

FEB 22 2001

ECONOMIC DEVELOPMENT

HOUSE FILE 367

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and CONNORS

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act creating a housing trust fund, a housing trust fund board,
2 allowing the formation of local housing trusts, and providing
3 for planning of a state housing agency.

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

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HF 367

1 Section 1. NEW SECTION. 16B.101 DEFINITIONS.

2 As used in this chapter, unless the context otherwise
3 suggests:

4 1. "Board" means the housing trust board established in
5 section 16B.103.

6 2. "Fund" means the housing trust fund created in section
7 16B.102.

8 Sec. 2. NEW SECTION. 16B.102 HOUSING TRUST FUND.

9 1. A housing trust fund is created in the state treasury.
10 The fund shall be jointly administered by the Iowa finance
11 authority and the department of economic development, subject
12 to the direction of the board, and pursuant to a memorandum of
13 agreement entered into by the authority and the department.

14 The fund shall consist of any moneys appropriated by the
15 general assembly and any other moneys available to and
16 obtained or accepted by the board for placement in the fund.

17 Moneys in the fund shall be used to provide financial
18 assistance for housing projects. Payments of interest,
19 repayments of moneys loaned pursuant to this chapter, and
20 recaptures of grants or loans shall be deposited in the fund.
21 Moneys in the fund are not subject to section 8.33.

22 Notwithstanding section 12C.7, subsection 2, interest or
23 earnings on moneys in the fund shall be credited to the fund.
24 The authority and the department shall allocate the moneys in
25 the fund to one of the three accounts created in subsection 2.

26 2. The following accounts are created within the housing
27 trust fund:

28 a. Housing opportunity account. Moneys in the housing
29 opportunity account shall be immediately accessible to the
30 board for economic development related housing projects. In
31 order to receive financial assistance using moneys out of the
32 account, the recipient of the financial assistance must secure
33 a local match equal to twenty percent of the financial
34 assistance received from the account. No income restrictions
35 shall be placed on financial assistance received from the

1 account.

2 b. County housing account. Moneys in the county housing
3 account shall be distributed annually to counties through
4 local housing trust funds on a per capita basis and shall be
5 used by counties for any housing need determined by the local
6 housing trust. In order to receive moneys from a local
7 housing trust, a county must provide evidence of a local match
8 equal to twenty percent of the county housing account moneys
9 received from the local housing trust.

10 c. Competitive housing account. Allocation of moneys in
11 the competitive housing account shall be allocated according
12 to census tracts within enterprise zones certified pursuant to
13 section 15E.194. The moneys shall be distributed through a
14 competitive application process.

15 3. Moneys in the housing trust fund may be used for any of
16 the following purposes:

17 a. For market rate development in stagnant housing
18 markets.

19 b. For distribution to local housing trust funds provided
20 that criteria in subsection 2, paragraph "b", are met.

21 c. For any purpose provided in section 16.100.

22 d. As incentives for supportive service packages provided
23 by the private sector and governmental entities for
24 transitional and permanent housing which specifically include
25 persons with mental disabilities, new immigrants, and persons
26 who have tested positive for acquired immune deficiency
27 syndrome.

28 e. For technical assistance for developers, local
29 governments and neighborhoods, faith-based groups, and
30 industry.

31 f. For investments in financial assurance programs for
32 high-risk tenants.

33 g. For housing and community development related training
34 programs for young Iowans and immigrants.

35 h. As matching moneys for employer assistance and federal

1 housing programs.

2 i. For educational programs on housing programs, predatory
3 lending practices, financial literacy, and tenant and landlord
4 issues.

5 j. For services to nonprofit or local communities to
6 develop proposals.

7 k. For homeless assistance.

8 l. For bond issuances related to housing.

9 m. To encourage new construction by annually targeting
10 housing trust fund moneys for loans or grants to those who
11 demonstrate a need for assistance with land and infrastructure
12 costs for housing subdivisions when private capital is not
13 available.

