

**IOWA FINANCE AUTHORITY
BOARD MEETING AGENDA**

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

**Wednesday, December 7, 2022
11:00 a.m.**

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

- I. Board Chair** *Michel Nelson*
- A. Roll Call and Introductions
 - B. Approval of November 2, 2022 Meeting Minutes *Action*
- 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. Consent Agenda** *Michel Nelson*
Action on all items
- IADD - Authorizing Resolutions
 - A. AG 22-039B, Brandon Michael and Hannah Kerkhoff
 - B. AG 22-040-IB, Parker and Esther Beard
 - C. AG 22-041B, Jeffrey Alan Dunnwald
 - D. AG 22-042B, Dylan W. Lyman
 - E. AG 22-043B, Timothy Nels and Molly Marie Olson
 - IADD - Beginning Farmer Tax Credit Program
 - F. AG-TC 22-09, Beginning Farmer Tax Credit Program
 - Private Activity Bond
 - G. PAB 22-22A, HOBO Clinton Project
 - Water Quality
 - H. WQ 22-18, State Revolving Fund Planning & Design Loans
 - I. WQ 22-19, State Revolving Fund Construction Loans
- IV. Finance** *Jen Pulford – Action*
- A. October 2022 Financials
- V. Iowa Title Guaranty – Transfer of Funds** *Dillon Malone - Action*
- VI. Housing**
- A. HI 22-17A, ESG Awards – Amending Resolution *Amber Lewis - Action*
 - B. HI 22-22, Local Housing Trust Fund Program Awards *Terri Rosonke - Action*
 - C. HI 22-23, 2023 4% QAP *Derek Folden - Action*



- VII. Legal**
- A. Adopt Amendments to 265.12, 4% QAP *Kristin Hanks-Bents – Action*
 - B. Notice of Intended Action, Amendments to 265.31 Iowa Council on Homelessness *Kristin Hanks-Bents – Action*
 - C. Notice of Intended Action, Proposing New Chapter 265.47 Housing Renewal Pilot Program *Kristin Hanks-Bents - Action*
- VIII. Private Activity Bonds**
- A. PAB 15-17B-2, Drake West Village Project (Amending Resolution) *Aaron Smith - Action*
- IX. Water Quality**
- A. WQ 22-20, Peoples Bank Loan Participation Extension *Aaron Smith - Action*
- X. Executive Director’s Office** *Debi Durham*
- A. Executive Director’s Report
- XI. Other Business** *Action*
- Next IFA Board Meeting – Wednesday, January 4, 2022
- XII. Adjournment** *Action*



BOARD MEETING MINUTES

**Helmick Conference Room
1963 Bell Ave. Des Moines, IA
November 2, 2022**

Board Members Present

Ashley Aust
John Fredrickson
Amy Reasner
Gilbert Thomas
John Eisenman
Representative Sorensen

Tracey Ball
Jennifer Cooper
Michel Nelson
Ruth Randleman
Michael Van Milligen
Jina Bresson

Board Members Absent

Representative Klimesh
Senator Wahls
Representative Judge

Staff Members Present

Debi Durham, Executive Director
Aaron Smith, Chief Bond Programs Officer
Cindy Harris, Chief Financial Officer
Rob Christensen, Chief Information Officer
Jennifer Pulford, Accounting Director
Ashley Jared, Communications Director
Derek Folden, LIHTC Program Director
Brian Sullivan, Chief Programs Officer
Stacy Cunningham, LIHTC Analyst
Rick Peterson, Chief Operations & Cultural Officer
Justin Knudson, Federal & State Program Director
David Morrison, Single Family Accounting Manager
Staci Hupp Ballard, Chief Strategic Communications Officer

Morgan Potts, Legal Projects Manager
Kristin Hanks-Bents, Legal Counsel
Rita Grimm, Chief Legal Counsel
Alyson Fleming, Section 8 Director
Katie Kulisky, LIHTC Analyst
Nichole Hansen, Legislative Liaison
Terri Rosonke, Housing Programs Manager
Morgan Potts, Legal Project Manager
Jamie Giusti, Housing Programs Specialist
Amber Lewis, Homeless Programs Manager
Mark Fairley, Finance & Investment Manager
Deena Klesel, SRF Accounting Manager
Rita Eble, HOME Program Manager
Tim Morlan, Asset Management Director
Nicki Howell, Ag Development Program Specialist

Others Present

Dave Grossklaus, Dorsey & Whitney
Jodi Stumbo
Heather Hackbarth
Melissa O'Neil

James Smith, Dorsey & Whitney
Stacy Kiser Willey
Holly Engelhart, Eide Bailly
Dale Todd

Board Chair
Welcome and Roll Call

Chair Nelson called to order the November 2, 2022 meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:00 a.m. Roll call was taken, and a quorum was established. The following Board members were present: Aust, Ball, Cooper, Eisenman, Fredrickson, Nelson, Randleman, Reasner, Thomas and Van Milligen. The following Board members were absent: None.

Chair Nelson introduced John Fredrickson and welcomed him to the IFA Board. Mr. Fredrickson has replaced Lyle Borg as the IADD board representative.

Approval of October 5, 2022 Meeting Minutes

MOTION: On a motion by Ms. Ball, and a second by Ms. Cooper, the Board unanimously approved the October 5, 2022 IFA Board Meeting minutes.

Public Comment Period
Receive Comments from General Public

Chair Nelson opened the public comment period and asked if anyone in the audience would like to address the Board. No members of the audience requested to speak. Chair Nelson closed the public comment period.

Consent Agenda

Chair Nelson asked if any items needed to be removed from the consent agenda. Item G. WQ 22-16 was removed due to Ms. Reasner having a conflict of interest.

MOTION: Ms. Randleman made a motion to approve the following items on the consent agenda:

- IADD – Authorizing Resolutions
 - A. AG 22-035B, Morgan E. Cline
 - B. AG 22-036B, Alexis Anne Johnson
 - C. AG 22-037B, Brandon Glenn and Olivia Kristin Kollasch
 - D. AG 22-038B, Joseph S. and McKenna H. Kvidera
- IADD – Loan Participation Program
 - E. AG-LP P0275, Loan Participation Program
- IADD - Beginning Farmer Tax Credit Program
 - F. AG-TC #22-08, Beginning Farmer Tax Credit Program
- Water Quality
 - H. WQ 22-17, SRF Construction Loans

On a second by Ms. Aust, the Board unanimously approved the remaining items on the consent agenda.

MOTION: Mr. Eisenman made a motion to approve AG 22-16. On a second by Ms. Randleman, a roll call vote was taken with the following results: **YES:** Aust, Ball, Cooper, Eisenman, Fredrickson, Nelson, Randleman, Thomas, and Van Milligen; **NO:** None; **Abstain:** Reasner. The motion passed.

Finance
September 2022 Financials

Ms. Pulford presented the highlights of the September 2022 financial statement that was included in the board packet.

MOTION: On a motion by Ms. Aust, and a second by Ms. Randleman, the Board unanimously approved the September 2022 financials.

FIN 22-16, Single Family 2022JK Bonds

Ms. Harris requested authorization to issue the next single family bond deal with an amount not to exceed \$150 million. However, the expected bond issue is anticipated to be approximately \$70 million. Ms. Harris state that staff is trying to manage interest rate risk by doing more frequent smaller deals. Proceeds will be used to finance new Fannie Mae, Freddie Mac, and GNMA mortgage-backed securities from the FirstHome and Homes for Iowans loan program, as well as fund down payment assistance. This transaction will be an all-fixed rate transaction, composed of both a taxable Series K and a tax-exempt Series J. Ms. Harris requested board action on FIN 22-16.

MOTION: On a motion by Mr. Eisenman, and a second by Mr. Thomas, the Board unanimously approved FIN 22-16.

FIN 22-17, HOME Loan Forgiveness – Solon Community Housing Corp

Mr. Powell recommended board approval of a HOME loan forgiveness for Solon Community Housing Corporation, which is a local nonprofit that originally received two loans from IFA. The project has a HOME loan balance of \$108,017 and has paid \$66,500. The project has met its affordability end date and staff recommends forgiving the HOME loan with a \$40,000 payment.

Director Durham and staff discussed the need to inspect the project before forgiving the loan. Mr. Sullivan shared that the project was inspected just last year, and staff does not see a need to inspect the project again.

MOTION: On a motion by Ms. Aust, and a second by Ms. Randleman, the Board unanimously approved the Swap Policy Amendment.

Housing Programs

HI 22-16, 2023 Shelter Assistance Fund (SAF) Awards

HI 22-17, 2023 Emergency Solutions Grant (ESG) Awards

Ms. Lewis presented the Shelter Assistance Fund Awards (SAF) and Emergency Solution Grant Awards (ESG) to the agencies listed in the board meeting documents. Staff conducted a two-year combined ESG and SAF competition in 2021. IFA approved awards to applicants for the 2022 calendar year and awards were renewed based on the available funds. Funds for the 2023 calendar year total \$2,959,400 for ESG from HUD and \$1,793,736 for SAF from the State of Iowa.

MOTION: Ms. Randleman made a motion to approve HI 22-16. On a second by Ms. Ball, a roll call vote was taken with the following results: **YES:** Aust, Ball, Cooper, Eisenman, Fredrickson, Nelson, Randleman, Thomas, and Van Milligen; **NO:** None; **Abstain:** Reasner. The motion passed.

MOTION: Mr. Eisenman made a motion to approve HI 22-17. On a second by Ms. Randleman, a roll call vote was taken with the following results: **YES:** Aust, Ball, Eisenman, Fredrickson, Nelson, Randleman, Thomas, and Van Milligen; **NO:** None; **Abstain:** Cooper and Reasner. The motion passed.

HI 22-18, ESG-CV Change Request – New Visions Homeless Services

Ms. Lewis shared that the ESG-CV program is the ESG Program with additional money from the Cares Act. This resolution is for \$78,000 that was awarded to New Visions Homeless Services in Council Bluffs. The

original award was for a shelter rehab project, and they would like to change the award to fund shelter operations instead.

MOTION: On a motion by Ms. Reasner, and a second by Ms. Aust, the Board unanimously approved HI 22-18.

HI 22-19, National Housing Trust Fund Awards

Mr. Knudson shared that the program received twice as much funding from HUD than normal, which gave staff the opportunity to award two separate projects, totaling \$8.1 million. The first award recommendation is \$4.1 million for Hope and a Home (The Bridge Home) project in Ames. This is a new construction project that provides a safe environment for families trying to overcome homelessness. The second award recommendation is \$4.1 million for the YWCA Clinton Empowerment Center Supportive Housing Project. This is a new construction project that provides permanent supportive housing to individuals trying to overcome homelessness. Staff did receive four applications; however, these two projects received the two highest scores.

Ms. Eble shared that all the funds go towards construction costs and that the NHTF award funds cover 85-90% of the project.

MOTION: Ms. Reasner made a motion to approve HI 22-19. On a second by Ms. Aust, a roll call vote was taken with the following results: **YES:** Aust, Ball, Cooper, Fredrickson, Nelson, Randleman, Reasner, Thomas, and Van Milligen; **NO:** None; **Abstain:** Eisenman. The motion passed.

HI 22-20, 2022 9% LIHTC Award

Mr. Folden shared that on August 31, 2022, the IFA board approved the 2022 9% LIHTC awards. The developers have about 30 days to accept the award and pay the reservation fee. There is one developer that is unable to proceed and has declined their award, which allows staff to award another project on the wait list. The next available project is 22-13, NEX Senior in Iowa City which is a 40-unit new construction, senior development. The tax credit recommended award is \$948,203.

MOTION: On a motion by Mr. Van Milligen, and a second by Ms. Cooper, the Board unanimously approved HI 22-20.

HI 22-21, 2023 9% QAP

Mr. Folden shared that this resolution is for final approval of the 2023 9% QAP. A public hearing was held, and 150 public comments were received. Staff reviewed, considered, and posted responses to all the comments that were received and have completed the final QAP documents. Mr. Folden requested board action on HI 22-21.

MOTION: Ms. Eisenman made a motion to approve HI 22-20. On a second by Ms. Cooper, a roll call vote was taken with the following results: **YES:** Ball, Cooper, Eisenman, Fredrickson, Nelson, Randleman, Reasner, Thomas, and Van Milligen; **NO:** None; **Abstain:** Aust. The motion passed.

Legal – Adopt Amendments to Chapter 12 Low-Income Housing Tax Credits

Ms. Hanks-Bents shared that the 2023 9% QAP rules need to be amended now that the final draft has been approved. The changes that staff proposes include amending two sub rules that pertain solely to the 9% QAP by changing the dates that are referenced in the rules. Staff recommends that the Board move to adopt amendments to Chapter 265-12 as set forth in the attached rule making.

MOTION: On a motion by Ms. Cooper, and a second by Ms. Ball, the Board unanimously approved the filing of a Notice of Intended Action to amend 265 Chapter 12.

Executive Director's Office

Mr. Smith have a brief update on the Homeowner Assistance Fund which has onboarded more than 130 loan services into the program. Staff has received more than 1200 applications and assisted 452 households for a total of \$3.4 million of the \$50 million in funds allocated. Assistance has been provided to 73 of Iowa's 99 counties.

Director Durham shared that several staff members attended the NCSHA annual conference in Houston. IFA's homeownership marketing team received a national award for their work in connecting homebuyers with lenders. Ms. Jared shared an overview of the award and IFA's marketing efforts.

Ms. Harris had a recent article in the Bond Buyer discussing environmental, social and governance factors related to disclosure. Ms. Harris was also invited to sit on Alternative Reference Rates Committee, which is a committee that is looking to make the transition to LIBOR.

Director Durham shared that a new Council on Homelessness was recently appointed, which IFA provides staff support to. She also shared an update on a number of programs funded by the ARPA funds that are appropriated to IFA/IEDA by the Governor.

Next month, Mr. Smith will give a full recap on The Iowa Rent and Utility Assistance Program.

Director Durham shared that she recently visited Dorothy's House in Des Moines and gave an update on IFA/IEDA staff changes and the additional plans to align both organizations.

Other Business

The next meeting of the IFA Board of Directors will be Wednesday, December 7, 2022.

Adjournment

On a motion by Ms. Aust and a second by Ms. Ball, the November 2, 2022 meeting of the Iowa Finance Authority Board of Directors adjourned at 11:47 a.m.

Dated this 7th day of December 2022.

Respectfully submitted:

Approved as to form:

Deborah Durham,
Executive Director

Michel Nelson, Chair
Iowa Finance Authority

To: Iowa Finance Authority Board of Directors

From: Tammy Nebola, Iowa Ag Program Specialist
Aaron Smith, Chief Bond Programs Director

Date: November 29, 2022

Re Iowa Agricultural Division Beginning Farmer Loan and Tax Credit Programs

Consent Agenda

Iowa Agricultural Development Division

Authorizing Resolutions

AG 22-039 Brandon Michael and Hannah Kerkhoff

This is a resolution authorizing the issuance of \$349,488 for Brandon Michael and Hannah Kerkhoff. The bond will be used: To purchase approximately 48.03 acres of agricultural land in Carroll County. The lender is Templeton Savings Bank in Templeton.

- **Need Board action on Resolution AG 22-039B**

AG 22-040-I Parker and Esther Beard

This is a resolution authorizing the issuance of \$190,000 for Parker and Esther Beard. The bond will be used: To purchase approximately 48.5 acres of agricultural land, house and outbuildings in Winneshiek County. The lender is Glenn K. Larson in Decorah.

- **Need Board action on Resolution AG 22-040-IB**

AG 22-041 Jeffrey Alan Dunnwald

This is a resolution authorizing the issuance of \$350,000 for Jeffrey Alan Dunnwald. The bond will be used: To purchase approximately 120 acres of agricultural land, house and outbuildings in Winneshiek County. The lender is Citizens Savings Bank in Spillville.

- **Need Board action on Resolution AG 22-041B**

AG 22-042 Dylan W. Lyman

This is a resolution authorizing the issuance of \$420,750 for Dylan W. Lyman. The bond will be used: To purchase approximately 72.47 acres of agricultural land in Grundy County. The lender is Peoples Bank in Grand Junction.

- **Need Board action on Resolution AG 22-042B**

AG 22-043 Timothy Nels and Molly Marie Olson

This is a resolution authorizing the issuance of \$387,356 for Timothy Nels and Molly Marie Olson. The bond will be used: To purchase approximately 81.98 acres of agricultural land in Clinton County. The lender is Citizens State Bank in Manchester.

- **Need Board action on Resolution AG 22-043B**



Beginning Farmer Tax Credit Program

AG-TC 22-09, Beginning Farmer Tax Credit Program

The Beginning Farmer Tax Credit (BFTC) program allows agricultural asset owners to earn Iowa income tax credits for leasing their land, equipment and/or buildings to beginning farmers. Leases must be for terms of 2-5 years. The tax credit for cash rent leases is 5% of the amount of the rent. The tax credit for crop share leases and the flex bonus portion is 15%. The maximum amount of tax credits allocated cannot be more than \$12 million in any one year. Attached are the BFTC applications reviewed last month. The IADD Board has recommended approval.

**RESOLUTION
AG 22-039B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

WHEREAS, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

WHEREAS, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

WHEREAS, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

WHEREAS, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

WHEREAS, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

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

Section 1. The Project Consistent with the Act. It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

Section 2. Authorization of the Bond. In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning

Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

Section 3. Agreement; Sale of the Bond. In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

Section 4. Repayment of Loan. The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

Section 5. Filing of Agreement. The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

Section 6. Miscellaneous. The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

Section 7. Severability. The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

Section 8. Repealer. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 9. Effective Date. This resolution shall become effective immediately upon adoption.

Passed and approved this 7th day of December 2022.

Michel Nelson, Board Chairman

ATTEST:

Deborah Durham, Secretary

(Seal)

EXHIBIT A

- 1. Project Number:** AG 22-039
- 2. Beginning Farmer:** Brandon Michael and Hannah Kerkhoff
16476 290th St
Templeton, IA 51463-8513
- 3. Bond Purchaser:** Templeton Savings Bank
103 S Main St, PO Box 98
Templeton, IA 51463-0098
- 4. Principal Amount:** \$349,488
- 5. Initial Approval Date:** 11/28/2022
- 6. Public Hearing Date:** 11/28/2022
- 7. Bond Resolution Date:** 12/7/2022
- 8. Project:** To purchase approximately 48.03 acres of agricultural land

**RESOLUTION
AG 22-041B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

WHEREAS, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

WHEREAS, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

WHEREAS, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

WHEREAS, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

WHEREAS, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

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

Section 1. The Project Consistent with the Act. It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

Section 2. Authorization of the Bond. In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such other terms and

conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

Section 3. Agreement; Sale of the Bond. In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

Section 4. Repayment of Loan. The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

Section 5. Filing of Agreement. The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

Section 6. Miscellaneous. The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

Section 7. Severability. The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

Section 8. Repealer. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 9. Effective Date. This resolution shall become effective immediately upon adoption.

Passed and approved this 7th day of December 2022.

Michel Nelson, Board Chairman

ATTEST:

Deborah Durham, Secretary

(Seal)

EXHIBIT A

- 1. Project Number:** AG 22-041
- 2. Beginning Farmer:** Jeffrey Alan Dunnwald
3158 200th St
Calmar, IA 52132-7533
- 3. Bond Purchaser:** Citizens Savings Bank
101 Church St, PO Box 7
Spillville, IA 52168-0007
- 4. Principal Amount:** \$350,000
- 5. Initial Approval Date:** 11/28/2022
- 6. Public Hearing Date:** 11/28/2022
- 7. Bond Resolution Date:** 12/7/2022
- 8. Project:** To purchase approximately 120 acres of agricultural land, house and outbuildings

RESOLUTION
AG 22-042B

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

WHEREAS, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

WHEREAS, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

WHEREAS, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

WHEREAS, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

WHEREAS, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

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

Section 1. The Project Consistent with the Act. It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

Section 2. Authorization of the Bond. In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such other terms and

conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

Section 3. Agreement; Sale of the Bond. In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

Section 4. Repayment of Loan. The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

Section 5. Filing of Agreement. The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

Section 6. Miscellaneous. The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

Section 7. Severability. The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

Section 8. Repealer. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 9. Effective Date. This resolution shall become effective immediately upon adoption.

Passed and approved this 7th day of December 2022.

Michel Nelson, Board Chairman

ATTEST:

Deborah Durham, Secretary

(Seal)

EXHIBIT A

- 1. Project Number:** AG 22-042
- 2. Beginning Farmer:** Dylan W. Lyman
208 8th St
Grundy Center, IA 50638-1343
- 3. Bond Purchaser:** Peoples Bank
205 E Main St, PO Box 49
Grand Junction, IA 50107-0049
- 4. Principal Amount:** \$420,750
- 5. Initial Approval Date:** 11/28/2022
- 6. Public Hearing Date:** 11/28/2022
- 7. Bond Resolution Date:** 12/7/2022
- 8. Project:** To purchase approximately 72.47 acres of agricultural land

**RESOLUTION
AG 22-043B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

WHEREAS, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

WHEREAS, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

WHEREAS, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

WHEREAS, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

WHEREAS, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

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

Section 1. The Project Consistent with the Act. It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

Section 2. Authorization of the Bond. In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such other terms and

conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

Section 3. Agreement; Sale of the Bond. In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

Section 4. Repayment of Loan. The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

Section 5. Filing of Agreement. The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

Section 6. Miscellaneous. The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

Section 7. Severability. The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

Section 8. Repealer. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 9. Effective Date. This resolution shall become effective immediately upon adoption.

Passed and approved this 7th day of December 2022.

Michel Nelson, Board Chairman

ATTEST:

Deborah Durham, Secretary

(Seal)

EXHIBIT A

- 1. Project Number:** AG 22-043
- 2. Beginning Farmer:** Timothy Nels and Molly Marie Olson
1 Market St
Delhi, IA 52223-9501
- 3. Bond Purchaser:** Citizens State Bank
1218 W Main St
Manchester, IA 52057-2305
- 4. Principal Amount:** \$387,356
- 5. Initial Approval Date:** 11/28/2022
- 6. Public Hearing Date:** 11/28/2022
- 7. Bond Resolution Date:** 12/7/2022
- 8. Project:** To purchase approximately 81.98 acres of agricultural land

RESOLUTION
AG 22-040-IB

A Resolution authorizing the issuance and delivery of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Contract providing the terms of the sale of the Project; the execution of a Guarantee, Assignment and Assumption Agreement relating thereto; and related matters.

WHEREAS, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

WHEREAS, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to assist the Beginning Farmer in the acquisition from the Seller identified on Exhibit A hereto (the “Seller”) of the Project identified on Exhibit A hereto (the “Project”); and

WHEREAS, in order to assist the Beginning Farmer in the acquisition of the Project, it is proposed that the Authority enter into a Contract (the “Contract”) with the Seller setting forth terms and conditions agreeable to the Seller, the Authority and the Beginning Farmer including terms providing for interest on the unpaid principal balance at a rate lower than those available in the conventional farm credit market, and the Authority has agreed to issue the Bond to evidence its payment obligations under the Contract; and

WHEREAS, the Beginning Farmer and the Seller have finalized terms for the acquisition of the Project by the Beginning Farmer and purchase price of the Project in periodic payments over the term of the Contract; and

WHEREAS, the Seller, the Authority and the Beginning Farmer will enter into a Guarantee, Assignment and Assumption Agreement (the “Guarantee”) providing, among other things, for the assignment by the Authority of all its rights, title and interest in and to the Project and the Contract to the Beginning Farmer, the assumption of the obligations of the Authority under the Contract by the Beginning Farmer and the unconditional guarantee by the Beginning Farmer of the payment of the principal of, premium, if any, and interest on the Bond and other amounts due and payable under the Contract and the Guarantee, and

WHEREAS, it is necessary and advisable that provisions be made for the issuance and delivery of the Bond as authorized and permitted by the Act;

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

Section 1. The Project Consistent with the Act. It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority relating thereto and in the Contract and the Guarantee, qualifies under the Act for financing

by the Authority through the issuance of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

Section 2. Authorization of the Contract and the Bond. For the purpose of assisting the Beginning Farmer to acquire the Project, the Contract is hereby approved and the Executive Director of the Authority is authorized and directed to execute and deliver the Contract. In order to evidence the obligations of the Authority under the Contract, the Bond shall be and the same is authorized, determined and ordered to be issued in the Principal Amount. The Bond may be issued as a single Bond in the total amount authorized. The Bond shall be in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such other terms and conditions as are set forth therein. However, if so requested by the Beginning Farmer and the Seller, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Contract, to an amount or in such manner as is mutually acceptable to the Seller and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. The Bond and the interest thereon and the Contract do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from the payments and other amounts derived from the Guarantee and the Project and shall be secured by the Guarantee. Forms of the Contract, the Bond, and the Guarantee are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

Section 3. Delivery of the Bond. The delivery of the Bond to the Seller to evidence the obligations of the Authority under the Contract is approved and the Chairman or Vice Chairman and Secretary of the Authority are authorized and directed to execute and deliver the Bond to the Seller. Execution of the Contract by the Seller and delivery thereof by the Seller to the Authority shall constitute payment in full for the Bond by the Seller.

Section 4. Payment of the Contract and Bond; the Guarantee. By the terms of the Guarantee, the Beginning Farmer is required to make payments (the "Contract Payments") under the Contract sufficient to pay the unpaid balance thereof and accrued interest thereon. The Contract Payments are sufficient to pay the principal of and interest on the Bond when and as due.

The Guarantee is approved and the Executive Director is directed to execute the same in the name and on behalf of the Authority and to deliver the same to the Seller and the Beginning Farmer.

Section 5. Filing of Resolution and Guarantee. The Executive Director is authorized and directed to file a copy of this resolution and the Guarantee with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under the Contract, by the Authority to the Seller, and the assignment of all of the Authority's rights in the Contract, by the Authority to the Beginning Farmer.

Section 6. Forfeiture; Acceleration of Principal and Interest. If the Contract is forfeited in accordance with its terms, the obligations of the Authority under the Bond shall cease and the Bond shall be canceled. If the payment of the unpaid principal under the Contract is accelerated in accordance with

the terms of the Contract, the Seller may declare the entire outstanding principal amount of the Bond and the interest accrued thereon immediately due and payable and such principal and interest shall thereupon become immediately due and payable.

Section 7. Satisfaction and Discharge. When all amounts now or hereafter payable under the Bond, the Contract, the Guarantee and this Resolution have been paid in full (or provision for their payment shall have been made to the mutual satisfaction of the Beginning Farmer, the Seller and the Authority) all rights and obligations of the Beginning Farmer the Authority and the Seller under the Guarantee, the Contract, the Bond and this Resolution shall terminate and such instruments shall cease to be of further effect and the Seller shall cancel the Bond and deliver it to the Authority, cancel the Contract and deliver it to the Beginning Farmer and the Seller and the Beginning Farmer and the Authority shall execute and deliver all appropriate instruments evidencing and acknowledging the satisfaction of such documents as may be required.

Section 8. Registration. The Bond shall be fully registered as to principal and interest in the name of the Seller or its registered assigns on the books of the Authority kept by the Secretary and such registration shall be noted on the Bond in accordance with its terms.

Section 9. Miscellaneous. The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of the Guarantee and to carry out the intent and purposes of this resolution, including the preamble hereto.

Section 10. Severability. The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

Section 11. Repealer. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 12. Effective Date. This resolution shall become effective immediately upon adoption.

Passed and approved this 7th day of December 2022.

Michel Nelson, Board Chairman

ATTEST:

Deborah Durham, Secretary

(Seal)

EXHIBIT A

- 1. Project Number:** AG 22-040-I
- 2. Beginning Farmer:** Parker and Esther Beard
2954 Middle Sattre Rd
Decorah, IA 52101-7644
- 3. Bond Purchaser:** Glenn K. Larson
1102 Nordic Dr, Unit 210
Decorah, IA 52101-1085
- 4. Principal Amount:** \$190,000
- 5. Initial Approval Date:** 11/28/2022
- 6. Public Hearing Date:** 11/28/2022
- 7. Bond Resolution Date:** 12/7/2022
- 8. Project:** To purchase approximately 48.5 acres of agricultural land,
house and outbuildings

**RESOLUTION
AG-TC 22-09**

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, has established the Iowa Agricultural Development Division (“IADD”) to administer the Beginning Farmer Tax Credit Program; and

WHEREAS, the Authority offers tax credits under the Beginning Farmer Tax Credit Program as a means of encouraging the execution of assets transfer agreements with beginning farmers; and

WHEREAS, the Authority has received applications seeking tax credit allocations from the Beginning Farmer Tax Credit Program; and

WHEREAS, the IADD has determined the applications meet the eligibility requirements of Chapter 16; and

WHEREAS, the IADD Board has recommended approval of the tax credit applications set forth on Exhibit A; and

WHEREAS, the Authority desires to authorize the allocation of tax credits set forth on Exhibit A;

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

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes allocating tax credits to the asset owners set forth on Exhibit A, attached hereto, against taxes imposed in chapter 422, division II, as provided in section 422.11M, and in chapter 422, division III, as provided in section 422.33, and such other restrictions as may be deemed necessary and appropriate by the Executive Director.

SECTION 3. The Board authorizes the Executive Director to certify said tax credits in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. 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 adoption.

PASSED AND APPROVED this 7th day of December 2022.

Michel Nelson, Board Chairman

ATTEST:

Deborah Durham, Secretary

(Seal)

Exhibit A
Beginning Farmer Tax Credit (BFTC)
Approval Date: 2022 December

Account Number	Owner Name	County	Beginning Farmer	Rental Type	Cash Rent / Acre	Crop Share Percentage	Number Of Lease Years	Total Award
4684	Wendel L. Bures	Buchanan	Daniel Warren Arnold	Cash Rent	\$275.00	0.00	3	\$3,126.00
4719	JD, LLC	Dallas	Lindsey Marie Felder	Cash Rent	\$294.00	0.00	4	\$7,468.00
4726	Mark A. Newman	Hancock	Adam Stenberg	Cash Rent	\$240.00	0.00	3	\$1,229.00
4731	Carrie Ann Olson	Wright	Matthew Odland	Cash Rent	\$250.00	0.00	5	\$14,315.00
4737	Michael D Patterson	Black Hawk	Pamela Degener, Kyle Degener	Cash Rent	\$322.00	0.00	4	\$2,124.00
4738	Kay L. Hamilton, Bruce O. Hansen and Ann J. Hansen Living Trust	Pottawattamie	Adam Robin Voss	Cash Rent	\$310.00	0.00	2	\$4,038.00
4742	Glenn Knipfer	Iowa, Keokuk	Jeff Cobb	Share Crop	\$0.00	50.00	3	\$77,172.00
4743	Darrell Jansonius	Grundy	Joseph Wiarda	Cash Rent	\$330.00	0.00	2	\$7,190.00
4750	Daryl H. Long	Pocahontas	Devon Taylor Bringleson	Cash Rent	\$300.00	0.00	2	\$5,280.00
4769	Eugene Pals	Wright	Waylon Morris	Share Crop	\$0.00	50.00	2	\$13,468.00
4780	BP Goodenow LLC	Ida	Mitchell S Struck	Share Crop	\$0.00	60.00	2	\$97,978.00
4782	Cindy Kay Hodnefield	Hamilton	Luke Hodnefield	Share Crop	\$0.00	50.00	4	\$26,008.00
4786	Hartig Realty IV, LLC	Clinton	Landon Goetsch	Cash Rent	\$296.53	0.00	2	\$1,462.00
4789	William D Hosack & Carmen P Hosack Rev Trust	Shelby	Curtis Schumacher	Share Crop	\$0.00	50.00	4	\$25,096.00
4790	Bonnie Halligan	Pocahontas	Steve Halligan	Share Crop	\$0.00	50.00	5	\$42,110.00
4797	Robert R Saacke and Joyce L Saacke Revocable Trust	Clayton	Cyrus Landt	Cash Rent	\$250.00	0.00	2	\$2,300.00
4798	Melinda Karl Family Trust	Mahaska	Grant Jacob Gingrich	Cash Rent	\$285.00	0.00	2	\$3,192.00
4799	Melinda Karl Family Trust	Mahaska	Robert J Gingrich	Cash Rent	\$285.00	0.00	2	\$1,996.00
4801	Robert J Randell Trust	Mahaska	Robert Gingrich	Cash Rent	\$285.00	0.00	2	\$4,996.00
4806	Kenneth L. Greiner	Tama	J & T Acres, LLC, J & T Acres, LLC	Cash Rent	\$325.00	0.00	5	\$13,000.00
4808	Halgrim Farms LLC	Humboldt	Benjamin Dooley	Cash Rent	\$275.00	0.00	2	\$1,064.00
4812	Hanawalt Farms, LLC	Bremer	Seth L. Walker	Share Crop	\$0.00	75.00	2	\$44,766.00
4823	William J Moss	Linn	Devin Lansing	Cash Rent	\$260.00	0.00	2	\$2,438.00
4827	JoAnn Marie Olson	Cherokee	Keck Farms LLC	Cash Rent	\$225.00	0.00	5	\$3,290.00
4845	Dennis James Consier	Greene	Bryant Blair Hunter	Share Crop	\$0.00	50.00	2	\$12,452.00
4849	Bumann Heritage Farm, LLC	Ida	Kyle Cordell Knudsen, Kollin Knudsen	Cash Rent	\$270.00	0.00	3	\$4,335.00
4872	Robert J Randell Trust, Crystal L Randell Trust	Mahaska	Robert Gingrich	Cash Rent	\$285.00	0.00	2	\$996.00
Total								\$422,889.00

MEMORANDUM

Subject: Consent Agenda for December 2022 IFA Board Meeting
From: Aaron Smith, Chief Bond Programs Director
To: Iowa Finance Authority Board of Directors
Date: November 30, 2022

PRIVATE ACTIVITY BOND PROGRAM

PAB 22-22A – HOBO Clinton Project

This is an application for \$784,000,000 of Iowa Finance Authority Solid Waste Facility Revenue Bonds for HOBO Renewable Diesel, LLC, or a related entity (the “Borrower”). Proceeds from the Bonds will finance the construction of a plant that will convert solid waste (and other agricultural residue) into renewable fuels in Clinton, Iowa.

This project will require an allocation of Private Activity Bond Cap.

WATER QUALITY

WQ 22-18 – State Revolving Fund Planning & Design Loans

This is a resolution to approve SRF Planning & Design (P&D) Loans totaling \$206,000 for the following community:

- City of Spillville

P&D loans have 0% interest for up to 3 years to help communities with the costs during the planning and design phase of their wastewater or drinking water project.

WQ 22-19 – State Revolving Fund Construction Loans

This is a resolution to approve SRF Construction Loans totaling \$55,752,000 for the following entities:

- City of Dougherty
- City of Earlham
- City of Jefferson
- City of Lost Nation
- City of Rock Valley
- City of Traer
- Des Moines Wastewater Reclamation Authority

SRF Construction Loans currently have an interest rate of 1.75% for 20 years, or 2.75% for up to 30 years.



Deborah Durham, Executive Director
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
(515) 452-0400 – (800) 432-7230

FOR IFA USE ONLY
Project No. PAB 22-22
Application Received 11/17/2022
Application Fee Received?
Amount of Request \$ 784,000,000

PRIVATE ACTIVITY BOND APPLICATION

Part A - Borrower Information

1. Project Name: HOBO Clinton
2. Contact Person/Title: Bruce Bernard/ EVP Business Development
Company: HOBO Renewable Diesel, LLC or related entity/subsidiary
Address: 1300 Post Oak Blvd, Suite 1350
City, State, Zip: Houston, TX 77056
Telephone: 713.800.2908
E-mail: bbernard@hobord.com
3. Principals: Randy Gibbs CEO, Mike Keuss President
4. If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose: NA
5. Is the Borrower currently qualified to transact business within the State of Iowa? Yes No
6. If project is a Nursing Facility, is state certificate of need required: Yes No
If yes, attach copy.
7. Total current FTE's of Borrower: 0
Number of permanent FTE's created by the project: 68



Part B - Project Information

1. This Project qualifies for financing pursuant to the Private Activity Bond Program as land, buildings or improvements suitable for use as one of the following facilities (Check one):

501 c (3) entity:

Private college or university

Housing facility for elderly or disabled persons

Museum or library facility

Voluntary nonprofit hospital, clinic or health care facility as defined in Section 135c.1 (6) of the Iowa Code. Specify: _____

Other 501c (3) entity (please specify)

Manufacturing facility

Agricultural processing facility

Multi-family housing

Solid Waste facility

3. Amount of Loan Request: \$784,000,000

Amount to be used for refunding: \$0

4. Address/Location of Project

Street/City/State Clinton, Iowa

County Clinton

5. General Project Description: The project will be a greenfield plant constructed to convert solid waste (and other agricultural residue) into renewable fuels. The project will consist of a pre-feed system to convert the waste and residue into a homogeneous product that will be transformed into renewable fuels through a hydrotreating process and finally the product is conditioned and stored for distribution into various renewable fuels markets. The plant may incorporate other significant processes such as renewable electric modules on the front-end and the post fuel production process may utilize CO2 capture and sequestration to lower its carbon footprint as well as anaerobic digesters as part of its wastewater treatment.

Becon Engineering has performed an initial feasibility analysis with the following assessment for 1.12 billion in tax exempt financing.

Based on this feasibility assessment and the premise that the Project's feedstock will consist of no less than 65% tallow, lard, choice white grease and other such waste biomass materials, we estimate Project cost eligible for tax-exempt financing to be approximately \$1120mm. This estimation will be confirmed by a Phase 2 detailed engineering analysis and qualification of the feedstock as solid waste.



Part B - Project Information continued

6. Does the Borrower expect to use bond proceeds to reimburse capital expenditures already made?

No

Yes, in the amount of \$70,000,000. (There are IRS limitations on eligible reimbursable costs.)

7. Parties related to the Project:

a. Principal User will be: HOBO Renewable Diesel, LLC or related entity/subsidiary

b. Seller (if any) of the Project: NA

c. Purchaser (if any) or Owner or Lessee of the Project: NA

d. Relationship of Project Seller and Purchaser, if any: NA

8. Sources and Uses of Project Funds (Sum of Sources and Uses must match):

Sources:	Amount	Uses:	Amount
Equity	\$336,000,000	Mfg. machinery and eqp.	\$650,000,000
Tax exempt bond proceeds	\$784,000,000	Eng. Constr, land, site prep	\$120,000,000
		Bond related cost, reserve	\$350,000,000
	\$ 1,120,000,000		\$1,120,000,000
Total		Total	

9. Type of Bond Sale Public Sale Private Placement



Part C - Professionals Participating in the Financing

Applications must have either Bond Counsel or Underwriter/Financial Institution identified

1. **Bond Counsel:** (an attorney hired by the borrower to ensure the bonds can be issued on a tax-exempt basis)

Name: David Grossklaus

Firm Name: Dorsey and Whitney LLP

Address: 801 Grand Avenue, Suite 4100

City/State/Zip Code: Des Moines, IA/ 50309-8002

Telephone: 515.699.3293 E-mail: Grossklaus.David@dorsey.com

2. **Counsel to the Borrower:**

Name: TBD

Firm Name: _____

Address: _____

City/State/Zip Code: _____

Telephone: _____ E-mail: _____

3. **Underwriter or Financial Institution purchasing the bonds:**

Name: TBD

Firm Name: _____

Address: _____

City/State/Zip Code: _____

Telephone: _____ E-mail: _____

4. **Counsel to the Underwriter:**

Name: TBD

Firm Name: _____

Address: _____

City/State/Zip Code: _____

Telephone: _____ E-mail: _____

5. **Trustee: (if needed)**

Name: TBD

Firm Name: _____

Address: _____

City/State/Zip Code: _____

Telephone: _____ E-mail: _____



PART D - Fees and Charges

1. **A non-refundable application fee must accompany this form at the time of submission to the Authority. For applications up to \$10 million, the application fee is \$1,000. For applications over \$10 million, the application fee is \$2,500. The application fee is subtracted from the Issuer's fee at closing.**

Submit application to the Authority at the following address:

Aaron Smith
Chief Bond Programs Director
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, IA 50315

2. An Issuer's fee will be due at the time of closing. The fee is 10 basis points for the first \$10 million and declines after that. Please contact Aaron Smith at (515) 452-0461 or Aaron.Smith@IowaFinance.com for more information.
3. Borrower is required to pay the fees and expenses of Dorsey & Whitney, who serve as Issuer's Counsel. Bond documents should be sent to David Grossklaus (Grossklaus.David@Dorsey.com) at Dorsey & Whitney and the Authority's Chief Bond Programs Director (Aaron.Smith@IowaFinance.com).

