



IOWA THRIVING COMMUNITIES

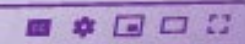
2023

#IOWANSUNITE



COMMUNITY
CONTEST

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**HOUSING DEMAND IS EXPECTED TO
GROW BY 42,000 HOUSEHOLDS BY 2030.**

SOURCE: 2022 WESTERN ECONOMIC SERVICES STUDY

IOWA HOUSING DEMAND BY 2030

Based on the most recent data provided by the 2022 Iowa Profile, the most critical need for affordable housing in the state is twofold:

1. **The lowest income segment**, which includes lowans with incomes between 0-30% of AMI or \$0 to \$26,070. This segment is the most severely housing-cost burdened in Iowa with 53.6% paying more than 50% of their income for housing. This issue will only intensify if affordable housing options are not identified.
2. The greatest demand for additional housing units is for **the highest income segment**, or 115% AMI, or over \$99,900, with an additional 17,944 housing units needed by 2030.

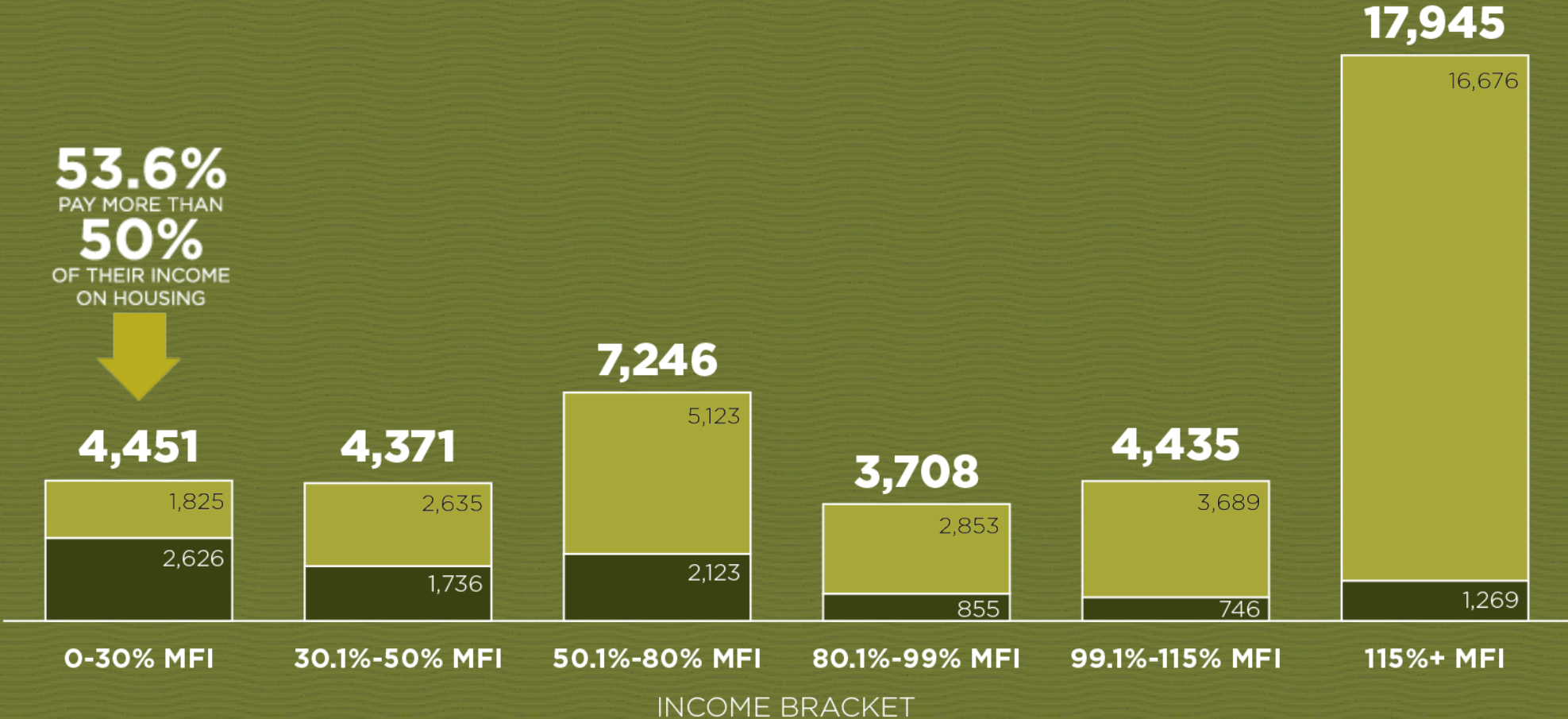
“IOWA FAMILIES SHOULD HAVE THE ABILITY TO LIVE NEAR THEIR WORK AND BE ENGRAINED IN THEIR LOCAL COMMUNITIES. **WE SEE HOUSING SUPPLY AS A KEY ELEMENT TO ATTRACTING AND RETAINING OUR WORKFORCE, BOTH IN RURAL AND URBAN AREAS.**”