14 Sec. 3. NEW SECTION. 16B.103 HOUSING TRUST BOARD.

15 1. A housing trust board is established consisting of
16 seven members. In performing its functions, the board is
17 performing a public function on behalf of the state and is a
18 public instrumentality of the state.

19 2. The membership of the board shall be as follows:

20 a. One representative of a city with a population over one
21 hundred thousand.

22 b. One representative of a county with a population of
23 fifty thousand or more.

24 c. One representative of a county with a population of
25 less than fifty thousand.

26 d. One person with expertise in the area of mortgages and
27 lending.

28 e. One person with expertise as a developer.

29 f. One person with expertise in housing issues with a
30 nonprofit organization.

31 g. One member of the general public.

32 3. All appointments shall be made by the governor, shall
33 comply with sections 69.16 and 69.16A, and shall be subject to
34 confirmation by the senate pursuant to section 2.32.

35 4. The chairperson and vice chairperson of the board shall

1 be designated by the governor from the board members. In case
2 of the absence or disability of the chairperson and vice
3 chairperson, the members of the board shall elect a temporary
4 chairperson by a majority vote of those members who are
5 present and voting.

6 5. The members shall be appointed to three-year staggered
7 terms and the terms shall commence and end as provided by
8 section 69.19. If a vacancy occurs, a successor shall be
9 appointed to serve the unexpired term. A successor shall be
10 appointed in the same manner and subject to the same
11 qualifications as the original appointment to serve the
12 unexpired term.

13 6. A majority of the board constitutes a quorum.

14 7. The Iowa finance authority and the department of
15 economic development shall enter into a memorandum of
16 agreement for purposes of administering the housing trust fund
17 created in section 16B.102, providing staffing services to the
18 board, and providing necessary office space, equipment, and
19 supplies to the board.

20 Sec. 4. NEW SECTION. 16B.104 BOARD DUTIES.

21 The board shall do all of the following:

22 1. Organize.

23 2. Direct the administration of the housing trust fund
24 created in section 16B.102.

25 3. Provide advice and assistance to any state agency
26 administering a housing related program.

27 4. Provide assistance to a city or county in identifying
28 or organizing a local housing trust.

29 Sec. 5. NEW SECTION. 16B.105 LOCAL HOUSING TRUSTS.

30 1. A city, a county, a combination of cities, a
31 combination of counties, a combination of cities and counties,
32 or a council of governments established pursuant to chapter
33 28H may establish a local housing trust fund consisting of any
34 housing-related moneys received by the entity establishing the
35 fund from local, state, federal, or private sources. Any

1 moneys received pursuant to section 16B.102 shall be deposited
2 in a local housing trust fund.

3 2. An entity establishing a local housing trust fund shall
4 designate a local housing trust. A local housing trust shall
5 be any nonprofit organization that has been determined under
6 section 501(c)(3) of the Internal Revenue Code to be exempt
7 from taxation.

8 3. A local housing trust shall do all of the following:

9 a. Administer moneys in a local housing trust fund.

10 b. Aid local governments and organizations in raising
11 private matching moneys to qualify for receipt of housing
12 trust fund moneys.

13 c. Develop a housing educational program to expand and
14 market housing related programs, including home ownership
15 education programs, renter education programs, and financial
16 literacy programs.

17 d. Promote community involvement and awareness in housing
18 policy and initiatives.

19 e. Raise awareness of health and safety issues in housing
20 construction, renovations, and maintenance.

21 Sec. 6. NEW SECTION. 16B.106 RULES.

22 The board shall adopt rules pursuant to chapter 17A
23 necessary for administering this chapter.

24 Sec. 7. PLANNING FOR STATE HOUSING AGENCY.

25 1. The governor's office, in consultation with the
26 department of economic development and the Iowa finance
27 authority, shall provide a plan to the general assembly for
28 consolidating all housing-related programs within an existing
29 state agency designed to be responsible for all state programs
30 related to housing. The plan shall be submitted to the
31 general assembly by December 31, 2002.

32 2. The plan shall include a mission for the state housing
33 agency which shall at least incorporate all of the following:

34 a. Providing loans, grants, and low-interest loans for
35 equity financing.