Dated this 9th day of November, 2022

Borrower: HOBO Renewable Diesel, LLC or related entity or subsidiary

By: 

RESOLUTION PAB 22-22A

Approving an Application for \$784,000,000
Iowa Finance Authority Solid Waste Facility Revenue Bonds
(HOBO Clinton Project), in one or more series
For HOBO Renewable Diesel, LLC, or a related entity (the “Borrower”)

And Evidencing the Intent to Proceed with the Issuance of
\$784,000,000 Revenue Bonds

WHEREAS, the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa duly organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the “Authority”) is authorized and empowered by Chapter 16 of the Code of Iowa (the “Act”) to issue bonds and notes for the purpose of financing or refunding the cost of certain projects defined in the Act that further the development and expansion of family farming, soil conservation, housing, and business in the State; and

WHEREAS, the Authority has received the Private Activity Bond Program Application set forth in Exhibit A attached hereto (the “Application”) which Application is incorporated herein as though set out here in full; and

WHEREAS, the Application is a request that the Authority issue its revenue bonds in an amount not to exceed \$784,000,000 (the “Bonds”) and loan the proceeds from the sale of the Bonds to the Borrower listed in the Application for the purposes stated therein (the “Project”); and

WHEREAS, the Authority and the Borrower desire to comply with the requirements of Treasury Regulation 1.150-2 (the “Regulations”) with respect to the Project;

NOW, THEREFORE, Be It Resolved by the Board of the Authority, as follows:

Section 1. Approval of Application. The Application is hereby approved, and the Executive Director, the Chief Financial Officer, the Chief Operating Officer or the Chief Bond Programs Director of the Authority (each an “Authorized Officer”) are authorized to notify the Borrower of such approval.

Section 2. Reimbursement from Bond Proceeds. Based upon representations of the Borrower, the Authority declares (a) that the Borrower proposes to undertake the Project, (b) that except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5% of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20% of the issue price of the Bonds, and (iii) other expenditures made not earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Borrower and no expenditures will be made by the Borrower until after the date hereof, and (c) the Borrower reasonably intends to reimburse the expenditures made for costs of the Project

with the proceeds of the Bonds. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

Section 3. Intent to Issue Bonds. It is hereby determined necessary and advisable that the Authority proceed with the issuance and sale of the Bonds as permitted by the Act and that the Authority hereby declares its intent to issue the Bonds to finance the Project, and that such actions will be taken by the Authority as may be required by the Act to authorize, issue and sell the Bonds.

Section 4. Execution and Approval of Agreements. The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bonds. The Authority's counsel shall approve all agreements to be entered into in connection with the issuance of the Bonds, and such agreements shall be authorized and approved after due consideration by the Authority prior to their execution by the Authority.

Section 5. Notice and Governor Approval. Any Authorized Officer and the staff of the Authority are directed, on behalf of the Authority, to publish notice of the proposal to issue the Bonds, to conduct a public hearing on such proposal and, following such hearing, obtain the approval of the Governor as the chief elected executive officer, all as required by Section 147(f) of the Internal Revenue Code of 1986, as amended.

Section 6. Preliminary Official Statement. Any Authorized Officer and the staff of the Authority are authorized to cooperate in the preparation of a preliminary official statement with respect to the Bonds, and that any Authorized Officer is authorized to execute and deliver such certificates to comply with SEC Rule 15c2-12 in connection with the offer, sale and issuance of the Bonds.

Section 7. Further Actions. Any Authorized Officer and counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and purpose of this Resolution, the accomplishment of the Project and the sale and issuance of the Bonds.

Section 8. Not Obligations of the Authority. The Bonds, when issued, shall be limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Borrower. The Bonds, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness or a loan of the credit of the Authority, the State of Iowa or any political subdivision thereof within the meaning of any constitutional or statutory provisions. The Authority does not pledge its faith or credit nor the faith or credit of the State of Iowa nor any political subdivision of the State of Iowa to the payment of the principal of, the interest on or any other payments or costs incident to the Bonds. The issuance of the Bonds and the execution of any documents in relation thereto do not directly, indirectly or contingently obligate the State of Iowa or any political subdivision of the State of Iowa to apply money from or levy or pledge any form of taxation whatever to the payment of the principal of or interest on the Bonds or any other payments or costs incident thereto. The Authority has no taxing power.

Section 9. Costs. It is to be understood that the Borrower shall pay all costs, including costs of counsel, and expenses of the Authority related to the Bonds and the Project.

Section 10. Repealer. All resolutions, parts of resolutions, and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 7th day of December, 2022.

Michel Nelson, Chairperson

ATTEST:

(SEAL)

Deborah Durham, Secretary

EXHIBIT A
ATTACH APPLICATION

RESOLUTION
WQ 22-18

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa and sections 455B.291 through and including 455B.299 of the Code of Iowa, works with the Iowa Department of Natural Resources to administer the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program (collectively, the “SRF Program”); and

WHEREAS, the Authority offers loans under the SRF Program for planning and design expenses associated with clean water and drinking water projects (the “Planning and Design Loans”); and

WHEREAS, the Authority offers the Planning and Design Loans as zero interest loans maturing no later than three years from execution; and

WHEREAS, the communities listed on Exhibit A have applied to the Authority for financial assistance through Planning and Design Loans; and

WHEREAS, the Authority desires to approve Planning and Design Loans to the communities and in the amounts set forth on Exhibit A;

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

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes funding Planning and Design Loans to the communities and in the amounts set forth on Exhibit A attached hereto, each with an interest rate of 0%, with a maturity of not to exceed three years, and such other restrictions as may be deemed necessary and appropriate by the Executive Director.

SECTION 3. The Board authorizes the Executive Director to fund said loan from funds held under the SRF Program, all in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. 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 adoption.

PASSED AND APPROVED this 7th day of December, 2022.

Michel Nelson, Chairperson

ATTEST:

Deborah Durham, Secretary

(SEAL)

EXHIBIT A

SRF Planning & Design Loans

Borrower	County	Pop.	Amount	CW/DW	Description
Spillville	Winneshiek	385	\$206,000	DW	Transmission Improvements

\$206,000

RESOLUTION
WQ 22-19

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa and sections 455B.291 through and including 455B.299 of the Code of Iowa, works with the Iowa Department of Natural Resources (the “Department”), to administer the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program (collectively, the “SRF Program”); and

WHEREAS, the Authority offers loans under the SRF Program as a means of financing all or part of the construction of certain drinking water or wastewater treatment facilities; and

WHEREAS, the construction activities being undertaken meet the requirements of the SRF Program and have been approved by the Department; and

WHEREAS, the Authority offers the SRF loans at below market interest maturing no later than thirty years from execution; and

WHEREAS, the Authority desires to approve SRF Loans to the communities and in the amounts set forth on Exhibit A;

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

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes funding SRF Loans to the communities and in the approximate amounts set forth on Exhibit A attached hereto, each with an interest rate of 1.75% for a maturity of twenty years or an interest rate of 2.75% with a maturity of not to exceed thirty years, and such other restrictions as may be deemed necessary and appropriate by the Executive Director.

SECTION 3. The Board authorizes the Executive Director to fund said loan from funds held under the SRF Program, all in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. 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 adoption.

PASSED AND APPROVED this 7th day of December, 2022.

ATTEST:

Michel Nelson, Chairperson

Deborah Durham, Secretary

(SEAL)

EXHIBIT A

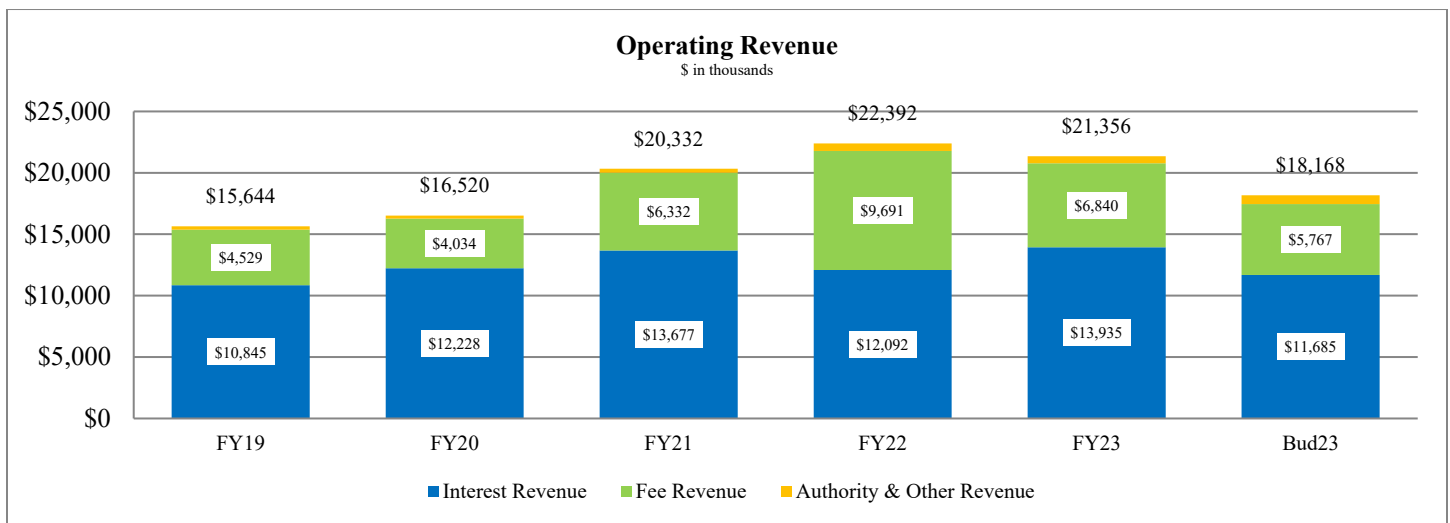
SRF Construction Loans

Borrower	County	Population	Amount	CW/ DW	Description
Dougherty	Cerro Gordo	62	\$1,401,000	CW	Treatment Improvements
Earlham	Madison	1,410	\$4,875,000	CW	Treatment Improvements
Jefferson	Greene	4,182	\$19,750,000	CW	Treatment Improvements
Lost Nation	Clinton	434	\$790,000	DW	Source Improvements
Rock Valley	Sioux	4,059	\$1,659,000	DW	Source Improvements
Traer	Tama	1,583	\$877,000	CW	Treatment Improvements
WRA	Multiple	n/a	\$26,400,000	CW	Transmission Improvements

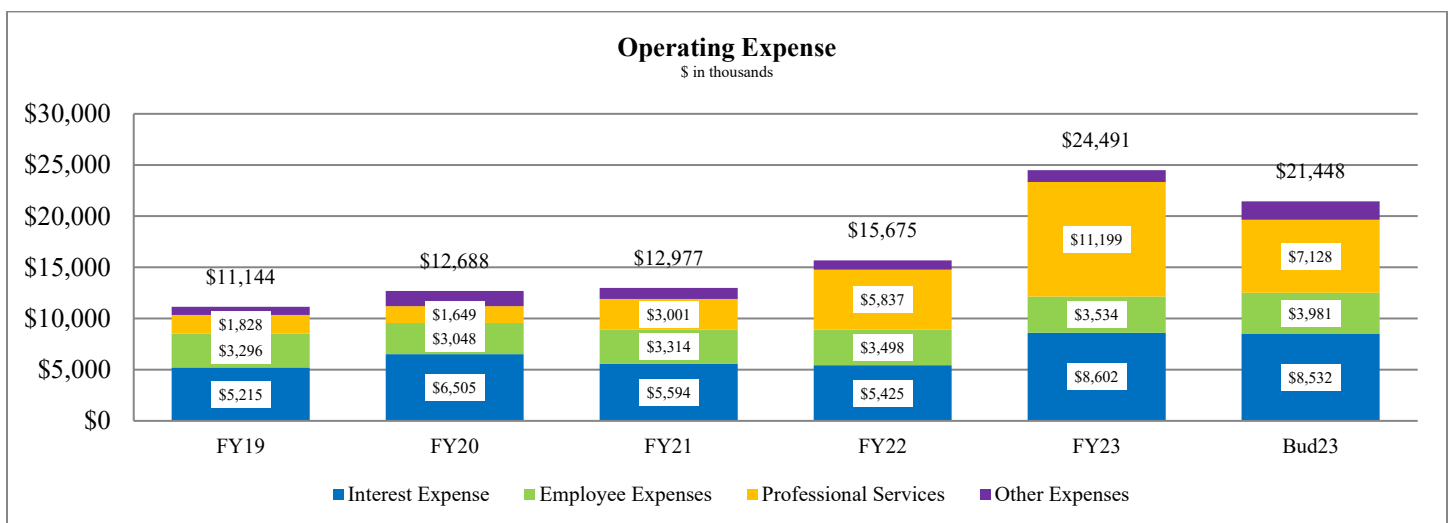
\$55,752,000

To: IFA Board of Directors
 From: Jen Pulford
 Date: November 17, 2022
 Re: October 2022 Financial Results

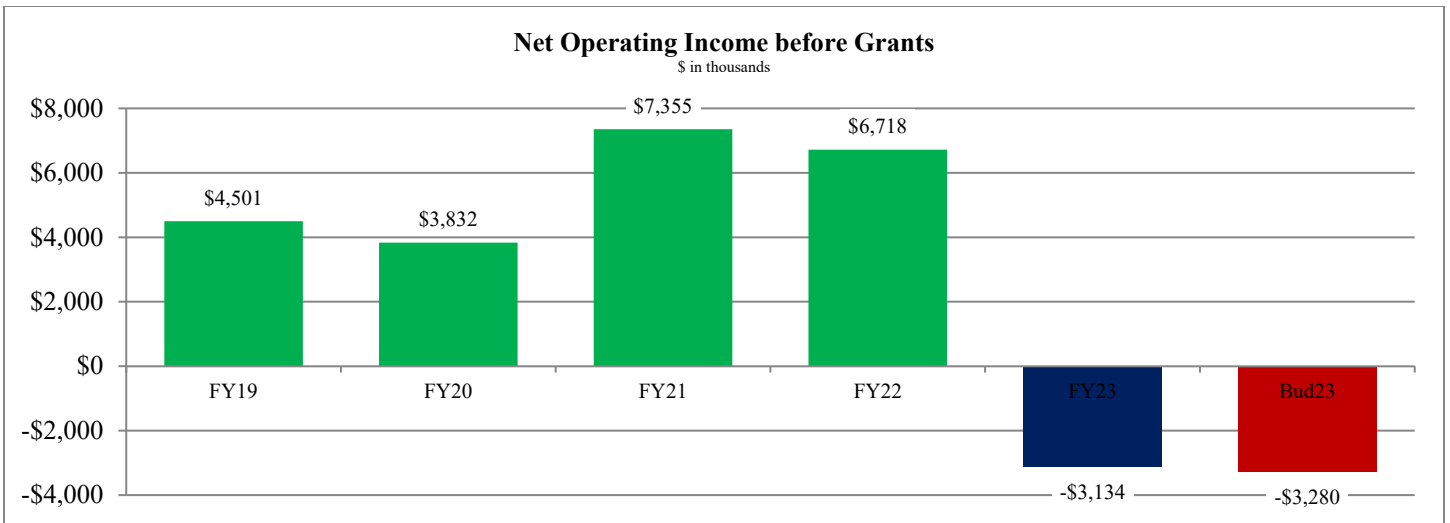
The Housing Authority operated favorably to budget through October 2022; operating revenues continue to be favorable to plan while operating expenses are unfavorable to plan this month due to obligation of closeout expenses related to ERA1 and the IRUAP program.



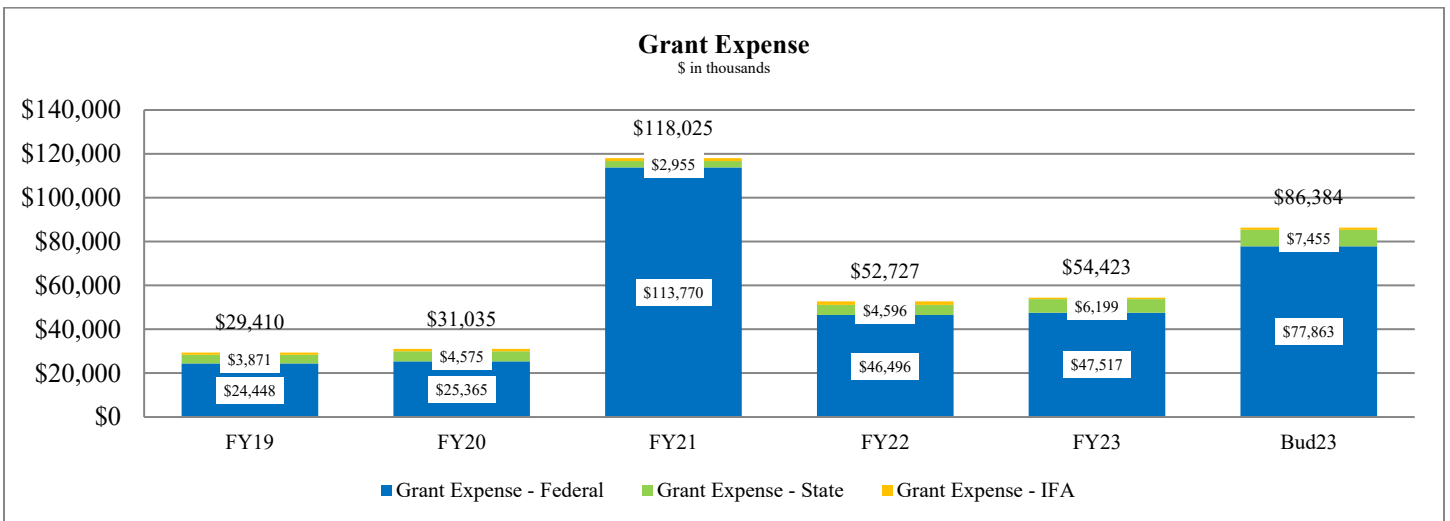
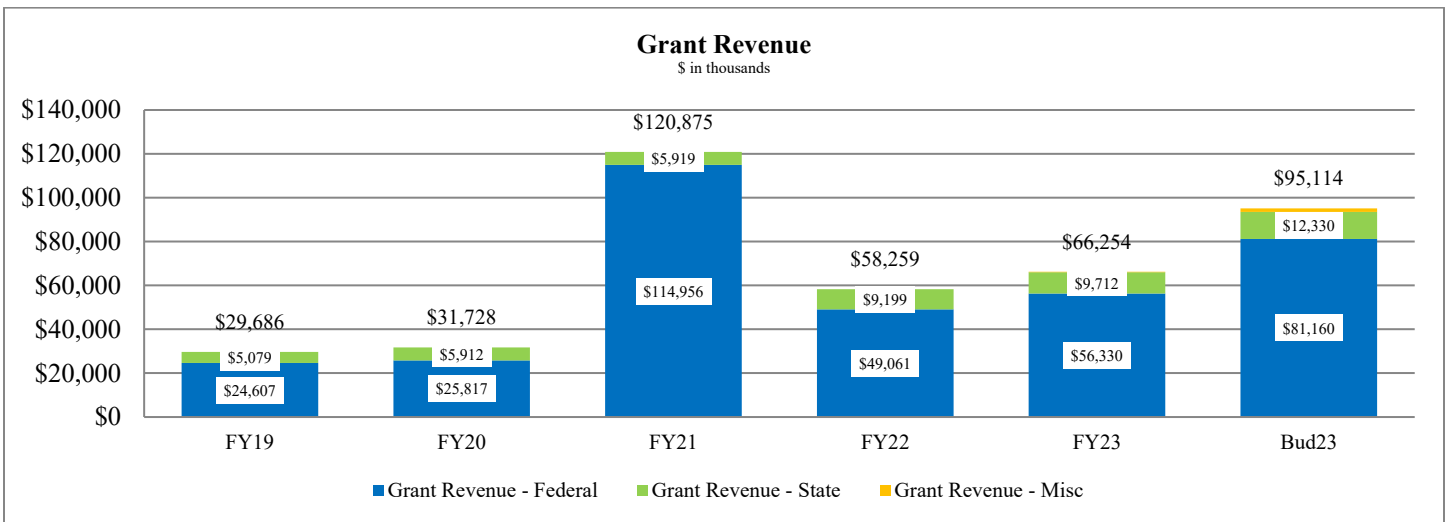
Operating revenue exceeded budget by \$3,188 or 18% but was 5% unfavorable to last year. Interest revenue and Title Guaranty fees account for this favorable variance.



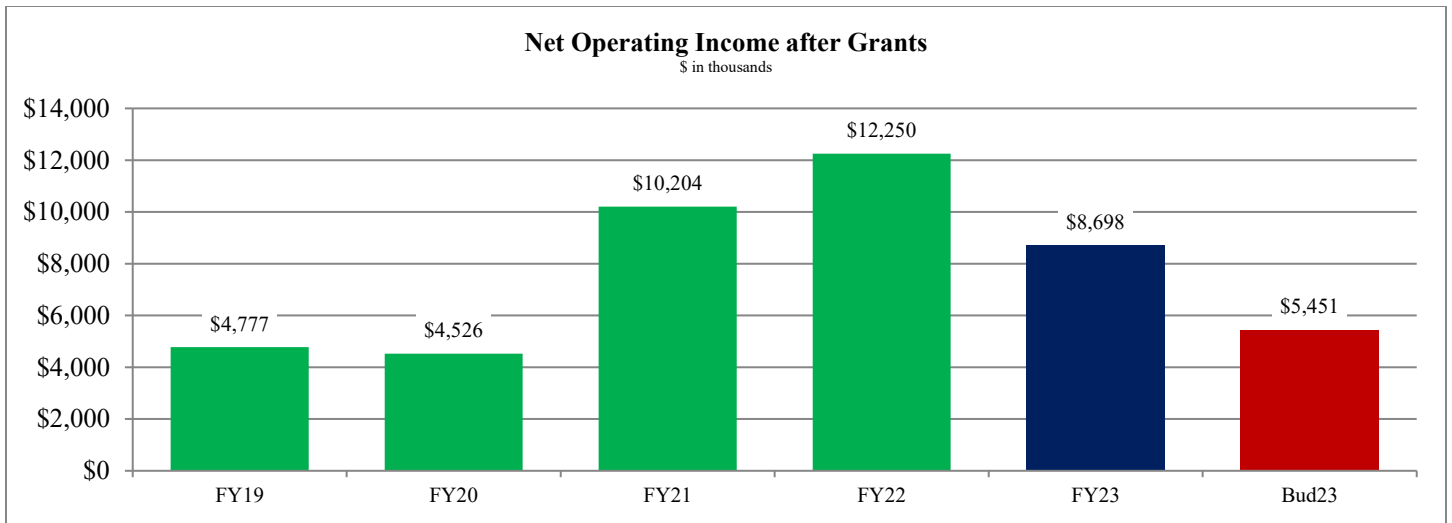
Operating Expenses were \$3,043 or 14% above budget. Professional Services expense is greater than planned related to obligation of expenses for closeout of ERA1 and the IRUAP program. Per program requirements, expenses had to be obligated by September 30, 2022, for any closeout expenses to be incurred through final closeout of the program.



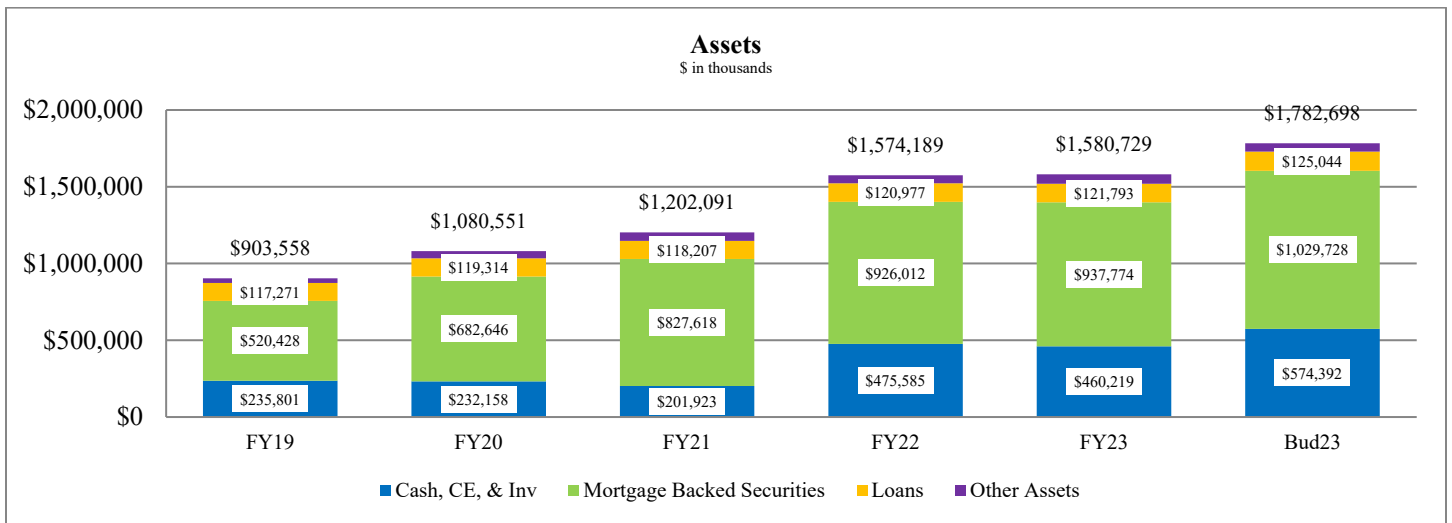
As a result, NOIBG was \$146 or 4% favorable to budget.



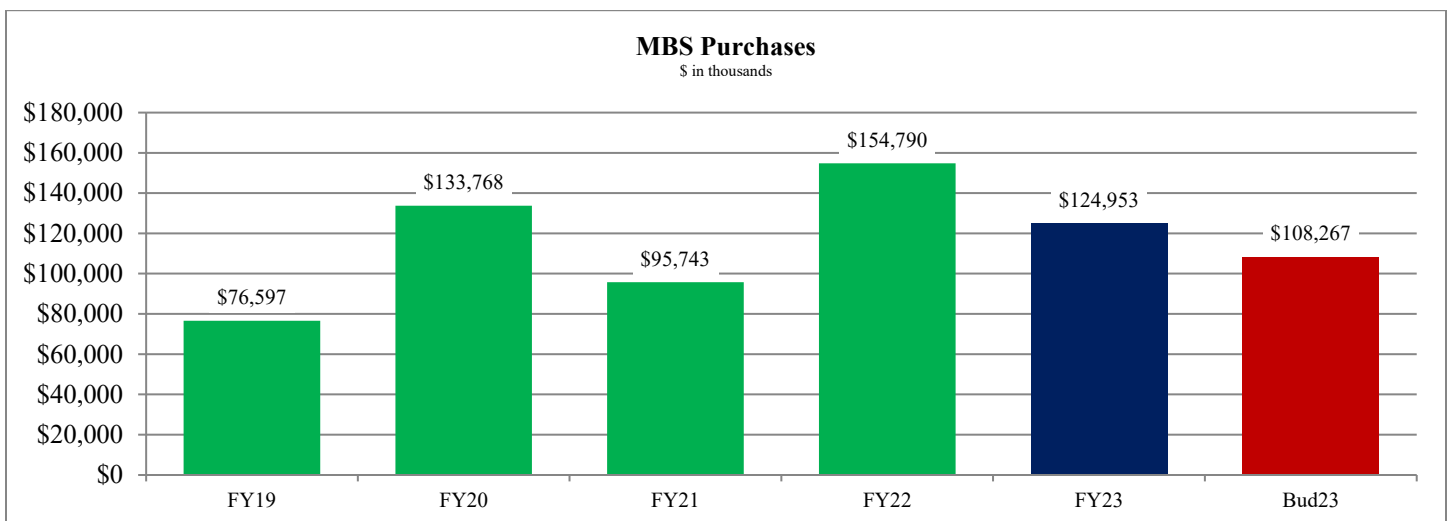
Net grant income was \$3,101 favorable to budget.



As a result, NOIAG was \$3,247 or 60% favorable to budget.

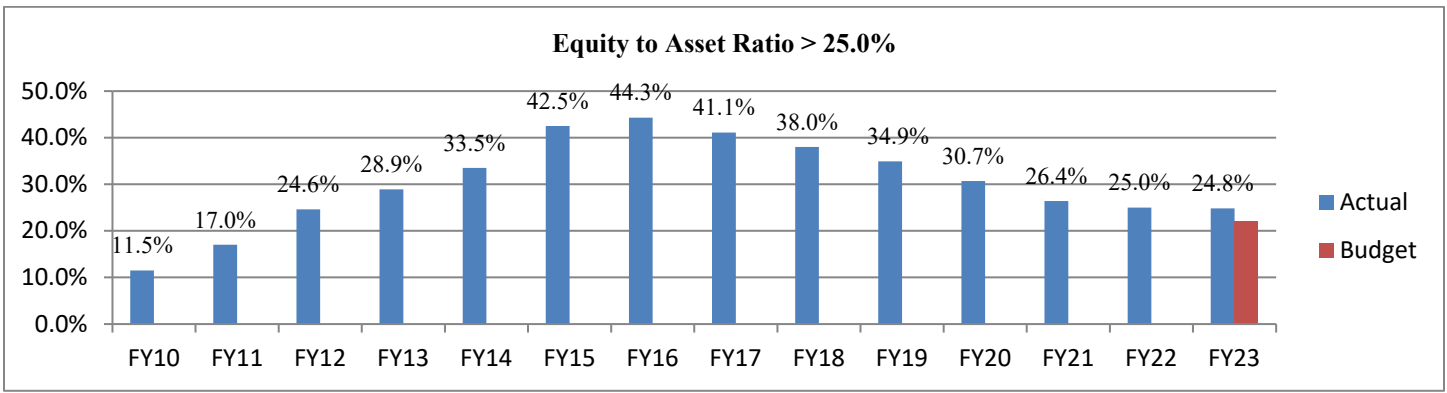


Total Assets have increased \$6,540 since last year.

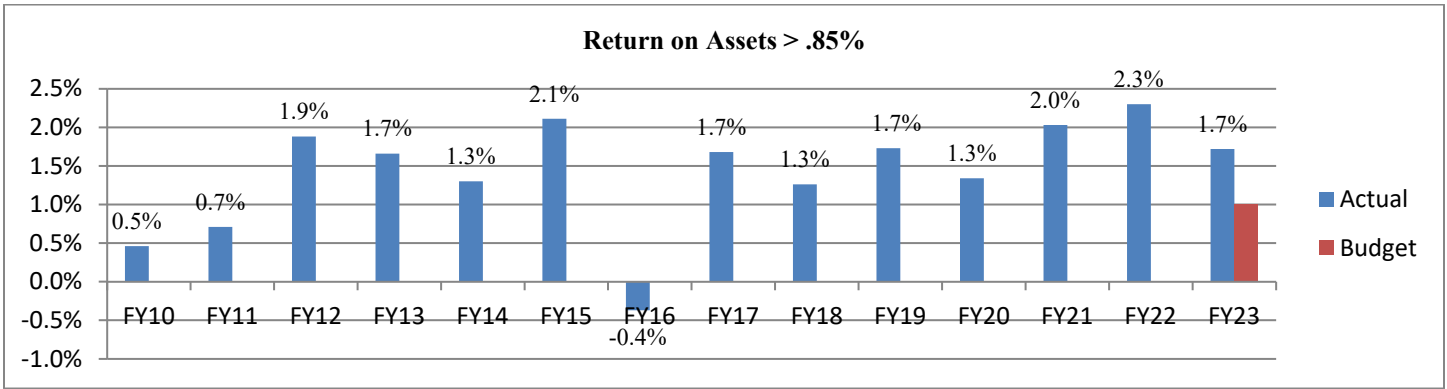


MBS purchases exceed budget by \$16,686.

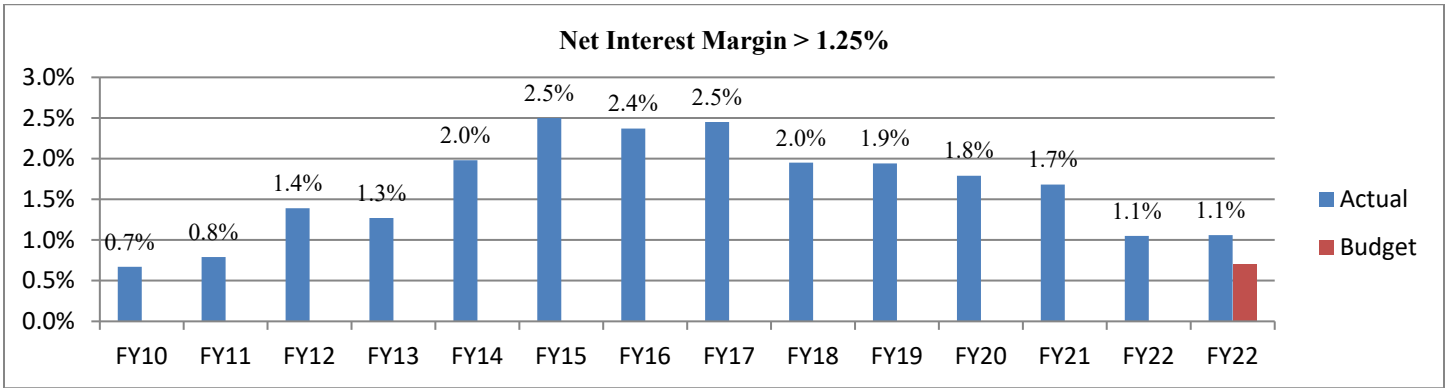
Housing Authority Long-Term Measures



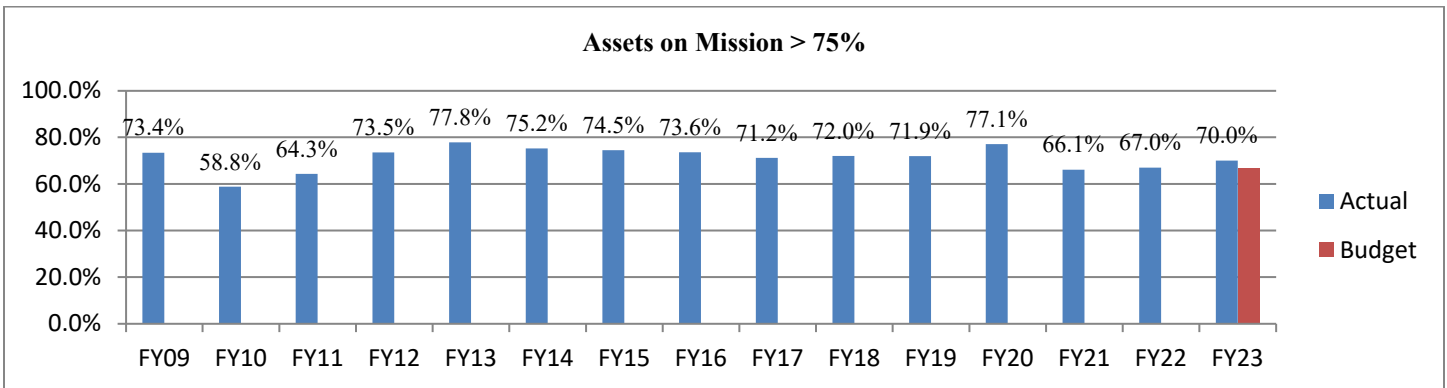
This ratio is an indicator of the Housing Authority’s financial strength and ability to increase debt to acquire assets.



This ratio represents the rate of return on the Housing Authority’s assets.



This is the rate of interest earned, after interest expense is deducted, on the Housing Authority’s cash, cash equivalents, investments, MBS, and loans.



This ratio is the percentage of MBS and Loans (Mission Assets) to the Housing Authority’s total assets.