Reynolds W. Cramer
CEO - Fareway



HOUSING DEMAND BREAKDOWN

BY INCOME BRACKET



OCCUPATIONS BY INCOME BRACKET

0-30% MFI



Food Server



Grocery Worker



Childcare Worker



Fast Food Worker

30.1%-50% MFI



Home Health and Personal Care Aide



Nursing Assistant & EMT



Preschool Teacher



Retail Sales Worker

50.1%-80% MFI



Teacher



Nurse



Correction & Police Officer



Firefighter

80.1%-99% MFI



Biomedical Engineer



Insurance Underwriter



Accountant



Dental Hygienist

99.1%-115% MFI



Mechanical & Materials Engineer



Veterinarian



Construction Manager



Management Professionals

115%+ MFI



Pharmacist



Physician & Other Medical Provider



Financial Manager



Computer & Information Research Scientists

HOUSING CONTINUUM

ALL IOWANS SHOULD BE ABLE TO LIVE NEAR THEIR WORK

**HOMELESS/AT-RISK
OF HOMELESS**



**AFFORDABLE
RENTAL**



**MARKET
RENTAL**



**FIRST-TIME
HOMEBUYER**



**REPEAT/MOVE-UP
HOMEBUYER**



0 - 30% MFI | \$0 - \$26,070

30.1% - 50% MFI | \$26,071 - \$43,450

50.1% - 80% MFI | \$43,451 - \$69,520

50.1% - 80% MFI | \$43,451 - \$69,520

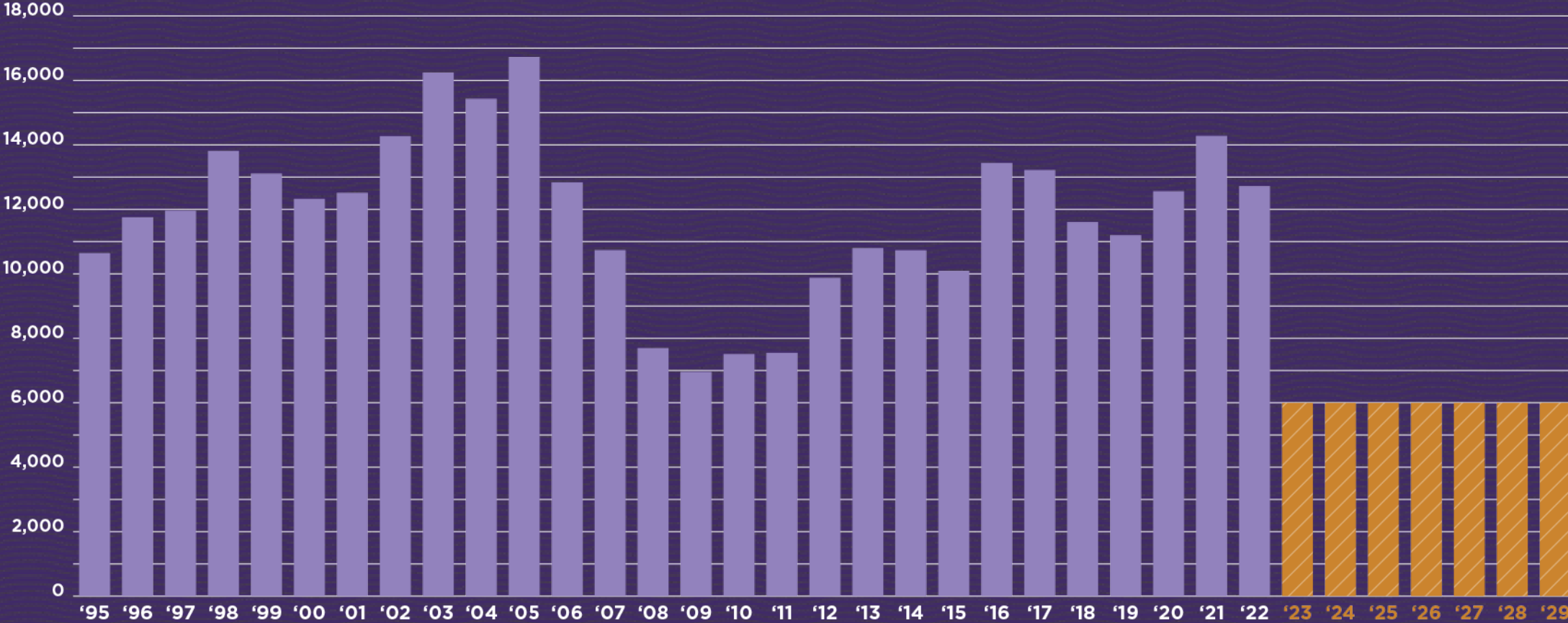
80.1% - 99% MFI | \$69,521 - \$86,900

99.1% - 115% MFI | \$86,901 - \$99,900

115%+ MFI | \$99,900+

BUILDING PERMITS

WITH ANNUAL PROJECTED TOTAL TO MEET 2030 HOUSING DEMAND



**IT'S GOING TO TAKE A STRATEGIC,
THOUGHTFUL AND CONCERTED PUBLIC
AND PRIVATE EFFORT, INCLUDING
FROM IOWA COMMUNITIES AND
EMPLOYERS TO ENSURE THAT ALL
IOWANS CAN AFFORD AND HAVE THE
OPPORTUNITY TO LIVE IN THE
COMMUNITIES WHERE THEY WORK.**

INTRODUCING...



ABOUT

THE INITIATIVE WILL PROVIDE COMMUNITIES THAT ARE LEVERAGING INNOVATIVE METHODS TO ATTRACT HOUSING OPPORTUNITIES FOR THEIR WORKFORCE WITH A CHANCE TO BE RECOGNIZED FOR THEIR EFFORTS.

ABOUT

- A limited number of communities will be awarded the designation, which comes with highly sought after and lucrative scoring points for the Federal Housing Tax Credit and/or Workforce Housing Tax Credit programs.
- The scoring points will be available through the end of the calendar year following the community's designation as an Iowa Thriving Community.

