

**IOWA FINANCE AUTHORITY
SPECIAL BOARD MEETING AGENDA**

**1963 Bell Ave. Des Moines, IA 50315
Helmick Conference Room**

**Tuesday, September 20, 2022
11:00 a.m.**

***Public Attendee Web Conference Registration: <https://akaiowa.us/ifaboard>**

- I. Board Chair** *Michel Nelson*
 - A. Roll Call and Introductions

- II. Public Comment Period**
A public comment period for the full meeting will be held at this time to accommodate visitors.
This period is limited to 5 minutes per person.

- III. Housing Programs - Draft 2023 9% QAP Revision – 2021 Return and Re-Award of Credits** *Derek Folden – Action*

- IV. Other Business**
Next IFA Board Meeting – Wednesday, October 5, 2022

- V. Adjournment** Action

To: Iowa Finance Authority Board of Directors

From: Derek Folden, LIHTC Manager

Date: September 20, 2022

Re: Draft 2023 9% QAP Revision – 2021 Return and Re-Award of Credits

Background: The 2021 9% projects have been delayed from closing and starting due to increased construction costs, supply chain issues, gaps in funding, and delays with ARPA funding. The IRS requires projects with 2021 9% credits to be placed in service no later than 12/31/23, which is not feasible. States have the ability to receive returned credits and reissue the credits to the same project, which resets the placed in service deadline.

Recommendation: Staff recommends adding the attached language in Section 7.8 of the draft 2023 9% QAP for public comment.

**RESOLUTION
HI 22-13**

WHEREAS, the Iowa Finance Authority (the “Authority”) is the housing credit agency for the State of Iowa in connection with the Low-Income Housing Tax Credit Program administered under Section 42 of the Internal Revenue Code of 1986 (the “Code”), as amended; and

WHEREAS, the Authority has awarded housing tax credits pursuant to the Low-Income Housing Tax Credit Program 2020-2021 9% Qualified Allocation Plan (“2020-21 QAP”); and

WHEREAS, due to unforeseen economic circumstances beyond the control of the awardees under the 2020-21 QAP, said awardees have been unable to start their projects as initially projected and, therefore, the projects cannot have the units placed in service within the timeframes prescribed by the Code; and

WHEREAS, the Authority has reviewed the circumstances and desires to add language to the draft of Low-Income Housing Tax Credit Program 2023 9% Qualified Allocation Plan (“2023 QAP”) that was previously approved by this Board to allow the awardees under the 2020-21 QAP to return such awards in 2023 and have them reissued in 2023, extending the placed in service deadline from December 31, 2023 to December 31, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board hereby approves the addition of the following language as a new paragraph under Section 7.8 of the Draft 2023 QAP previously approved by this Board:

2021 LIHTC ROUND UNRESERVED TAX CREDITS. Notwithstanding the terms in the above paragraph, Tax Credits allocated in the 2021 9% round which are returned to IFA in 2023 shall first be made available to the applicant who returned such 2021 award to be applied to the same Project and in the same amount as the returned 2021 award, provided said Applicant completes any application and enters any agreements required by IFA in connection with the new award, the Project still meets the criteria set forth in the 2021 9% Qualified Allocation Plan, and said Project maintains the same threshold and scoring levels as it had in the original 2021 9% round. If a 2021 awardee elects to not have the returned credits reallocated to them in 2023 as set forth in the previous sentence, then those credits shall be Unreserved Tax Credits and will be subject to the terms set forth in the above paragraph.

SECTION 2. The Board authorizes the Authority to do everything necessary to allow the 2021 awardees to return the credits awarded to them pursuant to the 2020-21 QAP and have them reissued in 2023, subject to any exceptions stated in the language adopted in Section 1 above.

SECTION 3. The provisions of this Resolution are declared to be separable, and if any

section, phrase, line item, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, line items, and provisions.

SECTION 4. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED this 20th Day of September, 2022.

Michael Nelson, Board Chairman

ATTEST:

Deborah Durham, Secretary

7.8 UNRESERVED TAX CREDITS

Previous 7.8 language and add.

2021 LIHTC ROUND UNRESERVED TAX CREDITS. Notwithstanding the terms in the above paragraph, Tax Credits allocated in the 2021 9% round which are returned to IFA in 2023 shall first be made available to the applicant who returned such 2021 award to be applied to the same Project and in the same amount as the returned 2021 award, provided said Applicant completes any application and enters any agreements required by IFA in connection with the new award, the Project still meets the criteria set forth in the 2021 9% Qualified Allocation Plan, and said Project maintains the same threshold and scoring levels as it had in the original 2021 9% round. If a 2021 awardee elects to not have the returned credits reallocated to them in 2023 as set forth in the previous sentence, then those credits shall be Unreserved Tax Credits and will be subject to the terms set forth in the above paragraph.