



LMI Housing Partnership (City of Nevada / NEDC) – revised January 2026

The City of Nevada has seen the fund balance continue to grow in their LMI Set Aside account. The fund balance will continue to grow as the following subdivisions that utilized Tax Increment Financing (TIF) incentives continue to build out in the years to come: South Glen, NorthView, and OakPark Estates.

Story County is working through a plan to make TIF funds available to communities over a two-year period to support additional LMI housing needs in the County.

The NEDC Executive Board is committed to being a partner in efforts to develop and enhance all types of housing in the Community of Nevada.

The NEDC is proposing the following initiatives over the next two years to pilot several LMI housing initiatives

Affordable New Single-Family Home Initiative

Building on the positive results of the Keystone project in Trailside subdivision. We are modeling this proposal on a program done in 2020 in Boone and 2025 in Slater.

Provide 10% up to \$30,000 to buy down lot cost for new home construction projected to come on the market at or below \$299,999 (deemed affordable for a family of 4 under 80% county median income).

The builder/developer to certify cost of the new home will go on the market at or below threshold identified above and certify again that home sold at or below the projected sales price.

NEDC to advance funding when initial certification form is submitted. Forgivable agreement put in place should home sell for more than certification, money must be paid back with interest. After home sold, form certifying final sales price, if at or below the original certification funds will be forgiven. Reimbursement request and documentation to be made by NEDC to City of Nevada LMI funds. A 5-year deed restriction to be placed on property; 20% to be forgiven each year on the anniversary of the closing date. Target 5 forgivable loans each year during pilot period.

Rental Rehabilitation Program

We have attracted almost 200 new rental units to the community over the last 5 years. Just as we are working on all levels of single-family housing it's important to maintain a

continuum of rental options in Nevada. Our most attainable rental units are our existing apartment stock. We propose that we create a program that would allow our existing landlords to apply for grant funds that would be used to renovate and rehabilitate their existing apartments/rental units. As a condition they would need to agree to maintain rents at or below 80% of Fair Market Rents for Story County (see chart) for a 5-year period. We propose grants up to \$10,000 with a goal of improving 20 units each of the two years of the pilot. NEDC would be responsible for annual compliance with the assisted landlords and reporting. We would seek the funding support from the Story County Housing Trust Fund LMI dollars to launch this program.

Home Buyer Assistance

As a way to promote the purchase of an existing home in Nevada we are proposing the City launch a home buyer assistance program. Eligible buyers would need to be at or below 80% of the county-wide median income for household size (see chart). NEDC staff will conduct income verification in compliance with Iowa Finance Authority guidelines and process the check requests with the City and the buyer's financial institution. If the buyer qualifies, they would be eligible for \$5,000 in grant funding payable at closing. This would be a one-time benefit to a homebuyer. The goal would be to assist 20 buyers a year with this funding over the two-year pilot period. Funding support for this program would be part of a request for Story County Housing Trust Fund LMI dollars.

Proposed Source & Use

Initiative	NEDC - 2026	City of Nevada LMI account (2026)	Request Story County Housing Trust Fund (2026)	NEDC - 2027	City of Nevada LMI account (2027)	Request Story County Housing Trust Fund (2027)
Affordable Single Family – New Construction (5 homes)	\$25,000	\$125,000		\$25,000	\$125,000	
Rental Rehabilitation (target 15 units)		\$20,000	\$100,000		\$20,000	\$100,000
Home Buyer Assistance (target 20 @ \$5,000 each homeowners each year)		\$50,000	\$50,000		\$50,000	\$50,000
SCHTF Match		\$5,471			\$5,471	
Program Administration (15% of total funds)	\$36,750 (in kind)			\$29,250 (in kind)		
TOTAL	\$61,750	\$200,471	\$150,000	\$54,250	\$200,471	\$150,000

ADDITIONAL INFORMATION

PROJECTED HOUSING UNITS ASSISTED:

- 2026: 46
- 2027: 40

LMI Account at a Glance

\$400,000 - balance

\$90,000 – new in 2027

\$490,000

MIPA charges 15% of award for administration; basis for NEDC in kind contribution.