WHAT DOES THIS MEAN?

- Developers will be highly incentivized to select a community that has been designated as an Iowa Thriving Community for a proposed development through the 2024 Federal Housing Tax Credit or Workforce Housing Tax Credit programs.
- Both programs accept applications from developers for specific housing development proposals through an intensive and competitive scoring process.
- The extra points awarded to a development through the Iowa Thriving Communities designation increase the likelihood that a project may be awarded credits.

Federal Low-Income Housing Tax Credit Program

- The LIHTC program provides tax incentives to developers for the construction and rehabilitation of income-restricted rental properties.
- The tax credits are sold to investors who provide up front equity to develop the affordable properties.
- IFA's Qualified Allocation Plan (QAP) details the program requirements and selection criteria, and housing priorities.
- \$9.3 million in 10-year credits is available for allocation in 2023.
- Awards are made annually through a highly competitive application process.
- In 2022 the LIHTC program allocated tax credits that will create or renovate 1,087 rental units with a total development cost of \$260 million.

Contact: Derek Folden at derek.folden@iowafinance.com or 515.452.0437



Thomas Place, Bettendorf



Workforce Housing Tax Credits

- State tax incentive program for developers to build or rehabilitate housing in Iowa communities.
- \$35 million allocation split equally for Large and Small cities.
- Eligible sites include grayfield/brownfield, upper story, rehabilitation of dilapidated housing, and greenfield (Small cities only).
- Cost Caps are \$298,021 per single family unit or \$241,643 per multifamily unit.
- Large community – Up to \$15,000 per unit tax credit plus sales tax rebate, \$1 million maximum incentive
- Small community – Up to \$30,000 per unit tax credit plus sales tax rebate, \$1 million maximum incentive
- FY 2023- 133 applications submitted requesting \$79 million in tax credits. 57 awards made totaling \$35 million.

