

Red Tape Review Rule Report

(Due: September 1, 2025)

Department Name:	IEDA	Date:	4/11/25	Total Rule Count:	5
IAC #:	261	Chapter/ SubChapter/ Rule(s):	Chapter 22	Iowa Code Section Authorizing Rule:	15.338
Contact Name:	Lisa Connell	Email:	Lisa.connell@iowaeda.com	Phone:	(515) 348-6163

PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of chapter 22 is to describe the policies and procedures applicable to nuisance property remediation assistance provided by the authority pursuant to Iowa Code section 15.338. The program provides loans and forgivable loans to cities for the remediation and redevelopment of nuisance properties and abandoned buildings and other structures.

Is the benefit being achieved? Please provide evidence.

Yes. The authority is able to effectively award and administer financial assistance through the program.

What are the costs incurred by the public to comply with the rule?

Cities interested in applying for the program may require staff time to complete an application to receive financial assistance. Recipients of financial assistance may similarly incur costs to administer the award, including requests for disbursement. Some applicants/recipients may choose to rely on an external service provider to complete these tasks, such as a consultant. The amount of the costs will vary, depending on the compensation of staff or service providers involved. The application and requests for disbursement require minimal time to complete.

What are the costs to the agency or any other agency to implement/enforce the rule?

IEDA staff time is required to review and prepare applications for approval, draft and execute program contracts, disburse funds, and communicate with program applicants and recipients.

Do the costs justify the benefits achieved? Please explain.

Yes. Only entities that will potentially benefit from the program incur any costs. The costs to the state to administer the program are proportional to the activities incited.

Are there less restrictive alternatives to accomplish the benefit? ☐ YES ☒ NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The application and administrative requirements of the rules are no more than necessary to implement the purposes of the program.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

Yes.

Rule 22.1 is unnecessary and primarily duplicates statutory language.

Rule 22.2 should be updated to be more concise and for clarity. The definition of “public nuisance” duplicates statutory language in Iowa Code section 657A.1 and should be updated to refer to that section. Definitions of “agreement” and “low- or moderate income household” can be eliminated.

Rule 22.3 should be updated for clarity and to replace outdated contact information for IEDA with a reference to IEDA’s web site. Portions of the rule that are redundant of other rules in the chapter can be eliminated.

Rule 22.4 should be updated to be more concise and to eliminate references to specific point totals for scoring criteria.

Rule 22.5 should be updated to be more concise and to note that the authority may require recipients to utilize a grant administrator.

Rules 22.2 through 22.5 should be renumbered due to the elimination of 22.1.

RULES PROPOSED FOR REPEAL (list rule number[s]):

261.22.1

***RULES PROPOSED FOR RE-PROMULGATION* (list rule number[s] or include text if available):**

CHAPTER 22
NUISANCE PROPERTY AND ABANDONED BUILDING REMEDIATION ASSISTANCE

261—22.1(15) Definitions. For purposes of this chapter unless the context otherwise requires:

“*Abandoned building*” means a building means a building that has remained vacant and been in violation of the applicable housing code or building code for a period of six consecutive months.

“*Applicant*” means a city applying for financial assistance under the program.

“Authority” means the economic development authority created in Iowa Code section 15.105.

“Building” means a structure that is:

1. Used or intended to be used for commercial or industrial purposes; or
2. Used or intended to be used for residential purposes; or
3. Used for both commercial or industrial and residential purposes.

“Costs directly related” means expenditures that are incurred for acquisition, demolition, disposal, redevelopment, or rehabilitation of a project to the extent that they are attributable directly to the remediation or redevelopment of the property or its improvements. “Costs directly related” includes expenditures for site preparation work, surveying, construction materials, construction labor, architectural services, engineering services, building permits, building inspection fees, and interest accrued on a construction loan during the time period allowed for project completion under an agreement entered into pursuant to the program. “Costs directly related” does not include expenditures for furnishings, appliances, accounting services, legal services, loan origination and other financing costs, syndication fees and related costs, developer fees, or the costs associated with selling or renting the dwelling units whether incurred before or after completion of the project.

“Director” means the director of the authority.

“Financial assistance” means a loan or forgivable loan made by the authority to an applicant approved for funding under the program.

“Nuisance property” means a building, structure, or other real estate that is, or is likely to become, a public nuisance.

“Program” means nuisance property and abandoned building remediation assistance program established pursuant to this chapter.

“Project” means remediation or redevelopment of nuisance properties and abandoned buildings. “Project” may include properties at multiple sites and locations, whether contiguous or not, as long as all properties to be remediated or redeveloped are included in the proposed plan upon application and as long as the proposed plan demonstrates the steps and actions necessary to further remediation and redevelopment efforts in a comprehensive and coordinated manner.

“Public nuisance” means the same as defined in Iowa Code section 657A.1. “Public nuisance” also includes buildings with blighting characteristics as defined by Iowa Code section 403.2.

“Redevelopment” means development activities associated with a project that are undertaken either for the purpose of remediating nuisance properties or abandoned buildings, for constructing new buildings or improvements at a site where formerly existing buildings have been demolished, or for rehabilitating, reusing or repurposing existing buildings or improvements at a project site. “Redevelopment” typically includes projects that result in the elimination of blighting characteristics as defined by Iowa Code section 403.2.

“Remediation” or *“remediating”* means the demolition, disposal, removal, repair, improvement, or rehabilitation of nuisance property or abandoned buildings at a site included in a project.

261—22.2(15) Program description.

22.2(1) *Amount, form, and timing of assistance.* The program provides financial assistance to cities for the redevelopment or remediation of nuisance properties and abandoned buildings and other structures. The amount of assistance awarded will be negotiated between each applicant and the authority based on the total amount of funds available to the authority for the program and based on the project details.

22.2(2) *Application.*

a. Each fiscal year in which funding is available, the authority will accept applications for the assistance under the program and make funding decisions on a rolling basis.

b. Information on submitting an application under the program is available on the authority’s website.

22.2(3) *Use of funds.*

a. An applicant shall use funds only for purposes of the costs directly related to the project and provide documentation or other information establishing the actual costs incurred for a project. Failure to use the funds for purposes of the costs directly related to a project shall be grounds for default under the contract entered pursuant to this chapter.

b. If a city receives financial assistance under the program, the amount of any lien created for costs related to remediation of a property included in a project plan shall not include any moneys that the city received pursuant to this chapter for the remediation of the property. The contract executed pursuant to rule 261—22.4(15) will include a provision implementing this requirement.

261—22.3(15) Eligibility and funding decisions.

22.4(1) To be eligible under the program, an applicant shall be a city interested in addressing issues of slum and blight through the remediation or redevelopment of nuisance properties or abandoned buildings.

22.3(2) Scoring criteria for applications may include, but are not limited to, financial need, project impact, plan to address

the nuisance property or abandoned building and other criteria as determined appropriate by the authority.

22.3(3) Each eligible application will be scored by authority staff. The director will make the final funding decision on each application, taking into consideration the amount of available funding, the numerical score of the application, and the funding recommendation of authority staff. The director may approve, deny, or defer funding for any application.

261—22.4(15) Contract. Each applicant that is approved for financial assistance under the program shall enter into a contract with the authority. The contract will establish the terms on which the financial assistance is to be provided and may include any other terms necessary for administration of the program. The authority may require that an applicant utilize a grant administrator as a condition to receipt of financial assistance.

These rules are intended to implement Iowa Code section 15.338.

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	1
Proposed word count reduction after repeal and/or re-promulgation	940
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	20

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No.