

**House File 2559 - Introduced**

HOUSE FILE 2559  
BY LATHAM

**A BILL FOR**

- 1 An Act relating to the housing renewal pilot program, including
- 2 repayments of interest and income, and recaptures or returns
- 3 of financial assistance awards.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. 2022 Iowa Acts, chapter 1148, section 20,  
2 subsection 2, as amended by 2023 Iowa Acts, chapter 110, section  
3 18, is amended to read as follows:

4 2. a. A housing renewal program fund is created in the state  
5 treasury under the control of the Iowa finance authority. The  
6 fund shall consist of moneys appropriated to or deposited in the  
7 fund. Moneys in the fund are appropriated to the Iowa finance  
8 authority to establish and administer a housing renewal pilot  
9 program.

10 b. For the fiscal year beginning July 1, 2022, and ending  
11 June 30, 2023, there is appropriated from the general fund of the  
12 state to the Iowa finance authority five hundred thousand dollars  
13 for deposit in the housing renewal program fund.

14 c. Notwithstanding section 8.33, moneys appropriated in this  
15 section that remain unencumbered or unobligated at the close of  
16 the fiscal year shall not revert but shall remain available for  
17 expenditure for the purposes designated until the close of the  
18 succeeding fiscal year.

19 d. Notwithstanding section 12C.7, subsection 2, interest or  
20 earnings on moneys in the housing renewal program fund shall be  
21 credited to the fund. Payment of interest, income generated  
22 from the sale of an ownership unit pursuant to subsection 6,  
23 recaptures of financial assistance awards, and other repayments  
24 under the housing renewal pilot program shall be ~~deposited in~~  
25 the fund retained by the nonprofit Iowa affiliate for the purpose  
26 of awarding financial assistance under the housing renewal pilot  
27 program to eligible participants.

28 Sec. 2. 2022 Iowa Acts, chapter 1148, section 20, subsection  
29 5, paragraph c, subparagraph (2), as amended by 2023 Iowa Acts,  
30 chapter 110, section 18, is amended to read as follows:

31 (2) Unless the nonprofit Iowa affiliate authorizes additional  
32 time for good cause shown, if an eligible participant has no  
33 project activity within twelve months from the date a contract  
34 is executed between the nonprofit Iowa affiliate and the eligible  
35 participant, the financial assistance award shall be returned to

1 ~~the Iowa finance authority for deposit in the housing renewal~~  
2 ~~program fund nonprofit Iowa affiliate to be used to award~~  
3 ~~financial assistance under the housing renewal pilot program to~~  
4 ~~eligible participants.~~

5 Sec. 3. 2022 Iowa Acts, chapter 1148, section 20, subsection  
6 5, paragraph d, as amended by 2023 Iowa Acts, chapter 110,  
7 section 18, is amended to read as follows:

8 d. An eligible participant shall sell each completed  
9 ownership unit to a homebuyer whose income is ~~under~~ equal to or  
10 less than the one hundred twenty percent area median income and  
11 who must occupy the ownership unit as the homebuyer's primary  
12 residence. The deed to the ownership unit must contain a  
13 restrictive resale requirement that prohibits the homebuyer or a  
14 subsequent owner from selling the ownership unit to a person with  
15 an income above the one hundred twenty percent area median income  
16 for five calendar years from the date the eligible participant  
17 sold the ownership unit to the first homebuyer whose income is  
18 ~~under~~ equal to or less than the one hundred twenty percent area  
19 median income.

20 EXPLANATION

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

23 This bill relates to the housing renewal pilot program,  
24 including repayments of interest and income, and recaptures or  
25 returns of financial assistance awards. The housing renewal  
26 pilot program (program) was established in 2022 and amended  
27 in 2023, and is administered by the Iowa finance authority  
28 (authority).

29 Under the current program, payments of interest, income  
30 generated from the sale of an ownership unit, recaptures of  
31 financial assistance awards, and other repayments under the  
32 program are deposited in the housing renewal program fund. Under  
33 the bill, such repayments shall be retained by the nonprofit  
34 Iowa affiliate (affiliate) selected by the authority to provide  
35 financial assistance under the program to eligible participants.

1 Under the current program, unless the affiliate authorizes  
2 additional time for good cause shown, if an eligible participant  
3 has no project activity within 12 months from the date a contract  
4 is executed between the affiliate and the eligible participant,  
5 the financial assistance award shall be returned to the authority  
6 for deposit in the program fund. Under the bill, such financial  
7 assistance award shall be returned to the affiliate to be used to  
8 provide financial assistance to eligible participants.

9 The bill clarifies that an eligible participant shall sell  
10 each completed ownership unit to a homebuyer whose income is less  
11 than or equal to the 120 percent area median income.

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