RESOLUTION NO. 055 (2025/2026)

Resolution Authorizing Economic Development Grant to Nevada Economic Development Council, Inc.

WHEREAS, Chapter 15A of the Code of Iowa (“Chapter 15A”) declares that economic development is a public purpose for which a City may provide grants, loans, tax incentives, guarantees and other financial assistance to or for the benefit of private persons; and

WHEREAS, Chapter 15A requires that before public funds are used for grants, loans, tax incentives or other financial assistance, a City Council must determine that a public purpose will reasonably be accomplished by the spending or use of those funds; and

WHEREAS, Chapter 15A requires that in determining whether funds should be spent, a City Council must consider any or all of a series of factors; and

WHEREAS, a certain economic development support agreement (the “Agreement”) between the City of Nevada, Iowa (the “City”) and Nevada Economic Development Council, Inc. (“NEDC”) has been prepared pursuant to which NEDC would administer a program (the “LMI Housing Program”) to encourage the redevelopment, rehabilitation and development of housing affordable to families of low and moderate income in the City as defined in Chapter 403.17(14); and

WHEREAS, under the Agreement, the City would provide an economic development grant (the “Grant”) to NEDC in a total amount not exceeding \$400,000 in order to pay a portion of the costs of the LMI Housing Program;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Nevada, Iowa, as follows:

Section 1. Pursuant to the factors listed in Chapter 15A, the City Council hereby finds that:

(a) The LMI Housing Program will add diversity and generate new opportunities for the Nevada and Iowa economies;

(b) The LMI Housing Program will generate public gains and benefits, particularly in the creation and/or retention of jobs, income and new housing opportunities, which are warranted in comparison to the amount of the proposed Grant.

Section 2. The City Council further finds that a public purpose will reasonably be accomplished by entering into the Agreement and funding the Grant to NEDC.

Section 3. The Grant in an amount not to exceed \$400,000 is hereby approved, subject to the terms and conditions set out in the Agreement to be entered into by NEDC and the City. The City Clerk and City Administrator, with advice from bond counsel to the City, are hereby authorized and directed to prepare any additional documentation and to make such changes to the

Agreement as are deemed necessary to carry out the purposes of this Resolution. The Mayor and the City Clerk are hereby authorized execute such documents as may be necessary to implement the Grant approved herein, including the Agreement, in substantially the form as has been presented to this City Council.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved March 9, 2026.

Ryan Condon, Mayor

Attest:

Erin Mousel, City Clerk

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On motion and vote the meeting adjourned.

Ryan Condon, Mayor

Attest:

Erin Mousel, City Clerk

STATE OF IOWA
STORY COUNTY
CITY OF NEVADA

SS:

I, the undersigned, Clerk of the City of Nevada, Iowa, hereby certify that the foregoing is a true and correct copy of the minutes of the Council of the City relating to adopting a resolution to approve an economic development grant and economic development support agreement.

WITNESS MY HAND this ____ day of _____, 2026.

Erin Mousel, City Clerk

ECONOMIC DEVELOPMENT SUPPORT AGREEMENT

This Economic Development Support Agreement, including Exhibits (the “Agreement”) is entered into between the City of Nevada, Iowa (the “City”) and Nevada Economic Development Council, Inc., (“NEDC”) as of the ____ day of _____, 2026 (the “Commencement Date”).