1 b. Establishing different goals and requirements to meet
2 the housing needs of both rural and urban communities.

3 c. Developing state and city housing partnerships.

4 d. Identifying tools that are particular to urban areas.

5 e. Developing a metropolitan planning strategy that
6 focuses on housing and neighborhood development.

7 f. Targeting specific housing services for small town
8 development.

9 3. The plan for a state housing agency shall include a
10 list of duties and responsibilities for the state housing
11 agency which shall at least incorporate all of the following:

12 a. Acting as a clearinghouse by doing all of the
13 following:

14 (1) Compiling a comprehensive summary of state, federal,
15 local, and quasi-public housing and community development
16 programs.

17 (2) Managing and coordinating statewide planning for
18 housing development.

19 (3) Managing and coordinating the development of statewide
20 neighborhood network strategies and initiatives.

21 b. Managing and coordinating regular training sessions for
22 real estate developers and local government officials on
23 housing finance and community development initiatives.

24 c. Managing and coordinating a housing roundtable which
25 shall include state, federal, nonprofit, and quasi-public
26 entities that provide housing finance assistance and housing
27 assistance.

28 d. Managing and coordinating all housing related state and
29 federal initiatives.

30 e. Ensuring that all local housing plans in the state
31 produce a consistent state strategy.

32 f. The agency shall advise the housing trust board
33 regarding the use of moneys in the housing trust fund.

34 g. Administering all direct federal housing grant programs
35 which impact community amenities and complement housing.

1 h. Establishing a state housing policy to target more
2 financial assistance services to Iowa's inner city and
3 downtown communities and small towns.

4 i. Providing direct housing information to local
5 governments and housing developers.

6 j. Reviewing all housing programs within the state and
7 determine if a different state agency would be better suited
8 to administer a program.

9 k. Eliminating barriers to affordable housing by doing all
10 of the following:

11 (1) Creating a deposit assistance program.

12 (2) Establishing consistent and appropriate procedures for
13 property tax valuation of affordable housing.

14 (3) Ensuring compliance with the federal Community
15 Reinvestment Act, 12 U.S.C. § 2901 et seq.

16 (4) Ensuring immigrants have knowledge of local affordable
17 housing options.

18 l. Providing services previously provided by a nonprofit
19 corporation created by or in association with the Iowa finance
20 authority since January 1, 1989.

21 m. Creating a differentiated breakdown, according to
22 population, for allocating financial resources to its housing
23 programs.

24 EXPLANATION

25 This bill creates a housing trust fund, a housing trust
26 fund board, allows the formation of local housing trusts, and
27 provides for the planning of a state housing agency.

28 The bill creates a housing trust fund under the control of
29 the Iowa finance authority and the department of economic
30 development pursuant to a memorandum of agreement. The bill
31 creates a housing opportunity account, a county housing
32 account, and a competitive housing account within the housing
33 trust fund and requires the authority and the department to
34 allocate moneys in the fund to one of the three accounts.

35 The bill provides that moneys in the housing opportunity

1 account shall be immediately accessible to the board for
2 economic development related housing projects. The bill
3 provides that, in order to receive financial assistance using
4 moneys out of the account, the recipient of the financial
5 assistance must secure a local match equal to 20 percent of
6 the financial assistance received from the account. The bill
7 provides that there shall be no income restrictions placed on
8 financial assistance received from the account.

9 The bill provides that moneys in the county housing account
10 shall be distributed annually to counties through local
11 housing trust funds on a per capita basis and shall be used by
12 counties for any housing need determined by the local housing
13 trust. The bill provides that, in order to receive moneys
14 from a local housing trust, a county must provide evidence of
15 a local match equal to 20 percent of the county housing
16 account moneys received from the local housing trust.

17 The bill provides that allocation of moneys in the
18 competitive housing account shall be allocated according to
19 census tracts within enterprise zones certified pursuant to
20 section 15E.194. The bill provides that moneys shall be
21 distributed through a competitive application process.