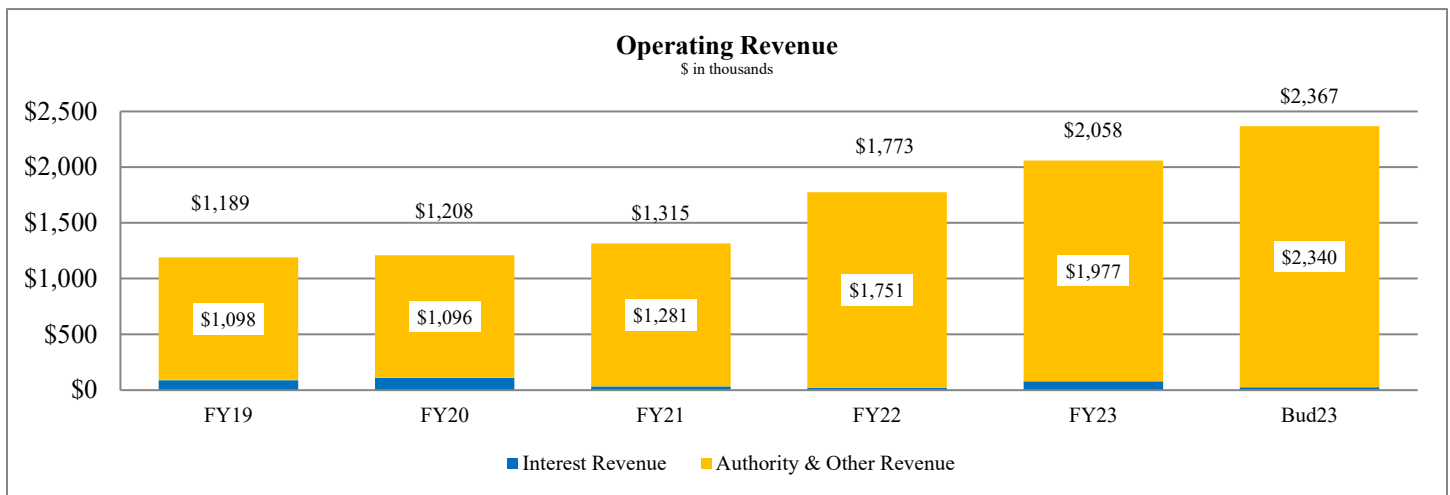
Balance Sheet	Housing Authority (Rollup)						
	Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	435,241,914	571,723,178	(136,481,264)	-23.9	474,750,421	(39,508,507)	-8.3
Investments	24,976,750	2,668,977	22,307,773	835.8	835,000	24,141,750	2891.2
Mortgage Backed Securities	906,905,685	1,013,101,110	(106,195,425)	-10.5	898,236,912	8,668,773	1.0
Line of Credit	30,868,736	16,626,959	14,241,777	85.7	27,774,877	3,093,859	11.1
Loans - net of reserve for losses	121,792,956	125,043,909	(3,250,952)	-2.6	120,977,023	815,933	0.7
Capital Assets (net of accumulated depreciation)	13,774,091	13,995,457	(221,367)	-1.6	13,832,974	(58,883)	-0.4
Other Assets	43,485,457	30,544,634	12,940,823	42.4	28,619,315	14,866,142	51.9
Deferred Outflows	3,683,704	8,993,766	(5,310,062)	-59.0	9,162,682	(5,478,978)	-59.8
Total Assets and Deferred Outflows	1,580,729,293	1,782,697,990	(201,968,697)	-11.3	1,574,189,204	6,540,089	0.4
Liabilities, Deferred Inflows, and Equity							
Debt	1,076,499,988	1,135,122,505	(58,622,518)	-5.2	871,259,212	205,240,775	23.6
Interest Payable	7,047,709	17,211,686	(10,163,976)	-59.1	5,088,234	1,959,475	38.5
Unearned Revenue	168,884,556	179,941,943	(11,057,387)	-6.1	238,982,140	(70,097,584)	-29.3
Escrow Deposits	12,670,829	11,250,896	1,419,933	12.6	11,201,123	1,469,707	13.1
Reserves for Claims	1,656,495	2,323,267	(666,772)	-28.7	2,115,739	(459,243)	-21.7
Accounts Payable & Accrued Liabilities	10,315,421	4,860,441	5,454,980	112.2	7,973,086	2,342,335	29.4
Other liabilities	1,483,046	12,496,044	(11,012,998)	-88.1	11,813,565	(10,330,519)	-87.4
Deferred Inflows	17,556,234	1,524,551	16,031,683	1051.6	2,695,912	14,860,322	551.2
Total Liabilities and Deferred Inflows	1,296,114,278	1,364,731,334	(68,617,056)	-5.0	1,151,129,011	144,985,267	12.6
Equity							
YTD Earnings(Loss)	(61,246,842)	5,450,598	(66,697,440)	-1223.7	9,148,583	(70,395,426)	-769.5
Prior Years Earnings	345,858,223	412,516,058	(66,657,835)	-16.2	413,911,609	(68,053,387)	-16.4
Transfers	3,634	-	3,634	0.0	-	3,634	0.0
Total Equity	284,615,015	417,966,656	(133,351,641)	-31.9	423,060,193	(138,445,178)	-32.7
Total Liabilities, Deferred Inflows, and Equity	1,580,729,293	1,782,697,990	(201,968,697)	-11.3	1,574,189,204	6,540,089	0.4

Income Statement	Housing Authority (Rollup)													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	3,841,202	2,974,136	867,065	29.2	3,050,366	790,835	25.9	13,935,382	11,685,117	2,250,265	19.3	12,091,730	1,843,652	15.2
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	1,555,540	2,084,290	(528,750)	-25.4	2,099,547	(544,007)	-25.9	6,839,663	5,767,036	1,072,627	18.6	9,690,564	(2,850,901)	-29.4
Other Revenue	21,644	125,309	(103,665)	-82.7	123,444	(101,800)	-82.5	581,352	715,806	(134,454)	-18.8	609,934	(28,582)	-4.7
Total Operating Revenue	5,418,386	5,183,736	234,650	4.5	5,273,358	145,028	2.8	21,356,396	18,167,959	3,188,438	17.5	22,392,228	(1,035,832)	-4.6
Operating Expense														
Interest Expense	2,343,438	1,990,618	352,821	17.7	1,334,020	1,009,418	75.7	8,602,075	8,532,221	69,855	0.8	5,424,941	3,177,135	58.6
Authority Expense	-	-	-	0.0	-	-	0.0	(0)	-	(0)	0.0	(0)	0	-75.0
Employee Expenses	850,212	959,655	(109,443)	-11.4	854,601	(4,390)	-0.5	3,533,703	3,980,737	(447,034)	-11.2	3,497,788	35,915	1.0
Shared Expenses	192,712	248,333	(55,620)	-22.4	208,415	(15,702)	-7.5	1,086,211	1,341,020	(254,809)	-19.0	904,204	182,007	20.1
Marketing Expense	12,986	95,293	(82,307)	-86.4	116,811	(103,825)	-88.9	209,466	675,537	(466,071)	-69.0	339,352	(129,886)	-38.3
Professional Services	465,116	1,827,397	(1,362,281)	-74.5	1,545,266	(1,080,151)	-69.9	11,198,625	7,127,681	4,070,944	57.1	5,836,852	5,361,773	91.9
Claim and Loss Expenses	3,525	(522)	4,047	-775.2	(188,579)	192,104	-101.9	11,487	(6,598)	18,085	-274.1	(228,069)	239,556	-105.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	5,952	(37,483)	43,435	-115.9	(41,789)	47,741	-114.2	(46,849)	(145,346)	98,497	-67.8	(56,346)	9,496	-16.9
Overhead Allocation	(41,926)	(12,868)	(29,058)	225.8	(10,749)	(31,176)	290.0	(103,881)	(57,602)	(46,278)	80.3	(44,149)	(59,732)	135.3
Total Operating Expense	3,832,015	5,070,422	(1,238,407)	-24.4	3,817,996	14,018	0.4	24,490,837	21,447,649	3,043,188	14.2	15,674,573	8,816,264	56.2
Net Operating Income (Loss) Before Grants	1,586,371	113,314	1,473,057	1300.0	1,455,361	131,010	9.0	(3,134,441)	(3,279,690)	145,249	-4.4	6,717,655	(9,852,096)	-146.7
Net Grant (Income) Expense														
Grant Revenue	(12,450,644)	(18,021,081)	5,570,437	-30.9	(14,186,590)	1,735,946	-12.2	(66,254,497)	(95,114,320)	28,859,823	-30.3	(58,259,418)	(7,995,079)	13.7
Grant Expense	11,434,638	16,016,930	(4,582,292)	-28.6	12,189,711	(755,073)	-6.2	54,422,538	86,384,032	(31,961,494)	-37.0	52,727,004	1,695,534	3.2
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	(1,016,005)	(2,004,151)	988,146	-49.3	(1,996,879)	980,873	-49.1	(11,831,959)	(8,730,288)	(3,101,671)	35.5	(5,532,414)	(6,299,545)	113.9
Net Operating Income (Loss) After Grants	2,602,376	2,117,465	484,911	22.9	3,452,240	(849,864)	-24.6	8,697,518	5,450,598	3,246,921	59.6	12,250,069	(3,552,550)	-29.0
Other Non-Operating (Income) Expense	15,057,902	-	15,057,902	0.0	3,319,419	11,738,483	353.6	69,944,361	-	69,944,361	0.0	3,101,486	66,842,875	2155.2
Net Income (Loss)	(12,455,526)	2,117,465	(14,572,991)	-688.2	132,821	(12,588,347)	-9477.7	(61,246,842)	5,450,598	(66,697,440)	-1223.7	9,148,583	(70,395,426)	-769.5
IFA Home Dept Staff Count	-	105	(105)	-100.0	83	(83)	-100.0	20	106	(85)	-80.8	84	(64)	-75.8
FTE Staff Count	-	97	(97)	-100.0	82	(82)	-100.0	62	97	(36)	-36.6	83	(21)	-25.5

To: IFA Board of Directors
 From: Linda Day
 Date: November 15, 2022
 Re: YTD Oct 2022 Financial Results

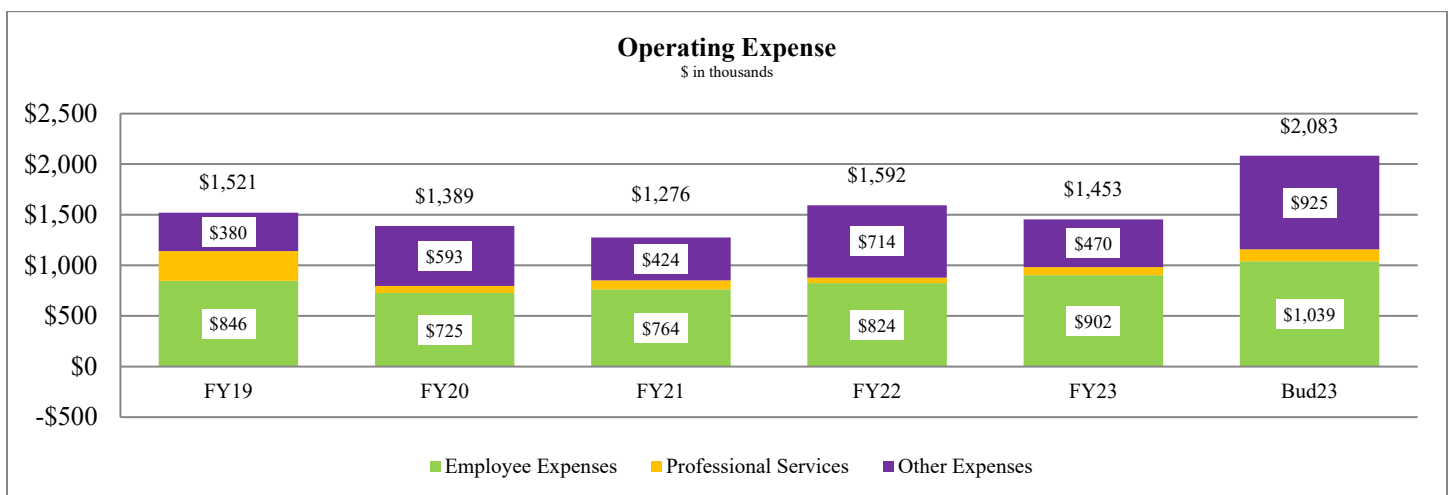
Overhead Departments (\$ in thousands)

For October FY23, the Overhead departments are operating favorable to budget.



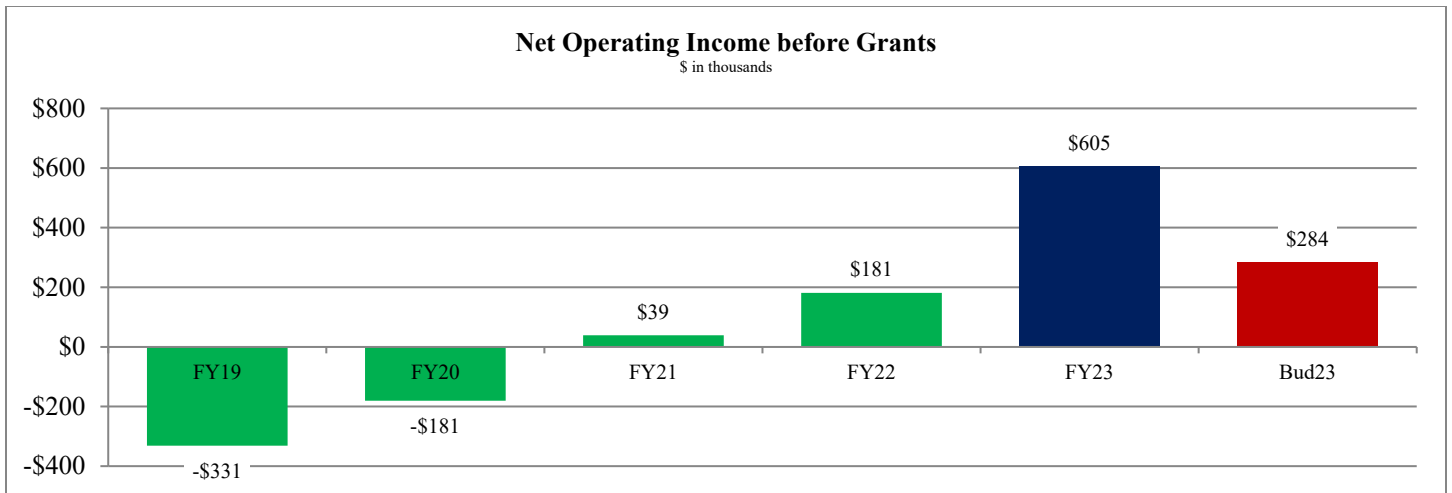
Operating Revenue was \$309 or 13.1% unfavorable to budget but 16% favorable to last year.

Rent Revenue and CAM Revenue are under budget due to the timing of rent payments received. Authority revenue is also under budget year to date.



Operating Expense was \$630 or 30.3% favorable to budget, and 8.7% favorable to last year.

Employee Expenses, Shared Expenses, Professional Services, and Marketing Expense are all favorable to budget.



As a result, NOIBG is \$321 or 113.2% favorable to budget and 234.2% favorable to last year.

General Fund Liquidity

The GF will maintain a minimum of 3 months of budgeted expenses in the form of cash and cash equivalents. For FY23 the short-term liquidity goal is \$3.0M. The current short-term liquidity for October 2022 is \$3.4M.

The GF will maintain a minimum of 12 months of budgeted expenses in the form of cash and cash equivalents, investments, and mortgage-backed securities. For FY23 the long-term liquidity goal is \$12.3M. The current long-term liquidity for October 2022 is \$13.7 million.

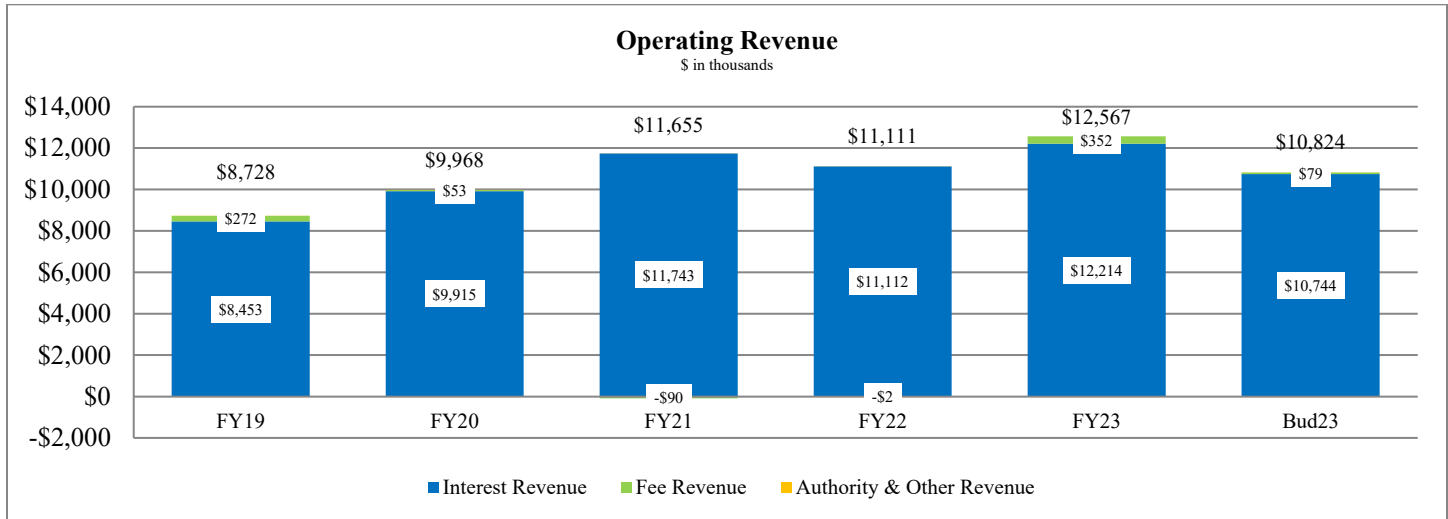
Income Statement	Overhead (Rollup)													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	22,922	6,154	16,768	272.5	4,065	18,857	463.8	77,315	25,148	52,167	207.4	20,687	56,628	273.7
Authority Revenue	-	-	-	0.0	-	-	0.0	1,440,459	1,657,360	(216,902)	-13.1	1,168,151	272,308	23.3
Fee Revenue	167	400	(233)	-58.2	437	(270)	-61.7	3,598	1,600	1,998	124.9	1,463	2,135	145.9
Other Revenue	6,075	117,309	(111,234)	-94.8	119,733	(113,658)	-94.9	536,385	682,806	(146,420)	-21.4	582,953	(46,568)	-8.0
Total Operating Revenue	29,164	123,863	(94,699)	-76.5	124,236	(95,072)	-76.5	2,057,757	2,366,914	(309,157)	-13.1	1,773,254	284,502	16.0
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	(940)	940	-100.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	220,167	250,495	(30,328)	-12.1	214,942	5,225	2.4	901,713	1,039,144	(137,431)	-13.2	824,499	77,214	9.4
Shared Expenses	171,551	211,311	(39,761)	-18.8	173,433	(1,883)	-1.1	840,434	1,062,800	(222,366)	-20.9	762,859	77,575	10.2
Marketing Expense	10,736	21,000	(10,264)	-48.9	65,184	(54,448)	-83.5	195,667	384,000	(188,333)	-49.0	291,181	(95,514)	-32.8
Professional Services	18,591	31,888	(13,297)	-41.7	13,150	5,441	41.4	81,708	119,542	(37,834)	-31.6	54,330	27,378	50.4
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	(10)	(45,118)	45,108	-100.0	(44,086)	44,076	-100.0	(89,788)	(175,886)	86,098	-49.0	(90,825)	1,037	-1.1
Overhead Allocation	(193,303)	(70,332)	(122,970)	174.8	(59,434)	(133,869)	225.2	(476,706)	(346,385)	(130,321)	37.6	(248,798)	(227,908)	91.6
Total Operating Expense	227,732	399,244	(171,512)	-43.0	363,190	(135,458)	-37.3	1,453,028	2,083,215	(630,187)	-30.3	1,592,307	(139,279)	-8.7
Net Operating Income (Loss) Before Grants	(198,568)	(275,381)	76,813	-27.9	(238,954)	40,386	-16.9	604,729	283,698	321,030	113.2	180,947	423,781	234.2
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	(1,000,000)	(1,000,000)	-	0.0	-	(1,000,000)	0.0
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	(1,000,000)	(1,000,000)	-	0.0	-	(1,000,000)	0.0
Net Operating Income (Loss) After Grants	(198,568)	(275,381)	76,813	-27.9	(238,954)	40,386	-16.9	1,604,729	1,283,698	321,030	25.0	180,947	1,423,781	786.8
Other Non-Operating (Income) Expense	13,625	-	13,625	0.0	3,581	10,045	280.5	52,993	-	52,993	0.0	14,896	38,097	255.7
Net Income (Loss)	(212,193)	(275,381)	63,187	-22.9	(242,535)	30,341	-12.5	1,551,735	1,283,698	268,037	20.9	166,051	1,385,685	834.5
IFA Home Dept Staff Count	-	33	(33)	-100.0	23	(23)	-100.0	6	33	(27)	-83.2	24	(18)	-76.8
FTE Staff Count	-	26	(26)	-100.0	17	(17)	-100.0	12	26	(13)	-51.5	18	(5)	-30.0

Balance Sheet	Overhead (Rollup)						
	Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	12,916,259	11,736,363	1,179,896	10.1	12,097,071	819,188	6.8
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	875,331	968,255	(92,924)	-9.6	1,228,416	(353,085)	-28.7
Line of Credit	-	50,000	(50,000)	-100.0	-	-	0.0
Loans - net of reserve for losses	357,946	367,831	(9,885)	-2.7	386,029	(28,084)	-7.3
Capital Assets (net of accumulated depreciation)	13,774,091	13,995,457	(221,367)	-1.6	13,832,974	(58,883)	-0.4
Other Assets	1,794,622	911,071	883,552	97.0	1,437,593	357,029	24.8
Deferred Outflows	976,523	1,144,197	(167,674)	-14.7	1,144,197	(167,674)	-14.7
Total Assets and Deferred Outflows	30,694,772	29,173,174	1,521,598	5.2	30,126,280	568,491	1.9
Liabilities, Deferred Inflows, and Equity							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	368,972	258,512	110,460	42.7	562,711	(193,738)	-34.4
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	2,407,081	482,776	1,924,304	398.6	2,132,023	275,058	12.9
Other liabilities	843,135	5,880,856	(5,037,721)	-85.7	5,059,289	(4,216,154)	-83.3
Deferred Inflows	3,886,180	298,578	3,587,602	1201.6	641,333	3,244,847	506.0
Total Liabilities and Deferred Inflows	7,505,368	6,920,722	584,646	8.4	8,395,356	(889,988)	-10.6
Equity							
YTD Earnings(Loss)	1,551,735	1,283,698	268,037	20.9	166,051	1,385,685	834.5
Prior Years Earnings	21,340,080	21,413,183	(73,104)	-0.3	20,675,691	664,389	3.2
Transfers	297,589	(444,430)	742,019	-167.0	889,183	(591,595)	-66.5
Total Equity	23,189,404	22,252,452	936,952	4.2	21,730,925	1,458,479	6.7
Total Liabilities, Deferred Inflows, and Equity	30,694,772	29,173,174	1,521,598	5.2	30,126,280	568,491	1.9

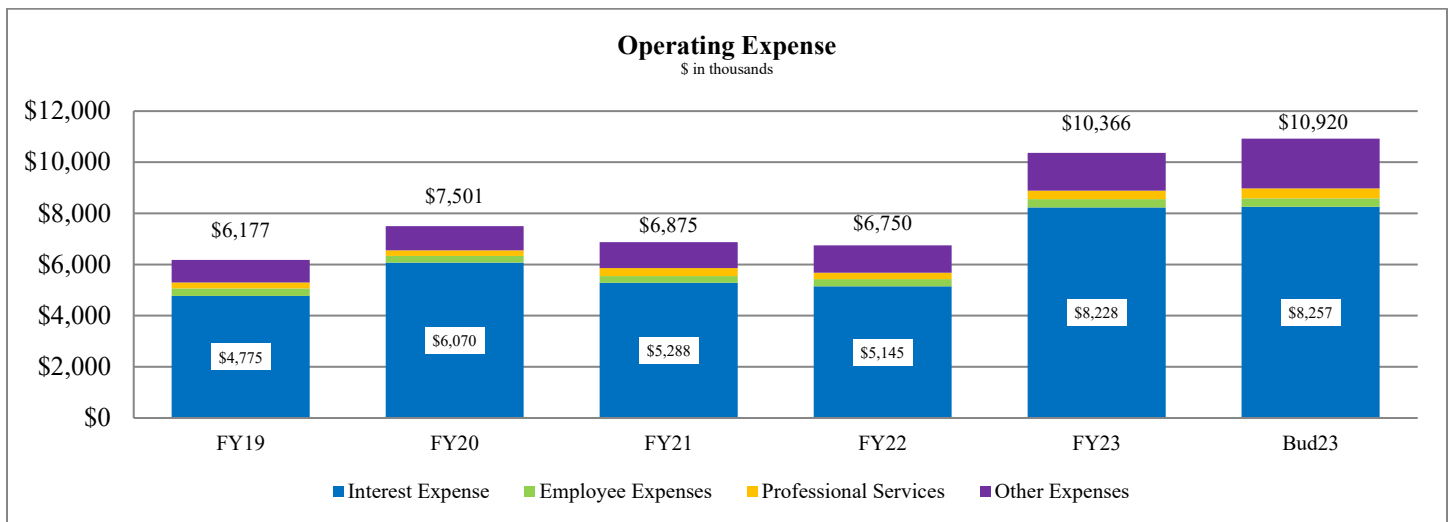
To: IFA Board of Directors
 From: David Morrison
 Date: November 15, 2022
 Re: October 2022 YTD Single Family Financial Results

Single Family Results (\$ in thousands)

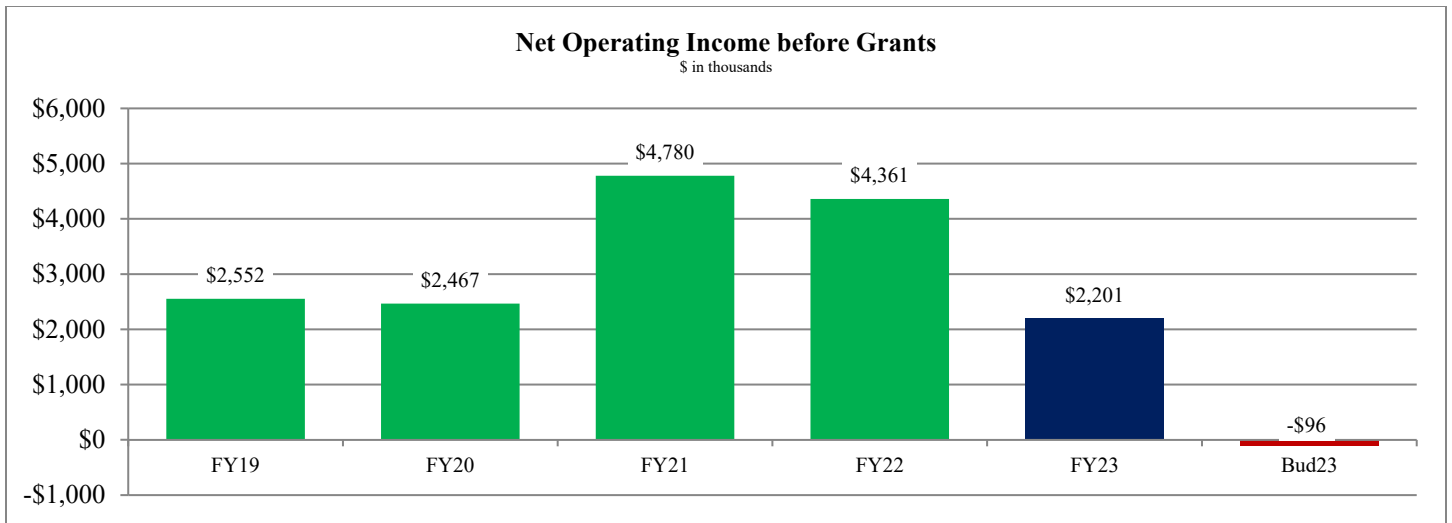
Single-Family program operated favorably to budget for the four months of FY2023. Note: Single Family had a bond issued in September for \$99,999,621.



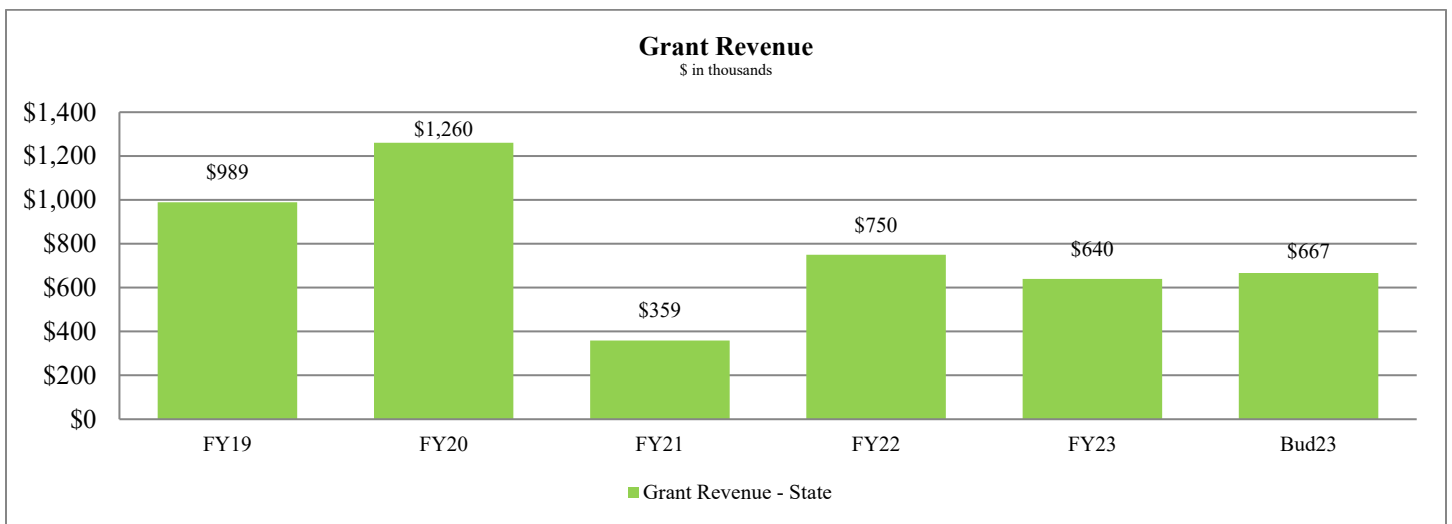
Operating Revenue was \$1,743 or 16.1% favorable to budget and \$1,456 or 13.1% favorable to last year. Interest Revenue was \$1,470 or 13.7% favorable to budget primarily due to higher earnings on Investments. Fee Revenue was \$274 favorable to budget related to higher Risk Based Pricing revenues.



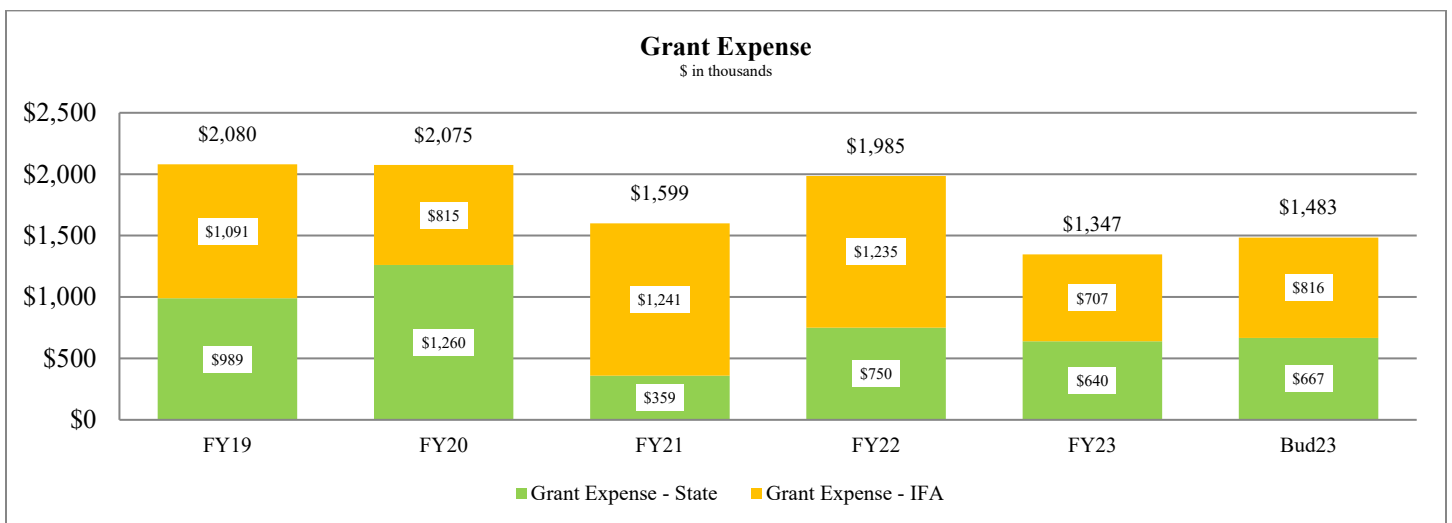
Operating Expense was favorable to budget by \$554 or 5.1% but unfavorable to last year by \$3,616 or 53.6%. Marketing Expense accounts for \$249 of the favorable variance. This is explained by delay in planned media for homebuyer ads not currently running due to market conditions. Most expense categories were favorable to budget.



NOIBG was favorable to budget by \$2,297 but unfavorable to last year \$2,160.



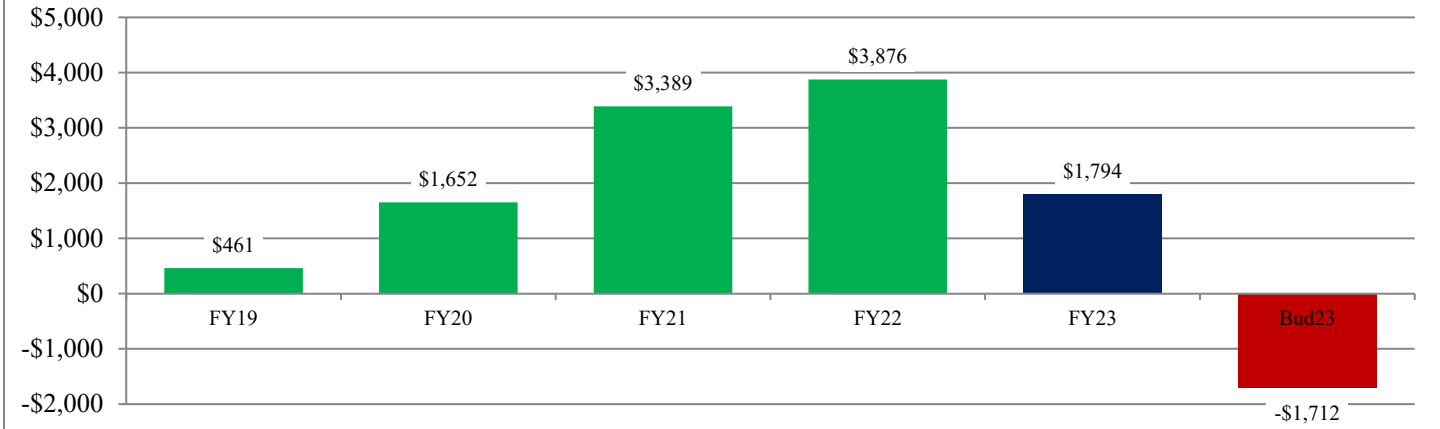
Grant Revenue was \$27 or 4.0% unfavorable to budget as well as \$110 last year. Grant Revenue is solely made up of military DPA.



Grant Expense was favorable to budget by \$136 or 9.2% as well as last year by \$638 or 32.2%. Grant Expense State is made up of Military DPA grants, it is below budget due to lower disbursements in October YTD.

Net Operating Income after Grants

\$ in thousands



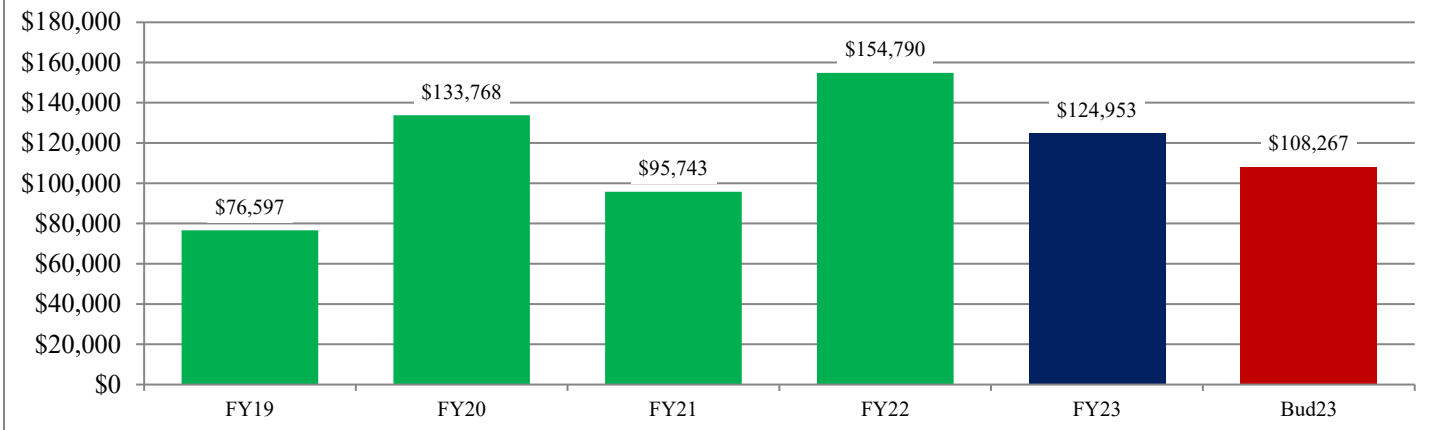
Net Operating Income After Grants was favorable to budget by \$3,506 but unfavorable to last year by \$2,082.

MBS Activity (\$ in thousands)

Series	Purchased	Sold	Net	DPA Grant	Funds Available
RHF Security (034)	-	-	-	-	9,899
RHF Program (053)	-	-	-	73	4,353
Retired MBS (058)	-	-	-	-	10,826
2015 ABC 059 thru 070	8,645		8,645		29,887
2021 BC (071)	372		372	-	4,190
2021 DEF (072)	-		-	-	2,517
2022 AB (073)	189		189	-	1,410
2022 C (074)	-		-	-	-
2022 DEF (075)	62,254		62,254	362	1,850
2022 GHI (076)	31,264		31,264	208	42,399
SF Warehouse Acct (054)	22,229	(12,551)	9,678	-	28,663
Total Single Family	124,953	(12,551)	112,402	643	135,994

MBS Purchases

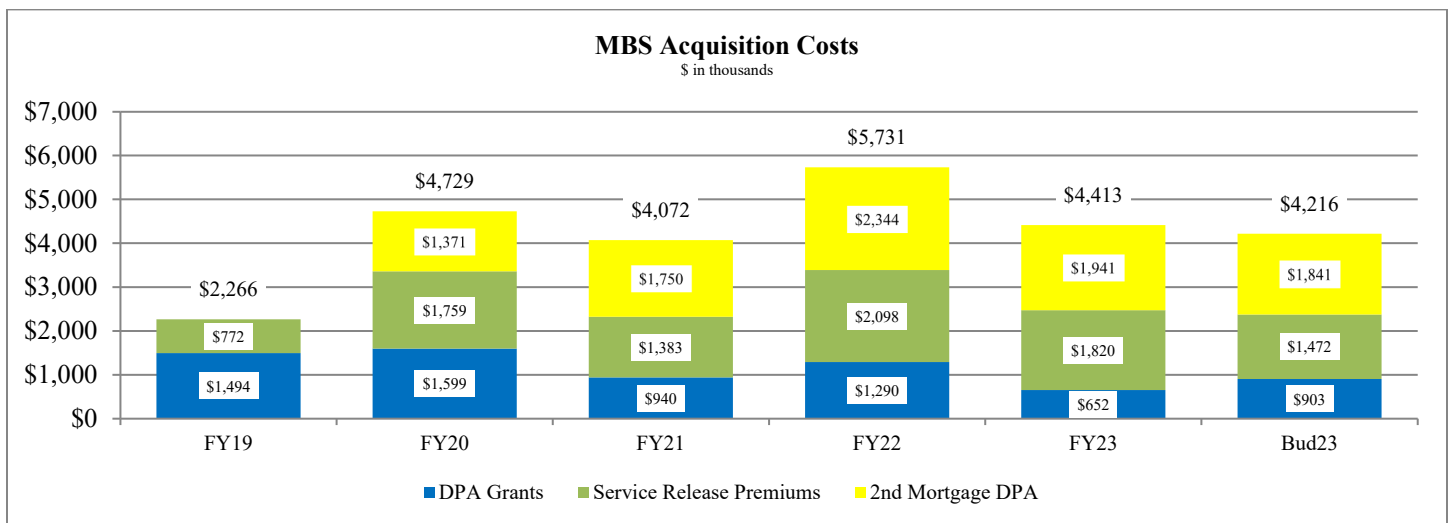
\$ in thousands



MBS Purchases were \$16,686 or 15.4% favorable to budget.

