code section 15.352. Under current law, the authority shall
13 not allocate more than \$35 million in credits to workforce
14 housing, and \$17.5 million of the total cap shall be reserved
15 for allocation to projects located in small cities.

16 Under current law, the authority's board shall establish the
17 maximum average dwelling unit cost (maximum average cost) under
18 workforce housing for a project that includes single-family
19 dwelling units that is located in a small city or in an urban
20 area, and the maximum average cost for a project that includes
21 multiple dwelling unit buildings that is located in a small
22 city or in an urban area. Under current law, the maximum
23 average cost established by the board is \$266,320 for a project
24 that includes single-family units that is located in either an
25 urban area or in a small city, and \$218,022 for a project that
26 includes multiple dwelling unit buildings that is located in
27 either an urban area or in a small city.

28 The bill provides that for fiscal years beginning on or after
29 July 1, 2023, the maximum average cost established by the board
30 shall be no less than \$316,320 for a project that includes
31 single-family units that is located in either an urban area
32 or in a small city, and \$268,022 for a project that includes
33 multiple dwelling unit buildings that is located in either an
34 urban area or in a small city.