WHEREAS, the City has established the Nevada Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, in connection with its provision of tax increment financing support for the construction of public infrastructure to support the development of market rate housing and pursuant to Iowa Code Section 403.22, the City has established a Low- and Moderate-Income (LMI) Set-Aside Account to fund programs benefiting LMI households, including projects eligible under the LMI Housing Program; and

WHEREAS, the County and NEDC desire to develop a program (the “LMI Housing Program”) to encourage the redevelopment, rehabilitation and development of housing affordable to families of low and moderate income in the City as defined in Chapter 403.17(14); and

WHEREAS, NEDC will undertake the administration of LMI Housing Program; and

WHEREAS, NEDC has requested that the City provide financial assistance in order to assist in administering and funding the LMI Housing Program; and

WHEREAS, the City is willing to provide such financial assistance in the form of an economic development grant (the “Grant”) to NEDC provided that NEDC agrees to undertake certain obligations as hereinafter set forth; and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities to provide loans, grants, guarantees, tax incentives and other financial assistance to or for the benefit of private persons; and

WHEREAS, this Agreement has been prepared to facilitate the funding of the Grant and to set forth the understanding between the City and NEDC;

NOW THEREFORE, the parties hereto agree as follows:

A. NEDC’s Covenants

1. LMI Housing Program. NEDC agrees to administer the LMI Housing Program in accordance with the eligibility requirements and guidelines set forth on Exhibit A hereto, which is incorporated herein by reference.

NEDC shall be responsible for receiving applications, reviewing applications for completeness and eligibility, maintaining program records, and recommending funding requests to the City.

2. Grant Disbursement Requests. NEDC agrees to submit periodic grant disbursement requests (each, a “Disbursement Request”) to the City in accordance with this Section A.2. Each Disbursement Request submitted under this Section A.2 shall be in the form attached hereto as Exhibit B.

Each Disbursement Request shall be accompanied by applications approved by NEDC, include documentation required under Exhibit A, and include verification that each applicant meets LMI Housing Program eligibility requirements.

3. Use of Grant Proceeds. NEDC agrees that it shall not disburse or fund any incentives under the LMI Housing Program unless and until the City has approved the applicable Disbursement Request submitted by NEDC. NEDC further agrees to apply all Grant proceeds (the “Grant Proceeds”) solely for the purposes set forth in Exhibit A of this Agreement and in accordance with the disbursement provisions set forth herein.

4. Biannual Reports. NEDC agrees to submit biannual financial and program reports to the City on or before January 1 and July 1 of each year during the Term of this Agreement. Each report shall provide a summary of LMI Housing Program activities conducted during the preceding reporting period, including the amount of Grant Proceeds disbursed under each LMI Housing Program component, the number and type of housing units assisted, and a financial accounting of all Grant Proceeds received and expended. NEDC shall also provide such supporting documentation as may reasonably be requested by the City to verify compliance with LMI Housing Program requirements.

5. Default Provisions.

A. Events of Default. The following shall be “Events of Default” under this Agreement, and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless otherwise provided), any one or more of the following events:

- i. NEDC fails to properly submit Disbursement Requests or use the Grant Proceeds as required herein.
- ii. NEDC makes any material misrepresentation in any application, Disbursement Request, or report submitted to the City under this Agreement.
- iii. NEDC fails to maintain accurate financial records or submit an annual financial report pursuant to the terms and conditions of this Agreement.
- iv. NEDC fails to observe or perform any other material covenant on its part, to be observed or performed hereunder.

B. Notice and Remedies. Whenever any Event of Default described in this Agreement occurs, the City shall provide written notice to NEDC describing the cause of the default and the steps that must be taken by NEDC in order to cure the default. NEDC shall have thirty (30) days after receipt of the notice to cure the default or to provide assurances satisfactory to City that the default will be cured as soon as reasonably possible. If NEDC fails to cure the default or provide assurances, City shall then have the right to:

- i. Pursue any action available to it, at law or in equity, in order to enforce the terms of this Agreement.
- ii. Suspend any further Grant Disbursements hereunder until the default is cured.
- iii. Require repayment of any Grant Proceeds disbursed in violation of this Agreement.
- iv. Terminate this Agreement.

B. City's Obligations

1. Review of Disbursement Requests; Grant Disbursements The City staff shall review each Disbursement Request upon receipt from NEDC.

The City agrees to fund the Grant through a series of disbursements (the "Grant Disbursements" and, each individually, a "Grant Disbursement") to NEDC in a total aggregate amount not to exceed \$ 400,000 (the "Maximum Grant Amount").

