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Ground Floor, State Capitol Building   Des Moines, Iowa 50319   515.281.3566

State Housing Trust Fund

Purpose and Legislative History

The State Housing Trust Fund (SHTF) receives a standing appropriation from the Rebuild Iowa Infrastructure Fund (RIIF) that is managed by the Iowa Finance Authority (IFA). The statutory appropriation is reflected in the annual infrastructure budget, specifically in the balance sheet of the RIIF and budget tracking documents. The State Housing Trust Fund was created by the 2003 General Assembly to fund low-income housing. In 2008, the General Assembly created a $3.0 million standing appropriation from the RIIF for this purpose.

Local Housing Trust Fund Program and Project-Based Housing Program

The SHTF funds low-income housing through two programs: the Local Housing Trust Fund Program and the Project-Based Housing Program. The Local Housing Trust Fund Program receives at least 60.0% of the annual SHTF allocations to fund grants for organizations certified as Local Housing Trust Funds (LHTF). The remaining funds go to the Project-Based Housing Program to aid projects for affordable single-family and multifamily housing units ineligible for LHTF funding.

The IFA Board appoints members to the State Housing Trust Fund Advisory Board that advises the IFA Board on the allocation plan for both the LHTF Program and the Project-Based Housing Program. Applications for certification for new LHTFs are submitted to the IFA and approved by the IFA Board. Applications for funding are approved by the IFA Board. For the LHTF funding, the Board makes decisions on funding for the fiscal year by December. Per statute, to be certified as an LHTF, the LHTF must have a local governing board, a Housing Assistance Plan (HAP) approved by the IFA, a local match requirement approved by the IFA, sufficient administrative capacity related to its housing programs, and the experience necessary to execute the HAP. As of July 2013, there are 25 LHTFs certified to receive allocations from the SHTF. These include LHTFs that represent cities, counties, and regional areas.

For the Project-Based Housing Program, the Board makes decisions on an ongoing basis until all available moneys for the Program are expended. Eligible applicants for the Project-Based Housing Program include cities, counties, nonprofit housing organizations, for-profit housing development organizations, recognized neighborhood associations, homeless service providers, transitional housing providers, domestic violence shelters, councils of government, and economic development organizations. The type of work that the projects in both Programs will undertake generally includes assistance for rehabilitation, repairs, acquisition, capital improvements, lead remediation, and furnace, plumbing, and electrical system replacement, as well as other improvements. In addition, the LHTFs may offer down payment assistance to homebuyers, homebuyer education counseling, assistance for demolition of dilapidated homes, and neighborhood revitalization activities.

More Information

State Housing Trust Fund: www.iowafinanceauthority.gov/Public/Pages/PC80LN18
LSA Staff Contact: Adam Broich (515.281.8223) adam.broich@legis.iowa.gov

Funding

Initial funding for the SHTF began in 2004 from the RIIF. However, the SHTF was not consistently funded again until FY 2008 with the establishment of the current standing appropriation from the RIIF. With the exception of FY 2011, when funds were appropriated from the Revenue Bonds Capitals Fund, each appropriation was funded by the RIIF.

The SHTF also receives funding from the Real Estate Transfer Tax (RETT). The Fund receives 30.0% of RETT revenue up to $3.0 million. The remainder of RETT funds are split between the General Fund (65.0%) and the Shelter Assistance Fund.

Related Statutes and Administrative Rules

Iowa Code sections 16.181, 16.181A, and 428A.8
Iowa Administrative Code 265—19

Budget Unit Number

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