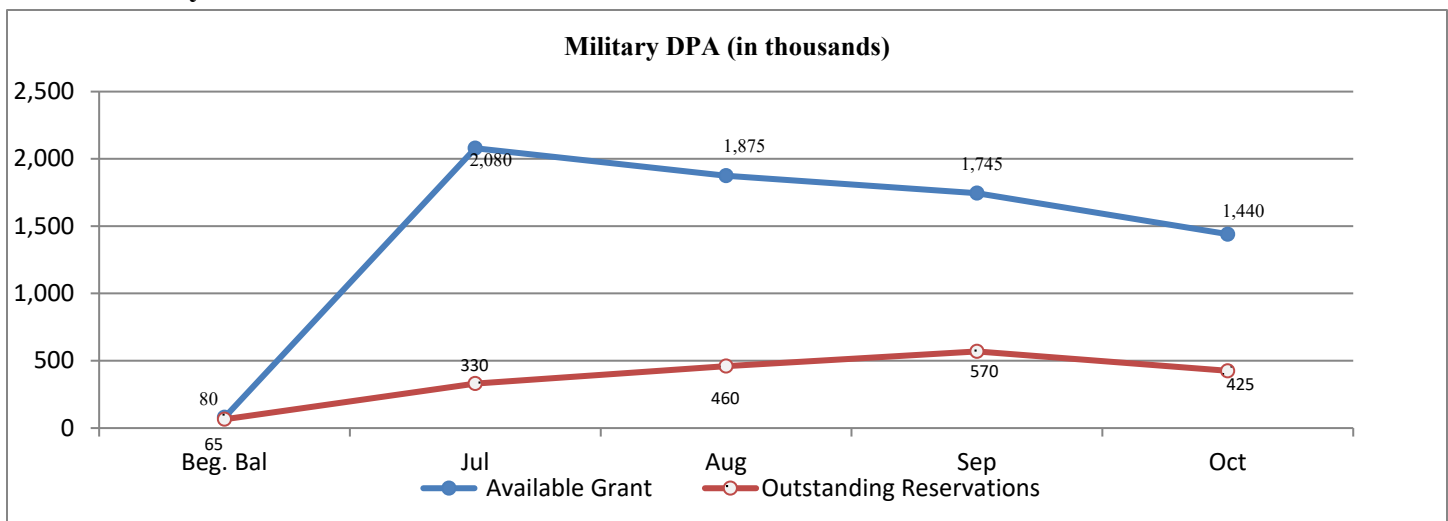
SF Portfolio Analysis (\$ in thousands)

Description	6/30/22 Balance	Additions	Reduction	YTD FY23	
				Balance	Chg
Mortgage Backed Sec - Cost	947,250	112,402	(30,234)	1,029,418	9%
Other SF Loans (net of reserve)	1,248		(311)	937	-25%
SF Second Mortgage DPA	15,603	2,045	(104)	17,544	12%
Warehouse Loans - LOC	23,882		6,987	30,869	29%
Subtotal	987,983	114,446	(23,662)	1,078,768	9%
MBS - FMVA	(53,302)	-	(70,086)	(123,388)	131%
Total Portfolio	934,681	114,446	(93,748)	955,380	2%



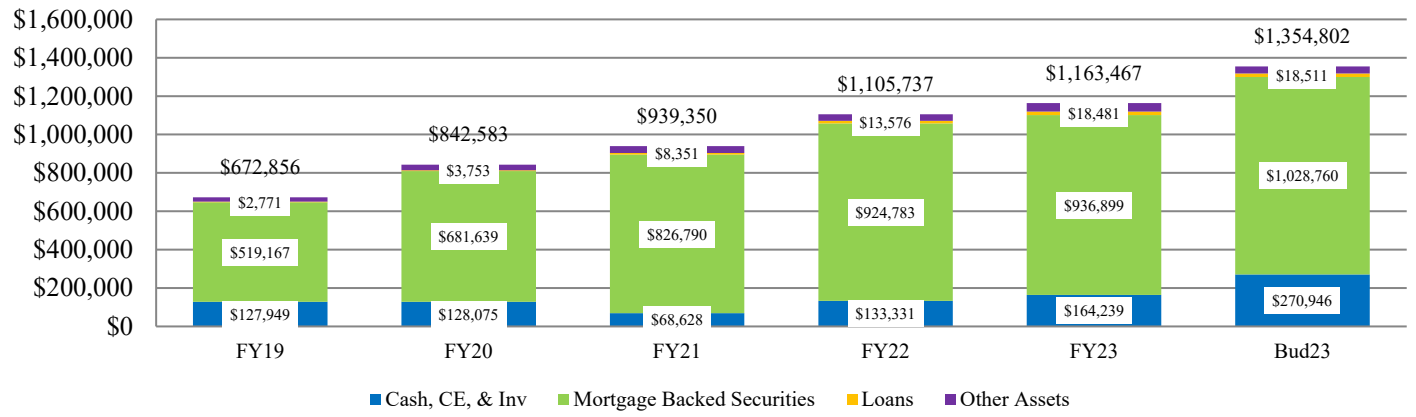
MBS Acquisition Costs are 4.7% above budget with SRP and second mortgage DPA leading the unfavorability.

Other Activity



Total disbursements to date \$640, available grants \$1,440 and outstanding reservations \$425 and carry-over reservations of \$65.

Assets
\$ in thousands



Total assets and deferred outflows were 14.1% unfavorable to budget.

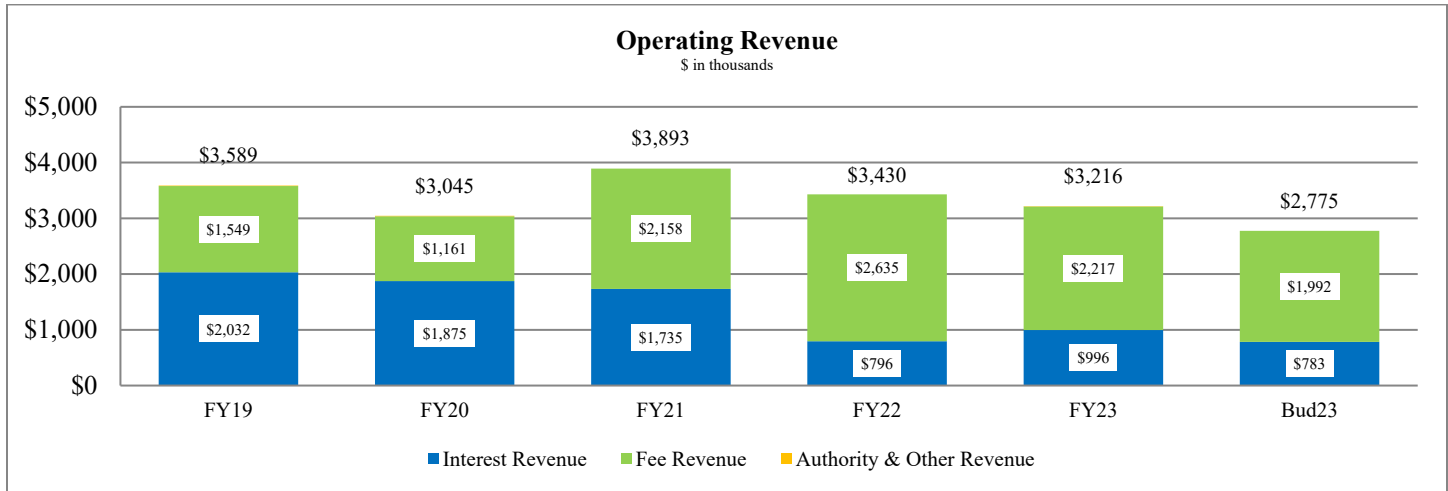
Balance Sheet	Single Family (Rollup)						
	Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	139,262,108	270,945,702	(131,683,593)	-48.6	133,331,090	5,931,018	4.4
Investments	24,976,750	-	24,976,750	0.0	-	24,976,750	0.0
Mortgage Backed Securities	906,030,354	1,012,132,855	(106,102,500)	-10.5	897,008,496	9,021,858	1.0
Line of Credit	30,868,736	16,626,959	14,241,777	85.7	27,774,877	3,093,859	11.1
Loans - net of reserve for losses	18,481,361	18,511,168	(29,807)	-0.2	13,575,770	4,905,591	36.1
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	41,498,058	29,385,578	12,112,480	41.2	26,678,380	14,819,678	55.5
Deferred Outflows	2,349,676	7,199,394	(4,849,718)	-67.4	7,368,310	(5,018,634)	-68.1
Total Assets and Deferred Outflows	1,163,467,044	1,354,801,655	(191,334,611)	-14.1	1,105,736,924	57,730,120	5.2
Liabilities, Deferred Inflows, and Equity							
Debt	1,044,630,421	1,102,445,377	(57,814,955)	-5.2	838,314,838	206,315,584	24.6
Interest Payable	6,915,954	16,854,036	(9,938,082)	-59.0	5,000,698	1,915,255	38.3
Unearned Revenue	1,439,714	(488,787)	1,928,501	-394.5	1,624,280	(184,566)	-11.4
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	587,265	719,472	(132,206)	-18.4	1,009,499	(422,234)	-41.8
Other liabilities	299,975	5,003,190	(4,703,215)	-94.0	5,003,190	(4,703,215)	-94.0
Deferred Inflows	12,558,390	1,137,094	11,421,296	1004.4	1,872,380	10,686,009	570.7
Total Liabilities and Deferred Inflows	1,066,431,719	1,125,670,381	(59,238,661)	-5.3	852,824,886	213,606,834	25.0
Equity							
YTD Earnings(Loss)	(68,100,428)	(1,712,165)	(66,388,263)	3877.4	788,953	(68,889,381)	-8731.7
Prior Years Earnings	164,707,820	230,092,273	(65,384,453)	-28.4	251,778,209	(87,070,388)	-34.6
Transfers	427,933	751,167	(323,234)	-43.0	344,876	83,056	24.1
Total Equity	97,035,324	229,131,274	(132,095,949)	-57.7	252,912,038	(155,876,713)	-61.6
Total Liabilities, Deferred Inflows, and Equity	1,163,467,044	1,354,801,655	(191,334,611)	-14.1	1,105,736,924	57,730,120	5.2

Income Statement	Single Family (Rollup)													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	3,337,861	2,739,193	598,668	21.9	2,793,812	544,049	19.5	12,214,128	10,744,146	1,469,982	13.7	11,112,090	1,102,038	9.9
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	164,064	28,580	135,484	474.1	11,429	152,635	1335.5	352,417	78,565	273,853	348.6	(2,283)	354,700	#####
Other Revenue	-	-	-	0.0	-	-	0.0	-	1,000	(1,000)	-100.0	1,000	(1,000)	-100.0
Total Operating Revenue	3,501,925	2,767,773	734,152	26.5	2,805,241	696,684	24.8	12,566,545	10,823,711	1,742,835	16.1	11,110,807	1,455,738	13.1
Operating Expense														
Interest Expense	2,231,116	1,921,893	309,223	16.1	1,265,531	965,585	76.3	8,228,432	8,256,699	(28,267)	-0.3	5,145,297	3,083,136	59.9
Authority Expense	-	-	-	0.0	-	-	0.0	1,377,367	1,594,367	(217,001)	-13.6	1,103,816	273,551	24.8
Employee Expenses	77,704	80,808	(3,104)	-3.8	68,131	9,573	14.1	327,026	329,721	(2,695)	-0.8	285,993	41,033	14.3
Shared Expenses	3,135	3,105	30	1.0	3,050	85	2.8	71,503	73,420	(1,917)	-2.6	12,206	59,297	485.8
Marketing Expense	-	62,550	(62,550)	-100.0	42,102	(42,102)	-100.0	607	250,050	(249,443)	-99.8	36,987	(36,380)	-98.4
Professional Services	63,309	110,865	(47,556)	-42.9	74,629	(11,319)	-15.2	331,041	390,515	(59,474)	-15.2	248,710	82,331	33.1
Claim and Loss Expenses	4,600	-	4,600	0.0	-	4,600	0.0	4,600	-	4,600	0.0	(98,000)	102,600	-104.7
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	(20)	10	(30)	-300.0	-	(20)	0.0	-	40	(40)	-100.0	20	(20)	-100.0
Overhead Allocation	10,420	4,630	5,790	125.1	3,459	6,961	201.3	25,368	24,736	632	2.6	14,817	10,551	71.2
Total Operating Expense	2,390,265	2,183,861	206,404	9.5	1,456,902	933,363	64.1	10,365,944	10,919,548	(553,604)	-5.1	6,749,846	3,616,098	53.6
Net Operating Income (Loss) Before Grants	1,111,660	583,912	527,748	90.4	1,348,339	(236,679)	-17.6	2,200,601	(95,837)	2,296,439	-2396.2	4,360,961	(2,160,360)	-49.5
Net Grant (Income) Expense														
Grant Revenue	(304,832)	(166,667)	(138,165)	82.9	(174,934)	(129,898)	74.3	(639,832)	(666,667)	26,835	-4.0	(749,934)	110,102	-14.7
Grant Expense	475,389	370,749	104,640	28.2	440,178	35,211	8.0	1,346,602	1,482,995	(136,393)	-9.2	1,985,353	(638,751)	-32.2
Intra-Agency Transfers	-	-	-	0.0	(750,000)	750,000	-100.0	(300,000)	800,000	(1,100,000)	-137.5	(750,000)	450,000	-60.0
Total Net Grant (Income) Expense	170,557	204,082	(33,525)	-16.4	(484,756)	655,313	-135.2	406,770	1,616,328	(1,209,559)	-74.8	485,419	(78,649)	-16.2
Net Operating Income (Loss) After Grants	941,103	379,830	561,273	147.8	1,833,095	(891,992)	-48.7	1,793,832	(1,712,165)	3,505,997	-204.8	3,875,542	(2,081,710)	-53.7
Other Non-Operating (Income) Expense	15,044,277	-	15,044,277	0.0	3,315,838	11,728,438	353.7	69,894,260	-	69,894,260	0.0	3,086,589	66,807,671	2164.4
Net Income (Loss)	(14,103,174)	379,830	(14,483,003)	-3813.0	(1,482,744)	(12,620,430)	851.2	(68,100,428)	(1,712,165)	(66,388,263)	3877.4	788,953	(68,889,381)	-8731.7
IFA Home Dept Staff Count	-	6	(6)	-100.0	5	(5)	-100.0	2	6	(5)	-75.0	5	(4)	-70.0
FTE Staff Count	-	8	(8)	-100.0	7	(7)	-100.0	6	8	(2)	-23.9	7	(1)	-10.8

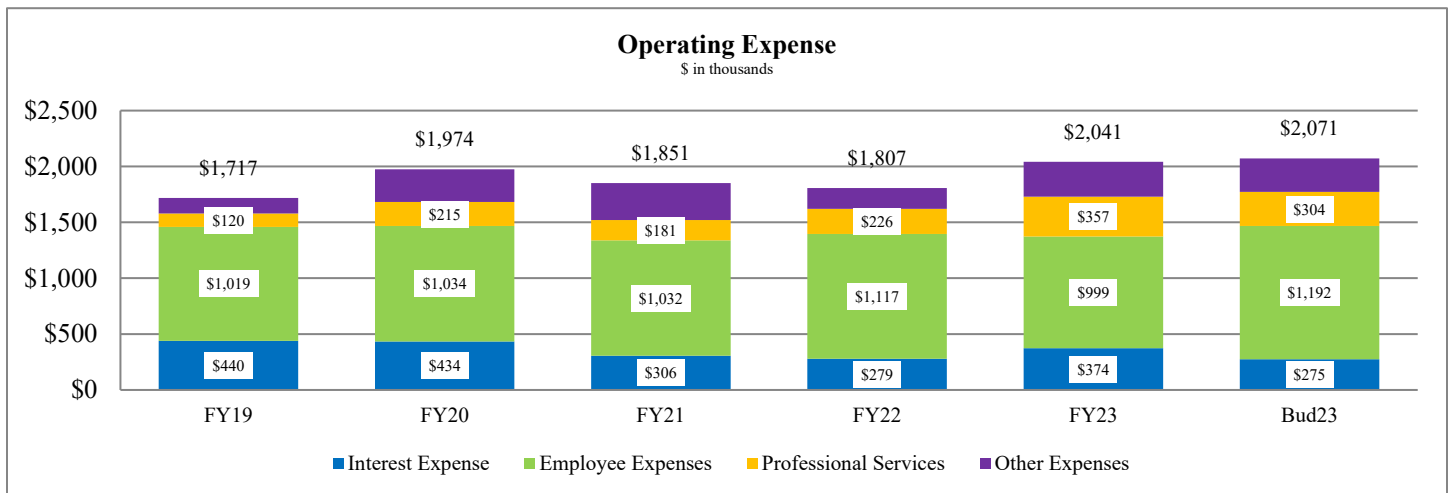
To: IFA Board Members
 From: Ashten Sinclair
 Date: November 15, 2022
 Re: October 2022 YTD Multi-Family Financial Results

Multi-Family Results (\$ in thousands)

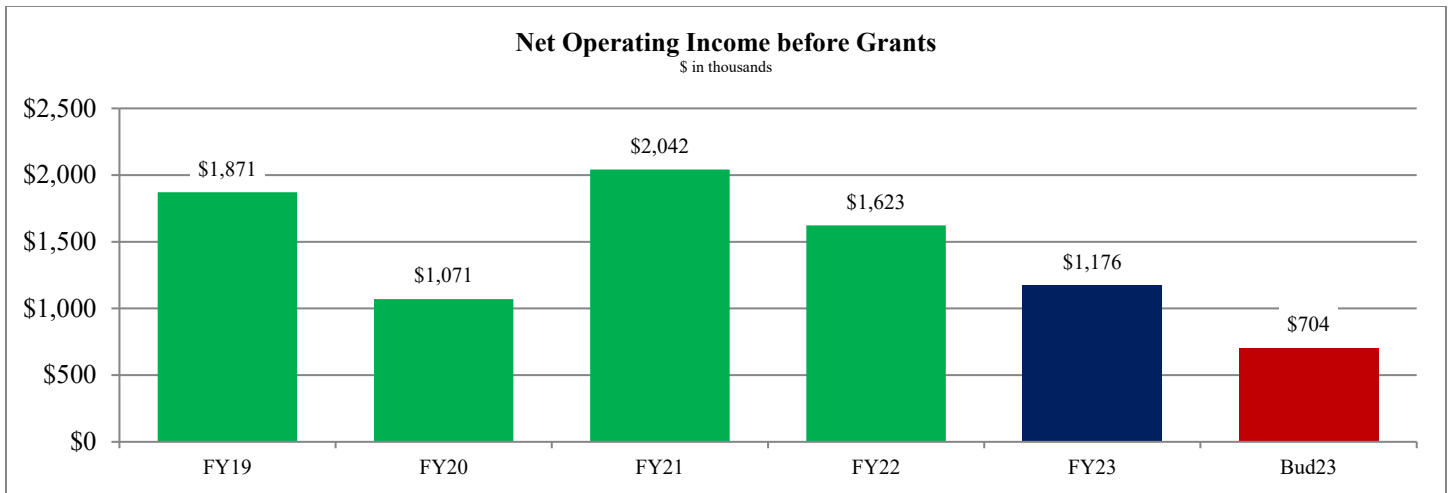
Multi-Family programs are operating favorable to budget through the end of October of FY23.



Operating Revenue was \$441 or 15.9% above budget and \$214 or 6.2% below last year. Fee revenue was \$225 or 11.3% above budget due to income from loan applications and commitment fees not anticipated at budget time.



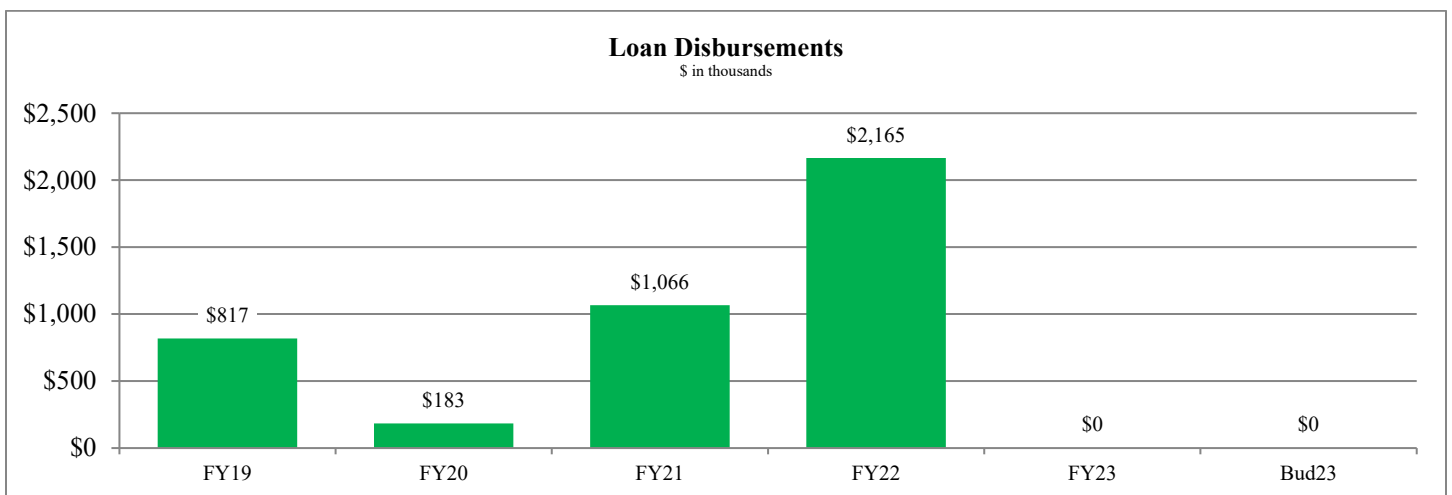
Operating Expense was \$30 or 1.5% below budget and \$234 or 12.9% above last year. The increase in Professional Services is due to rise in Section 8 contract fees. Increase in Interest Expense is due to rapid rise in interest rates.



NOIBG was \$472 above budget and \$447 below last year.

MF Portfolio Analysis (\$ in whole dollars)

	#	6/30/2022	Additions	Transfers	Reductions	End Bal	CHG	#
Multifamily Program Loans	38	26,924,631	0	0	(242,521)	26,682,110	-1%	37
Multifamily Loans	6	33,022,659	0	0	(226,264)	32,796,395	-1%	6
	44	59,947,290	0	0	(468,785)	59,478,505		43
Loan Reserves		(1,310,000)	0	0	2,000	(1,308,000)	0%	
Capitalized Interest Reserves		0	0	0	0	0	0%	
Total Portfolio		58,637,290	0	0	(466,785)	58,170,505	-1%	



MF Commitments (\$ in whole dollars)

	Commitment Date	Original Commitment	9/30/2022 Balance	Monthly Activity	10/31/2022 Balance	Remaining Commitment
Grants						
Mobile Response Team - FY20/FY21/FY22	12/4/2019	275,221	175,221	0	175,221	100,000
Mobile Response Team - FY23 Extension	5/4/2022	100,000	0	0	0	100,000
Total Grants		375,221	175,221	0	175,221	200,000
Construction Loans						
					0	0
Total Construction		0	0	0	0	0
Permanent Loans						
MF-XX-XXX - Grace Creek Senior Apartments	6/1/2022	500,000	0	0	0	500,000
MF-XX-XXX - Westown Crossing Senior Apts	6/1/2022	1,400,000	0	0	0	1,400,000
Total Permanent		1,900,000	0	0	0	1,900,000
Totals		2,275,221	175,221	0	175,221	2,100,000
xxx = no loan agreement signed						

Income Statement	Multi Family (Rollup)													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	270,120	195,240	74,880	38.4	211,001	59,119	28.0	996,287	783,349	212,938	27.2	795,537	200,750	25.2
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	260,635	997,721	(737,086)	-73.9	294,815	(34,180)	-11.6	2,216,683	1,991,815	224,868	11.3	2,634,598	(417,916)	-15.9
Other Revenue	2,000	-	2,000	0.0	-	2,000	0.0	3,500	-	3,500	0.0	-	3,500	0.0
Total Operating Revenue	532,755	1,192,961	(660,206)	-55.3	505,816	26,939	5.3	3,216,469	2,775,164	441,306	15.9	3,430,135	(213,666)	-6.2
Operating Expense														
Interest Expense	112,322	68,683	43,639	63.5	68,489	43,834	64.0	373,643	275,355	98,288	35.7	278,584	95,059	34.1
Authority Expense	-	-	-	0.0	-	-	0.0	63,092	62,993	99	0.2	64,335	(1,243)	-1.9
Employee Expenses	232,404	288,386	(55,982)	-19.4	254,215	(21,811)	-8.6	998,585	1,191,904	(193,319)	-16.2	1,116,584	(117,999)	-10.6
Shared Expenses	1,145	16,110	(14,965)	-92.9	15,821	(14,676)	-92.8	64,629	103,460	(38,831)	-37.5	32,346	32,283	99.8
Marketing Expense	-	10	(10)	-100.0	50	(50)	-100.0	-	90	(90)	-100.0	50	(50)	-100.0
Professional Services	22,656	76,050	(53,394)	-70.2	34,211	(11,555)	-33.8	356,821	304,404	52,418	17.2	225,757	131,064	58.1
Claim and Loss Expenses	(1,000)	-	(1,000)	0.0	(1,000)	-	0.0	(4,000)	-	(4,000)	0.0	(4,000)	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	(20)	-	(20)	0.0	25	(45)	-180.0	-	-	-	0.0	25	(25)	-100.0
Overhead Allocation	75,978	27,344	48,635	177.9	22,304	53,674	240.6	187,988	132,823	55,165	41.5	93,492	94,496	101.1
Total Operating Expense	443,486	476,583	(33,097)	-6.9	394,115	49,371	12.5	2,040,758	2,071,029	(30,271)	-1.5	1,807,173	233,585	12.9
Net Operating Income (Loss) Before Grants	89,270	716,378	(627,109)	-87.5	111,701	(22,432)	-20.1	1,175,711	704,135	471,576	67.0	1,622,962	(447,251)	-27.6
Net Grant (Income) Expense														
Grant Revenue	(5,726,059)	(5,700,000)	(26,059)	0.5	(5,693,644)	(32,415)	0.6	(23,823,208)	(24,425,000)	601,792	-2.5	(22,753,731)	(1,069,477)	4.7
Grant Expense	5,684,174	5,700,000	(15,826)	-0.3	5,793,644	(109,470)	-1.9	23,765,011	24,675,000	(909,989)	-3.7	23,153,731	611,280	2.6
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	(41,885)	-	(41,885)	0.0	100,000	(141,885)	-141.9	(58,196)	250,000	(308,196)	-123.3	400,000	(458,196)	-114.5
Net Operating Income (Loss) After Grants	131,155	716,378	(585,224)	-81.7	11,701	119,453	1020.9	1,233,908	454,135	779,773	171.7	1,222,962	10,946	0.9
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	(2,893)	-	(2,893)	0.0	-	(2,893)	0.0
Net Income (Loss)	131,155	716,378	(585,224)	-81.7	11,701	119,453	1020.9	1,236,800	454,135	782,665	172.3	1,222,962	13,838	1.1
IFA Home Dept Staff Count	-	30	(30)	-100.0	25	(25)	-100.0	6	30	(23)	-78.8	25	(19)	-75.0
FTE Staff Count	-	28	(28)	-100.0	24	(24)	-100.0	17	28	(12)	-41.7	24	(7)	-30.3

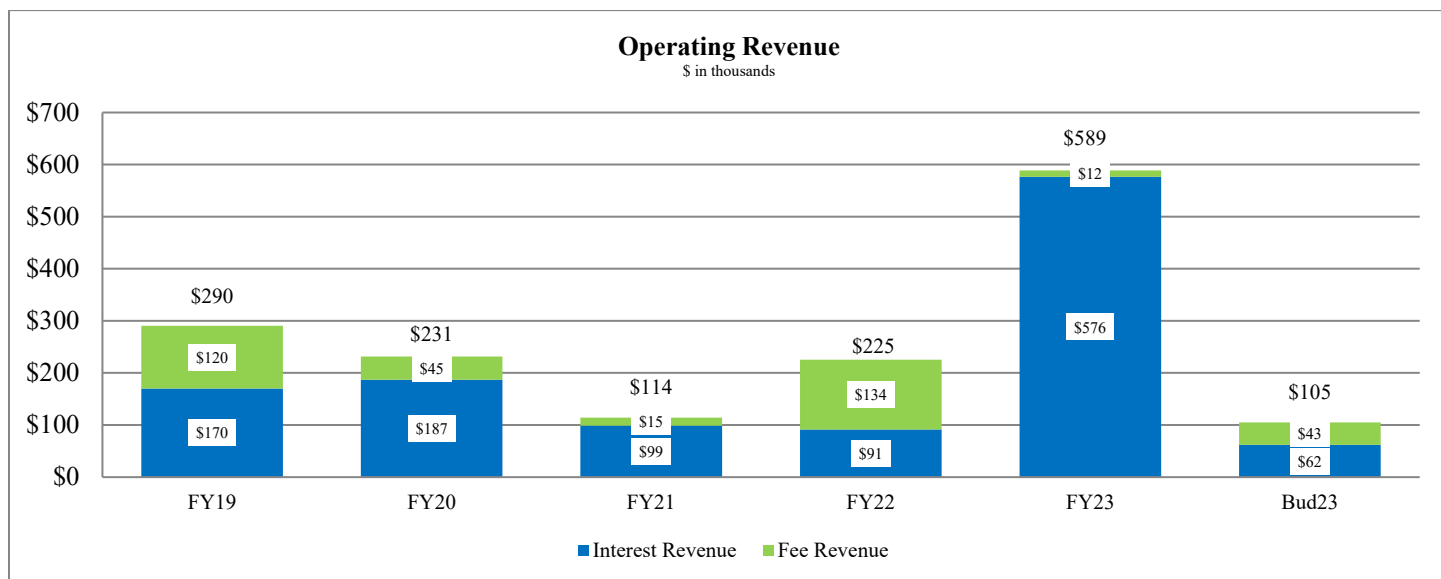
Balance Sheet	Multi Family (Rollup)						
	Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	27,307,580	26,308,913	998,667	3.8	24,663,239	2,644,342	10.7
Investments	-	2,668,977	(2,668,977)	-100.0	835,000	(835,000)	-100.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	58,170,455	58,315,398	(144,943)	-0.2	60,259,478	(2,089,022)	-3.5
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	190,594	91,865	98,729	107.5	62,253	128,341	206.2
Deferred Outflows	89,379	332,311	(242,933)	-73.1	332,311	(242,933)	-73.1
Total Assets and Deferred Outflows	85,758,009	87,717,465	(1,959,456)	-2.2	86,152,281	(394,272)	-0.5
Liabilities, Deferred Inflows, and Equity							
Debt	31,869,566	32,677,129	(807,563)	-2.5	32,944,375	(1,074,809)	-3.3
Interest Payable	131,756	357,483	(225,728)	-63.1	87,536	44,220	50.5
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	9,109,040	10,224,055	(1,115,016)	-10.9	9,701,032	(591,992)	-6.1
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	20,840	22,351	(1,511)	-6.8	14,491	6,349	43.8
Other liabilities	89,379	332,311	(242,933)	-73.1	332,311	(242,933)	-73.1
Deferred Inflows	51,258	7,094	44,165	622.6	7,094	44,165	622.6
Total Liabilities and Deferred Inflows	41,271,839	43,620,424	(2,348,585)	-5.4	43,086,838	(1,814,999)	-4.2
Equity							
YTD Earnings(Loss)	1,236,800	454,135	782,665	172.3	1,222,962	13,838	1.1
Prior Years Earnings	43,943,612	43,909,164	34,448	0.1	43,014,735	928,877	2.2
Transfers	(694,242)	(266,258)	(427,984)	160.7	(1,172,255)	478,012	-40.8
Total Equity	44,486,170	44,097,041	389,129	0.9	43,065,443	1,420,727	3.3
Total Liabilities, Deferred Inflows, and Equity	85,758,009	87,717,465	(1,959,456)	-2.2	86,152,281	(394,272)	-0.5

To: IFA Board Members
 From: Stephanie Willis
 Date: November 14, 2022
 Re: October 2022 YTD Financial Results

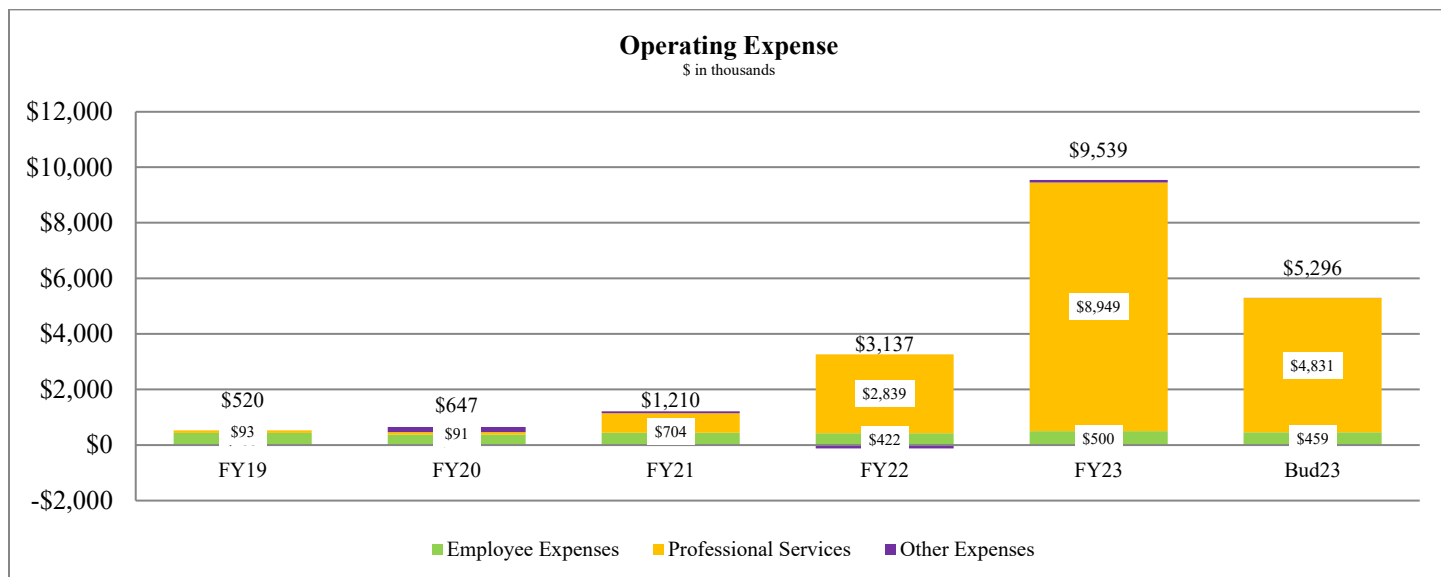


Federal and State Programs (\$ in thousands)

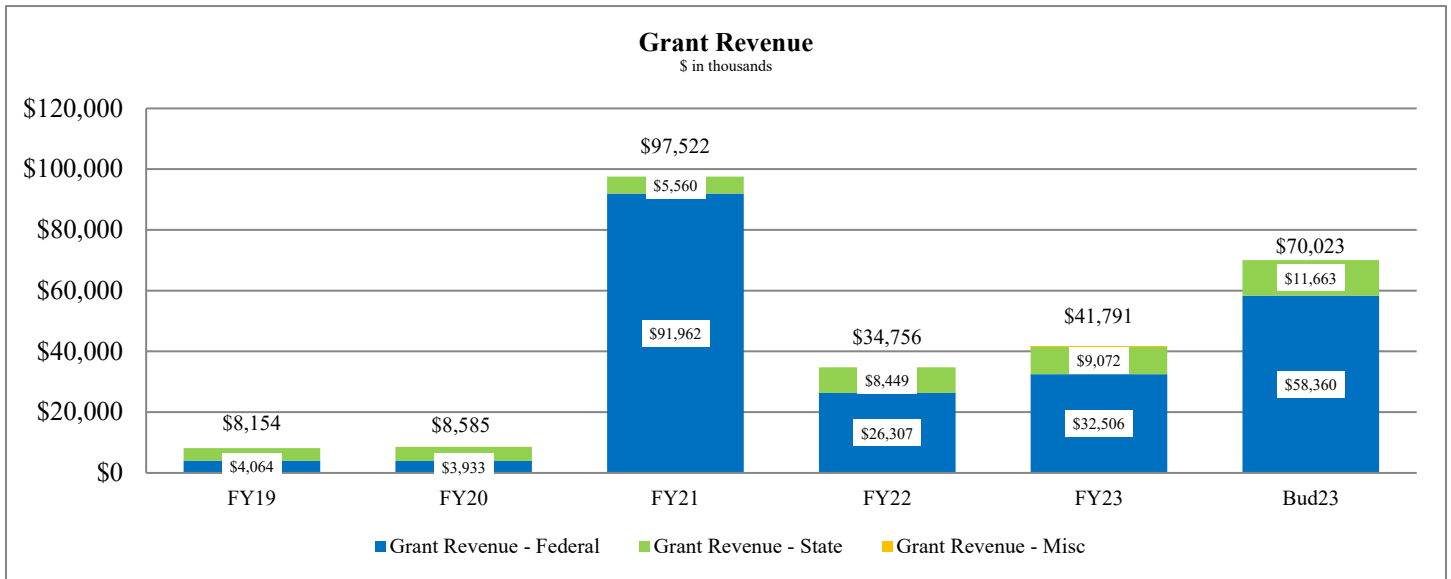
Federal and State programs are operating unfavorable to budget for the beginning of the second quarter of FY23.



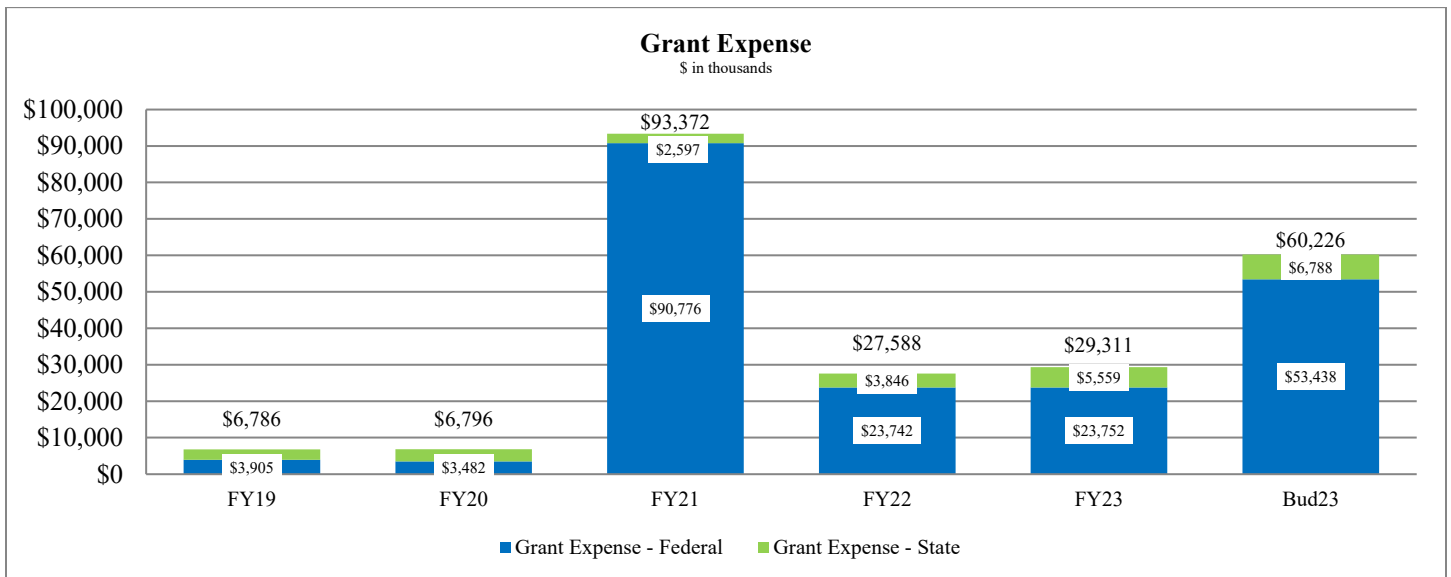
Operating Revenue was favorable to budget and prior year by \$484 and \$364, respectively. Interest revenue was \$514 above budget, which was largely due to the interest from the Emergency Rental Assistance One checking.



