



Iowa Affordable Homeownership Coalition

2022 Legislative Priorities

► Why Homeownership?

Homeownership bestows significant long-term financial and social benefits for communities and for homeowners. Homeownership:

- **Drives new spending** in the local economy by purchasing local goods, creating local jobs, and generating state and local taxes.
- **Creates economic stability** for families by building generational wealth.
- **Leads to higher graduation rates**, better test scores, and increases likelihood of post-secondary education for the children of homeowners.
- **Increases civic and social engagement**, such as voting or joining a neighborhood group, which boosts neighborhood involvement and community stability.
- **Improves health care outcomes and decreases health care costs**, including reducing Medicaid expenditures.

► Committed Partners

These organizations have joined together as a coalition to advance opportunities for affordable home ownership throughout the state. The goal of the Iowa Affordable Homeownership Coalition is to help low and moderate income Iowans achieve their dream of homeownership.



Iowa Housing Trust Funds Advocates Network

To expand affordable homeownership opportunities and promote economic development, Iowa needs to:

- Increase and maintain the supply of affordable homes;
- Optimize land use; and
- Increase access to credit, including down payment assistance programs.

The Coalition's three legislative priorities focus on affordable homeownership opportunities:

► **Establish a Home Loan Fund**

- The Fund supports the growth and capacity of Community Development Financial Institutions (CDFIs) whose primary focus is homeownership lending.
- CDFIs use The Fund to leverage private investment to provide affordable housing loans.
- The Fund increases access to affordable credit for Iowa's workforce, seniors, and other low/moderate income families. This includes affordable mortgages and repair loans.
- Loans are paired with homeowner education and down payment/closing cost assistance.
- The Fund fills the missing gap. Loans will be made available for Iowans who cannot access affordable and appropriate credit by other lenders.
- **Legislative Request: Establish Home Loan Fund with ONE-TIME appropriation of \$25 million to be used for homeownership lending.**

► **Restore Funding for Individual Development Accounts**

- IDAs are matched savings accounts, with the State of Iowa match being equal (1:1) to the contribution of the participant, up to \$2,000. Eligible Iowans include individuals whose household income that is equal to or less than 250% of the federal poverty level.
- The Individual Development Account (IDA) program helps participants save for a major expense, such as purchasing a home. IDAs promote affordable homeownership opportunities by helping low-income Iowans access safe and affordable homes.
- **Legislative Request: Include language in the Economic Development Appropriations bill to fund the existing IDA match program with \$1 million in state funding.**

► **Create a Home Renewal Program**

- The Home Renewal Program helps Iowa communities invest in housing rehabilitation and redevelopment.
- Allows communities to acquire sub-standard and nuisance properties, make substantial improvements, and resell to an income-eligible buyer.
- Income from the sale will be used for additional projects within the community, allowing opportunities for ongoing investments.
- Rehabilitation activities must equal or exceed \$25,000 and be substantial to the human health, safety, and/or energy efficiency of the unit.
- Eligible entities include cities, counties, a consortium of local governments, non-profit 501(c)3 organizations, and Housing Trust Funds.
- Units must be sold to homebuyers under 120% AMI and must be the primary residence.
- **Legislative Request: Create Home Renewal Program with funding of \$25 million.**