22 The bill provides that moneys in the housing trust fund may
23 be used for market rate development in stagnant markets; for
24 distribution to local housing trust funds; for any purpose
25 provided in the current housing improvement fund program
26 administered by the Iowa finance authority; as incentives for
27 certain supportive service packages provided by the private
28 sector and governmental entities for transitional and
29 permanent housing; for technical assistance; for investments
30 in financial assurance programs for high-risk tenants; for
31 housing and community development related training programs;
32 as matching moneys for employer assistance and federal housing
33 programs; for certain educational programs; for homeless
34 assistance; for bond issuances related to housing; for
35 services to nonprofit or local communities to develop

1 proposals; for homeless assistance; for bond issuances related
2 to housing; and to encourage new construction by annually
3 targeting moneys for those who demonstrate a need for
4 assistance with land and infrastructure costs for housing
5 subdivisions when private capital is not available.

6 The bill establishes a housing trust board consisting of
7 seven members. The bill provides that the board shall
8 organize, direct the administration of the housing trust fund,
9 provide advice and assistance to any state agency
10 administering a housing-related program, and provide
11 assistance to a city or county in identifying or organizing a
12 local housing trust. The bill provides rulemaking authority
13 for the board. The bill provides that the Iowa finance
14 authority and the department of economic development shall
15 enter into a memorandum of agreement for purposes of
16 administering the housing trust fund, providing staffing
17 services to the board, and providing necessary office space,
18 equipment, and supplies to the board.

19 The bill provides that a city, a county, a combination of
20 cities, a combination of counties, a combination of cities and
21 counties, or a council of governments established pursuant to
22 chapter 28H may establish a local housing trust fund
23 consisting of any housing-related moneys received by the
24 entity establishing the fund from local, state, federal, or
25 private sources. The bill provides that an entity
26 establishing a local housing trust fund shall designate a
27 local housing trust which shall be a nonprofit organization.
28 The bill provides that a local housing trust shall administer
29 moneys in a local housing trust fund; aid local governments
30 and organizations in raising private matching moneys; develop
31 a housing educational program to expand and market housing
32 related programs; promote community involvement and awareness
33 in housing policy and initiatives; and raise awareness of
34 health and safety issues in housing.

35 The bill requires the governor's office, in consultation

1 with the department of economic development and the Iowa
2 finance authority, to provide a plan to the general assembly
3 for consolidating all housing-related programs within an
4 existing state agency designed to be responsible for all state
5 programs related to housing. The bill provides that the plan
6 shall be submitted to the general assembly by December 31,
7 2002.

8 The bill provides that the plan shall include a mission for
9 the state housing agency which shall at least incorporate
10 providing loans, grants, and low-interest loans for equity
11 financing; establishing different goals and requirements to
12 meet the housing needs of both rural and urban communities;
13 developing state and city housing partnerships; identifying
14 tools that are particular to urban areas; developing a
15 metropolitan planning strategy; and targeting specific housing
16 services for small town development.

17 The bill provides that the plan for a state housing agency
18 shall include a list of duties and responsibilities for the
19 state housing agency which shall at least incorporate acting
20 as a clearinghouse; managing and coordinating regular training
21 sessions for real estate developers and local government
22 officials; managing and coordinating a housing roundtable;
23 managing and coordinating all housing related state and
24 federal initiatives; ensuring that all local housing plans in
25 the state produce a consistent state strategy; advising the
26 housing trust board; administering all direct federal housing
27 grant programs; establishing a state housing policy to target
28 more financial assistance services to Iowa's inner city and
29 downtown communities and small towns; providing direct housing
30 information to local governments and housing developers;
31 reviewing all housing programs within the state and determine
32 if a different state agency would be better suited to
33 administer a program; eliminating barriers to affordable
34 housing; providing services previously provided by a nonprofit
35 corporation created by or in association with the Iowa finance

1 authority since January 1, 1989; and creating a differentiated
2 breakdown, according to population, for allocating financial
3 resources to its housing programs.

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