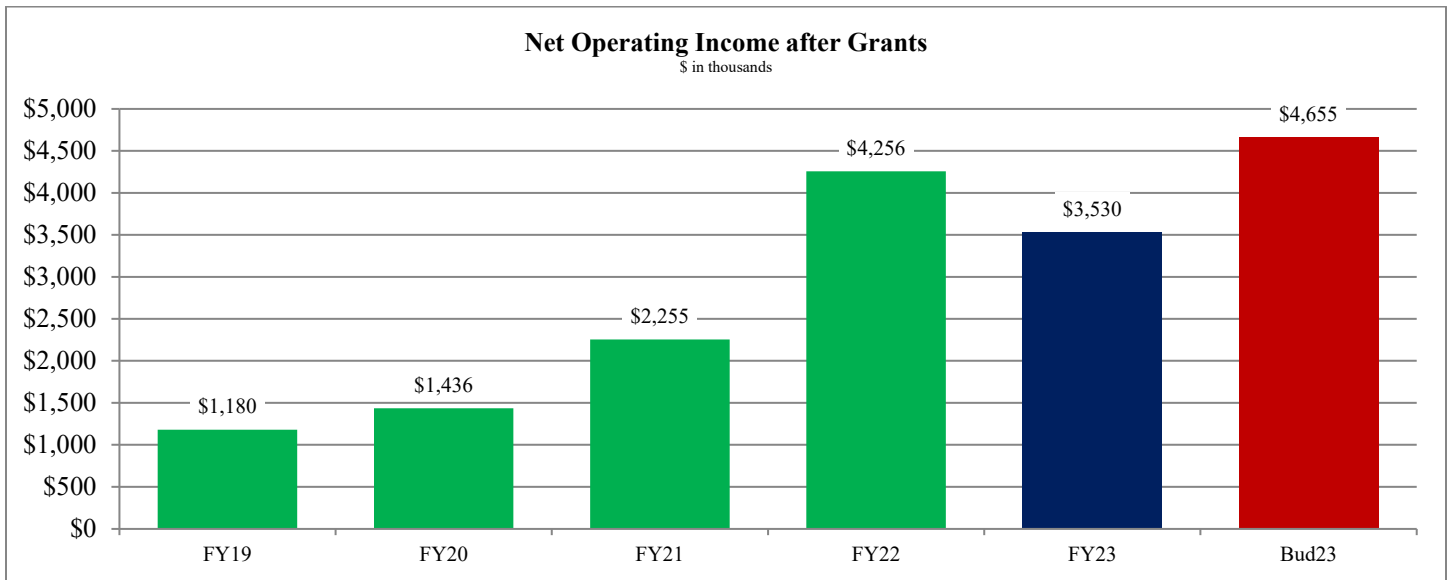
Operating Expense was \$4,243 or 80.1% unfavorable to budget and \$6,402 to prior year. Professional Services expenses were \$4,118 or 85.2% above budget, due to \$4,323 accrued expenses for future obligations in the Iowa Rental Utility Assistance Program (IRUAP). This accrual was required by the federal government in accordance with closing out the funding from the emergency rental assistance one (ERA1) program, known as IRUAP at IFA.



Grant Revenue was unfavorable to budget by \$28,232 or 40.3%, which is largely due to the below-mentioned programs disbursing less than expected. Grant Revenue is favorable to prior year by 7,035, due to an increase in programs.

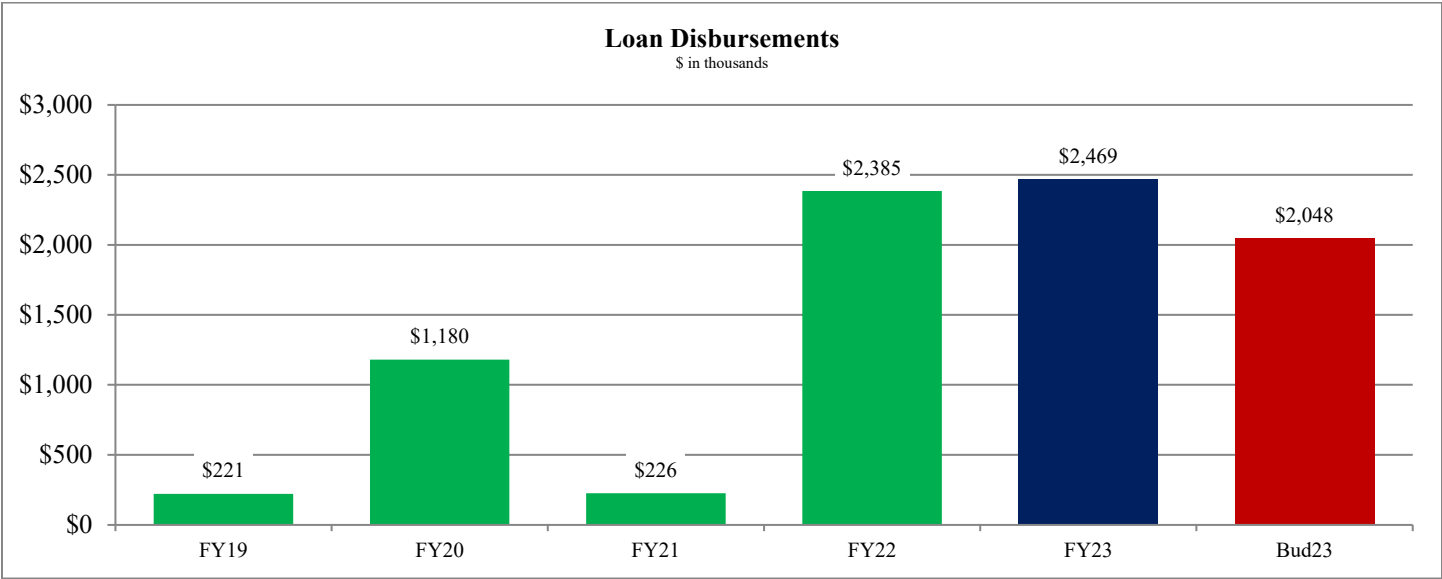


Grant Expense was less than budgeted by \$30,915 or 51.3%. The federal difference of \$29,686 from current year to budget is largely due to the following programs disbursing less than expected: Water Infrastructure Funds (WIF) \$21,540, Refugee Resettlement Assistance (RRA) \$5,859, and Rapid Rehousing (RRH) \$1,911. Grant expense is greater than prior year by \$1,723, due to the increase of programs.



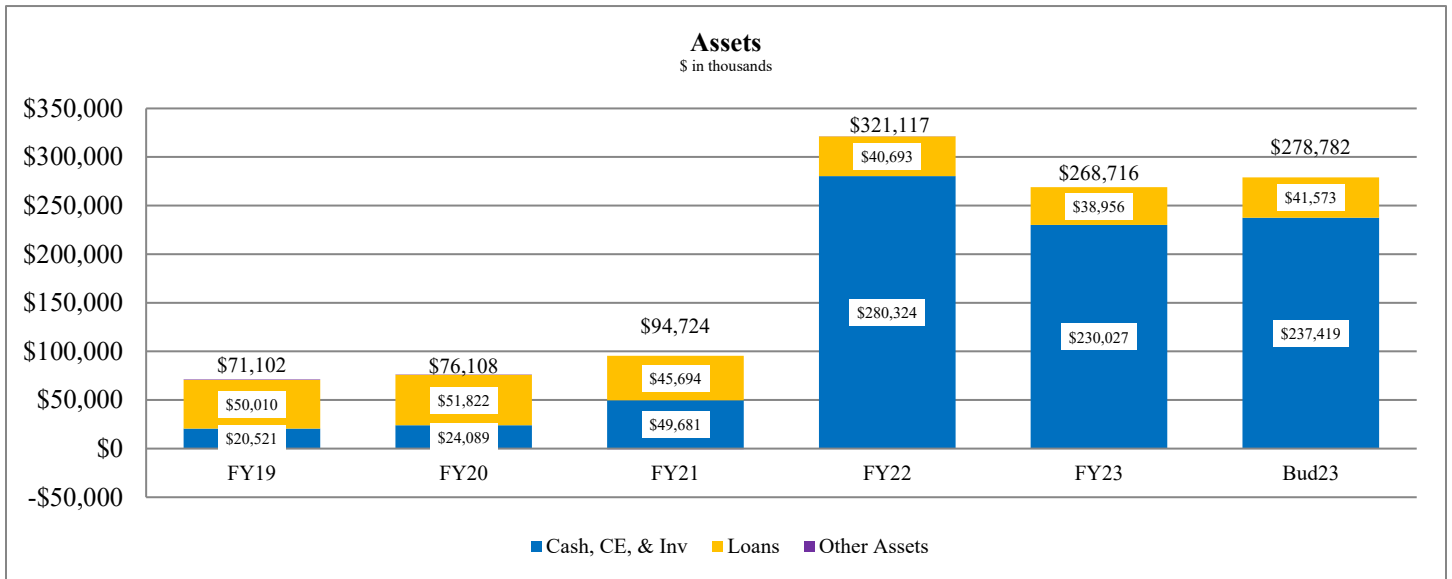
NOIAG was unfavorable to budget by \$1,125 and unfavorable to prior year by \$726. The variance is mainly due to the quarterly grant revenue being less than budgeted for our water program.

FSP Loan Portfolio by Series	June 30, 2022		Additions	Payments	Ending Balance		
	#	Balance			Balance	Chg	#
500-047 SHTF - Loans	10	1,858,869	-	(42,566)	1,816,303	-2.3%	10
500-047 SHTF - Cash Flow Loans	2	276,663	-	(200)	276,463	-0.1%	2
500-049 Senior Living Trust Lns	13	6,038,247	150,949	(75,123)	6,114,074	1.3%	13
500-050 Home & Comm Tr Lns	7	1,437,662	-	(46,886)	1,390,776	-3.3%	7
500-051 Transitional Housing Lns	2	762,259	-	(15,495)	746,763	-2.0%	2
500-057 TCAP Loans	12	17,890,957	-	-	17,890,957	0.0%	12
500-058 HOME Loans	208	119,013,017	2,318,382	(181,903)	121,149,497	1.8%	212
500-062 CHS Loans	7	620,818	-	(5,889)	614,929	-0.9%	7
Total Portfolio before Cap Int & Reserves		147,898,492	2,469,331	(368,063)	149,999,761	1.4%	
Loan Capitalized Interest Reserve		(8,955,000)	-	11,000	(8,944,000)	-0.1%	
Loan Reserves		(100,978,000)	-	(1,122,000)	(102,100,000)	1.1%	
Total Portfolio	261	37,965,492	2,469,331	(1,479,063)	38,955,762	2.6%	265



Loan disbursements were above budget and prior year by \$421 and \$84 respectively.

Revolving Loan Fund Commitments (\$ in whole dollars)							
Cash, Cash Equiv & Investments							State Loan Funds
	SLT 049						1,205,310
	HCBS 050						931,542
	THF 051						1,498,807
	CHS 062						2,131,929
							5,767,588
		Commitment Date	Original Commitment	9/30/2022 Balance	Monthly Activity	10/31/2022 Balance	Remaining Commitment
Loan Commitments							
	Chandler Pointe	8/5/2020	1,000,000	-	-	-	1,000,000
	Graceview Courtyard Phase II	9/8/2021	1,000,000	-	-	-	1,000,000
	Vive	9/8/2021	1,000,000	-	-	-	1,000,000
	Shenandoah Senior Villas	9/8/2021	1,000,000	-	-	-	1,000,000
	Grace Creek Senior Apts	9/8/2021	1,000,000	-	150,949	150,949	849,051
Total Commitments			5,000,000	-	150,949	150,949	4,849,051
Net Funds Available							918,537



The large asset in Cash & CE is derived from the funding for IRUAP at \$57,783, Emergency Rental Assistance II Programs (ERA 2) at \$59,051, Water Infrastructure Fund at \$9,152, and Homeowner Assistance Fund at \$45,385.

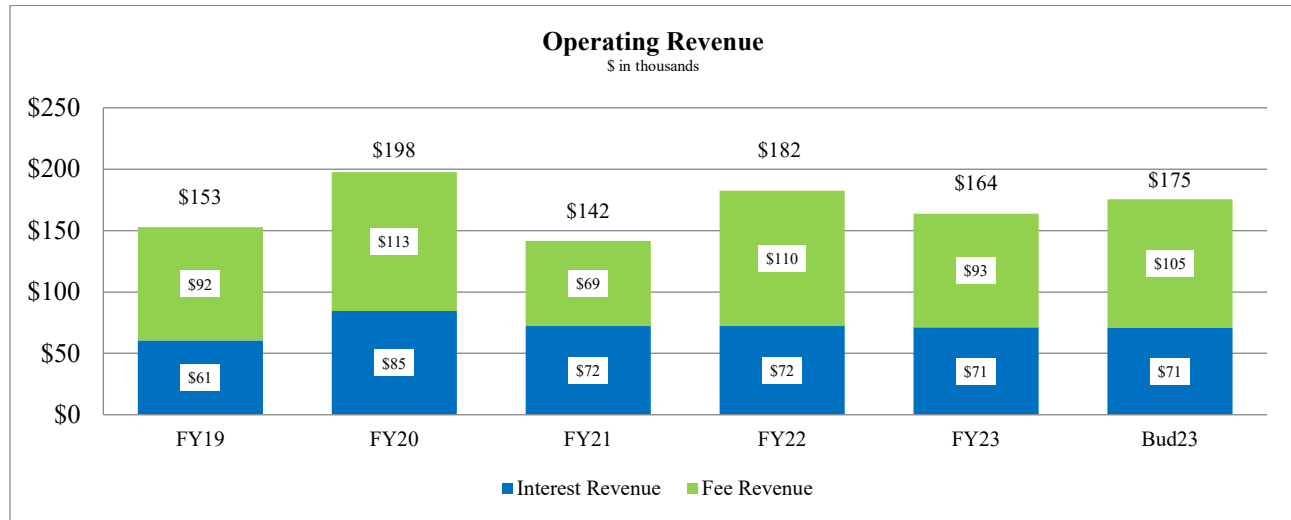
Income Statement	Federal and State Grant Programs (Rollup)													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	190,831	15,996	174,836	1093.0	23,867	166,965	699.6	576,417	61,782	514,634	833.0	91,281	485,136	531.5
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	-	10,750	(10,750)	-100.0	23,385	(23,385)	-100.0	12,220	43,000	(30,780)	-71.6	134,018	(121,798)	-90.9
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	190,831	26,746	164,086	613.5	47,252	143,580	303.9	588,637	104,782	483,854	461.8	225,299	363,338	161.3
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	2,000	(2,000)	-100.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	123,208	95,796	27,412	28.6	109,384	13,824	12.6	499,636	458,665	40,971	8.9	422,298	77,338	18.3
Shared Expenses	820	173	647	373.8	188	632	336.8	9,290	692	8,598	1242.5	3,756	5,534	147.3
Marketing Expense	1,950	-	1,950	0.0	25	1,925	7700.0	4,156	-	4,156	0.0	25	4,131	16525.0
Professional Services	(3,733)	1,187,805	(1,191,537)	-100.3	704,118	(707,851)	-100.5	8,949,199	4,831,219	4,117,980	85.2	2,838,795	6,110,405	215.2
Claim and Loss Expenses	(2,000)	(12,000)	10,000	-83.3	(171,000)	169,000	-98.8	(5,000)	(48,000)	43,000	-89.6	(174,637)	169,637	-97.1
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	(417)	25	(442)	-1768.0	40	(457)	-1142.5	-	100	(100)	-100.0	77	(77)	-100.0
Overhead Allocation	32,946	11,257	21,689	192.7	10,815	22,131	204.6	81,486	53,445	28,041	52.5	44,482	37,004	83.2
Total Operating Expense	152,774	1,283,055	(1,130,282)	-88.1	653,570	(500,796)	-76.6	9,538,768	5,296,121	4,242,647	80.1	3,136,796	6,401,972	204.1
Net Operating Income (Loss) Before Grants	38,058	(1,256,310)	1,294,367	-103.0	(606,318)	644,376	-106.3	(8,950,132)	(5,191,339)	(3,758,793)	72.4	(2,911,498)	(6,038,634)	207.4
Net Grant (Income) Expense														
Grant Revenue	(6,419,752)	(12,154,414)	5,734,662	-47.2	(8,318,012)	1,898,259	-22.8	(41,791,457)	(70,022,653)	28,231,196	-40.3	(34,755,753)	(7,035,704)	20.2
Grant Expense	5,275,075	9,946,181	(4,671,106)	-47.0	5,955,888	(680,814)	-11.4	29,310,925	60,226,037	(30,915,112)	-51.3	27,587,920	1,723,004	6.2
Intra-Agency Transfers	-	-	-	0.0	750,000	(750,000)	-100.0	-	(50,000)	50,000	-100.0	-	-	0.0
Total Net Grant (Income) Expense	(1,144,677)	(2,208,233)	1,063,556	-48.2	(1,612,123)	467,446	-29.0	(12,480,532)	(9,846,616)	(2,633,916)	26.7	(7,167,833)	(5,312,700)	74.1
Net Operating Income (Loss) After Grants	1,182,735	951,924	230,812	24.2	1,005,805	176,930	17.6	3,530,401	4,655,278	(1,124,877)	-24.2	4,256,335	(725,935)	-17.1
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	1,182,735	951,924	230,812	24.2	1,005,805	176,930	17.6	3,530,401	4,655,278	(1,124,877)	-24.2	4,256,335	(725,935)	-17.1
IFA Home Dept Staff Count	-	14	(14)	-100.0	8	(8)	-100.0	2	14	(12)	-87.5	8	(6)	-78.1
FTE Staff Count	-	10	(10)	-100.0	11	(11)	-100.0	9	10	(1)	-10.5	11	(2)	-16.0

Balance Sheet	Federal and State Grant Programs (Rollup)						
	Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	230,026,584	237,418,844	(7,392,260)	-3.1	280,324,468	(50,297,884)	-17.9
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	38,955,762	41,573,046	(2,617,285)	-6.3	40,692,869	(1,737,107)	-4.3
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	(266,822)	(209,961)	(56,861)	27.1	99,995	(366,817)	-366.8
Deferred Outflows	-	-	-	0.0	-	-	0.0
Total Assets and Deferred Outflows	268,715,524	278,781,930	(10,066,406)	-3.6	321,117,332	(52,401,808)	-16.3
Liabilities, Deferred Inflows, and Equity							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	167,075,869	180,172,218	(13,096,349)	-7.3	236,794,359	(69,718,490)	-29.4
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	463,824	(463,824)	-100.0	463,824	(463,824)	-100.0
Accounts Payable & Accrued Liabilities	4,577,599	15,531	4,562,068	29373.7	5,200	4,572,399	87930.8
Other liabilities	-	-	-	0.0	-	-	0.0
Deferred Inflows	-	-	-	0.0	-	-	0.0
Total Liabilities and Deferred Inflows	171,653,469	180,651,573	(8,998,104)	-5.0	237,263,383	(65,609,914)	-27.7
Equity							
YTD Earnings(Loss)	3,530,401	4,655,278	(1,124,877)	-24.2	4,256,335	(725,935)	-17.1
Prior Years Earnings	93,559,299	93,515,558	43,741	0.0	79,659,419	13,899,881	17.4
Transfers	(27,645)	(40,479)	12,834	-31.7	(61,805)	34,160	-55.3
Total Equity	97,062,055	98,130,357	(1,068,302)	-1.1	83,853,949	13,208,106	15.8
Total Liabilities, Deferred Inflows, and Equity	268,715,524	278,781,930	(10,066,406)	-3.6	321,117,332	(52,401,808)	-16.3

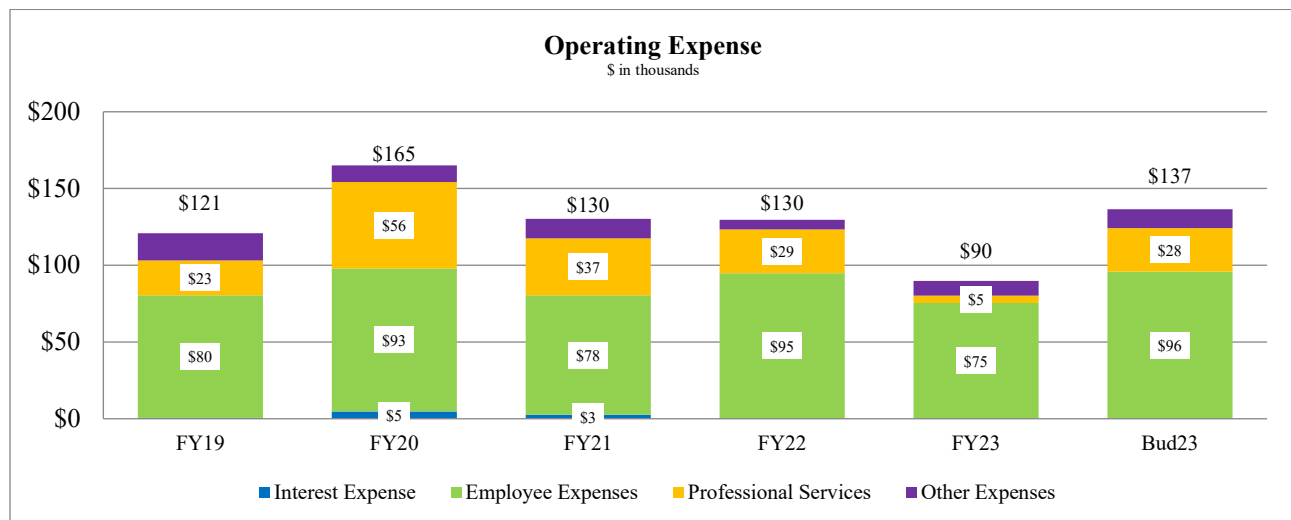
To: IFA and IADD Board Members
 From: Becky Wu
 Date: November 14, 2022
 Re: October 2022 YTD IADD Financial Results

Iowa Agricultural Development Division Results (\$ in thousands)

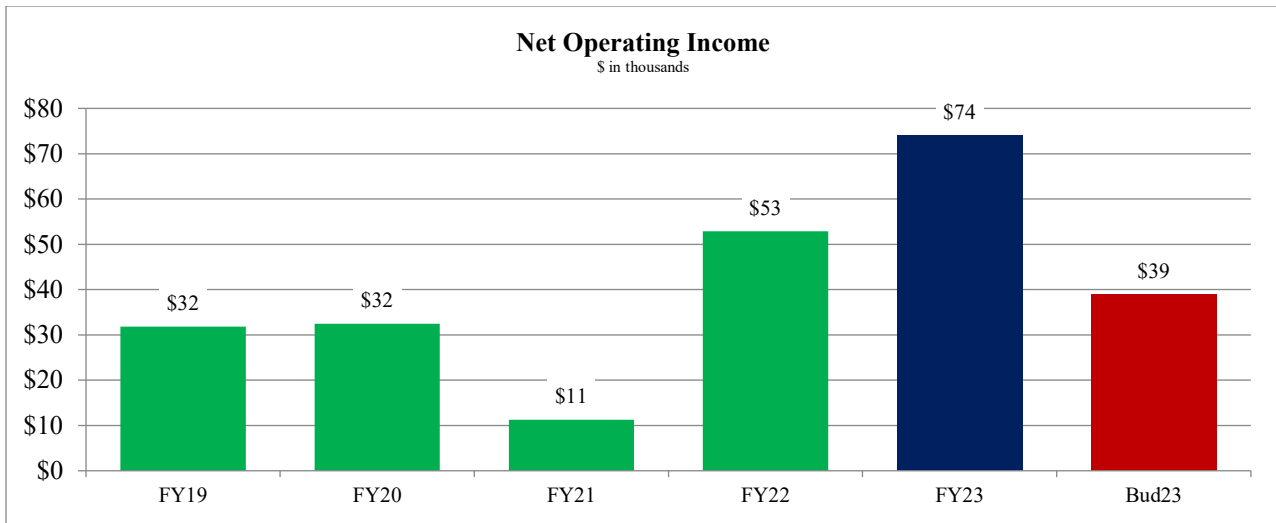
IADD Net Operating Income was favorable to budget as of October of FY23.



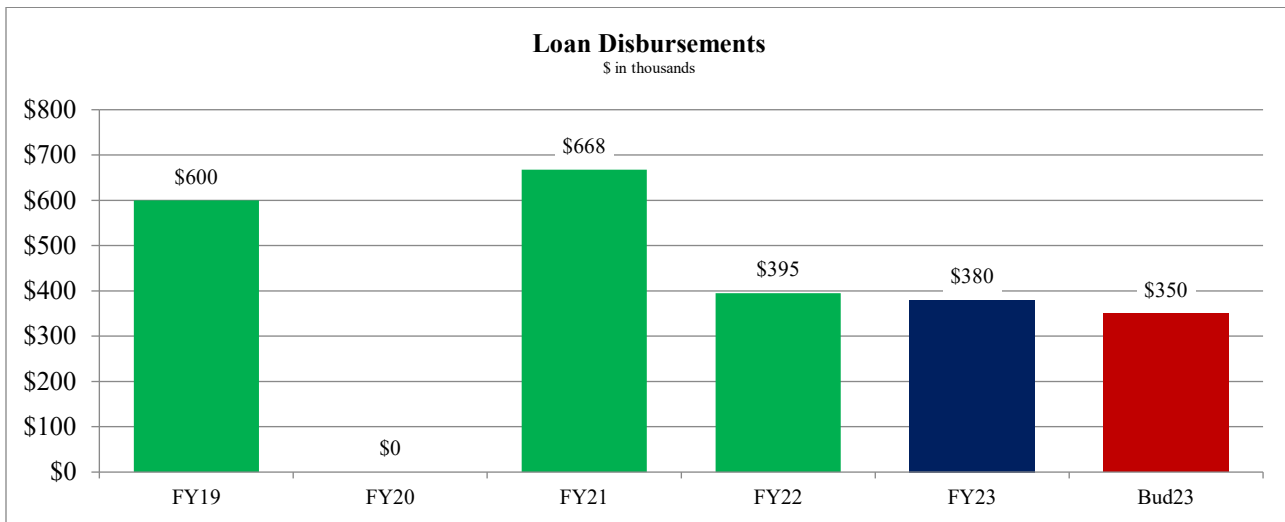
Operating Revenue was \$11 or 6.7% unfavorable to budget and \$18 or 10.3% unfavorable to last year. Fee Revenue was \$12 unfavorable to budget; Interest Revenue was the same as budgeted.



Operating Expense was \$47 or 34.3% favorable to budget and \$40 or 30.8% favorable to last year. Employee Expense was \$21 or 21.2% favorable to budget, due to lower staff employee expenses. Professional Services and Marketing Expense were also favorable to budget.



Net Income was \$35 or 90.4% favorable to budget and \$21 or 40.1% favorable to last year.



Notes:

- There was \$542 available for administrative expenses.
- Restricted Rural Rehab Trust funds (includes cash and LPP loan repayments) balance was \$643.
- The LPP loan balance was \$6,025. Loan balance net of reserves was \$5,827 and reserve was \$198.
- AG-P0275 Current loan balance was \$140. Principal loss reserve was \$140.

LPP Loan Commitments

LPP	Bank	Commitment Date	Anticipated Closing Date	Original Commitment (\$ in actual)
P0307	American State Bank	12/1/2021	12/15/2022	200,000
P0309	Farmers Savings Bank	3/2/2022	12/15/2022	200,000
P0310	Northwest Bank	5/4/2022	11/30/2022	200,000
P0313	Community Savings Bank	10/5/2022	11/30/2022	172,584
Total Commitment				772,584

Balance Sheet	Agriculture Development Division (Rollup)						
	Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	1,108,614	778,473	330,141	42.4	777,785	330,830	42.5
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	5,827,433	6,276,465	(449,032)	-7.2	6,062,876	(235,444)	-3.9
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	79,321	38,530	40,791	105.9	53,749	25,572	47.6
Deferred Outflows	-	-	-	0.0	-	-	0.0
Total Assets and Deferred Outflows	7,015,368	7,093,469	(78,101)	-1.1	6,894,410	120,958	1.8
Liabilities, Deferred Inflows, and Equity							
Debt	-	50,000	(50,000)	-100.0	-	-	0.0
Interest Payable	-	167	(167)	-100.0	-	-	0.0
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	2,644	6,127	(3,484)	-56.9	6,396	(3,753)	-58.7
Other liabilities	-	-	-	0.0	-	-	0.0
Deferred Inflows	-	-	-	0.0	-	-	0.0
Total Liabilities and Deferred Inflows	2,644	56,294	(53,650)	-95.3	6,396	(3,753)	-58.7
Equity							
YTD Earnings(Loss)	74,049	38,901	35,148	90.4	52,839	21,210	40.1
Prior Years Earnings	6,938,676	6,998,274	(59,598)	-0.9	6,835,175	103,500	1.5
Transfers	-	-	-	0.0	-	-	0.0
Total Equity	7,012,725	7,037,175	(24,450)	-0.3	6,888,014	124,711	1.8
Total Liabilities, Deferred Inflows, and Equity	7,015,368	7,093,469	(78,101)	-1.1	6,894,410	120,958	1.8

Income Statement	Agriculture Development Division (Rollup)													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	19,467	17,554	1,913	10.9	17,622	1,846	10.5	71,235	70,692	543	0.8	72,136	(900)	-1.2
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	6,545	20,550	(14,005)	-68.2	15,295	(8,750)	-57.2	92,548	104,800	(12,252)	-11.7	110,358	(17,810)	-16.1
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	26,012	38,104	(12,092)	-31.7	32,916	(6,905)	-21.0	163,783	175,492	(11,709)	-6.7	182,494	(18,711)	-10.3
Operating Expense														
Interest Expense	-	42	(42)	-100.0	-	-	0.0	-	167	(167)	-100.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	18,556	23,159	(4,603)	-19.9	22,248	(3,692)	-16.6	75,431	95,747	(20,316)	-21.2	94,814	(19,383)	-20.4
Shared Expenses	26	200	(174)	-87.0	12	14	124.9	981	800	181	22.7	231	750	324.5
Marketing Expense	-	700	(700)	-100.0	-	-	0.0	25	2,800	(2,775)	-99.1	375	(350)	-93.3
Professional Services	2,644	7,075	(4,432)	-62.6	4,865	(2,222)	-45.7	4,780	28,300	(23,520)	-83.1	28,503	(23,722)	-83.2
Claim and Loss Expenses	(1,000)	1,478	(2,478)	-167.7	1,000	(2,000)	-200.0	1,000	1,402	(402)	-28.7	1,000	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	3,087	1,380	1,707	123.7	1,105	1,983	179.4	7,516	7,375	142	1.9	4,733	2,783	58.8
Total Operating Expense	23,313	34,033	(10,721)	-31.5	29,230	(5,917)	-20.2	89,734	136,591	(46,857)	-34.3	129,655	(39,921)	-30.8
Net Operating Income (Loss) Before Grants	2,699	4,070	(1,372)	-33.7	3,687	(988)	-26.8	74,049	38,901	35,148	90.4	52,839	21,210	40.1
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Operating Income (Loss) After Grants	2,699	4,070	(1,372)	-33.7	3,687	(988)	-26.8	74,049	38,901	35,148	90.4	52,839	21,210	40.1
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	2,699	4,070	(1,372)	-33.7	3,687	(988)	-26.8	74,049	38,901	35,148	90.4	52,839	21,210	40.1
IFA Home Dept Staff Count	-	2	(2)	-100.0	2	(2)	-100.0	0	2	(2)	-87.5	2	(2)	-87.5
FTE Staff Count	-	2	(2)	-100.0	2	(2)	-100.0	2	2	(1)	-32.1	2	(1)	-31.2

Income Statement	Agriculture Development Division (Rollup)													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Income														
Interest Revenue - Loans	17,914	17,554	360	2.1%	17,517	398	2%	67,888	70,692	(2,804)	-4%	71,798	(3,910)	-5%
Interest Revenue - CE & Inv	1,553	-	1,553	0.0%	105	1,448	1380%	3,348	-	3,348	0%	338	3,009	890%
Fee Inc - BFLP	6,045	18,750	(12,705)	-67.8%	14,195	(8,150)	-57%	45,898	75,000	(29,102)	-39%	62,158	(16,260)	-26%
Fee Inc - LPP	-	1,500	(1,500)	-100.0%	100	(100)	-100%	5,800	6,000	(200)	-3%	3,300	2,500	76%
Fee Inc - BFTC	500	300	200	66.7%	1,000	(500)	-50%	40,850	23,800	17,050	72%	44,900	(4,050)	-9%
Fee Inc - BFCH TC	-	-	-	0.0%	-	-	0%	-	-	-	0%	-	-	0%
Total Operating Income	26,012	38,104	(12,092)	-31.7%	32,916	(6,905)	-21%	163,783	175,492	(11,709)	-7%	182,494	(18,711)	-10%
Operating Expense														
Employee Expenses	18,556	23,159	(4,603)	-19.9%	22,248	(3,692)	-17%	75,431	95,747	(20,316)	-21%	94,814	(19,383)	-20%
Shared Expenses	26	200	(174)	-87.0%	12	14	125%	981	800	181	23%	231	750	325%
Marketing Expense	-	700	(700)	-100.0%	-	-	0%	25	2,800	(2,775)	-99%	375	(350)	-93%
Professional Services	2,644	7,075	(4,432)	-62.6%	4,865	(2,222)	-46%	4,780	28,300	(23,520)	-83%	28,503	(23,722)	-83%
Claim and Loss Expenses	(1,000)	1,478	(2,478)	-167.7%	1,000	(2,000)	-200%	1,000	1,402	(402)	-29%	1,000	-	0%
Operating Expense	23,313	34,033	(10,721)	-31.5%	29,230	(5,917)	-20%	89,734	136,591	(46,857)	-34%	129,655	(39,921)	-31%
Net Grant (Income) Expense	-	-	-	0.0%	-	-	0%	-	-	-	0%	-	-	0%
Net Income (Loss)	2,699	4,070	(1,372)	-33.7%	3,687	(988)	-27%	74,049	38,901	35,148	90%	52,839	21,210	40%

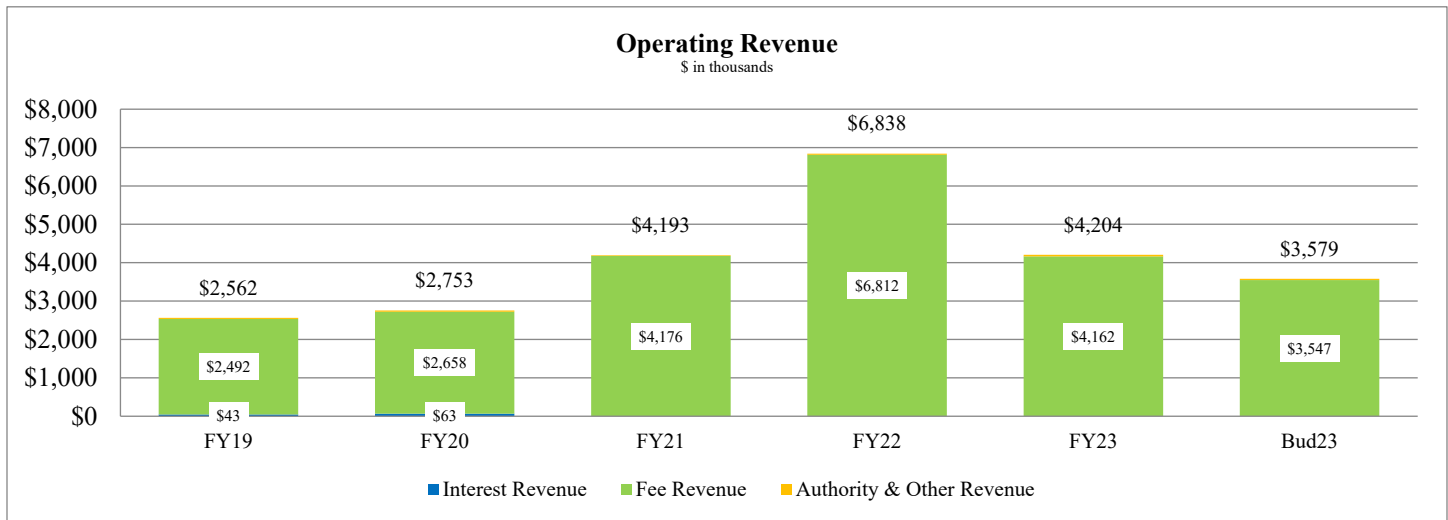
Balance Sheet	Admin	RRTF	Total
Assets			
Cash & Cash Equivalents	537,658	570,956	1,108,614
Investments	-	-	-
Loans - net of reserves	152,195	5,675,237	5,827,433
Other Assets	(18,605)	97,926	79,321
Total Assets	671,249	6,344,120	7,015,368
Liabilities and Equity			
A/P - STATE	-	-	-
A/P - IFA	-	-	-
A/P - MISC	2,644	-	2,644
Total Liabilities	2,644	-	2,644
Equity			
Current Years Earnings	7,676	66,373	74,049
Prior Years Earnings	660,929	6,277,746	6,938,676
Equity	668,605	6,344,120	7,012,725
Total Liabilities and Equity	671,249	6,344,120	7,015,368



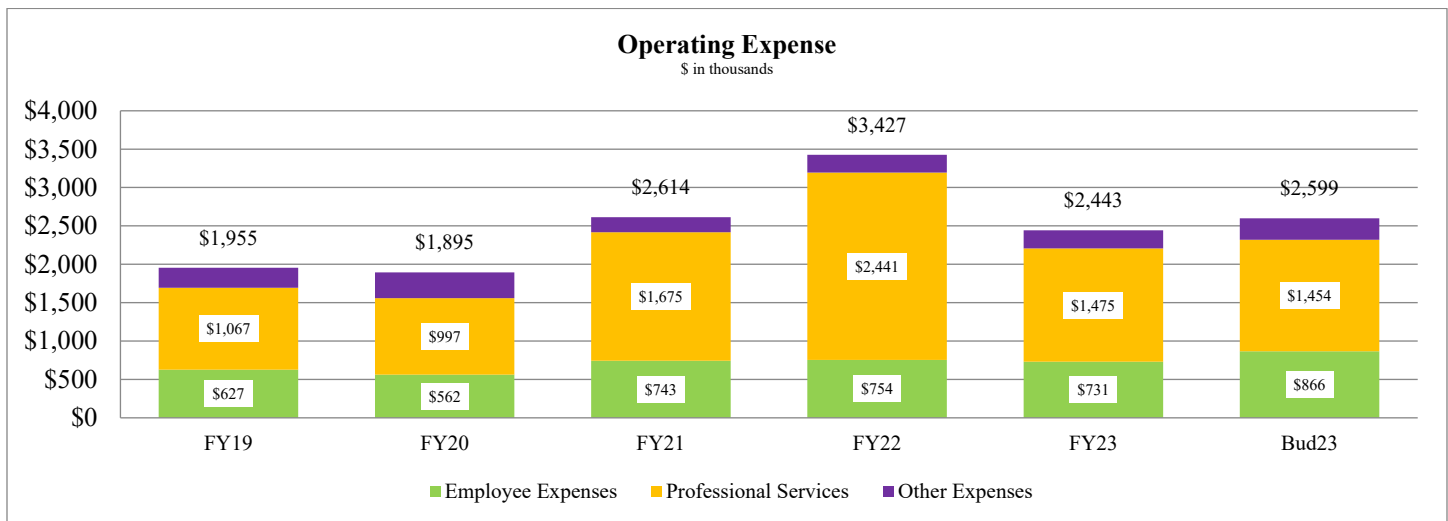
To: IFA & ITG Board Members
From: David Morrison
Date: November 15, 2022
RE: October 2022 YTD Financial Results

Iowa Title Guaranty Financial Results (\$ in thousands)

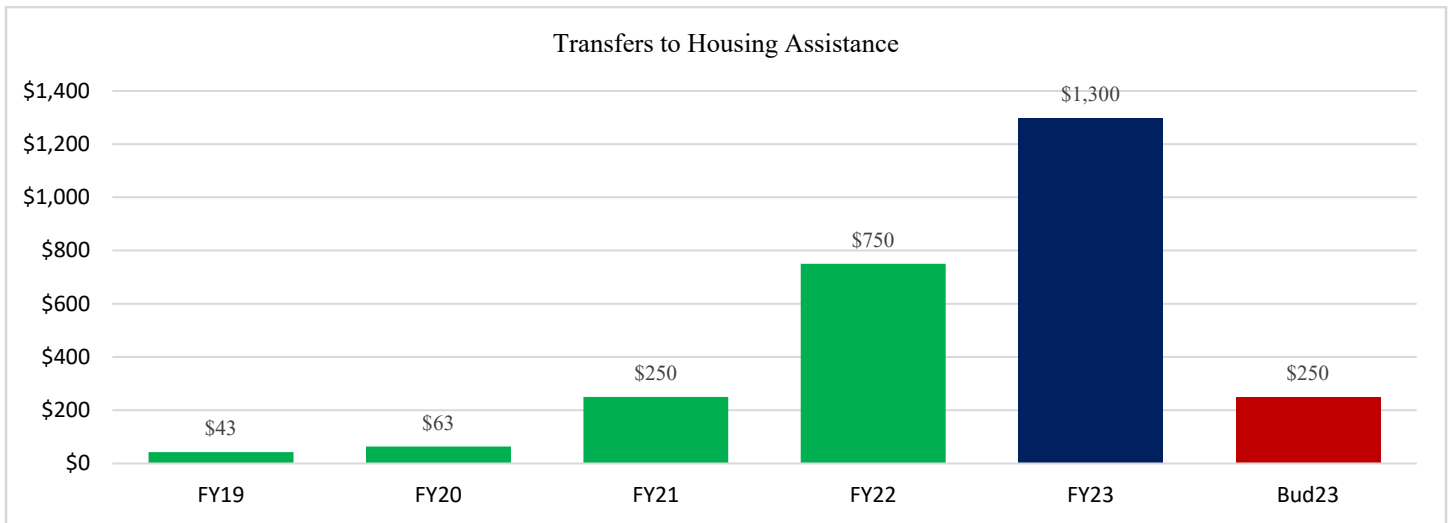
ITG operated unfavorably to budget for the first four months of fiscal year of FY2023.



