



CITY OF IOWA CITY COUNCIL ACTION REPORT

September 16, 2025

Resolution approving the Housing Trust Fund of Johnson County's request for use of FY23 and FY24 Low Income Housing Tax Credit Funds.

Prepared By: Tracy Hightshoe, NDS Director
Reviewed By: Geoff Fruin, City Manager
Sue Dulek, First Asst. Attorney
Fiscal Impact: Funds budgeted and carried over from FY23 & FY24 within the Affordable Housing Fund
Staff Recommendation: Approval
Commission Recommendations: NA
Attachments: [Housing Trust Fund of Johnson County Request Resolution](#)

Executive Summary:

The Housing Trust Fund of Johnson County has requested that the \$380,000 in City funds reserved for FY23 and FY24 Low-Income Housing Tax Credit (LIHTC) projects be reallocated for use on any eligible affordable housing project, as outlined in the Memorandums of Understanding for FY23 and FY24 affordable housing funds.

With Council approval, the City will release the \$380,000 payment to the Housing Trust Fund. Upon receipt, the Housing Trust Fund will include these funds in its next quarterly funding round, making them available to support eligible affordable housing projects within the community.

Background / Analysis:

The Housing Trust Fund of Johnson County entered into Memorandums of Understanding (MOUs) with the City for FY23 and FY24 funds reserved for Low-Income Housing Tax Credit (LIHTC) projects. A total of \$400,000 was reserved for this purpose. Of this amount, 5% (\$20,000) was provided for fund administration, leaving \$380,000 available for LIHTC projects.

The Trust Fund awarded the \$380,000 to a LIHTC project; however, the project was unable to proceed as proposed. Under the City's process, funds are not released until a project enters into a LIHTC agreement with the Iowa Finance Authority. Since the project did not advance to that stage, no City payment was made.

The LIHTC MOUs state that if funds remain unallocated after two annual funding rounds, the Trust Fund may request to use these funds for any other eligible affordable housing project,

including non-LIHTC projects. No additional administrative funds may be taken from these funds. The Housing Trust Fund has now submitted such a request. If Council approves, the City will issue payment of the \$380,000 to the Trust Fund, which will then make the funds available through its next quarterly funding round for eligible affordable housing projects.