

State Housing Trust Fund Local Housing Trust Fund Certification Requirements

After review and recommendation by Iowa Finance Authority (IFA) staff, the IFA Board of Directors will approve or deny Local Housing Trust Fund (LHTF) applicants for certification. IFA will notify the LHTF applicant of its approval for certification or the reasons for denial. An application for LHTF Program funding will be reviewed independently from and subsequently to the request for certification. A certified LHTF may or may not meet the particular program guidelines for an award from the LHTF Program. IFA will maintain a list of certified LHTFs on its website. A city or county may be served by only one certified LHTF under the program.

A LHTF applicant must satisfy all requirements listed below in order to be certified as a LHTF, and the following information must be submitted to IFA as part of the certification process:

1. Organizational Documents: Such as, Articles of Incorporation, Bylaws, Resolutions, IRS 501(c)(3) status letter, and a current listing of all members of the LHTF's board of directors, including name, address, beginning and ending dates of term, and, as applicable, whether the board member is a public official and/or affiliated with local government and, if so, in what capacity.
2. The mission statement of the LHTF must state that its primary purpose focuses on affordable housing.
3. The organizational documents must require regularly scheduled meetings at which minutes are kept.
4. The LHTF must hold at least one public hearing a year in order to solicit comments from the public as to their annual plan/budget, updates to the Housing Assistance Plan (HAP), the application to be submitted to the Fund, the type of project or projects that will be financed, and how such funds should be allocated.
5. Meetings must comply with Open Meetings Law and Open Records Act requirements (refer to Iowa Code, Chapters 21 and 22 respectively for more information).
6. The LHTF must have a local governing board recognized by the county/counties and/or incorporated city/cities in the geographic area the LHTF serves as the board responsible for coordinating LHTF programs. A resolution and/or ordinance from each county and/or incorporated city that will be participating in the LHTF is required. The applicant must also demonstrate support from other local entities (which may include, but is not necessarily limited to, local government entities, nonprofit organizations, neighborhood organizations, for-profit housing organizations, and/or local service providers) with respect to the proposed LHTF, which must be demonstrated in the form of resolutions and/or letters of support.



7. The LHTF must demonstrate that it possesses sufficient administrative capacity in regard to housing programs and the experience necessary to successfully plan and execute the proposed activities in a timely manner.
8. The LHTF applicant must demonstrate support from local entities (which may include, but is not necessarily limited to, local government entities, nonprofit organizations, neighborhood organizations, for-profit housing organizations, and/or local service providers) with respect to the proposed LHTF activities, which may be demonstrated in the form of resolutions and/or letters of support.
9. The LHTF applicant must have the following in place prior to certification by IFA:
 - Local governing board comprised of no more than 50 percent of individuals from local government/public officials. Local government/public officials who are also employed in the private sector will be considered representatives of local government (the public sector) and will not be considered private sector representatives.
 - Housing Assistance Plan (HAP) approved by IFA. The HAP must, at a minimum, address the following items and should be reviewed by the LHTF at least annually for any updates that may be required:
 - The HAP should be in the applicant's own words, and the document should be no more than ten pages. A listing (bibliography) of the data sources from which the information was gathered should be included;
 - The HAP must be comprehensive and identify gaps in housing needs;
 - Define the entire geographic area the applicant serves;
 - Address the need for the proposed activities;
 - Address to which activities priority and/or preference will be given;
 - Address the sources, groups, and organizations the applicant will be collaborating with in order to fulfill the proposed activities;
 - Address the economic, social, health and/or other benefits the defined geographic area can anticipate as a result of the LHTF;
 - Address program guidelines, which at a minimum should include:
 - Types of projects or activities in which the fund will invest, such as rental, homeownership, new construction, rehabilitation, and/or first-time homebuyer assistance
 - Types of investments the fund will make (loans or grants)
 - Required terms and conditions of the investment, including types of security, regulatory agreements, and/or periods of affordability
 - Funding limits per unit or per project
 - Income limits and/or targeting goals
 - Developer/owner eligibility requirements
 - Underwriting requirements
 - Borrower or project match/leverage requirements



- Address the fundraising activities conducted over the last year and plans for future fundraising;
 - Address the housing needs of Extremely Low-Income Eligible Recipients in the area served and outline the measures the LHTF and other sources, groups, or organizations operating in the LHTF's geographic area will take to serve Extremely Low-Income Eligible Recipients;
 - Address the continuum of housing needs in the LHTF's geographic area: (1) homelessness (2) transitional housing (3) rental and (4) homeownership. (information derived from the local or state Consolidated Plan, housing studies, and/or housing assessments may be included in this narrative);
 - If applicable to the geographic area served, the HAP also should address the following issues:
 - the housing needs of inner-city neighborhoods
 - areas with stagnant or declining housing markets
 - underserved areas or population
- If the LHTF is part of another organization, the LHTF's board must be separate and distinct from the other organization and make all final funding decisions.
10. The LHTF must be community-based and should be the distributor of funds to other organizations.
11. The LHTF should have a board which is community-based, with members from the private sector (such as nonprofit or service organization staff, bankers, realtors, and others involved in the housing industry or affordable housing advocacy).
12. The LHTF board must be a broad-based committee (separate from a local governing body) which makes funding decisions.
13. A LHTF requesting initial certification must serve a geographic area encompassing one of the following: (1) an Entitlement City; (2) a county or counties in which an Entitlement City is located and the Entitlement City will be a part of the geographic area to be served by the LHTF; or (3) one or more COG regions as identified by Iowa Code chapter 28H, which may exclude counties within the COG region(s) that are already members of a certified LHTF. A county that is not part of any Iowa COG region may elect to join an existing LHTF, with the certified LHTF's consent and approval, or a new LHTF requesting certification, provided the selected LHTF serves geographic areas contiguous to the county's boundaries, unless the Board approves a non-contiguous county as an addition to an existing or new LHTF.
14. A certified LHTF shall maintain certification by applying for and receiving an award from the Fund in each available funding round. The Board may, upon recommendation from IFA staff, decertify an inactive LHTF that does not apply for or that does not receive an award from the Fund in the most recent funding round. A decertified LHTF must apply to IFA and meet the criteria for certification specified in the LHTF Allocation Plan, subject to approval by the Board.



In order to be eligible for funding in the current LHTF Program fiscal year, one original request for LHTF certification, including all information specified above, must be submitted to IFA by email or hard copy on or before the funding round application deadline established for the LHTF Program. The request for certification may be submitted in conjunction with a funding application submission provided that both submissions are made on or prior to the funding round application deadline. Please direct all requests for LHTF certification to:

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