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Briar Grove Apartments, Decorah



How to Become an Iowa Thriving Community

Applications will be scored on the following six categories:

- Financial Support
- Iowa Thriving Community Attributes
- Planning and Assessment
- Proposed Neighborhood or Site for Housing Development
- Strategic Leadership and Partnerships
- Workforce Attraction and Retention

FINANCIAL SUPPORT

Required

- Financial commitment from community

Additional Scoring Considerations

- Waived Fees or In-Kind Contributions
- TIF and/or Tax abatement
- Active use or willingness to use any TIF LMI set-aside funds held by the city to provide LMI housing assistance
- Local financial support
- Land, including from private sector land owners
- Nuisance property abatement process
- Property acquisition through voluntary assignment of tax sale certificate or purchase at tax sale
- Recognition by adopted resolution of the Local Housing Trust Fund (LHTF) serving the community, including documentation of any Local Match financial contributions the city has made to the LHTF
- Other

Narrative

IFA | IEDA are seeking communities that are using their resources to strategically invest in housing in their communities. This category is intentionally broad to allow for creative and innovative solutions to how communities are leveraging funds.

PLANNING & ASSESSMENT

Required

- Locally adopted Building codes (building code, electrical code, mechanical code, and plumbing code) and performs inspections pursuant to such codes.

Additional Scoring Considerations | *Documentation Required*

- Comprehensive Housing Plan that addresses the need for affordable housing that is no more than 5 years old (includes housing element, addresses current needs in the community and evidence of city following plan)
- Rural Housing Readiness Assessment – Iowa State University Extension and Outreach
- Housing Needs Assessment – Completed within the past 5 years
- Inclusionary Zoning may include expediated review process
- Housing Steering Committee with current and actionable strategic housing goals
- Rental housing registration and property inspection programs
- Other

Narrative

IFA | IEDA are seeking communities that have current plans and processes that encourage and facilitate the construction and renovation of affordable and workforce housing. This category provides an opportunity for communities to describe their implementation successes and challenges.

PROPOSED NEIGHBORHOOD (OR SITE, IF APPLICABLE)

Required | Documentation Required

- Type of project or needed target market
- Neighborhood or site(s) selected
- Infrastructure – in place or plan complete

Additional Scoring Considerations | Documentation Required

- Development ready (Ready to proceed)
- Specific site(s)
- Thoughtful approach to site selection – how will residents and neighborhoods benefit
- Equitable and inclusive site selection
- Other

Narrative

IFA | IEDA are seeking communities that are intentionally and proactively driving the development of workforce and affordable housing in specific neighborhoods or sites. This category provides an opportunity for communities to describe specific needs in a neighborhood along with how future residents will benefit.

STRATEGIC LEADERSHIP & PARTNERSHIPS

Required | Documentation Required

- Mayor and City Council Support
- City Staff Support

Letters of support will be unsatisfactory. Examples of successful documentation includes summaries of recent actions that support the community's commitment to diverse housing options, city policies, city resolutions, proactive efforts to connect residents with housing or other examples.

Additional Scoring Considerations | Documentation Required

- Other local government or quasi government (county, school district, COG, etc) support
- Other local nonprofit organizations, especially those serving low-income households
- Local Neighborhood Support
- Innovation
- Other

Narrative

IFA | IEDA are seeking communities that are going above and beyond as ambassadors for housing in their communities. This category is intentionally broad to allow for creative storytelling of how communities are leveraging innovative methods to attract housing opportunities for all income levels.

WORKFORCE ATTRACTION & RETENTION

Required | Documentation Required

- Local Employer engagement and partnerships

Letters of support will be unsatisfactory. Examples of successful documentation includes summaries of recent actions that support the community's commitment to diverse housing options, proactive housing education or other efforts.