Grant Disbursements shall be allocated among the LMI Housing Program components described in Exhibit A and shall not exceed the following maximum amounts for the duration of this Agreement (the "Program Caps"):

Affordable New Single Family Home Initiative: Maximum total disbursement not to exceed \$250,000

Rental Rehabilitation Program: Maximum total disbursement not to exceed \$50,000

Home Buyer Assistance Program: Maximum total disbursement not to exceed \$100,000

No Grant Disbursement shall be approved that would cause the total Grant Disbursements to exceed the Maximum Grant Amount or the total Grant Disbursements for any LMI Housing Program component to exceed the applicable Program Cap set forth above.

Within thirty (30) days after receipt of an acceptable Disbursement Request, the City shall make a Grant Disbursement to NEDC in an amount approved by the City for eligible LMI Housing Program costs.

If the City determines that a Disbursement Request submitted by NEDC does not meet the requirements of Section A.2, the City shall notify NEDC in writing within fifteen (15) days of such determination, specifying the deficiencies. NEDC shall have the opportunity to cure such deficiencies and resubmit the Disbursement Request for review and approval.

The City may approve reallocation between LMI Housing Program components upon written request from NEDC, provided that the Maximum Grant Amount is not exceeded.

C. Administrative Provisions

1. Return of Unexpended Funds. Upon the expiration or termination of this Agreement, NEDC shall provide a final accounting of all Grant Proceeds received, disbursed, and remaining, including documentation sufficient to demonstrate that all disbursements and

repayments, including any funds repaid under the forgivable loan program of the Affordable New Single Family Home Initiative described in Exhibit A, were made in accordance with the Program and applicable law. NEDC shall submit this final accounting to the City no later than thirty (30) days following the expiration or termination of this Agreement, and any remaining Grant Proceeds, including repaid forgivable loan funds, shall be returned to the City at that time. All returned funds shall be deposited into the City's LMI Set-Aside Account or otherwise used in a manner consistent with the purposes of the Program.

2. **Assignment.** This Agreement may not be amended or assigned by either party without the express permission of the other party.

2. **Term.** The term of this Agreement (the "Term") shall commence on the Commencement Date and shall continue in effect until the earlier of (i) the date on which the final Grant Disbursement is remitted by the City to NEDC in accordance with Section B above, or (ii) the conclusion of the City's 2028 fiscal year, unless earlier terminated pursuant to the provisions of this Agreement.

3. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

4. **Choice of Law.** This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with laws of the State of Iowa.

5. **Notices.** Except as otherwise expressly provided in this Agreement, a notice or other communication under the Agreement, by either the City or NEDC to the other, shall be sufficiently given by email or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and:

- a. In the case of NEDC, is addressed to or delivered personally to 304 Main Street, Ames, Iowa 50010
- b. In the case of City, is addressed to or delivered personally to the City Administrator, City Hall, 1209 6th Street, Nevada, Iowa 50201.
- c. The City or NEDC may, upon written notice to the other, change the address to which such notices and demands are made.

The City and NEDC have caused this Agreement to be signed in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

CITY OF NEVADA, IOWA

By: _____
Mayor

Attest:

By: _____
City Clerk

NEVADA ECONOMIC DEVELOPMENT COUNCIL, INC.

By: _____

Its: _____

EXHIBIT A
LMI HOUSING PROGRAM

Purpose:

The City of Nevada, Iowa and the NEDC propose to establish a two-year partnership to support housing opportunities for low- and moderate-income (“LMI”) households. The program will utilize funds available in the City’s LMI Set-Aside Account to support a range of housing initiatives.

The City’s LMI Set-Aside Account balance has continued to grow due to ongoing development in Tax Increment Financing (TIF) districts, including South Glen, North View, and Oak Park Estates. These funds are intended to support housing opportunities benefiting LMI households.

