Workforce Housing Tax Incentive Program

Frequently Asked Questions

1. **When is the application due date:**
   A. June 9, 2023, at 11:59 PM

2. **How will the $35 million tax credit allocation be split between urban areas and small cities?**
   A. It will be split equally between urban areas and small cities ($17.5 million & $17.5 million)

3. **What is the maximum Workforce Housing Tax Incentive award per project?**
   A. The maximum award under the program is $1 million.

4. **What is the per unit cost caps for the urban areas and small cities?**
   A. The IEDA board set separate cost caps based on location and activity.
   - Single-family units in a small city and an urban area: $298,021
   - Multi-family units in a small city and an urban area: $241,643

5. **How is a single-family dwelling unit defined?**
   A. Separate from other units by a ground-to-roof wall and does not have other units above or below.

6. **Can an awarded tax credit be spread over multiple years if the developer does not have the tax liability to utilize the credit in one year?**
   A. Yes. Credits can be carried forward for up to 5 years.

7. **Are tax credits under this program transferrable?**
   A. Yes. The state investment tax credit is fully transferrable.

8. **How is the per unit cost calculated? Is it the cost for each unit in the project or the average cost of all units in the project?**
   A. The average unit cost is calculated. The per unit figure is calculated by dividing the amount of costs directly related to the project by the number of units in the project.

9. **Can a community in one of the largest 11 counties fall under the small city designation?**
   A. Yes. Communities located in 11 most populous counties do fall under the small city designation if they have a population of 2500 or less **and** had less than 30% growth from 2010 to 2020 as determined by US census data.

10. **Can I apply for Workforce Housing Tax Incentives if my project has already started?**
    A. Yes. However, any costs incurred before an award is made would not be eligible costs; The tax credit would only be calculated on those costs incurred after an award is made.

11. **Are phased projects eligible to apply for tax credits? I have a large project that will be completed in several phases.**
    A. Yes. Each phase must apply separately and will be reviewed and evaluated separately. If one project phase is awarded, there is no guarantee subsequent projects phases will receive credits.

12. **Do communities in the least populated 88 counties, under the small city category, automatically qualify for the 20% investment tax credit?**
    A. Yes, projects in communities that fall under the small city category qualify for an investment tax credit of 20% of the first $150,000 investment of qualifying project costs. Most of the time this equates to being $30,00 per unit.

13. **Is greenfield development allowed under this program? When would greenfield development be an eligible activity?**
    A. Greenfield development is only allowed in communities under the small cities set aside. Under the Workforce Housing Tax Incentive program, greenfield development is defined as: “a site that does not meet the definition of a brownfield site or grayfield site. A project proposed at a site located on previously undeveloped or agricultural land shall be presumed to be a greenfield site”.

14. **How many applications can a developer submit for consideration in an application round?**
    A. IEDA has decided to not limit the number of applications a developer can submit for the FY2024 application round.

15. **Can developers receive both Workforce Housing Tax Incentives and Low-Income Housing Tax Credits for the same project?**
    A. No.

16. **Does Iowagrants.gov allow separate documents to be uploaded in the application as supporting documentation? Can we upload multiple documents from a housing needs assessment?**
    A. Iowagrants.gov allows one document to be submitted. Multiple pages/sections can be merged into one document to be submitted.

17. **For projects that are shown to be within the 100-year flood plain, according to the FEMA flood plain website, what is required to document that the site is no longer is in the 100-year flood plain?**
    A. To apply, projects are required to submit a screenshot from the FEMA flood plain website that their project site is not in the 100-year flood plain. If the project site appears to be in

the flood plain, documentation from FEMA is required. Either a LOMR (Letter of Map Revision) or a CLOMR (Conditional Letter of Map Revision). This process with FEMA can take upwards of 3 months to acquire.