

CHAPTER 134

WORKFORCE HOUSING TAX INCENTIVES PROGRAM CHANGES

S.F. 488

AN ACT relating to the workforce housing tax incentives program by requiring allocations to certain housing projects and by increasing the allowable average dwelling unit cost and the percentage of investment for tax incentives for certain housing projects.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 15.119, subsection 2, paragraph g, Code 2017, is amended to read as follows:

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

Sec. 2. Section 15.352, Code 2017, is amended by adding the following new subsections:
NEW SUBSECTION. 3A. "Greenfield site" means a site that does not meet the definition of a brownfield site or grayfield site. A project proposed at a site located on previously undeveloped land or agricultural land shall be presumed to be a greenfield site.

NEW SUBSECTION. 9. "Small city" means any city or township located in this state, except those located within the eleven most populous counties in the state, as determined by the most recent federal decennial census. For the purposes of this part, a small city that is located in more than one county shall be considered to be located in the county having the greatest taxable base within the small city.

Sec. 3. Section 15.353, subsection 1, paragraph a, Code 2017, is amended to read as follows:

a. Four or more single-family dwelling units, except for a project located in a small city, then two or more single-family dwelling units.

Sec. 4. Section 15.353, subsection 2, Code 2017, is amended by adding the following new paragraph:

NEW PARAGRAPH. 0d. For a housing project located in a small city that meets program requirements under [subsection 1](#), paragraph "a", development at a greenfield site.

Sec. 5. Section 15.353, subsection 2, paragraph d, subparagraph (2), subparagraph division (c), Code 2017, is amended to read as follows:

(c) The demand for projects applying under this paragraph "d" compared to the demand for projects applying under paragraphs "a" through "e" "0d".

Sec. 6. Section 15.353, subsection 3, paragraph b, Code 2017, is amended to read as follows:

b. (1) The average dwelling unit cost does not exceed two hundred fifty thousand dollars per dwelling unit if the project involves the rehabilitation, repair, redevelopment, or preservation of property described in [section 404A.1, subsection 8](#), paragraph "a".

(2) The average dwelling unit cost for the project does not exceed two hundred fifteen thousand dollars per dwelling unit if the project is located in a small city.

Sec. 7. Section 15.354, subsection 4, paragraph c, Code 2017, is amended to read as follows:

c. (1) The authority shall issue tax incentives under the program on a first-come, first-served basis until the maximum amount of tax incentives allocated pursuant to [section 15.119, subsection 2](#), is reached. The authority shall maintain a list of registered housing projects under the program so that if the maximum aggregate amount of tax incentives

is reached in a given fiscal year, registered housing projects that were completed but for which tax incentives were not issued shall be placed on a wait list in the order the registered housing projects were registered and shall be given priority for receiving tax incentives in succeeding fiscal years.

(2) The authority shall administer allocations reserved for qualified housing projects in small cities separately from the general allocation in subparagraph (1). The authority shall issue tax incentives for small cities under the program on a first-come, first-served basis until the maximum amount of the allocation reserved for small cities under [section 15.119, subsection 2](#), paragraph “g”, is reached. The authority shall maintain a list of registered housing projects in small cities under the program so that if the maximum aggregate amount of tax incentives reserved for small cities is reached in a given fiscal year, such registered housing projects that were completed but for which tax incentives were not issued shall be placed on a wait list in the order the registered housing projects were registered and shall be given priority for receiving tax incentives in succeeding fiscal years. If the maximum aggregate amount of tax incentives reserved for small cities is not reached in a given fiscal year, the authority may issue tax incentives reserved under this subparagraph (2) to other housing projects registered under [subsection 2](#).

Sec. 8. Section 15.355, subsection 3, paragraph a, Code 2017, is amended to read as follows:

a. A housing business may claim a tax credit in an amount not to exceed the following:

(1) For a housing project not located in a small city, ten percent of the qualifying new investment of a housing project.

(2) For a housing project located in a small city, twenty percent of the qualifying new investment of a housing project.

Approved May 11, 2017