

## COMMUNITY HOUSING AND SERVICES FOR PERSONS WITH DISABILITIES REVOLVING LOAN PROGRAM FUND

1. The purpose of this fund is to further the availability of affordable housing and supportive services for Medicaid waiver-eligible individuals with behaviors that provide significant barriers to accessing traditional rental and supportive service opportunities.
  2. Loans from this fund are to be used to provide financing to construct permanent supportive housing or develop infrastructure in which to provide supportive services, including through new construction, acquisition and rehabilitation of existing housing or infrastructure, or conversion or adaptive reuse.
  3. These loans are not competitive. Funding is provided to successful applicants as long as money is available. When money cycles back to IFA through the revolving loan process, additional loans will be made.
  4. Because the process is not competitive, potential applicants may contact IFA at any time following the release of the application with questions. Staff will communicate with the applicants during the review of the application. **Note that all applicants must have written approval of their projects by the Iowa Department of Health and Human Services before submitting an application to IFA.**
  5. Loans will have interest rates that are set by IFA and generally will be at 0-1% and are fully amortizing with a maximum term of 30 years. A portion of the loan may be forgivable upon request.
  6. The minimum loan amount is \$50,000, and the maximum amount is \$500,000 (subject to available funds). The required debt service coverage ratio for the loans is 1.25 to 1.
  7. Loan fees are as follows:
    - (1) Application fee – 0.3 percent of total loan amount
    - (2) Commitment fee (construction loan) – 1.0 percent of loan amount.
    - (3) Commitment fee (permanent loan) – 2.0 percent of loan amount.
    - (4) Inspection fee (construction loan) – 0.5 percent of loan amount.
- The authority may, in limited cases, reduce such fees if necessary in connection with assistance provided under this program. Such decision will be made in the sole discretion of the authority.
8. The loans can be used for the construction loan and permanent financing.
  9. IFA will hold the first mortgage on the property.

10. There are recorded covenant and transfer restrictions for the selected period of compliance. In other words, the owners must continue to provide the selected service to low-income people, and if the property is sold, the new owner must continue to serve this population as the selected service.

11. The applicant must show adequate evidence that it has marketable title on which the project is to be located. In addition, the project must address a demonstrated market need, be in a good location, be financially feasible, and the loan recipient must have the ability to repay the loan.