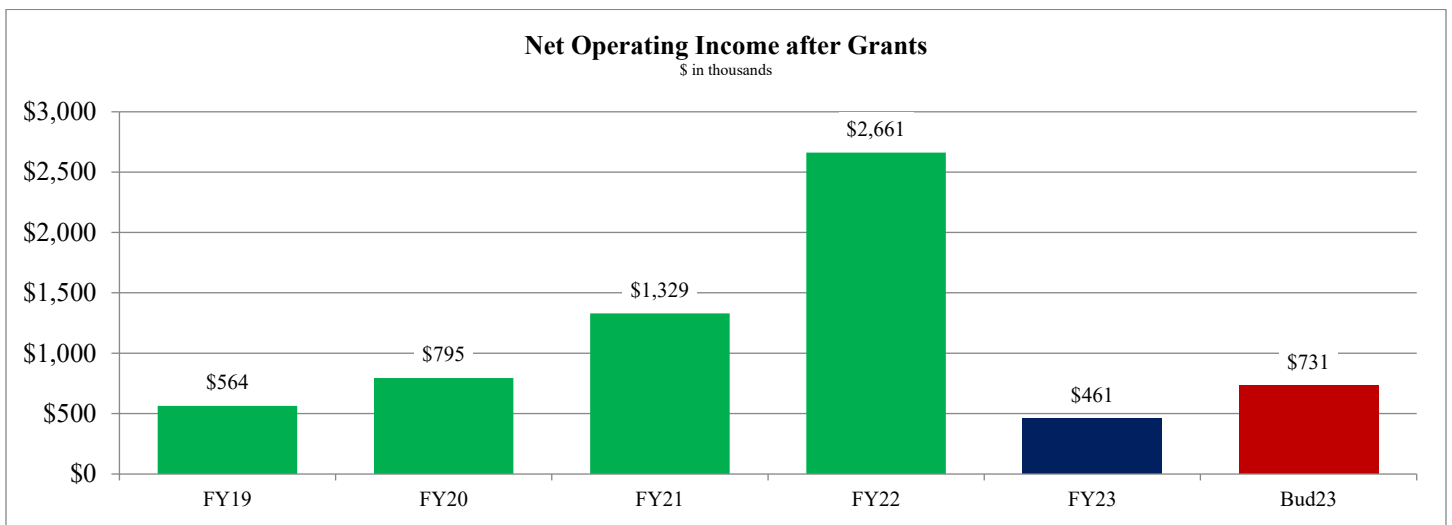
Operating revenue was \$625, or 17.4% above budget and 38.5% behind last year.



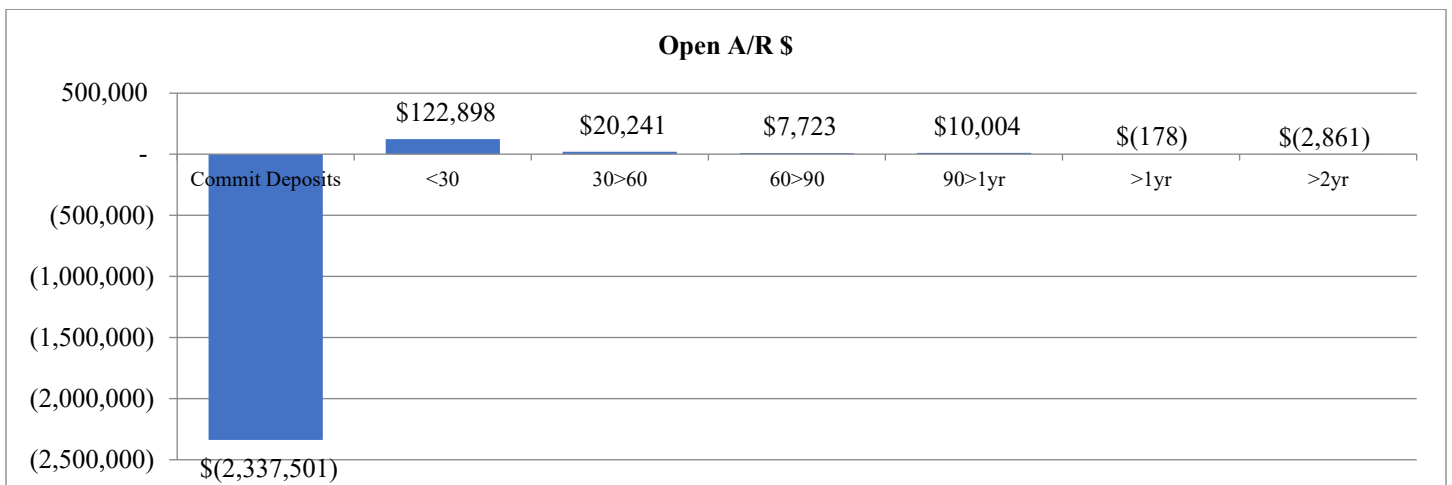
Operating expense was \$156, or 6.0% favorable to budget and 28.7% favorable to last year. Employee expenses were favorable to budget \$134, Claims and Loss Expenses favorable due to decrease in Known Claims Reserve \$25; offset by unfavorable Professional Services (\$23) – primarily related to higher incentive payments.



Transfers to Housing Assistance Fund from Title Guaranty occur quarterly. Transfers are \$1,050 ahead of budget and \$550 ahead of last year.

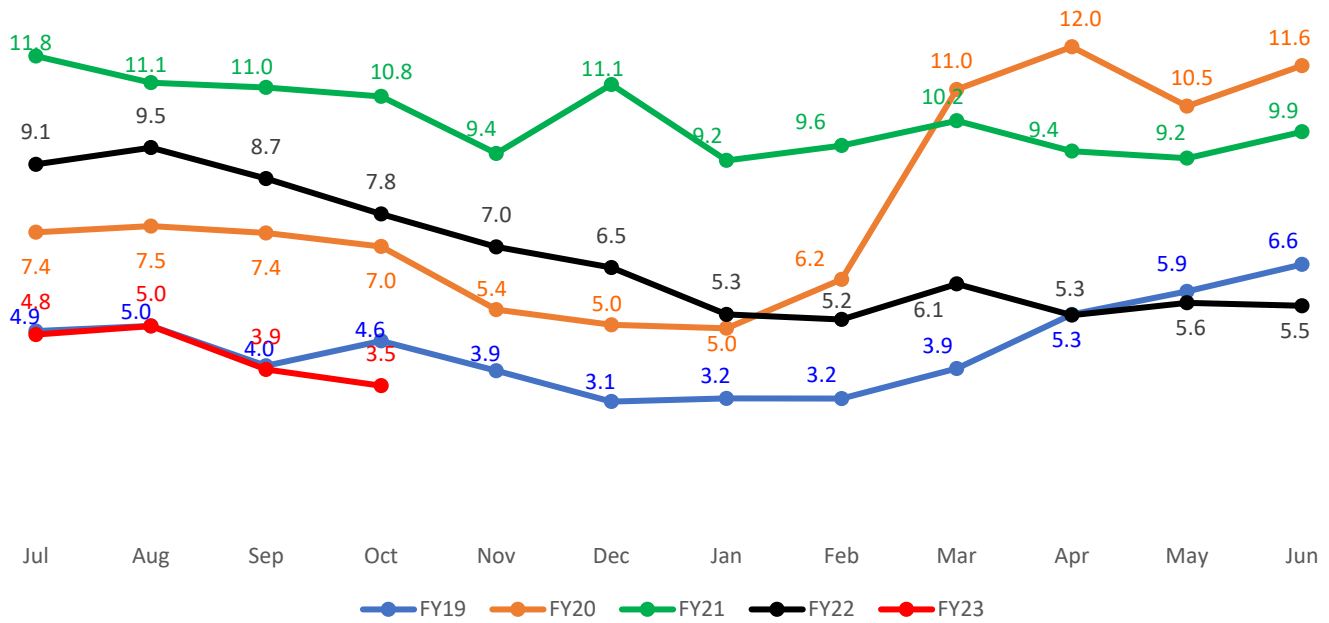


As a result, NOIAG is \$270 unfavorable to budget and \$2,200 unfavorable to last year.

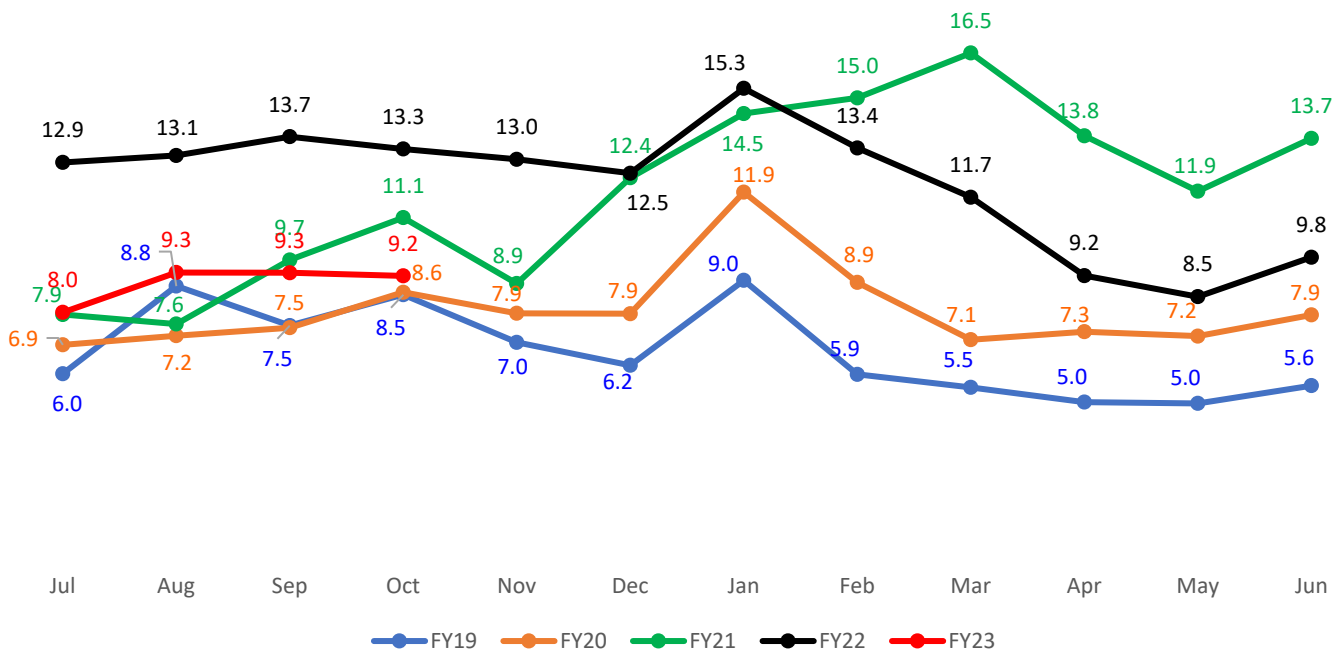


Commitments decreased 6.8% (\$2.338M vs \$2.508M) compared to September, while outstanding receivables decreased 0.5% in Oct (\$157k vs \$159k primarily in 30>60 days aging).

Monthly Trend - Commitments Issued- 5 yr trends



Monthly Trend - Certificates Issued 5 year trend



Balance Sheet	Iowa Title Guaranty Division (Rollup)						
	Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	24,620,767	24,534,882	85,885	0.4	23,556,768	1,063,999	4.5
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	-	-	-	0.0	-	-	0.0
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	189,684	327,551	(137,868)	-42.1	287,346	(97,662)	-34.0
Deferred Outflows	268,126	317,864	(49,738)	-15.6	317,864	(49,738)	-15.6
Total Assets and Deferred Outflows	25,078,577	25,180,298	(101,721)	-0.4	24,161,978	916,599	3.8
Liabilities, Deferred Inflows, and Equity							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	-	-	-	0.0	790	(790)	-100.0
Escrow Deposits	3,561,790	1,026,841	2,534,949	246.9	1,500,091	2,061,698	137.4
Reserves for Claims	1,656,495	1,859,444	(202,948)	-10.9	1,651,915	4,580	0.3
Accounts Payable & Accrued Liabilities	2,719,992	3,614,184	(894,192)	-24.7	4,805,477	(2,085,485)	-43.4
Other liabilities	250,557	1,279,687	(1,029,130)	-80.4	1,418,775	(1,168,218)	-82.3
Deferred Inflows	1,060,406	81,785	978,621	1196.6	175,105	885,301	505.6
Total Liabilities and Deferred Inflows	9,249,240	7,861,940	1,387,300	17.6	9,552,153	(302,913)	-3.2
Equity							
YTD Earnings(Loss)	460,601	730,751	(270,150)	-37.0	2,661,444	(2,200,843)	-82.7
Prior Years Earnings	15,368,736	16,587,606	(1,218,870)	-7.3	11,948,381	3,420,355	28.6
Transfers	-	-	-	0.0	-	-	0.0
Total Equity	15,829,337	17,318,357	(1,489,020)	-8.6	14,609,825	1,219,512	8.3
Total Liabilities, Deferred Inflows, and Equity	25,078,577	25,180,298	(101,721)	-0.4	24,161,978	916,599	3.8

Income Statement	Iowa Title Guaranty Division (Rollup)													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	1,124,129	1,026,289	97,840	9.5	1,754,186	(630,057)	-35.9	4,162,197	3,547,256	614,941	17.3	6,812,409	(2,650,212)	-38.9
Other Revenue	13,569	8,000	5,569	69.6	3,711	9,858	265.6	41,467	32,000	9,467	29.6	25,981	15,486	59.6
Total Operating Revenue	1,137,698	1,034,289	103,409	10.0	1,757,897	(620,199)	-35.3	4,203,664	3,579,256	624,408	17.4	6,838,390	(2,634,726)	-38.5
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	178,173	221,012	(42,839)	-19.4	185,681	(7,508)	-4.0	731,311	865,555	(134,244)	-15.5	753,599	(22,288)	-3.0
Shared Expenses	16,036	17,433	(1,398)	-8.0	15,911	125	0.8	99,374	99,848	(474)	-0.5	92,805	6,568	7.1
Marketing Expense	300	11,033	(10,733)	-97.3	9,450	(9,150)	-96.8	9,011	38,597	(29,586)	-76.7	10,733	(1,723)	-16.0
Professional Services	361,648	413,714	(52,066)	-12.6	714,293	(352,646)	-49.4	1,475,075	1,453,701	21,373	1.5	2,440,758	(965,683)	-39.6
Claim and Loss Expenses	2,925	10,000	(7,075)	-70.8	(17,579)	20,504	-116.6	14,887	40,000	(25,113)	-62.8	47,568	(32,681)	-68.7
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	6,419	7,600	(1,181)	-15.5	2,232	4,187	187.6	42,939	30,400	12,539	41.2	34,358	8,581	25.0
Overhead Allocation	28,945	12,854	16,091	125.2	11,001	17,944	163.1	70,467	70,404	63	0.1	47,125	23,342	49.5
Total Operating Expense	594,445	693,646	(99,200)	-14.3	920,990	(326,545)	-35.5	2,443,063	2,598,505	(155,442)	-6.0	3,426,946	(983,883)	-28.7
Net Operating Income (Loss) Before Grants	543,253	340,643	202,609	59.5	836,906	(293,654)	-35.1	1,760,601	980,751	779,850	79.5	3,411,444	(1,650,843)	-48.4
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	1,300,000	250,000	1,050,000	420.0	750,000	550,000	73.3
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	1,300,000	250,000	1,050,000	420.0	750,000	550,000	73.3
Net Operating Income (Loss) After Grants	543,253	340,643	202,609	59.5	836,906	(293,654)	-35.1	460,601	730,751	(270,150)	-37.0	2,661,444	(2,200,843)	-82.7
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	543,253	340,643	202,609	59.5	836,906	(293,654)	-35.1	460,601	730,751	(270,150)	-37.0	2,661,444	(2,200,843)	-82.7
IFA Home Dept Staff Count	-	21	(21)	-100.0	20	(20)	-100.0	5	22	(17)	-76.7	20	(15)	-75.0
FTE Staff Count	-	22	(22)	-100.0	22	(22)	-100.0	16	23	(7)	-29.8	21	(5)	-25.1

Income Statement	800-020 Residential													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	970,952	965,500	5,452	0.6	1,654,182	(683,230)	-41.3	3,851,956	3,304,100	547,856	16.6	6,472,207	(2,620,251)	-40.5
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	970,952	965,500	5,452	0.6	1,654,182	(683,230)	-41.3	3,851,956	3,304,100	547,856	16.6	6,472,207	(2,620,251)	-40.5
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	146,892	186,532	(39,641)	-21.3	150,776	(3,884)	-2.6	598,633	711,758	(113,125)	-15.9	612,107	(13,474)	-2.2
Shared Expenses	15,712	16,834	(1,122)	-6.7	15,618	94	0.6	91,939	97,337	(5,398)	-5.5	91,743	196	0.2
Marketing Expense	300	10,933	(10,633)	-97.3	5,700	(5,400)	-94.7	6,011	34,947	(28,936)	-82.8	6,983	(973)	-13.9
Professional Services	361,648	413,364	(51,716)	-12.5	713,929	(352,282)	-49.3	1,475,075	1,452,301	22,773	1.6	2,439,375	(964,301)	-39.5
Claim and Loss Expenses	2,925	10,000	(7,075)	-70.8	(17,579)	20,504	-116.6	14,887	40,000	(25,113)	-62.8	47,568	(32,681)	-68.7
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	390	350	40	11.4	590	(200)	-33.9	1,950	1,400	550	39.3	2,140	(190)	-8.9
Overhead Allocation	24,056	10,726	13,330	124.3	9,176	14,881	162.2	58,566	58,171	395	0.7	39,306	19,260	49.0
Total Operating Expense	551,923	648,739	(96,817)	-14.9	878,210	(326,288)	-37.2	2,247,060	2,395,914	(148,854)	-6.2	3,239,222	(992,162)	-30.6
Net Operating Income (Loss) Before Grants	419,029	316,761	102,269	32.3	775,972	(356,942)	-46.0	1,604,896	908,186	696,710	76.7	3,232,984	(1,628,089)	-50.4
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	1,300,000	250,000	1,050,000	420.0	750,000	550,000	73.3
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	1,300,000	250,000	1,050,000	420.0	750,000	550,000	73.3
Net Operating Income (Loss) After Grants	419,029	316,761	102,269	32.3	775,972	(356,942)	-46.0	304,896	658,186	(353,290)	-53.7	2,482,984	(2,178,089)	-87.7
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	419,029	316,761	102,269	32.3	775,972	(356,942)	-46.0	304,896	658,186	(353,290)	-53.7	2,482,984	(2,178,089)	-87.7
IFA Home Dept Staff Count	-	17	(17)	-100.0	16	(16)	-100.0	4	18	(14)	-77.1	16	(12)	-75.0
FTE Staff Count	-	19	(19)	-100.0	18	(18)	-100.0	13	19	(6)	-29.5	18	(4)	-24.1

Income Statement	800-030 Commercial													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	153,177	60,789	92,388	152.0	100,004	53,173	53.2	310,241	243,156	67,085	27.6	340,203	(29,962)	-8.8
Other Revenue	13,569	8,000	5,569	69.6	3,711	9,858	265.6	41,467	32,000	9,467	29.6	25,981	15,486	59.6
Total Operating Revenue	166,746	68,789	97,957	142.4	103,715	63,031	60.8	351,708	275,156	76,552	27.8	366,183	(14,476)	-4.0
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	31,282	34,479	(3,198)	-9.3	34,905	(3,624)	-10.4	132,678	153,797	(21,119)	-13.7	141,492	(8,814)	-6.2
Shared Expenses	324	599	(275)	-46.0	293	31	10.4	7,435	2,511	4,924	196.1	1,062	6,372	599.8
Marketing Expense	-	100	(100)	-100.0	3,750	(3,750)	-100.0	3,000	3,650	(650)	-17.8	3,750	(750)	-20.0
Professional Services	-	350	(350)	-100.0	364	(364)	-100.0	-	1,400	(1,400)	-100.0	1,382	(1,382)	-100.0
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	6,029	7,250	(1,221)	-16.8	1,642	4,387	267.2	40,989	29,000	11,989	41.3	32,218	8,771	27.2
Overhead Allocation	4,888	2,128	2,760	129.7	1,826	3,063	167.8	11,901	12,233	(332)	-2.7	7,820	4,081	52.2
Total Operating Expense	42,523	44,906	(2,384)	-5.3	42,780	(257)	-0.6	196,003	202,591	(6,588)	-3.3	187,724	8,279	4.4
Net Operating Income (Loss) Before Grants	124,223	23,883	100,341	420.1	60,935	63,289	103.9	155,705	72,565	83,140	114.6	178,460	(22,754)	-12.8
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Operating Income (Loss) After Grants	124,223	23,883	100,341	420.1	60,935	63,289	103.9	155,705	72,565	83,140	114.6	178,460	(22,754)	-12.8
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	124,223	23,883	100,341	420.1	60,935	63,289	103.9	155,705	72,565	83,140	114.6	178,460	(22,754)	-12.8
IFA Home Dept Staff Count	-	4	(4)	-100.0	4	(4)	-100.0	1	4	(3)	-75.0	4	(3)	-75.0
FTE Staff Count	-	4	(4)	-100.0	4	(4)	-100.0	3	4	(1)	-31.2	4	(1)	-29.4



SRF
STATE
REVOLVING FUND

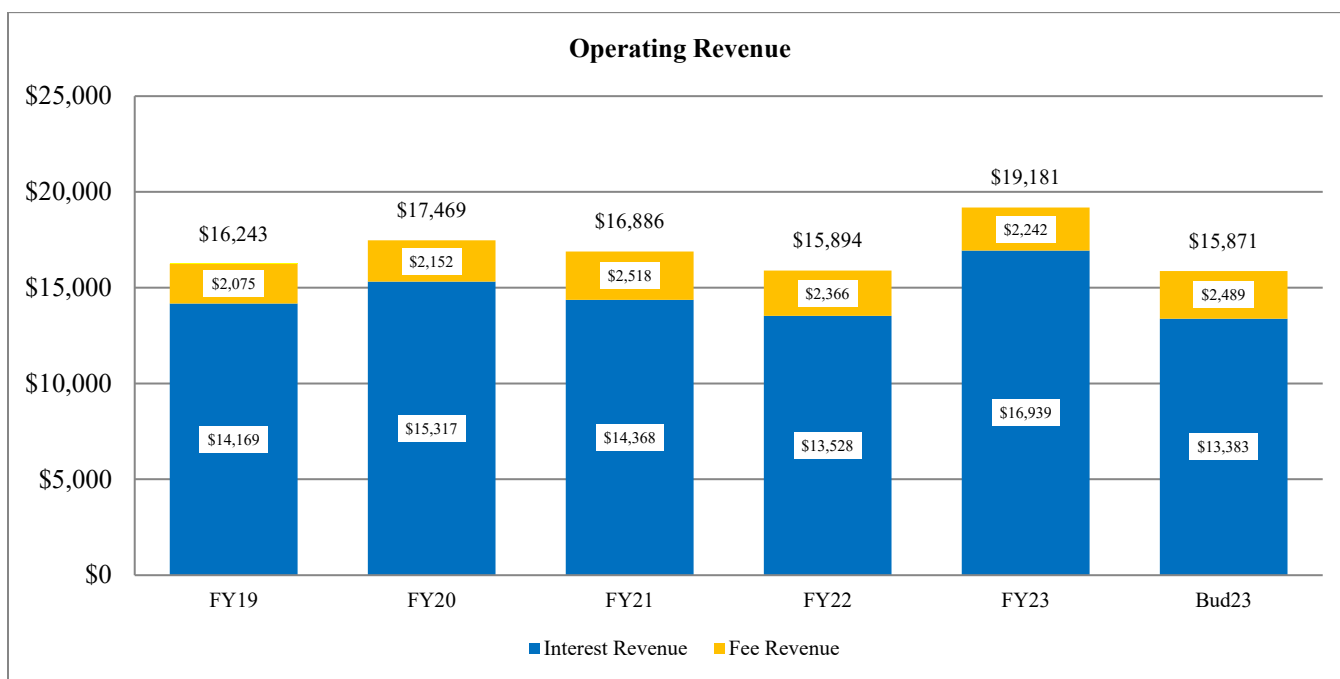
PARTNERSHIP WITH THE IOWA FINANCE AUTHORITY
AND THE IOWA DEPARTMENT OF NATURAL RESOURCES

To: IFA Board Members
From: Deena Klesel
Date: November 14, 2022
Re: October 2022 YTD Financial Results

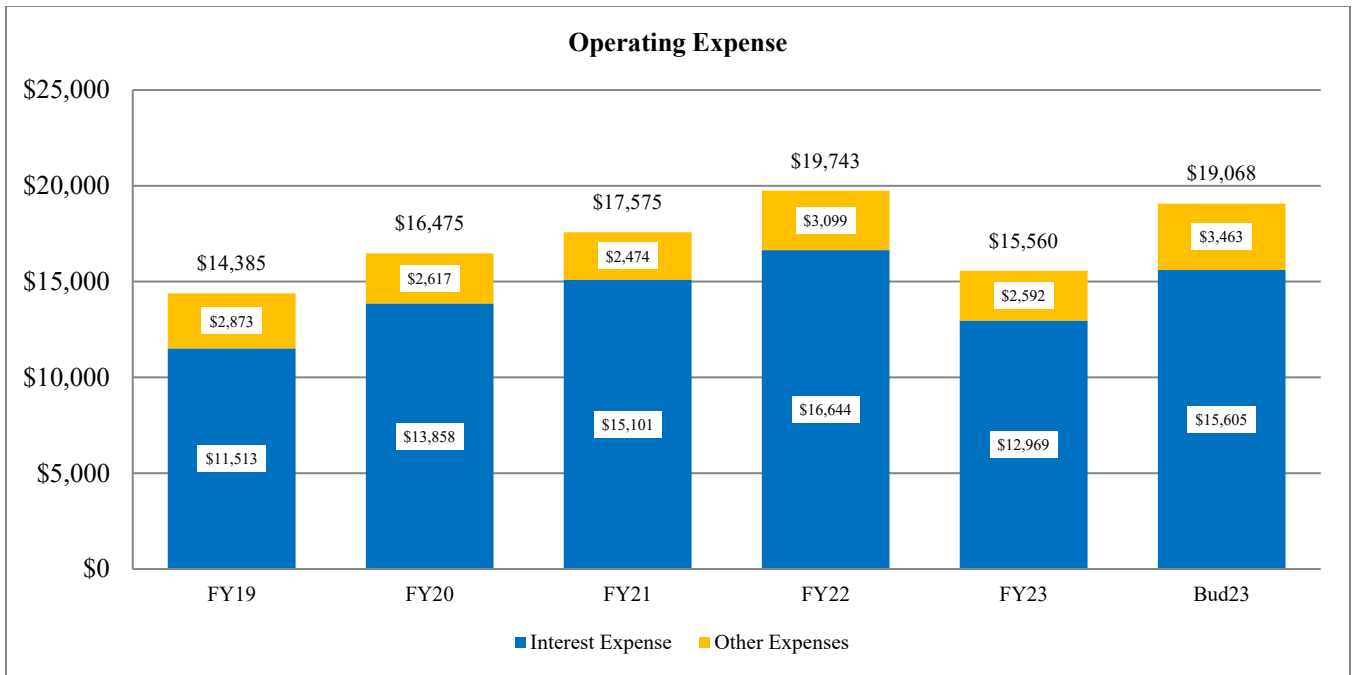
State Revolving Fund Results (\$ in thousands)

With the second quarter of FY2023 underway, SRF is operating unfavorably to budget. This is due to timing of Capitalization (Cap) grant fund availability. The following Cap grants were awarded at the end of September and draws began in October but have not yet caught up to the budgeted projections.

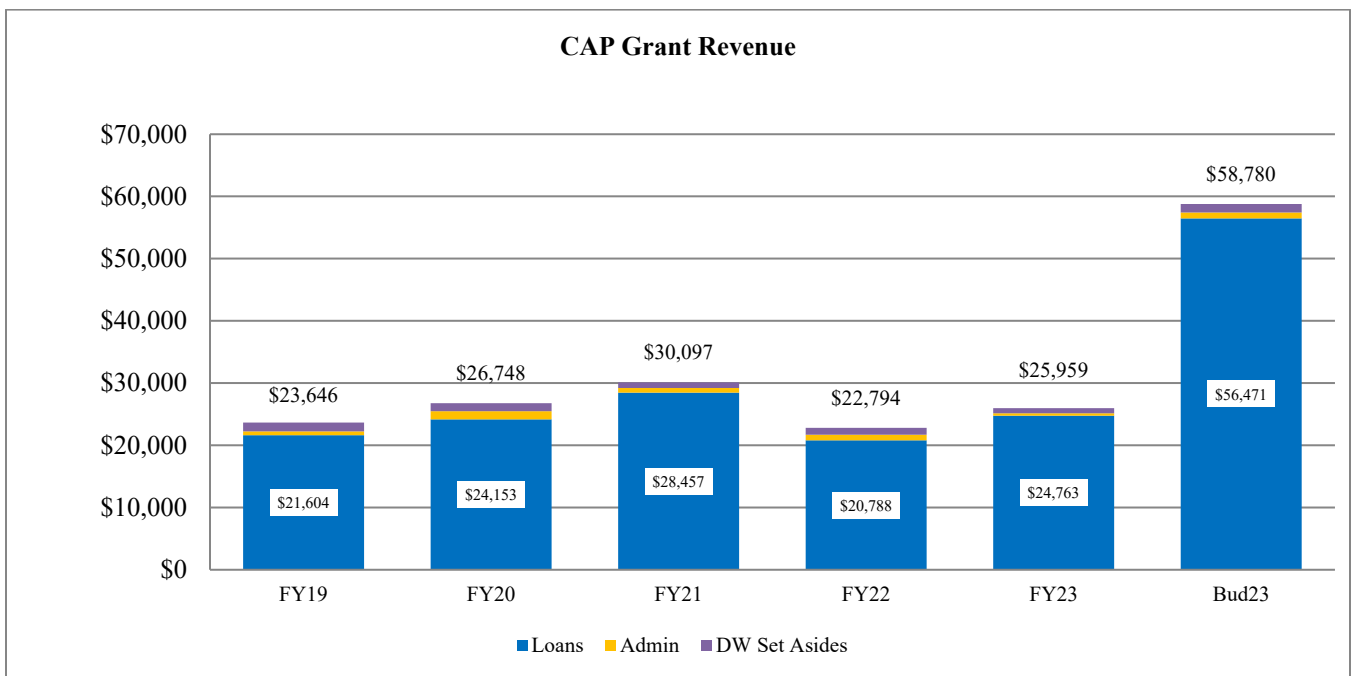
- Federal Fiscal Year (FFY) 2022 CWSRF Base Cap grant of \$18.79M awarded 9/28/2022
- FFY2022 DWSRF Base Cap grant of \$13.32M awarded 9/27/2022
- FFY2022 CWSRF Bipartisan Infrastructure Law (BIL) General Supplemental Cap grant of \$26.49M awarded 9/29/2022
- FFY2022 DWSRF BIL General Supplemental Cap grant of \$31.35M awarded 9/30/2022



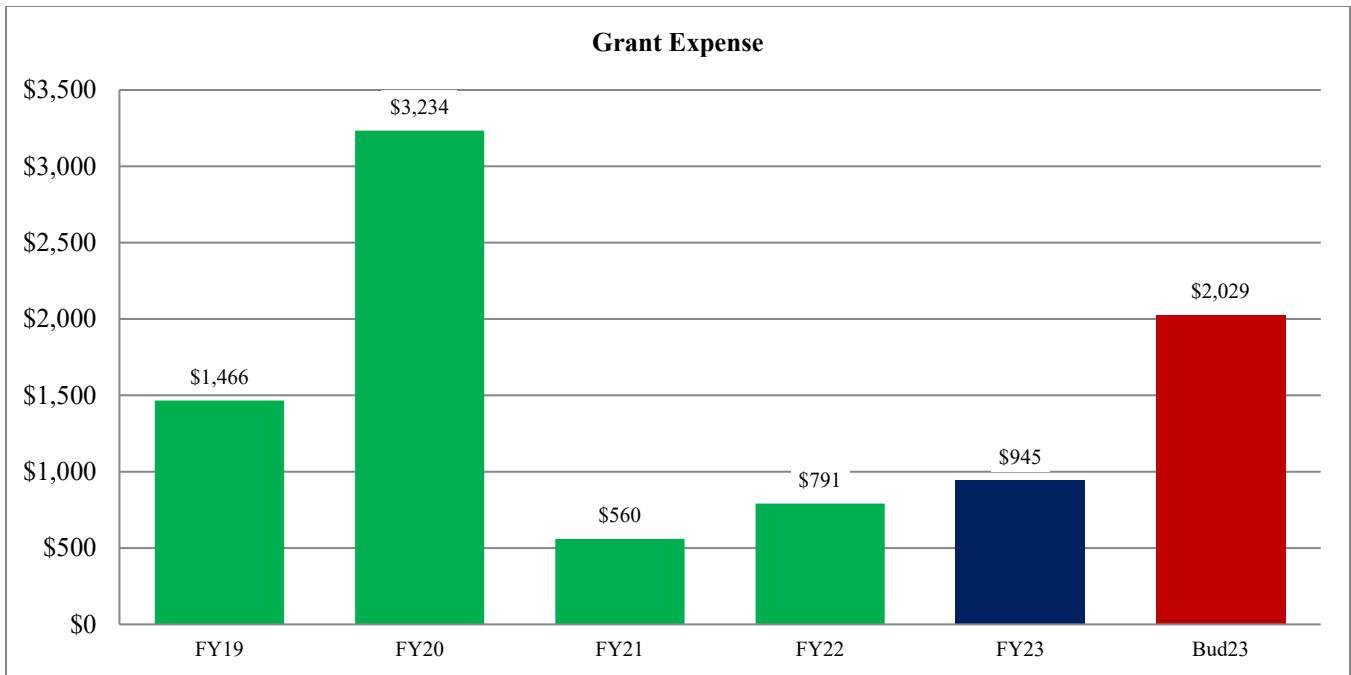
Operating Revenue was \$3,310 or 20.9% above budget and \$3,287 or 20.7% above last year. This is primarily due to higher than anticipated interest revenue from investments.



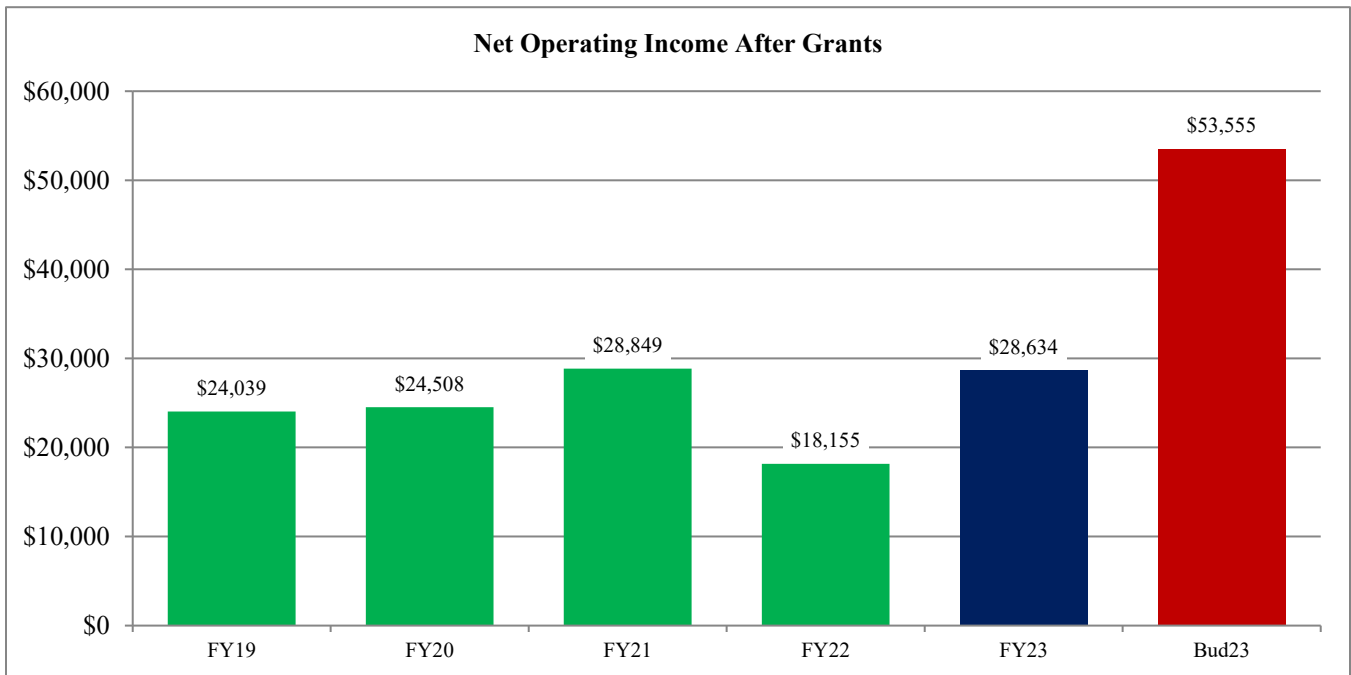
Operating Expense was \$3,508 or 18.4% favorable to budget and \$4,183 or 21.2% favorable to last year.



