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**Subject:** FY 2023 State Housing Trust Fund budget  
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**Importance:** High

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The FY 2023 State Housing Trust Fund (SHTF) budget has been finalized. This will be the first fiscal year that IFA is budgeting the full \$7 million that the SHTF now receives from the Real Estate Transfer Tax (RETT), which will result in increased grant awards under the LHTF Program.

Here is the link to the FY 2023 Local Housing Trust Fund Program Funding Schematic, which lists the maximum grant award for which each certified LHTF may apply during the upcoming FY 2023 funding round: [FY2023-LHTF-Program-Maximums.pdf \(iowafinance.com\)](#)

With the increased SHTF allocations for FY 2023, the LHTF Program budget will increase by approximately 23% as compared to FY 2022. Since the 2020 Census population numbers have been released, IFA also updated the per capita funding formula using the 2020 Census. Overall, IFA was able to increase the base award for each LHTF type by 30% and the per capita award by 15% across the board with the increased RETT funding coming into the SHTF.

Please be reminded that the effective Local Match rate for FY 2023 will be 21%, as outlined in the rule amendments adopted in August 2021 (the effective Local Match rate will increase by 2% per year until it once again reaches 25% in FY 2025).

Overall, individual FY 2023 LHTF grant awards are budgeted to increase by an average of 28%. Here's a comparison chart of the proposed LHTF Program increases:

	FY 2022	Increase	FY 2023	
	\$1.50	15.00%	<b>\$1.73</b>	Per Capita Award
Base Award	\$195,000	30.00%	<b>\$253,500.00</b>	Regional based on COG boundaries
Base Award	\$97,500	30.00%	<b>\$126,750.00</b>	Entitlement City
Base Award	\$136,500	30.00%	<b>\$177,450.00</b>	Entitlement City/County

The planned dissolution of Homeward Housing Trust Fund will result in the realignment of those 11 counties into other LHTFs. According to the information currently provided to IFA, NIACOG Housing Trust Fund will pick up 6 counties, Heart of Iowa Regional Housing Trust Fund will pick up 4, and Northwest Iowa Regional Housing Trust Fund will pick up 1 county. The increase in those LHTFs' geographic service areas is the reason their respective LHTF Program maximum grant awards will increase well above the average. The other LHTFs that will see a higher than average maximum grant award experienced significant population increases in the 2020 Census.

**Please carefully review the new FY 2023 LHTF Program Funding Schematic and contact me**

**immediately if you spot any need for correction. I anticipate the FY 2023 LHTF Program application submission deadline will likely be Monday, October 3, 2022, but official notice will follow once the FY 2023 application form has been finalized.**

*Note: The FY 2023 Project-Based Housing Program budget will remain unchanged at \$300,000.*

## **FY2023 Funding Availability**

### **Local Housing Trust Fund Program**

**\$11,205,386**

### **Project-Based Housing Program**

**\$300,000**

Thanks,  
Terri



**Terri Rosonke**

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