

IOWA PERMANENT SUPPORTIVE HOUSING FUND – OPERATING DEFICIT RELIEF

GRANT PROGRAM GUIDELINES

The intent of the Iowa Permanent Supportive Housing (PSH) Fund is to support PSH operational needs for eligible nonprofit PSH providers in good standing with the Iowa Finance Authority (IFA). The Iowa PSH Fund is not intended to be an annually budgeted funding resource for PSH operations but rather a potential resource that may be available in times of operating deficit on a fiscal year by fiscal year basis.

Expenditures from the Iowa PSH Fund for Operating Deficit Relief will be limited to the following general parameters.

PSH Operating Deficit Relief – Eligible Applicants:

1. The following are Eligible Applicants for the Iowa PSH Fund:
 - a. Nonprofit PSH property owner or primary supportive services provider of a development project assisted under the National Housing Trust Fund; or
 - b. The nonprofit Qualified Service Provider of a Low-Income Housing Tax Credit (LIHTC) PSH project as approved by the IFA; or
 - c. Nonprofit PSH provider meeting the state’s definition of PSH as follows: Permanent Supportive Housing (PSH) is an evidence-based, minimal barrier housing intervention prioritized for individuals with complex, multi-occurring conditions that meets fidelity to established standards. Individuals in PSH programs live with affordability, autonomy, and dignity through the combination of person-centered, flexible, voluntary support services and a legal right to remain in their housing, as defined by the terms of a renewable lease agreement. Access to and maintenance of housing is available to individuals who meet PSH eligibility criteria and is not based on housing readiness requirements such as sobriety, behavioral, or program compliance.
2. All Eligible Applicants must be in good standing with IFA.
 - a. “Good Standing” with IFA includes but is not necessarily limited to an Eligible Applicant meeting the following criteria in full:
 - i. Has no unresolved compliance monitoring issues (state or federal) as determined by IFA’s Asset Management Team (including having not been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance and does not have a history of repeated or numerous Tax Credit allocation or compliance issues, even if such issues have not resulted in an uncorrected IRS Form 8823); and

- ii. Has no unresolved compliance monitoring issues (state or federal) as determined by IFA’s Housing Strategic Initiatives Team, including all Homelessness Programs; and
- iii. Participates in the community’s Coordinated Entry or Centralized Intake system, as defined by HUD; and
- iv. Is reporting tenant data in HMIS/DVIMS for all PSH units for which Iowa PSH Fund assistance is being requested, as confirmed by the Institute for Community Alliances or the Continuum of Care where the property is located. In the case of LIHTC-assisted PSH units, IFA allows the PSH provider to report the units in HMIS/DVIMS as “Other Permanent Housing” (OPH).

PSH Operating Deficit Relief – Eligible Activities, subject to available funding:

1. Eligible Applicant may request up to \$50,000 in PSH Operating Deficit Relief following a fiscal year in which the PSH project or the PSH units within a larger housing project result in an operating deficit to the Eligible Applicant’s operating budget. The amount of PSH Operating Deficit Relief awarded by IFA shall not exceed the lesser of \$50,000 or the actual amount of the operating deficit during the fiscal year.
2. Beginning with the fiscal year operating budget ending on or after July 1, 2023, an Eligible Applicant may submit an Iowa PSH Fund application to IFA for PSH Operating Deficit Relief annually, subject to available funding.
3. The Eligible Applicant must submit a copy of the PSH project’s unaudited financial statement for the previous, current, and following fiscal year, as available, for review and underwriting by IFA. The statement submitted for the following fiscal year may be a proposed operating budget for the PSH project’s anticipated income and operating expenses during the next fiscal year. For PSH units within a larger housing project, the unaudited financial statement must be specific to the revenue and expenses the Eligible Applicant incurred during the fiscal year for the PSH units related to operations, supportive services, administration, and/or debt service, as applicable.
4. PSH Operating Deficit Relief applications will be due annually by the application submission deadline established by IFA to reflect any operating deficit the Eligible Applicant experienced during the fiscal year ending on or after the previous July 1, based upon the PSH project or PSH units unaudited financial statement.
5. IFA reserves the right to award PSH Operating Deficit Relief Grants in prorated amounts lower than the applicable maximum award amount based upon the total funding available within the Iowa PSH Fund for that purpose.
6. At IFA’s sole discretion as approved by the Director and subject to available funding within the Iowa PSH Fund at any point in time, IFA may award emergency PSH Operating Deficit Relief to an Eligible Applicant in cases of extreme financial hardship that threatens the



ability of the Eligible Applicant to sustain PSH operations, placing PSH tenants at risk of losing their housing stability.

IFA anticipates that Iowa PSH Fund money could be pledged by award recipients as local match under HUD grant awards as long as the timing between contract periods and eligible expenditures aligns. Unobligated moneys remaining in the Iowa PSH Fund at the close of each fiscal year shall remain available to IFA for expenditure for Eligible Activities in the succeeding fiscal year.