The NEDC Executive Board has committed to partnering with the City to support and expand housing opportunities in Nevada. This partnership will focus on three pilot initiatives:

- Affordable New Single-Family Housing
- Rental Rehabilitation
- Homebuyer Assistance

Administration and Reporting

NEDC will administer the programs described in this Agreement, including:

- Accepting and reviewing applications
- Verifying eligibility
- Submitting grant disbursement requests to the City
- All grant disbursement requests to the City shall include appropriate documentation supporting program eligibility and expenditures.
- Advancing funds to participants where applicable.
- Monitoring compliance requirements

Program 1 – Affordable New Single-Family Housing Initiative

The Affordable New Single-Family Housing Initiative is intended to increase the supply of affordable owner-occupied housing in Nevada.

Assistance

The program will provide financial assistance to builders or developers to reduce building costs for newly constructed homes.

Assistance will consist of:

- Up to ten percent (10%) of the sale price
- Not to exceed **\$29,999** per home

Homes assisted under this program must be marketed and sold at a price not exceeding \$299,999

Eligibility Requirements

To qualify for assistance:

- The builder or developer must close and acquire title to the lot.
- The builder or developer must certify that a home will be constructed on the property.
- The builder or developer must certify that the home will be marketed at or below the required price threshold.

Funding Process

Upon submission of initial certification documentation from the builder or the developer:

- NEDC will submit a disbursement request to the City as forth in this Agreement
- Upon approval of the disbursement request, the City will disburse proceeds to the builder or the developer as forth in this Agreement
- NEDC will advance program funds to the builder or developer and enter into a forgivable loan agreement with the builder or the developer

After the home is sold:

- The builder or developer must certify to NEDC the final sales price.
- If the final sales price does not exceed the certified price, the loan will be eligible for forgiveness, but if the final sales price exceeds the certified price, the developer or builder must repay the loan proceeds to NEDC on the terms set forth in the forgivable loan agreement
- The forgivable loan shall be forgiven at the rate of twenty % per year beginning on the date on which the home is sold

Program 2 – Rental Rehabilitation Program

Over the past five years, approximately 200 new rental units have been constructed in Nevada. Maintaining a range of rental options is critical to meeting housing needs, particularly for LMI households.

This program is intended to preserve and improve existing rental housing through rehabilitation and renovation.

Assistance

The program will provide grants to property owners for eligible improvements to existing rental units.

Grants shall not exceed:

- \$10,000 per unit

Eligible improvements may include:

- Interior renovations
- Mechanical upgrades
- Safety improvements
- Code compliance improvements
- Other improvements approved by NEDC

Affordability Requirements

As a condition of receiving assistance, property owners must agree to maintain rents at or below:

- At levels affordable to families of low and moderate income, as defined in Iowa Code Section 403.17
- For Story County
- For a period of five (5) years

Compliance

NEDC shall be responsible for:

- Annual verification of rent levels
- Monitoring compliance
- Reporting to the City

Program 3 – Homebuyer Assistance Program

The Homebuyer Assistance Program is intended to encourage the purchase of existing homes in the Nevada City Limits by income-qualified households.

Eligibility Requirements

Eligible homebuyers must have household incomes at or below:

- Eighty percent (80%) of the county median income or below
- Adjusted for household size.

Income eligibility shall be determined by NEDC in accordance with Iowa Finance Authority guidelines and Iowa Code Section 403.17

Assistance

Eligible homebuyers shall receive:

- A grant of **\$5,000**
- Payable at closing

Assistance shall be limited to one grant per household.

Administration

NEDC shall:

- Verify household income
- Coordinate with lenders
- Process payment requests

EXHIBIT B
FORM OF DISBURSEMENT REQUEST

Date submitted: _____

Submitted by: _____

Contact information: _____

Identify applicable Program: _____
(Affordable New Single-Family Home Initiative) (Rental Rehabilitation Program) (Home Buyer Assistance Program)

Amount Requested \$ _____

Index of Applications attached to substantive request:

NEVADA ECONOMIC DEVELOPMENT
COUNCIL, INC

[Name, Title]

Reviewed and accepted by the City of Nevada, Iowa this ____ day of _____, 20__.

By: _____
City Administrator