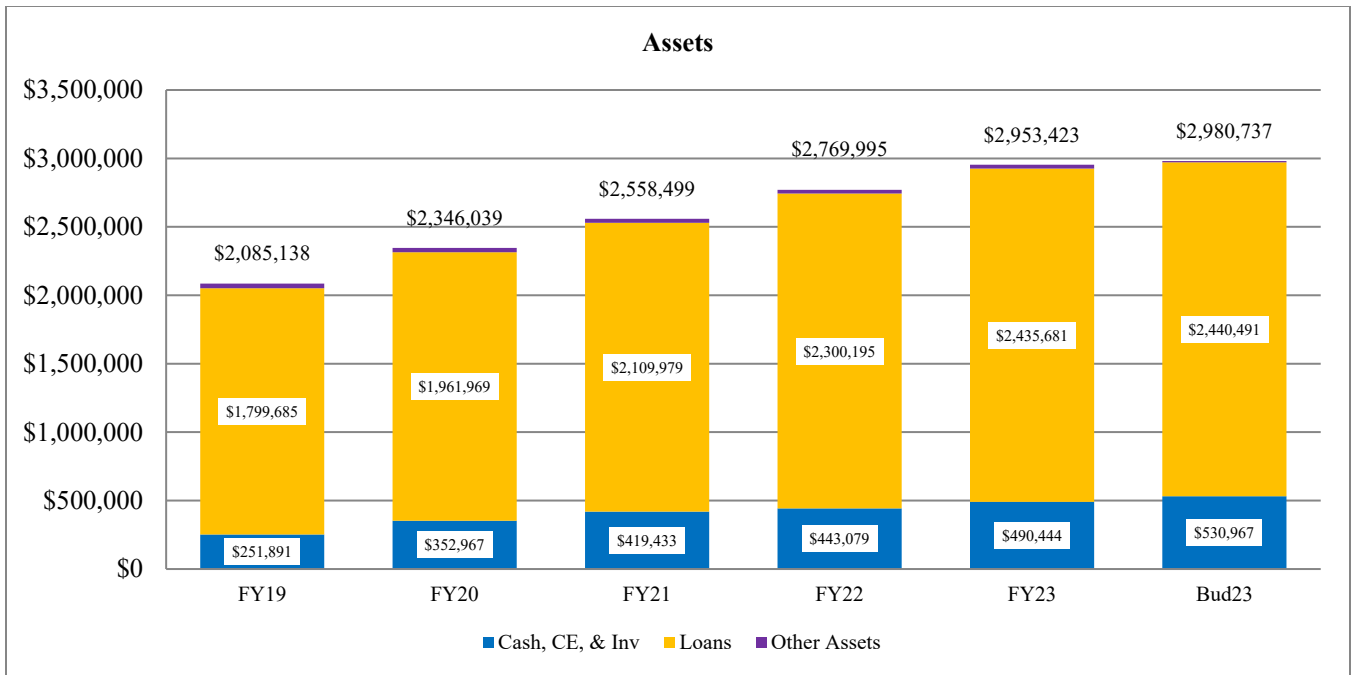
CAP Grant Revenue was \$32,821 or 55.8% below budget but \$3,164 or 13.9% above last year. The CWSRF and DWSRF 2022 Base Cap grant and BIL General Supplemental Cap grants were awarded at the end of September and fund draws have commenced.



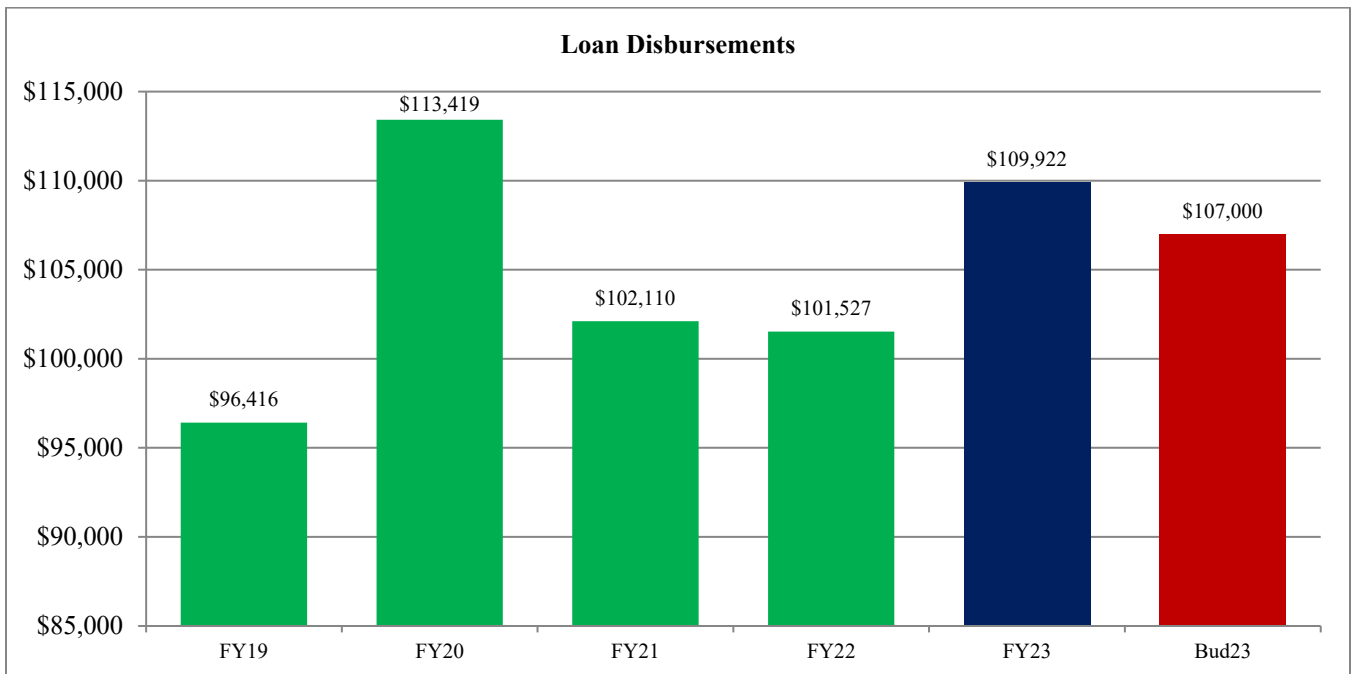
Grant Expense was \$1,084 or 55.8% below budget and \$154 or 19.5% above last year. Grant Expense relates to the forgivable portion of specific SRF loans which is applied upon project completion. FY23's budget anticipated a 36% increase in forgivable loans related to additional subsidization required in the BIL funding.



NOIAG was \$24,920 or 46.5% unfavorable to budget but \$10,479 or 57.7% favorable to last year. This variance to budget is due to the FFY22 Base Cap and BIL General Supplemental Cap grants being submitted and awarded later than the budget anticipated.



Assets were \$27,314 or .9% below budget and \$183,428 or 6.6% above last year.



Loan commitments were \$339,324.

Equity/Program/Admin Fund Balances

<u>Program</u>	<u>Uses</u>	<u>Account</u>	Balance at <u>9/30/2022</u>	Net Cash <u>Inflows (Outflows)</u>	Balance at <u>10/31/2022</u>
Equity Fund					
	Construction Loans				
Clean Water		12069250/1	208,110	(482)	207,628
Drinking Water		12069253/4	147,831	253	148,084
Leveraged		82644014/82410107	0	0	0
			<u>382,424</u>	<u>(228)</u>	<u>355,713</u>
Program Fund					
	P&D, CW GNPS, DW SWP				
Clean Water		22546000	52,733	6	52,739
Drinking Water		22546001	15,525	(97)	15,428
			<u>68,258</u>	<u>(91)</u>	<u>68,167</u>
Administration Fund					
	Administrative Expenses				
Clean Water		22546002	15,088	(201)	14,887
Drinking Water		22546003	20,086	33	20,119
			<u>35,174</u>	<u>(168)</u>	<u>35,006</u>

Federal Capitalization Grants

As of 10/31/22

<u>Grant Award Year</u>	<u>Clean Water</u>		<u>Drinking Water</u>		<u>Total SRF</u>	
	<u>EPA Awards</u>	<u>Remaining</u>	<u>EPA Awards</u>	<u>Remaining</u>	<u>EPA Awards</u>	<u>Remaining</u>
Prior Years	594,001	-	326,691	-	920,692	-
2019	21,505	-	17,348	-	38,853	-
2020	21,483	-	17,378	-	38,861	-
2021	21,505	-	17,427	672	38,932	672
2022	39,673	19,468	39,605	35,284	79,278	54,752
Total	698,167	19,468	378,844	35,956	1,116,616	672
					Total federal capitalization grants received to date: \$ 1,021,587	
<u>Available for Loan Draws</u>	<u>Clean Water</u>	<u>Drinking Water</u>	<u>Total</u>	<u>Available for Set-asides</u>		
2019	-	-	-	Clean Water	1,192	
2020	-	-	-	Drinking Water	5,789	
2021	-	-	-			
2022	18,276	30,168	48,444			
	<u>18,276</u>	<u>30,168</u>	<u>48,444</u>		<u>6,981</u>	

SRF Loan Portfolio	6/30/2020	6/30/2021	6/30/2022	10/31/2022	YTD Increase
Clean Water	1,527,898	1,684,234	1,815,279	1,891,940	4.2%
Drinking Water	497,130	526,655	528,104	551,043	4.3%
Total SRF Loan Portfolio	2,025,028	2,210,889	2,343,383	2,442,983	4.3%

Income Statement	State Revolving Fund (Rollup)													
	Oct-2022							YTD as of Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	4,547,311	3,398,884	1,148,427	33.8	3,078,497	1,468,814	47.7	16,938,794	13,382,515	3,556,279	26.6	13,528,015	3,410,779	25.2
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	500,947	629,923	(128,976)	-20.5	432,785	68,162	15.7	2,241,944	2,488,946	(247,002)	-9.9	2,366,054	(124,111)	-5.2
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	2	(2)	-100.0
Total Operating Revenue	5,048,258	4,028,807	1,019,451	25.3	3,511,282	1,536,976	43.8	19,180,738	15,871,461	3,309,277	20.9	15,894,071	3,286,667	20.7
Operating Expense														
Interest Expense	4,400,740	3,861,152	539,588	14.0	4,125,838	274,902	6.7	12,968,697	15,605,249	(2,636,552)	-16.9	16,644,093	(3,675,397)	-22.1
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	64,993	64,719	274	0.4	62,735	2,258	3.6	261,812	267,327	(5,516)	-2.1	252,168	9,643	3.8
Shared Expenses	105	917	(812)	-88.6	771	(666)	-86.4	1,976	3,667	(1,691)	-46.1	3,219	(1,243)	-38.6
Marketing Expense	3,664	3,333	330	9.9	2,345	1,319	56.2	6,081	13,333	(7,252)	-54.4	7,583	(1,502)	-19.8
Professional Services	51,823	48,649	3,174	6.5	48,750	3,073	6.3	206,693	197,761	8,932	4.5	193,871	12,822	6.6
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	609,730	730,833	(121,104)	-16.6	739,861	(130,131)	-17.6	2,011,304	2,923,333	(912,029)	-31.2	2,598,053	(586,749)	-22.6
Overhead Allocation	41,926	12,868	29,058	225.8	10,749	31,176	290.0	103,881	57,602	46,278	80.3	44,149	59,732	135.3
Total Operating Expense	5,172,980	4,722,471	450,509	9.5	4,991,049	181,930	3.6	15,560,443	19,068,273	(3,507,830)	-18.4	19,743,137	(4,182,693)	-21.2
Net Operating Income (Loss) Before Grants	(124,722)	(693,664)	568,942	-82.0	(1,479,767)	1,355,046	-91.6	3,620,295	(3,196,812)	6,817,107	-213.2	(3,849,066)	7,469,360	-194.1
Net Grant (Income) Expense														
Grant Revenue	(24,768,436)	(21,563,166)	(3,205,270)	14.9	(572,401)	(24,196,035)	4227.1	(25,959,017)	(58,780,490)	32,821,473	-55.8	(22,794,489)	(3,164,527)	13.9
Grant Expense	244,166	507,282	(263,116)	-51.9	99,602	144,565	145.1	944,820	2,029,128	(1,084,308)	-53.4	790,587	154,233	19.5
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	(24,524,270)	(21,055,884)	(3,468,385)	16.5	(472,800)	(24,051,470)	5087.0	(25,014,197)	(56,751,362)	31,737,165	-55.9	(22,003,902)	(3,010,294)	13.7
Net Operating Income (Loss) After Grants	24,399,548	20,362,221	4,037,327	19.8	(1,006,968)	25,406,516	-2523.1	28,634,491	53,554,549	(24,920,058)	-46.5	18,154,837	10,479,654	57.7
Other Non-Operating (Income) Expense														
Other Non-Operating (Income) Expense	128,418	-	128,418	0.0	111,740	16,678	14.9	841,329	-	841,329	0.0	192,238	649,091	337.6
Net Income (Loss)	24,271,130	20,362,221	3,908,909	19.2	(1,118,708)	25,389,838	-2269.6	27,793,162	53,554,549	(25,761,387)	-48.1	17,962,598	9,830,564	54.7
IFA Home Dept Staff Count	-	6	(6)	-100.0	5	(5)	-100.0	1	6	(5)	-79.2	4	(3)	-70.6
FTE Staff Count	-	6	(6)	-100.0	6	(6)	-100.0	4	6	(2)	-32.3	6	(1)	-22.0

Balance Sheet	State Revolving Fund (Rollup)						
	Oct-2022						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	392,296,628	491,167,324	(98,870,696)	-20.1	365,257,985	27,038,643	7.4
Investments	98,147,795	39,799,689	58,348,107	146.6	77,821,106	20,326,690	26.1
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	2,435,681,107	2,440,490,950	(4,809,843)	-0.2	2,300,194,768	135,486,339	5.9
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	20,761,911	4,272,320	16,489,592	386.0	19,751,480	1,010,431	5.1
Deferred Outflows	6,535,178	5,006,973	1,528,205	30.5	6,969,369	(434,191)	-6.2
Total Assets and Deferred Outflows	2,953,422,620	2,980,737,255	(27,314,635)	-0.9	2,769,994,709	183,427,912	6.6
Liabilities, Deferred Inflows, and Equity							
Debt	1,860,277,610	1,828,651,241	31,626,369	1.7	1,712,756,190	147,521,420	8.6
Interest Payable	20,953,212	48,508,966	(27,555,754)	-56.8	19,162,747	1,790,466	9.3
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	(608,869)	1,057,457	(1,666,326)	-157.6	773,602	(1,382,471)	-178.7
Other liabilities	50,658	643,102	(592,444)	-92.1	456,560	(405,902)	-88.9
Deferred Inflows	341,965	31,947	310,018	970.4	58,199	283,766	487.6
Total Liabilities and Deferred Inflows	1,881,014,576	1,878,892,714	2,121,862	0.1	1,733,207,298	147,807,278	8.5
Equity							
YTD Earnings(Loss)	27,793,162	53,554,549	(25,761,387)	-48.1	17,962,598	9,830,564	54.7
Prior Years Earnings	1,044,699,084	1,048,289,992	(3,590,908)	-0.3	1,019,595,408	25,103,676	2.5
Transfers	(84,202)	-	(84,202)	0.0	(770,596)	686,394	-89.1
Total Equity	1,072,408,044	1,101,844,542	(29,436,497)	-2.7	1,036,787,411	35,620,633	3.4
Total Liabilities, Deferred Inflows, and Equity	2,953,422,620	2,980,737,255	(27,314,635)	-0.9	2,769,994,709	183,427,912	6.6

**AMENDING RESOLUTION
HI 22-17A**

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, as amended, works to expand, protect, and preserve affordable housing for low and moderate income families in the State of Iowa; and

WHEREAS, the Board previously approved by Resolution HI 22-17 on November 2, 2022, awards under the Iowa Emergency Solutions Grant (“ESG”) to Applicants listed on the Iowa Emergency Solutions Grant Proposed Awards for the 2023 Calendar Year, attached thereto; and

WHEREAS, the Authority conducted a combined two-year competition for ESG during the summer of 2021, and awarded funds to recipients for the 2022 calendar year, with awards to be renewed for the 2023 calendar year as long as funding was available; and

WHEREAS, at the time awards were made for the 2022 calendar year, Hamilton and Wright Counties were served by the Applicant known as Friends of the Family; and

WHEREAS, in the intervening time, the Applicant known as Upper Des Moines Opportunity, Inc. (“UDMO”) has assumed the responsibility for serving Hamilton and Wright Counties; and

WHEREAS, both Applicants agree and have requested that the Authority modify the awards of both Applicants to reflect the change in geographic coverage and service; and

WHEREAS, the requested change will increase the award amount to UDMO to \$106,195 and decrease the award amount to Friends of the Family to \$320,274; and

WHEREAS, for the calendar year 2023, the Authority desires to modify the awards to Friends of the Family and to UDMO; and

WHEREAS, the Authority expects the total amount of awards made by HI 22-17 to remain unchanged.

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

SECTION 1. Pursuant to chapter 42 of its administrative rules, the Board hereby affirms its prior total award amount of approximately \$2,959,400, as approved in HI 22-17, subject to final verification by Authority staff, in total funding for awards under the ESG program for the 2023 calendar year.

SECTION 2. The Board hereby authorizes the modification of the award of grant funds to the Applicants, Friends of the Family and UDMO, subject to final verification by Authority staff, as shown on the Iowa Emergency Solutions Grant Proposed Awards for the 2023 Calendar Year attached hereto.

PASSED AND APPROVED this 7th day of December, 2022.

Michel Nelson, Board Chairman

ATTEST:

Deborah Durham, Secretary

(Seal)

Iowa Emergency Solutions Grant

Approved Awards for the 2023 Calendar Year, with Requested Amendments

Applicant	Region	Total CY 2022 Award	Approved CY 2023 Awards (CY 2022 x 1.06507)	Requested Amended Awards
ACCESS	Two Rivers	\$ 24,128	\$ 25,698	
Catherine McAuley Center	Linn/Benton/Jones	\$ 24,000	\$ 25,562	
Central Iowa Shelter & Services	Polk County; Rolling Hills Region	\$ 201,856	\$ 214,990	
Community Action Agency of Siouxland	Siouxland	\$ 20,721	\$ 22,069	
Community Action of Southeast Iowa	Southeast Iowa	\$ 44,003	\$ 46,866	
Community Solutions of Eastern Iowa	Eastern Iowa	\$ 105,426	\$ 112,286	
Crisis Intervention & Advocacy Center	South Central/West	\$ 122,165	\$ 130,114	
Domestic Violence Intervention Program	Johnson Washington, Southeast Regions	\$ 92,214	\$ 98,214	
Family Crisis Centers, Inc.	Northwest Iowa	\$ 67,674	\$ 72,078	
Family Resources, Inc.	Eastern Iowa, Quad Cities Regions	\$ 44,723	\$ 47,633	
Friends of the Family	Black Hawk/Tama/Grundy, North Central, Northeast Iowa Regions	\$ 321,546	\$ 342,469	\$ 320,274
Hawkeye Area Community Action Program, Inc.	Black Hawk/Tama/Grundy, Eastern Iowa, Johnson/Washington, Linn/Benton/Jones Regions	\$ 148,630	\$ 158,302	
Heartland Family Service	Pottawattamie	\$ 58,015	\$ 61,790	
HOME, Inc.	Polk County	\$ 87,625	\$ 93,326	
Humility Homes and Services, Inc.	Quad Cities	\$ 49,250	\$ 52,455	
Iowa Legal Aid	Statewide Legal Services	\$ 75,000	\$ 79,880	
Muscatine Center for Social Action	Southeast Iowa	\$ 72,012	\$ 76,697	
New Visions Homeless Services	Pottawattamie	\$ 73,041	\$ 77,793	
Shelter House Community Shelter and Transition Services	Johnson Washington	\$ 189,123	\$ 201,429	
The Bridge Home	Two Rivers	\$ 93,757	\$ 99,857	
The Salvation Army	Quad Cities	\$ 159,268	\$ 169,632	
Upper Des Moines Opportunity, Inc.	Upper Des Moines	\$ 78,867	\$ 83,999	\$ 106,195
Waypoint	Linn/Benton/Jones	\$ 222,133	\$ 236,588	
West Des Moines Human Services	Polk County	\$ 67,247	\$ 71,622	
Willis Dady Emergency Shelter, Inc	Linn/Benton/Jones	\$ 184,620	\$ 196,633	
Youth and Shelter Services, Inc.	Two Rivers	\$ 48,378	\$ 51,526	
YWCA Clinton Empowerment Center	Eastern Iowa	\$ 103,176	\$ 109,890	

Total Available for CY 2023: \$2,959,400	\$ 2,778,597	\$ 2,959,400
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To: Iowa Finance Authority Board of Directors

From: Terri Rosonke, Housing Programs Manager

Date: December 7, 2022

Re: State Housing Trust Fund – Local Housing Trust Fund Program

The State Housing Trust Fund (SHTF) helps ensure decent, safe and affordable housing for Iowans. The Local Housing Trust Fund (LHTF) Program receives at least 60 percent of the SHTF annual funding allocation to provide grants for organizations certified by IFA as a LHTF.

LHTF Program Background

Eligible applicants to the LHTF Program are those LHTFs that have met the requirements of the program's Allocation Plan and have been certified by the IFA Board of Directors. To be eligible for certification, the LHTF must satisfy all requirements specified in the Allocation Plan, including the following:

1. Nonprofit organization mission statement's primary purpose focuses on affordable housing
2. Must hold at least one public hearing a year and all meetings must comply with Iowa's Open Meetings Law and Open Records Act requirements
3. Local community-based governing board comprised of no more than 50 percent local government or public officials and recognized by the county/counties and incorporated cities in the geographic area the LHTF serves as the board responsible for coordinating LHTF programs
4. Sufficient administrative capacity in regard to housing programs
5. A Housing Assistance Plan (HAP) approved by IFA, providing an analysis of the housing needs of the LHTF's geographic service area

There are currently 26 certified LHTFs across Iowa serving residents in all 99 Iowa counties.

For FY 2023, the LHTF Program requires a minimum local match of 21 percent of the total grant amount requested. All LHTF Program funding must benefit low-income households at or below 80 percent of the median family income, while at least 30 percent of the grant moneys must be used to serve extremely low-income households at or below 30 percent of the median family income. Awards from the LHTF Program must be used for the development or preservation of affordable housing for eligible recipients, including infrastructure development, transitional housing, housing for homeless persons, homeownership, rental, capacity building of local housing organizations, or other purposes that further the SHTF's goals. Administrative expenses of the LHTF are an eligible use of funds not to exceed 25 percent of the total grant award during the first two years of the LHTF's certification and a maximum of 10 percent thereafter.

IFA accepts LHTF Program applications on an annual basis each fall. IFA staff reviews the applications for threshold compliance and makes award recommendations to the IFA Board of Directors. Any funds recaptured by a LHTF must be retained and reused for additional affordable housing activities specified as eligible in the LHTF's Housing Assistance Plan.

FY 2023 LHTF Program Summary

Funding available under the FY 2023 LHTF Program funding round totals \$11,205,386. Each certified LHTF was eligible to apply for an established maximum grant amount based upon the LHTF's geographic service area type and population. The LHTF geographic service area type (Single County/City – No Entitlement City, Regional Based upon COG Boundaries, Entitlement City Only, or County including a Participating Entitlement City) establishes the eligible base award for the LHTF. Based upon available funding under the FY 2023 SHTF budget, a \$1.73 per capita amount calculated using the LHTF's defined geographic service area was added to the base award to arrive at the LHTF's total maximum grant request. A similar maximum grant amount formula has been used in LHTF Program funding rounds since FY 2010, although the per capita amount has varied in each fiscal year based upon available funds, ranging from a high of \$1.75 in FY 2014 to a low of \$.95 in FY 2020.

The application submission deadline for the FY 2023 LHTF Program was October 3, 2022. IFA received 26 application submissions through the SHTF online application system requesting a total of \$11,205,386. All 26 application submissions met threshold for funding approval.

Pursuant to Section 1.8.2 of the Allocation Plan for the LHTF Program (the Administrative Rules), LHTFs with multiple open grant agreements may be subject to the following remedies:

- (1) LHTF Program funds awarded in a subsequent fiscal year shall not be disbursed until the earliest fiscal year grant agreement has been closed out. If applicable, this remedy shall be implemented, subject to Board approval, as a contingency to the new LHTF Program award.
- (2) If the earliest fiscal year grant agreement has not been closed out during a subsequent fiscal year following IFA's determination to apply remedy (1) above, the Grantee may be declared ineligible for funding, subject to Board approval, in the LHTF Program allocation round. IFA shall notify the LHTF of a declaration of ineligibility for future LHTF Program awards prior to the established application submission deadline and may set forth certain conditions that if satisfied would restore the LHTF's eligibility for funding.

IFA staff recommends Board approval of Remedy (1) where specified in the Exhibit A "Contingency Remedy" column to the Resolution. IFA staff does not recommend that Remedy (2) be applied to any LHTF at this time.

The recommended grant awards in the FY 2023 funding round will leverage an additional \$3,162,413 in other financing resources or \$.28 for every dollar of LHTF Program funding. The approved FY 2023 program budgets are projected to assist a total of 2,390 affordable housing units across Iowa.

Program History

Since its inception, the LHTF Program has provided \$104,533,361 in affordable housing assistance including today's award recommendations, leveraging more than \$114.5 million in other funding resources. LHTF grantees have assisted more than 33,500 households through the June 30, 2022, reporting period.

In total, through the LHTF Program and the Project-Based Housing Program combined including today's award recommendations, the SHTF has provided \$112,236,700 in affordable housing assistance, leveraging more than \$175 million in other funding resources. SHTF grantees have assisted more than 35,200 Iowa families through the June 30, 2022, reporting period.

Funding Recommendations

Based upon the threshold review of all applications received, IFA staff recommends FY 2023 LHTF Program awards totaling \$11,205,386 for the Board's approval as set forth in Exhibit A to the requested Resolution.

All funding available under the FY 2023 LHTF Program will be committed in full upon approval of the proposed Resolution.

RESOLUTION

HI 22-22

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, as amended, works to expand, protect and preserve affordable housing for low- and moderate-income families in the State of Iowa; and

WHEREAS, pursuant to Iowa Code section 16.181, a housing trust fund has been created within the Authority (the “Trust Fund”); and

WHEREAS, the Authority has adopted an allocation plan for the Local Housing Trust Fund (LHTF) Program Dated September 2021 under the Trust Fund (the “Allocation Plan”); and

WHEREAS, the Allocation Plan establishes a LHTF program and provides for criteria for grants for the program; and

WHEREAS, pursuant to Iowa Code section 16.181 and the terms of the Allocation Plan, applications were received for the fiscal year 2023 round of the LHTF program; and

WHEREAS, Authority staff has reviewed the applications referenced in Exhibit A pursuant to the criteria set forth in the Allocation Plan and recommends the Board award funds under the Allocation Plan as set forth on the attached Exhibit A.

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

SECTION 1. Pursuant to the Allocation Plan, the Board hereby awards grants under the LHTF program for the fiscal year 2023 round to the recipients and in the amounts listed on Exhibit A, subject to the contingencies specified, as applicable.

SECTION 2. The Board hereby authorizes Authority staff to prepare grant award agreements for the recipients consistent with this resolution and with the Allocation Plan.

PASSED AND APPROVED this 7th day of December, 2022.

ATTEST:

Michel Nelson, Board Chairman
(SEAL)

Deborah Durham, Secretary

EXHIBIT A
Local Housing Trust Fund (LHTF) Program
Proposed Grant Awards for FY 2023

Application #	Recipient	Contingency Remedy*	Amount
23-LHTF-01	NIACOG Housing Trust Fund	1	\$466,434.00
23-LHTF-02	Region 6 Housing Trust Fund, Inc.	1	\$414,009.00
23-LHTF-03	Waterloo Housing Trust Fund	1	\$243,203.00
23-LHTF-04	Northwest Iowa Regional Housing Trust Fund, Inc.	1	\$498,250.00
23-LHTF-05	Sioux City Housing Trust Fund, Inc.	1	\$275,179.00
23-LHTF-06	AHEAD Regional Housing Trust Fund	1	\$425,870.00
23-LHTF-07	Housing Trust Fund of Johnson County	1	\$441,887.00
23-LHTF-08	Southwest Iowa Housing Trust Fund	1	\$402,427.00
23-LHTF-09	Council of Governments Housing, Inc.	1	\$378,349.00
23-LHTF-10	Eastern Iowa Regional Housing Corporation Housing Trust Fund	1	\$498,359.00
23-LHTF-11	Western Iowa Community Improvement Regional Housing Trust Fund	1	\$380,233.00
23-LHTF-12	Chariton Valley Regional Housing Trust Fund	1	\$316,124.00
23-LHTF-13	Housing Fund for Linn County	1	\$575,867.00
23-LHTF-14	Heart of Iowa Regional Housing Trust Fund	1	\$411,939.00
23-LHTF-15	Iowa Northland Regional Housing Council LHTF	1	\$439,207.00
23-LHTF-16	East Central Iowa Housing Trust Fund	1	\$401,325.00
23-LHTF-17	Northeast Iowa Regional Housing Trust Fund	1	\$392,163.00
23-LHTF-18	Pottawattamie County Housing Trust Fund	1	\$339,494.00
23-LHTF-19	Southern Iowa COG Housing Trust Fund	N/A	\$370,860.00
23-LHTF-20	Scott County Housing Council	1	\$630,474.00
23-LHTF-21	City of Dubuque Housing Trust Fund	1	\$229,974.00
23-LHTF-22	Dallas County Local Housing Trust Fund, Inc.	1	\$349,893.00
23-LHTF-23	Central Iowa Housing Trust Fund	N/A	\$513,597.00
23-LHTF-24	Story County Housing Trust	1	\$347,919.00
23-LHTF-25	Polk County Housing Trust Fund	1	\$1,029,304.00
23-LHTF-26	Great River Housing, Inc.	1	\$433,046.00
TOTAL FY 2023 LHTF PROGRAM FUNDING RECOMMENDATIONS			\$11,205,386.00

*Pursuant to Section 1.8.2 of the Allocation Plan for the LHTF Program (the Administrative Rules), LHTFs with multiple open grant agreements may be subject to the following remedies:

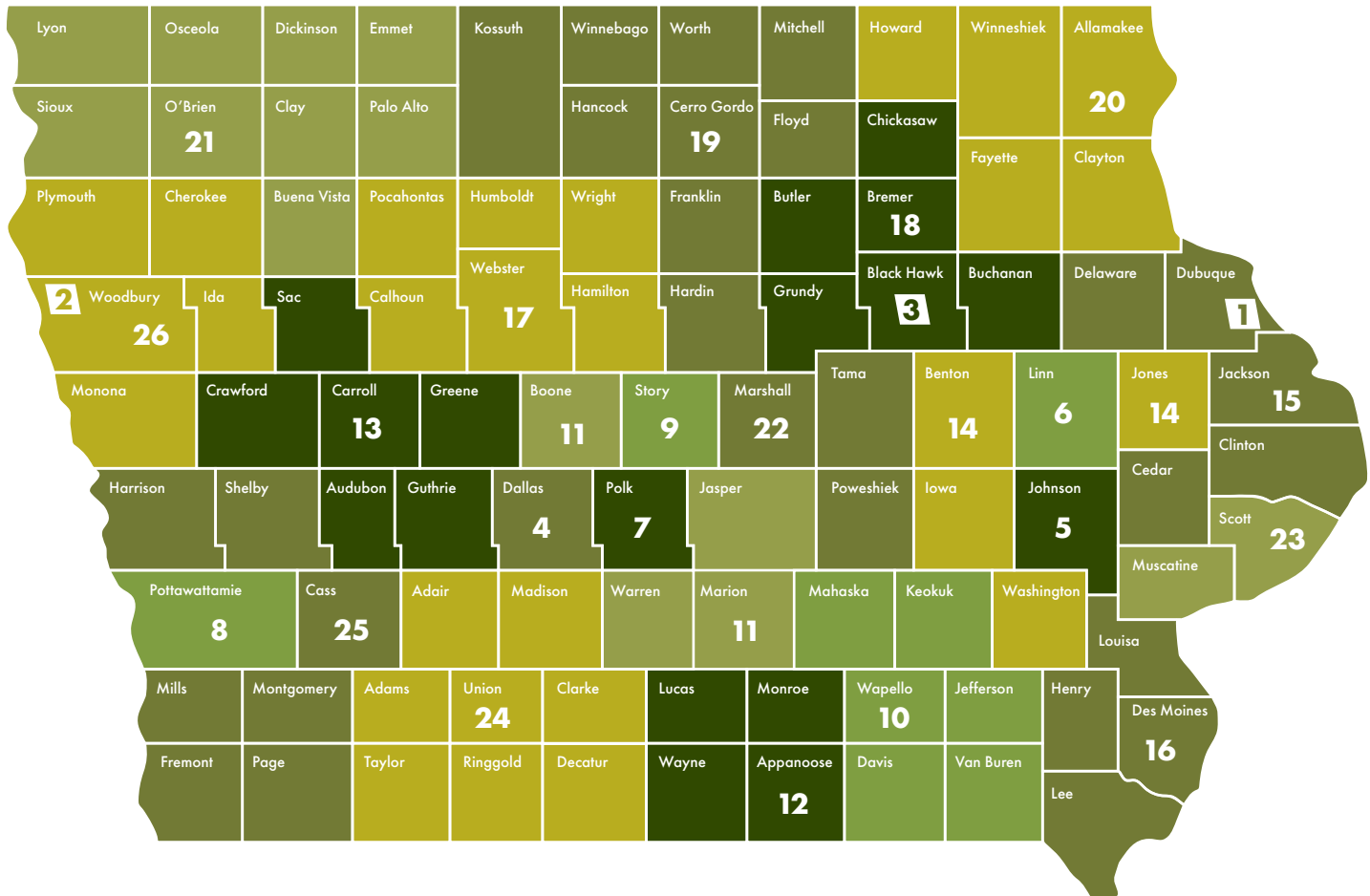
(1) LHTF Program funds awarded in a subsequent fiscal year shall not be disbursed until the earliest fiscal year grant agreement has been closed out. If applicable, this remedy shall be implemented, subject to Board approval, as a contingency to the new LHTF Program award.

(2) If the earliest fiscal year grant agreement has not been closed out during a subsequent fiscal year following IFA's determination to apply remedy (1) above, the Grantee may be declared ineligible for funding, subject to Board approval, in the LHTF Program allocation round. IFA shall notify the LHTF of a declaration of ineligibility for future LHTF Program awards prior to the established application submission deadline

LOCAL HOUSING TRUST FUND MAP



IOWA FINANCE AUTHORITY



CITY

- 1** City of Dubuque Housing Trust Fund
- 2** Sioux City Local Housing Trust Fund
- 3** Waterloo Housing Trust Fund

COUNTY

- 4** Dallas County Local Housing Trust Fund, Inc.
- 5** Housing Trust Fund of Johnson County
- 6** Housing Trust Fund for Linn County
- 7** Polk County Housing Trust Fund
- 8** Pottawattamie County Housing Trust Fund
- 9** Story County Housing Trust Fund

REGIONAL

- 10** AHEAD Regional Housing Trust Fund
Davis, Jefferson, Keokuk, Mahaska, Van Buren & Wapello
- 11** Central Iowa Housing Trust Fund
Boone, Jasper, Marion & Warren
- 12** Chariton Valley Housing Trust Fund, Inc.
Appanoose, Lucas, Monroe & Wayne
- 13** Council of Governments Housing, Inc.
Audubon, Carroll, Crawford, Greene, Guthrie & Sac
- 14** East Central Iowa Housing Trust Fund
Benton, Iowa, Jones & Washington
- 15** Eastern Iowa Regional Housing Corporation Housing Trust Fund*
Cedar, Clinton, Delaware, Dubuque & Jackson
- 16** Great River Housing, Inc.
Des Moines, Henry, Lee & Louisa
- 17** Heart of Iowa Regional Housing Trust Fund
Calhoun, Hamilton, Humboldt, Pocahontas, Webster & Wright
- 18** Iowa Northland Regional Housing Council**
Black Hawk, Bremer, Buchanan, Butler, Chickasaw & Grundy
- 19** NIACOG Housing Trust Fund
Cerro Gordo, Floyd, Franklin, Hancock, Kossuth, Mitchell, Winnebago & Worth
- 20** Northeast Iowa Regional Housing Trust Fund
Allamakee, Clayton, Fayette, Howard & Winneshiek
- 21** Northwest Iowa Regional Housing Trust Fund Inc.
Buena Vista, Clay, Dickinson, Emmet, Lyon, O'Brien, Osceola, Palo Alto & Sioux
- 22** Region 6 Housing Trust Fund
Hardin, Marshall, Poweshiek & Tama
- 23** Scott County Housing Council and Muscatine Housing Cluster
Scott & Muscatine
- 24** Southern Iowa COG Housing Trust Fund
Adair, Adams, Clarke, Decatur, Madison, Ringgold, Taylor & Union
- 25** Southwest Iowa Housing Trust Fund
Cass, Fremont, Harrison, Mills, Montgomery, Page, & Shelby
- 26** Western Iowa Community Improvement Regional Housing Trust Fund***
Cherokee, Ida, Monona, Plymouth & Woodbury

These trust funds are certified by the Iowa Finance Authority as Local Housing Trust Funds in accordance with Administrative Rules.