Additional Scoring Considerations | Documentation Required

- Employers with active employer-assisted housing initiatives, such as:
 - Down payment assistance
 - Partnerships to develop new housing for their workforce
 - Employer assisted rental or homeownership education
 - Employer sponsored inclusionary efforts
 - Employer sponsored childcare
 - Other

Narrative

IFA | IEDA are seeking communities that have developed partnerships with employers to strengthen and invest in the community. This category allows for description of innovative and creative initiatives that are inclusive, supportive and responsive to the community and workforce needs.

THRIVING COMMUNITY

Scoring Considerations | Documentation Required

- New or expanding workforce demands
- Access to: Jobs, healthcare, schools, groceries and other essential services, broadband, childcare
- High school or community college trade program
- IEDA High Quality Jobs Awards within the past 5 years
- Other

Narrative

IFA | IEDA are seeking communities that are going above and beyond to promote housing, jobs, education and quality of life in their communities. This category provides an opportunity to describe other initiatives, programs and expansions in the community.

2024 PROGRAM TIMELINES

	FEDERAL HOUSING TAX CREDIT	IOWA WORKFORCE HOUSING TAX CREDIT
Housing Type:	Multifamily or Single Family	Multifamily, Single Family, Upper Story
Project Type:	Rental	Rental or For Sale
Occupancy:	Family or Senior	Family
Income Limits:	Mixture of 30% to 80% area median income	None
Property Size:	24 to 60 units	2 to 60 units
Award Amount:	Up to \$12 million Federal Tax Credit	Up to \$1 million State Tax Credit
Average Number of Annual Awards:	10	60
2024 Approximate Program Timelines*		
2024 Application deadline:	April 2024	May 2024
2024 Awards announced:	July 2024	July 2024
Estimate construction start:	Spring 2025	Fall 2024
Estimated completion:	Summer 2026	Fall 2025
Maximum Number of Communities to Receive Points:	1 urban 3 rural	3 urban 8 rural

IOWA THRIVING COMMUNITIES DEFINITION OF RURAL

Communities with a population of 20,000 or fewer and not contiguous to a city with a population of 40,000 or greater.

IOWA THRIVING COMMUNITIES TIMELINE

APPLICATION TIMELINE

- May 15: Application Period Opens
- **July 17: Application Deadline**
- Week of August 7: In-person finalist pitches at IFA | IEDA office in Des Moines
- Week of August 14: Iowa Thriving Communities announced
- Sept. 5-7: Iowa Thriving Community representatives attend HousingIowa Conference in Cedar Rapids to be recognized and present their pitches to developers and other stakeholders.

APPLICATION

- The online application will be available at welcomehomeia.com



Having a home that you can afford is the launching point for upward mobility in health, educational attainment, economic growth and wealth creation. Hard-working Iowans fuel our economy, but too many struggle to afford a home near where they work. They include workers who care for and educate our children, keep our neighborhoods safe and put food on our tables.

The bottom line is that Iowa families, communities and businesses will thrive when all Iowans have access to homes they can afford. Now is the time to help all Iowans open the door to opportunity.

Earn recognition as a Thriving Community

Become an Employer Housing Champion

Help us spread the word about housing for all

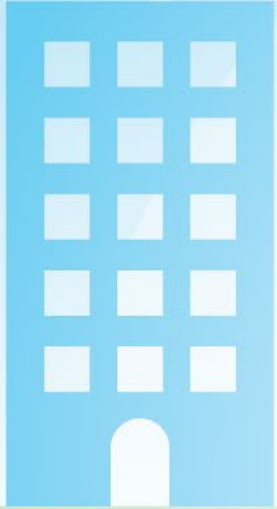
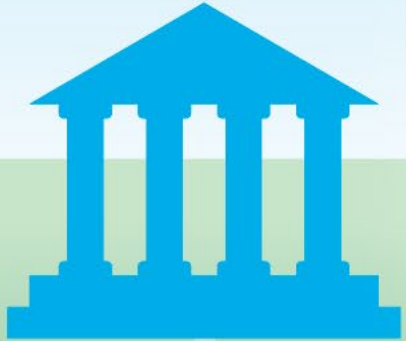


HOUSING IS THE START

HOUSING IOWA
CONFERENCE 2023

SEPT. 6-8

DOUBLETREE
CEDAR RAPIDS





**IOWA FINANCE
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