Updated 11/30/2022

* Excludes City of Dubuque ** Excludes Cities of Waterloo and Cedar Falls *** Excludes City of Sioux City

Iowa's Local Housing Trust Funds

The following trust funds have been certified by the Iowa Finance Authority (IFA) as local housing trust funds in accordance with Administrative Rules:

<p>AHEAD Regional Housing Trust Fund Counties Served: Davis, Jefferson, Keokuk, Mahaska, Van Buren and Wapello Contact: Chris Bowers 641.684.6551 chris.bowers@area15rpc.com</p>	<p>Central Iowa Housing Trust Fund Counties Served: Boone, Jasper, Marion and Warren Contact: Andrew Collings 515.334.0075 acollings@dmampo.org</p>	<p>Chariton Valley Regional Housing Trust Fund, Inc. Counties Served: Appanoose, Lucas, Monroe and Wayne Contact: Rachel Mathews 641.436.1775 charitonvalleyhousing@gmail.com</p>	<p>City of Dubuque Housing Trust Fund Area Served: City of Dubuque Contact: Alexis Steger 563.589.4239 asteger@cityofdubuque.org</p>
<p>Council of Governments Housing, Inc. Counties Served: Audubon, Carroll, Crawford, Greene, Guthrie and Sac Contact: Karla Janning 712.792.9914 kjanning@region12cog.org</p>	<p>Dallas County Local Housing Trust Fund, Inc. Area Served: Dallas County Contact: Christine Gordon 515.273.0770 christine.gordon@wdm-ia.com</p>	<p>East Central Iowa Housing Trust Fund Counties Served: Benton, Iowa, Jones and Washington Contact: Tracey Achenbach 319.365.9941, ext. 139 ecihousingfund@ecicog.org</p>	<p>Eastern Iowa Regional Housing Corporation Housing Trust Fund Counties Served: Cedar, Clinton, Delaware, Dubuque (excluding the city of Dubuque) and Jackson Contact: Carl Reimer 563.556.4166 creimer@ecia.org</p>
<p>Great River Housing, Inc. Counties Served: Des Moines, Henry, Lee and Louisa Contact: Sara Hecox 319.753.4311 shecox@seirpc.com</p>	<p>Heart of Iowa Regional Housing Trust Fund Counties Served: Calhoun, Hamilton, Humboldt, Pocahontas, Webster and Wright Contact: Vickie Reeck 515.576.4551, ext. 1243 vreck@forddodgeiowa.org</p>	<p>Housing Fund for Linn County Area Served: Linn County Contact: Tracey Achenbach 319.365.9941, ext. 139 housingfundlc@ecicog.org</p>	<p>Housing Trust Fund of Johnson County Area Served: Johnson County Contact: Ellen McCabe 319.358.0212 emccabe@htfjc.org</p>
<p>Iowa Northland Regional Housing Council LHTF Counties Served: Black Hawk (excluding the cities of Waterloo and Cedar Falls), Bremer, Buchanan, Butler, Chickasaw and Grundy Contact: Brian Schoon 319.235.0311 bschoon@incog.org</p>	<p>NIACOG Housing Trust Fund Counties Served: Cerro Gordo, Floyd, Franklin, Hancock, Kossuth, Mitchell, Winnebago and Worth Contact: Myrtle Nelson 641.423.0491, ext. 16 mnelson@niacog.org</p>	<p>Northeast Iowa Regional Housing Trust Fund Counties Served: Allamakee, Clayton, Fayette, Howard, and Winneshiek Contact: Rachele Howe 563.382.6171, ext. 1311 rhowe@uerpc.org</p>	<p>Northwest Iowa Regional Housing Trust Fund, Inc. Counties Served: Buena Vista, Clay, Dickinson, Emmet, Lyon, O'Brien, Osceola, Palo Alto and Sioux Contact: Kristin Westerman 712.262.7225, ext. 139 kristin.westerman@nwipdc.org</p>



Polk County Housing Trust Fund Area Served: Polk County Contact: Eric Burmeister 515.282.3233 eburmeister@pchtf.org	Pottawattamie County Housing Trust Fund, Inc. Area Served: Pottawattamie County Contact: Grant Anderson 402.444.6866 ext. 3222 ganderson@mapacog.org	Region 6 Housing Trust Fund Counties Served: Hardin, Marshall, Poweshiek, and Tama Contacts: Mark Newberg, 641.752.0717, mnewberg@region6resources.org Marty Wymore, 641.752.3978, mwymore@region6resources.org	Scott County Housing Council Counties Served: Muscatine and Scott Contact: Leslie Kilgannon 563.323.0420 gchousingcluster@gmail.com
Sioux City Local Housing Trust Fund Area Served: City of Sioux City Contact: Tiffany Bonnes 712.279.6245 tbonnes@sioux-city.org	Southern Iowa COG Housing Trust Fund Counties Served: Adair, Adams, Clarke, Decatur, Madison, Ringgold, Taylor and Union Contact: Beth Waddle 641.344.9634 director@sicog.com	Southwest Iowa Housing Trust Fund Counties Served: Cass, Fremont, Harrison, Mills, Montgomery, Page, Pottawattamie (excluding the city of Council Bluffs) and Shelby Contact: Tammy DeBord 712-243-4196 ext. 234 tammy.debord@swipco.org	Story County Housing Trust Area Served: Story County Contact: Andrew Collings 515.334.0075 acollings@dmampo.org
Waterloo Housing Trust Fund Area Served: City of Waterloo Contact: Brian Schoon 319.235.0311 bschoon@inrcog.org	Western Iowa Community Improvement Regional Housing Trust Fund Counties Served: Cherokee, Ida, Monona, Plymouth and Woodbury (excluding the city of Sioux City) Contact: Jenny Anderson 712.224.8912 jenny@simpco.org		

2023 — 4% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the 2023 4% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.



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INTRODUCTION

This Qualified Allocation Plan (QAP) governs the 2023 4% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

The mission of the State of Iowa LIHTC Program is to enhance the lives of Iowans by partnering with developers who share our mission of preserving and expanding affordable housing. The QAP, online application, and policies and procedures were developed to meet this mission, as well as all requirements of Section 42 of the Internal Revenue Code (Code).

The Code requires each Allocating Agency to develop a QAP for use in determining those developments that will receive an allocation of Tax Credits. If the relevant IRS Code or IRS regulations that govern this program are amended, the IFA Board may amend this QAP to ensure it conforms.

In the process of administering the LIHTC program, IFA will make decisions and interpretations regarding this QAP, Applications, and Projects. Unless otherwise stated, IFA is entitled to full discretion in making such decisions.

IFA shall become the owner of the Applications. IFA is not responsible for any costs incurred by Applicants.

In all instances in which federal, state, or local requirements apply to the Project, the most restrictive requirements shall apply.

**PART A –
REQUIREMENTS FOR
4% TAX CREDITS
WITH TAX-EXEMPT
BONDS**

SECTION 1. TAX-EXEMPT BOND FINANCED PROJECTS CREDIT ALLOCATION PROCESS

1.1. PRIVATE ACTIVITY CAP (CAP). The bonds to finance the Project shall have received an allocation of CAP pursuant to IRC Section 146 and Iowa Code Chapter 7C. Tax Credits are allowed for the portion of a Project's Eligible Basis that is financed with the tax-exempt bonds. If fifty percent (50%) or more of a Project's aggregate basis (land and building) is so financed, the Project is eligible for Tax Credits for up to the full amount of Eligible Basis. CAP allocation is limited to the greater of fifty five percent (55%) of the aggregate basis or \$15,000,000. The allocation of the CAP shall be after the 42M letter is issued.

1.2 PROJECT CAP. The maximum Tax Credit amount is limited by the availability of CAP and the Project Eligible Basis.

SECTION 2. APPLICATION PROCESS OVERVIEW

2.1 TAX CREDIT RESERVATION SCHEDULE. To the extent possible, the following schedules apply to the Tax Credit Reservation Application process for 4% Tax Credits:

Process Step	Date
Application Package Available	February 2023
Date of Last Application Package Submission to IFA	October 27, 2023
IRS Form 8609 Application Package due to IFA	No later than November 1 of the first year credit period

Any revisions to the schedule will be published on the IFA website at www.iowafinance.com.

2.2 FEES. Electronic payment of the fees is required. fees are nonrefundable. IFA shall collect the fees described below for the LIHTC Program.

Fee Type	All Applicants
Application Fee	\$2,750
Reservation Fee	1% of the total 10-year Tax Credit amount due within 30 calendar days of issuance of IRC Section 42(m) Letter.
Material Change in Application Fee	\$2,000 for material change requests.
IRS Form 8609 Application Fee	\$10,000
Amended IRS Form 8609 Fee	\$1,000
Legal Fees	Legal fees of IFA's in-house counsel and related to the Project may be billed at the rate of \$150 per hour. Legal fees of outside counsel and related to this Project will be billed at the rate charged to IFA.
Construction Monitoring Fees	A \$2,900 construction monitoring fee will be due with the IRS Form 8609 Application.
Fees for Failed and Missed Inspections	IFA charges an additional \$500 fee when conditions at the site warrant a return visit or any missed inspection or preconstruction meetings when IFA's construction analyst is not given 10 days advance notice.

Fee Type	All Applicants
Compliance Monitoring Fee	<p>\$32 per Unit x number of total Project Units, submitted annually on or before January 31 for each year of the Compliance Period and the Extended Use Period (if applicable). (Example: \$32 per Unit x 24-Unit Project = \$768.00 paid annually for 30 years.)</p> <p>Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple-building Project on the IRS Form 8609, if eligible to do so.</p> <p>Annual rate increases may apply. Other fees as provided in the IFA compliance manual.</p> <p>The first annual payment shall be submitted with the IRS Form 8609 Application. The Ownership Entity has the option of paying the compliance monitoring fee in advance for the entire Compliance Period and the Extended Use Period (if applicable); however, additional fees may be assessed to the Property during the Compliance Period and Extended Use Period if annual rate increases are applied during that time.</p>

2.3 APPLICATION PROCESS.

- A. **Application Summary.** An Application Summary shall be completed and submitted through the online Application. IFA will contact the Applicant to discuss the tax-exempt bond process and determine whether IFA will be the conduit bond issuer which will require submission of the bond inducement application.
- B. **Bond Inducement Application.** Applicant shall complete the bond inducement application and payment of the bond inducement application fee through the online Application.
- C. **Board Approval of Bond Inducement.** The IFA Board has discretion to approve the bond inducement resolution for the purpose of using tax-exempt financing for the 4% Tax Credit Project. The approved bond inducement resolution is required prior to submission of the LIHTC Application.
- D. **LIHTC Application Package.** Applicants shall submit the Application and exhibits through the online Application. Applicants shall use the forms contained in the Application Package and include all information required by the QAP or as otherwise required. Applications shall be submitted within 6 months of Board approval of the bond inducement otherwise the bond inducement may be terminated. Applicants are advised to check IFA's website periodically for any amendments or modifications to the Application Package.

- E. **Complete Application.** In order for IFA to review an Application fairly and accurately, it shall be complete. If there is not adequate information provided to review the Application, and upon request from IFA to the Applicant, adequate information is not submitted, then IFA shall reject the Application.
- F. **Market Study.** All applications shall include a comprehensive market analysis with a full narrative report following IFA's current market study guidelines. The study must be prepared by an independent third-party National Council of Housing Market Analysts member unaffiliated with the developer. The Market Study Provider shall acknowledge the study is being completed for IFA's use and benefit. IFA may contact the Market Study Provider at any time. Refer to Appendix O – Market Study Guidelines.
- G. **Market Study Timing.** The Market Study and field survey must have been completed no more than 6 months prior to the application submission.
- H. **IFA Market Study Review.** The Market Study must reflect the Application submitted, including but not limited to: unit mix, income targeting, rent levels, minimum set-aside, and other property attributes and amenities. IFA may permit or require Applicants to comply with recommendations made by the Market Study Provider in the deficiency report.. IFA may reject an Application if the Market Study submitted does not meet the IFA Market Study guidelines.
- I. **Site Plans and Site Visits.** Applications shall include a preliminary site plan, floor plans, and elevations of all sides of all buildings. Applicants shall provide IFA building access for inspection upon request.
- J. **Authorization Forms.** IFA may request an executed IRS Form 8821, Tax Information Authorization Form
- K. **Document Timeliness.** Required supporting documentation shall not be more than 180 days old, unless otherwise noted, on the date that the Application is submitted. Exceptions include documents not specifically produced for the Application, such as a valid purchase agreement, deed, land title document, Articles of Incorporation.
- L. **Opinions and Certifications.** All certifications, professional opinions, and related documents must be based on an independent investigation into the facts and circumstances regarding the proposed Project, in the form specified by IFA, and made under penalty of perjury.
- M. **Local Jurisdiction Notification.** The Applicant shall supply the contact information of the Chief Executive Officer of the Local Jurisdiction.
- N. **Application Deficiency.** During the Application review, IFA may request additional information on the Application through a deficiency report sent via email. The Applicant will have a period of time determined solely by IFA to remedy the deficiency items. IFA may adjust the underwriting, if applicable. IFA may contact the Applicant in other ways to clarify information contained in the Application.
- O. **IRC Section 42(m) Letter.** Once an Application is approved, IFA shall issue an IRC Section 42(m) letter confirming that the Project satisfies the requirements of the QAP and stating the preliminary amount of Tax Credits for the Project.
- P. **Joint Review.** IFA may conduct joint reviews with any other party. IFA may contact other sources to obtain information regarding the materials contained in the Application.

- Q. **Public Information.** At the conclusion of the selection process, the contents of all Applications will be in the public domain and be public records available for review by interested parties, unless, at the time of submitting the application, the Applicant properly requests that specific parts of the Application be treated as confidential AND the information is confidential under Iowa or other applicable law. IFA's release of public records is governed by Iowa Code Chapter 22. Applicants are encouraged to familiarize themselves with Chapter 22 before submitting an Application. IFA will make records available as required to comply with Chapter 22 or other applicable law.
1. **Confidential Request.** An applicant who desires confidential treatment of information must complete a confidential treatment request exhibit and upload it with the application. For each confidentiality request, the Applicant must (1) enumerate the specific grounds in Iowa Code Chapter 22 or other applicable law that supports treatment of the material as confidential, (2) provide adequate justification as to why the material should be maintained in confidence, (3) explain why disclosure of the material would not be in the best interest of the public, and (4) set forth the name, address, telephone, and e-mail for the person authorized by applicant to respond to inquiries by IFA concerning the confidential status of such material. Requests to maintain an entire application as confidential will be rejected as non-responsive. An applicant's request for confidentiality that does not comply with this section or an applicant's request for confidentiality on information or material that cannot be held in confidence as set forth herein are grounds for rejecting an application as non-responsive.
 2. **Redacting.** Any Application submitted which contains information for which Applicant is requesting confidential treatment must be conspicuously marked by the Applicant as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. If the Contractor designates any portion of its Application as confidential, the Applicant must submit a copy labeled as "Public Copy" from which the confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the Application as possible. Failure to properly identify specific information as confidential or to provide a Public Copy shall relieve IFA or State personnel from any responsibility if confidential information is viewed by the public or a competitor, or is in any way released. If the Applicant identifies its entire Application as confidential, IFA will reject the Application.
 3. **Release.** If IFA receives a request for information that includes information Applicant has marked as confidential and IFA intends to release such information, IFA will give written notice to the Applicant at least seven calendar days prior to the release of the information to allow the Applicant to seek injunctive relief pursuant to Iowa Code Section 22.8. After seven calendar days, IFA will release the information marked confidential unless a court of competent jurisdiction determines the information is confidential under Iowa Code Chapter 22 or other applicable law. If Applicant fails to comply with the request process set forth herein, if Applicant's request for confidentiality is unreasonable, or if Applicant rescinds its request for confidential treatment, IFA may release such information or material with or without providing advance notice to Applicant and with or without affording Applicant the opportunity to obtain an order restraining its release from a court possessing competent jurisdiction.
 4. **Waiver.** The Applicant's failure to request confidential treatment of material will be deemed a waiver of any right to confidentiality the Applicant may have had.

SECTION 3. ELIGIBILITY

3.1 LEGAL OWNERSHIP ENTITY. This Ownership Entity shall be formed prior to application submission and shall be a single-asset entity to which Tax Credits will be awarded. All members, managers, partners, and officers of all entities of the Ownership Entity shall be disclosed in an organizational chart. The proposed structure identified within this chart may not be changed after Application submittal until closing with the investor, and only the limited partner and special limited partner, if applicable, may be added.

3.2 QUALIFIED DEVELOPMENT TEAM. The Application shall identify all members of the Qualified Development Team (QDT) and Affiliates. The Developer/Co-Developer (Developer), General Partner/Managing Member (GP/MM), and Affiliates thereof may not change between Tax Credit reservation and issuance of the IRS Form 8609.

A. **Qualified Development Team Members.** The Application must identify the following QDT Members, if applicable:

- Developer/Co-Developer
- General Partner/Managing Member
- Syndicator or Direct Investor
- Special Limited Partner
- Management Company
- Bond Counsel
- Architect
- Energy Consultant
- Tax Attorney
- Tax Accountant
- Contractor
- Engineer
- Development Consultant

B. **New Developer and General Partner/Managing Member.** If the Developer or GP/MM has never received an IRS Form 8609 in Iowa, they shall have no more than 1 LIHTC award under this QAP. If the Developer or GP/MM has never received an IRS Form 8609, they shall have no more than 1 LIHTC award under this QAP, and they shall not be eligible for a second award in any team member role until an IRS Form 8609 has been received.

C. **Direct Investor.** A direct investor shall have a LIHTC asset management department with at least 3 years' experience.

D. **Management Company.** The management company shall have at least 3 years of LIHTC management experience and is currently managing at least 3 LIHTC Properties.

E. **Architect.** The Architect, and not just the architectural firm, must be duly licensed to do business in Iowa.

F. **Energy Consultant.** The Energy Consultant shall be a RESNET certified energy rater in Iowa.

G. **Development Consultant.** A copy of the executed Development Consultant Agreement shall be submitted in the Application.

3.3 INELIGIBILITY. Any QDT member or Affiliates thereof may be deemed ineligible by the Executive Director to participate in the LIHTC Program for the following:

- A. Evidence of involvement in a financial crime or crime related to dishonesty.
- B. Making misrepresentation or providing materially false information in an application.
- C. Allowing an affordable rental housing property to enter into foreclosure.
- D. Exiting a LIHTC ownership entity voluntarily or involuntarily.
- E. Being suspended, debarred, or otherwise excluded from doing business with any federal housing program.
- F. Not being in good standing with any affordable rental housing program administrator.
- G. Having been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance.
- H. A history of repeated or numerous Tax Credit compliance issues in Iowa, even if such issues have not resulted in an uncorrected IRS Form 8823.
- I. Has returned a full credit Allocation or has failed to comply with a Carryover allocation.

3.4 SITE REQUIREMENTS. The proposed Project shall be located in an incorporated city at Application submission. Applications shall not contain or propose alternate sites. The Applicant shall be ready to proceed with the Project by documenting site control and site suitability. IFA may deem a site unacceptable if located in an area of high LIHTC unit density.

A. Zoning.

The Applicant shall provide confirmation from the city of the current zoning, including special or conditional-use permits and any other discretionary land use for each site on which the Project will be located. The city zoning department shall verify whether the official plat is properly zoned. The Applicant shall provide site plans to the city that show the Project will have:

- 1. The proper number of parking stalls;
- 2. Direct contiguous access to a publicly dedicated paved road;
- 3. Any legal easement(s) necessary to not be landlocked; and
- 4. Right of ways, if applicable.

B. Scattered Sites. The Applicant shall submit an Application reflecting the total of all sites as well as separate site specific exhibits for each site included in the Project. A Scattered Site is a Project where multiple buildings with the same occupancy type and are not located in proximity to one another, but are owned by the same party and financed under the same agreement(s). For Scattered Site Projects, all Units shall be qualified LIHTC Units. Scattered Sites cannot elect the average income test.

C. **Submission of Site Characteristics.** The site shall be suitable for the proposed Project and shall not include excess acreage unnecessary for the construction and use of the Project.

The Applicant shall provide:

1. A narrative of the current use of the Property, all adjacent Property land uses, and the surrounding neighborhood;
2. Labeled colored photographs (or color copies) of the proposed Property and all adjacent properties;
3. A clear map identifying the exact location of the Project site; and
4. A plat map of the site or proposed replat of the site.

D. **Detrimental Site Characteristics.** The Applicant shall not change the site location. If the site(s) includes any detrimental characteristics, the Applicant shall provide a remediation plan and budget, subject to IFA's approval, to make the site suitable for the Project.

IFA may reject sites:

1. Located within one-half mile of storage areas for hazardous or noxious materials, sewage treatment plants or other solid waste facilities, businesses or equipment producing foul odors or excessive noise or the site is a prior storage area for hazardous or noxious materials, sewage, or other solid or liquid waste;
2. Where the slope/terrain is not suitable for a Project based on extensive earth removal/replacement required for development;
3. Where there are obvious physical barriers to the Project;
4. Located within one-half mile of a sanitary landfill or sites that were previously used as a sanitary landfill;
5. Located within a flood hazard area, 100-year flood zone or a 500-year flood zone as determined by the Iowa Department of Natural Resources, a FEMA map, or a FIRM map;
6. Located within 500 feet of an airport runway clear zone or accident potential zone;
7. That are landlocked;
8. That are native prairie land or designated wetlands;
9. Within 300 feet of an electrical power substation, natural gas substation, or similar substation; or
10. That are otherwise unsuitable as a home for LIHTC households as determined by IFA.

E. **Site Control.** The Application must demonstrate the Applicant has site control by providing executed documents described below.

1. **Evidence of Site Control.**

The evidence shown below must be binding on the contractor/lessor/optionor of the Property (i.e. there must be no conditions for the termination within the sole discretion of the contractor/lessor/optionor, and the evidence must provide that the contractor/lessor/optionor cannot unilaterally withdraw, revoke, or rescind the obligation to the sale or lease of the Property to the Applicant unless the Applicant is in default under the contract).

- a. The Applicant holds sole fee simple title to the Property on which the Project will be located by a properly executed and recorded warranty deed; or
- b. The Applicant has an executed and exclusive purchase option or contract that is valid for nine months following the date of the Application due date; or
- c. The Applicant has an executed lease or an option on a lease, which has a term not less than 35 years. If the Applicant is purchasing or leasing parking space from a unit of local government, a project specific resolution would suffice.

2. **Requirements for Site Control.**

- a. There shall be a common ownership between all Units and buildings within a single Project for the duration of the Compliance Period and the Extended Use Period.
- b. The Applicant shall provide the location of existing and proposed easements on the site, the most current real estate tax assessment, and documentation that the Project meets or exceeds the City requirements for parking (unless subject to an exemption).

3.5 PROJECT REQUIREMENTS.

The Applicable Percentage for each building is established at either the month in which the building is Placed-in-Service, or at the Ownership Entity's election, the month in which the bonds are issued. If the latter is desired, the election statement shall be signed by the Ownership Entity, notarized and submitted to IFA before the close of the fifth calendar day following the month in which the bonds are issued.

The Project shall be Placed-in-Service no later than 24 months following the date of the bond issuance. IFA may, on a case-by-case basis, allow a Project to exceed the 24 month requirement. All requests to exceed this requirement on a 4% Tax Credit Project shall be required to go before the IFA Board of Directors for approval.

- A. **Qualified Residential Rental Property.** The Applicant shall certify that the Project as proposed is a Qualified Residential Rental Property. IFA may require the Applicant to supply a legal opinion.
- B. **Community Service Facility.** A Community Service Facility is a facility meeting the requirements of IRC Section 42(d)(4)(C)(iii) and Revenue Ruling 2003-77.

- C. **Minimum Set-Aside Elections.** The Applicant shall make a minimum set-aside election of income and rent levels of those listed below. Any Owner election made in regard to the minimum set-aside election requirement for a qualified low-income housing project under IRC Section 42(g) cannot be changed once made in the Application.
1. **20-50 Test.** At a minimum 20% or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is 50% or less of AMI; or
 2. **40-60 Test.** At a minimum 40% or more of the residential Units in a Project are both rent restricted and occupied by individuals whose income is 60% or less of AMI; or
 3. **Average Income Test (Income Averaging).** At a minimum 40% or more of the residential Units in a Project serve households earning as much as 80% AMI, as long as the average income/rent limit in the property is 60% or less of AMI. The average income test is not available for Scattered Site Projects.
- D. **Senior Projects Standards.** Senior Projects are not allowed anything greater than 2 bedrooms per Unit. If layered with an existing Federal Program, the senior occupancy restrictions for the Federal Contract shall apply.
- E. **Units.** All LIHTC Units shall be evenly distributed in terms of location and number of bedrooms throughout the Project, be of comparable quality, and offer a range of sizes and number of bedrooms to any unrestricted Units.
- F. **Market Rate Standards.** Market rate single family homes shall not be allowed in any Project.
- G. **Acquisition/Rehab**
1. **Prohibition of Applying Within the Initial 15-Year Compliance Period.** Once a Project has been issued an IRS Form 8609, the Project is prohibited from applying for LIHTC credits until after the 15th year has been completed (of the initial 15 year Compliance Period).
 2. **Rehabilitation Expenditure(s):** The Applicant shall provide information regarding rehabilitation expenditures for each building. The information shall address how the Applicant will meet all of the building standards and minimum development characteristics. The Applicant shall identify, with respect to each building as required by the Application, the rehabilitation expenditures as defined in IRC Section 42(e)(2) that shall be allocable to or substantially benefit the Low-Income Units in such building. Each building in the Project must meet the greater of the IRS minimum expenditures requirement set forth in Section 42(e)(3) or a \$35,000 rehabilitation expenditure limited to hard construction costs per Low-Income Unit.

3.6 DISPLACEMENT OF RESIDENTIAL TENANTS. IFA may reject any Application that fails to minimize permanent displacement of tenants and/or provide an adequate relocation plan. The Application must include a formal relocation plan if the Project scope requires any form of temporary or permanent relocation of existing tenants. The plan shall provide an overview of the need for relocation, a proposed timeline, an estimated budget, and other information as requested in the Application. If the project has a federal funding source, the most restrictive relocation plan requirements shall apply.

SECTION 4. APPLICATION UNDERWRITING STANDARDS

IFA may adjust the amount of Tax Credits based upon the underwriting. All Projects shall meet underwriting standards.

4.1 PROJECT DEVELOPMENT COSTS

- A. **Developer Fees.** Developer fees (including overhead and profit, Consultant Fees) shall not exceed 18%. The Developer's Fee is calculated as a percentage of Total Project Costs minus land, Developer's Fee, Developer's overhead and profit, Consultant Fees and Project reserves.
- B. **Builder and General Contractor Fees.** Builder and general contractor fees will be limited to a total of 12% of the hard construction costs (site improvements or work, new construction, rehabilitation, accessory buildings, garages, general requirements, construction contingency, asbestos abatement, lead-based paint measures, builder's overhead, builder's profit, builder bond fee, architect's fees, engineering fees, and other fees).
- C. **Professional and Other Fees.** IFA reserves the right to limit professional fees and other fees related to services rendered to the Project.
- D. **Operating Reserve.** The operating reserve will be at least 6 months of debt service, operating expenses, and real estate taxes. The operating reserve shall be fully funded within 6 months from the date IFA sent the IRS Form 8609 to the Ownership Entity. The operating reserves may be funded with an irrevocable letter of credit. If a letter of credit is used, the proceeds shall not be included in the Project costs. The fees associated with obtaining the letter of credit may be included in Project costs.
- E. **Appraisals.** An appraisal by an active Member Appraisal Institute (MAI)-certified appraiser who is not a related party at the Applicant's expense is required for the following reasons unless waived by IFA:
 - 1. For land or buildings that are acquired from a party with an Identity of Interest.
 - 2. For Acquisition/Rehab Projects requesting acquisition credits.
 - 3. During the Application review, if IFA may determine that cause exists to question the fair market value of the land and/or buildings being acquired and require an appraisal.
- F. **Project Costs Not Allowed in Eligible Basis.** The following project costs are not allowed in Eligible Basis:
 - 1. **Existing Reserve Accounts.** Cash from Project reserve accounts transferred to the Ownership Entity with the acquisition of a Project shall not be allowed in eligible basis.
 - 2. **Construction and Permanent Lender Fees.** Construction fees if the construction and permanent lender are the same.

3. **Paved Roads.** The cost of construction of a de minimis paved road on public property may be included in the Project costs, as determined by IFA. The cost of construction of an extensive paved road on public property shall not be included in the Project costs.
4. **Off-Site Utilities.** Costs that are not normal connections or extensions to existing utilities shall not be included in the Project costs.
5. **Tenant Paid Amenities.** Garages, storage units, or other amenities where the Ownership Entity is charging tenants for use, except when part of normal rent for all of Units.

4.2 PROJECT FUNDING SOURCES.

- A. **Tax Credit Investor Letter of Intent.** Applicant shall provide a letter of intent from the investor for the LIHTCs on the company letterhead with the price, approximate equity amount, recommended minimum project operating expense for the Project, and investor-approved market analyst firm.
- B. **Financing Letters of Intent.** Applicant shall provide a letter of intent from each funding source for construction and permanent financing on the institution's letterhead. The letter for loans shall state the amount of the loan, interest rate, term, amortization period (minimum 30 years required for first mortgage debt), fees, prepayment penalties, anticipated security interest in the Property, and lien position. The letter for all other sources (including any existing debt to be assumed, grants, loans, tax credits, etc.) shall state the value of the funding, the purpose the funds may be used for, and any time limitations.
- C. **Deferred Developer Fees.** Deferred Developer fees cannot exceed 65% of the total Developer fee, and the Application must demonstrate the full amount being paid within 15 years. The deferred Developer fee shall be paid from the net cash flow and not be calculated into the minimum Debt Service Coverage Ratio.
- D. **Federal and State Historic Tax Credits.** Projects with historic significance shall use equity invested for the maximum amount of state and federal historic tax credits as proposed or awarded by the appropriate allocating agency as a funding source,

4.3 PROJECT OPERATING COSTS AND CASH FLOW.

- A. **Operating Expenses.** Operating expenses are based on thresholds provided by the LIHTC equity investor partner and subject to IFA review.
- B. **Escalators.** IFA will underwrite Projects with income escalating at 2% and operating expenses escalating at 3%. Management fees will escalate at the same rate as income.
- C. **Vacancy Rate Standards.** IFA will underwrite Projects at a 7% vacancy rate unless otherwise recommended by a lender or investor.
- D. **Debt Service Coverage Ratio (DSCR) Standards.** The Application may not show DSCR as less than 1.15 in any year. IFA will evaluate high DSCR and cash flow to determine if the requested resources are necessary for sustainability.

- E. **Replacement Reserve.** All Family Projects shall budget replacement reserves of \$350 per Unit per year, escalating at the same rate as operating expenses, or a flat \$435 per unit per year. All Older Persons Projects shall budget replacement reserves of \$300 per Unit per year, escalating at the same rate as operating expenses or a flat \$375 per unit per year.
- F. **Subsidy Layering Review.** IFA shall complete a subsidy layering review for each Project that receives HUD housing assistance (other than HOME and CDBG).
- G. **Basis Boost.** The Code allows a boost in the Eligible Basis of up to 30% for Buildings located in a QCT or DDA as defined by HUD. Refer to Appendix C - QCTs & DDAs.
- H. **Tax Credit Calculation.** IFA shall determine the amount of Tax Credits necessary for the financial feasibility of the Project through the information received during the Application. IFA will utilize the percentage of the limited partnership interest in the Project and equity price in the determination of the Tax Credit amount.

**PART B –
POST RESERVATION
REQUIREMENTS**

Failure to comply with any provision of this Section may result in revocation of the Tax Credit Reservation, withholding of the IRS Form 8609 or issuance of an IRS Form 8823.

SECTION 5. POST RESERVATION REQUIREMENTS

5.1 CHANGES TO THE APPLICATION. Ownership Entities must submit any proposed Project change after Tax Credit Reservation through the online Application. IFA may approve changes, subject to conditions, or deny. Material changes may be considered, but shall result in an additional fee and future scoring penalty in a 9% Round if approved. Material changes are changes that cause the Project to not be substantially the same as when awarded. This includes but is not limited to redesigns or revisions to the site, design or plans that may require extensive review, consideration for feasibility, or special considerations that may require IFA Board approval.

The following changes are not allowed:

- A. Changes to the Ownership Entity named in after Tax Credit Reservation;
- B. Transfers of the Tax Credit Reservation;
- C. Changes in Unit mix;
- D. Change to the minimum set-aside election; or
- E. Change that decreases the applicable fraction per building.

5.2 POST CLOSING SUBMITTAL. Applicant shall submit evidence of site ownership and final closing documents to the online Application within 30 days of Syndicator/Direct Investor closing.

5.3 PRIOR TO PLACED-IN-SERVICE DOCUMENTS. As a precondition to receiving IRS Form 8609, the Ownership Entity shall submit the following documents through the online Application at least 120 days prior to the first Unit placing in service:

- A. Affirmative Fair Housing Marketing Plan Package.
- B. Confirmation that the Project is listed on Iowa's free rental housing locator at www.iowaHousingSearch.org.
- C. A commitment to notify PHA of vacancies.
- D. A tenant selection plan that includes the following: descriptions of the eligibility requirements, income limits, elderly restrictions or preferences in the admission of tenants (if applicable), and a preference for persons with a disability. The restrictions or preferences must cite the supporting documentation to ensure nondiscrimination in the selection of tenants. The plan also shall be consistent with the purpose of improving housing opportunities and be reasonably related to program eligibility and the rental applicant's ability to perform the obligations of the lease.

5.4 MARKETABLE TITLE REQUIREMENT. The Ownership Entity shall provide adequate evidence that the Ownership Entity's title in the real estate on which the Project is to be located is a marketable title pursuant to Iowa Land Title Examination Standards, or other applicable law. Adequate evidence of marketable title is demonstrated by either: (1) a title opinion of an attorney authorized to practice law in Iowa showing marketable title in the Ownership Entity; or (2) a title guaranty certificate issued by the Iowa Title Guaranty Division of IFA showing the Ownership Entity as the guaranteed. In the case of leased land, a copy of the recorded lease shall be provided.

5.5 IRS FORM 8609. Upon approval of the 8609 Application by IFA, IFA shall complete Part A of IRS Form 8609 and send it to the Ownership Entity. The Ownership Entity shall complete Part B and return a copy of the fully executed IRS Form 8609 to IFA within 60 days of IFA sending the IFA executed IRS Form 8609. The Owner's completed IRS Form 8609 shall match the terms agreed upon in the LURA.

5.6 DESTRUCTION OF A PROJECT PRIOR TO PLACEMENT-IN-SERVICE. If a Project cannot be placed in-service by the applicable federal deadline due to a casualty loss, IFA may allow the Ownership Entity to return the Tax Credits in exchange for a binding commitment by IFA to allocate a future year's Tax Credits in an amount not to exceed the original allocation. This section only covers casualty losses not addressed under Revenue Procedure 2014-49.

5.7 COMPLIANCE IFA has established procedures for monitoring compliance. Refer to the Iowa LIHTC Compliance manual and supporting documentation. Any other rent and income restrictions required by other programs, including HOME, shall still apply as applicable.

5.8 COMPLIANCE PERIOD (INITIAL 15-YEAR COMPLIANCE PERIOD). The Compliance Period is the 10-year credit period and additional 5-year period for a total of 15 taxable years, beginning with the first taxable year of the credit period. Any other rent and income restrictions required by other programs, including HOME, shall still apply as applicable.

5.9 EXTENDED USE PERIOD (LONG TERM COMPLIANCE PERIOD). The time frame that begins the first day of the Initial 15-Year Compliance Period, in which the building is a part of a qualified low-income housing Project and ends 15 years after the close of the Initial 15-Year Compliance Period, or the date specified by IFA in the LURA. Any other rent and income restrictions required by other programs, including HOME, shall still apply as applicable.

SECTION 6: TERMS AND CONDITIONS.

The following terms and conditions apply to all Applicants and Projects that receive a reservation of 4% Tax Credits.

IFA will rely on the following when interpreting the requirements of the QAP: (1) the QAP, including the Tax Credit Application, appendices, exhibits, instructions, and any incorporated materials; (2) IFA's questions and answers for the QAP; and (3) IFA's past practice. IFA may, at its discretion, conduct due diligence to verify information provided by the Applicant. An Applicant's interpretation of the QAP and its requirements is immaterial.

6.1 DOCUMENTS INCORPORATED BY REFERENCE The items described in this Section are incorporated by reference in the QAP.

- A. 26 USC Section 42 as amended and the related Treasury regulations in effect as of the date this QAP is adopted by the Board.
- B. Iowa Code Section 16.35 and the rules promulgated by IFA to govern the LIHTC Program in effect as of the effective date hereof.
- C. In the case of any inconsistency or conflict between the items listed in this Section, conflicts shall be resolved as follows:
 - 1. First by IRC Section 42 and the related Treasury regulations;
 - 2. Second by Iowa Code Sections 16.4, 16.35, and the rules governing the QAP; and
 - 3. Third by the QAP.

6.2 BINDING OBLIGATIONS The representations made in the Application bind the Applicant and shall become a contractual obligation of the Developer and the Ownership Entity and any Entity the Developer or the Ownership Entity is representing in the presentation of the Application or a successor in interest in the event Tax Credits are awarded to a proposed Project. The contractual obligation constitutes the agreement between the parties, as represented by the Developer or Ownership Entity, within the following documents: the QAP, Application (with any permitted amendments), and any other agreements executed between IFA and the Ownership Entity.

6.3 LAND USE RESTRICTIVE COVENANTS (LAND USE RESTRICTIVE AGREEMENT (LURA)). The Project shall be subject to the LURA, which is an agreement between IFA and the Ownership Entity and all of its successors in interest. The LURA shall conform to the requirements of IRC Section 42(h), Iowa Code Section 16.35 and the QAP.

6.4 NO REPRESENTATION OR WARRANTY REGARDING QAP. IFA makes no representation or warranty to any Person or Entity as to compliance issues or the feasibility or viability of any Project.

6.5 IFA POLICY ON CIVIL RIGHTS COMPLIANCE. The Applicant and any of its employees, agents, or sub-contractors doing business with IFA understand and agree that it is the responsibility of the Developer and Ownership Entity to adhere to and comply with all federal civil rights legislation, including the Fair Housing Laws, the Americans With Disabilities Act, as well as any state and local civil rights legislation. The Developer and Ownership Entity are responsible for being aware of and complying with all non-discrimination provisions of federal, state, or local law.

6.6 VIOLENCE AGAINST WOMEN ACT (VAWA). The Applicant and any of its employees, agents, or sub-contractors doing business with IFA understand and agree that it is the responsibility of the Developer and Ownership Entity to adhere to and comply with the Violence Against Women Act, including adding the VAWA lease terms provided by the authority to its leases.

**PART C –
CONSTRUCTION
REQUIREMENTS**

SECTION 7. PRIOR TO THE INITIATION OF CONSTRUCTION

7.1 CHANGES IN SCOPE. The Ownership Entity shall not make any changes or alterations to the Project (including the site layout, floor plan, elevations, or amenities) from Reservation without IFA's written authorization. This includes changes required by local governments to receive building permits.

7.2 IFA PLAN REVIEW. The Ownership Entity shall submit final plans, specifications, the energy audit or analysis and, Capital Needs Assessment (CNA) if applicable, to IFA upon completion. IFA shall give written approval before the Ownership Entity commences site work or construction.

7.3 ENERGY. For Acquisition/Rehab Projects, the Ownership Entity must provide:

- A. A copy of the energy audit conducted by a certified home energy rater, and
- B. Appropriate specifications to meet IECC standards or alternate cost-effective energy improvements with the final construction documents.

IFA requires an engineer or architect to certify that the architect has met and coordinated the design with the energy consultant and Ownership Entity and that the design meets the applicable International Energy Conservation Code (IECC). as shown in Section 11 – Building Standards. The contract for the determination of the energy audit shall be between the certified rater and the Ownership Entity. This section does not apply to Historic projects.

7.4 CAPITAL NEEDS ASSESSMENT (CNA). Acquisition/Rehab or Rehab Projects shall submit a complete Capital Needs Assessment with the design documents that are submitted for review and approval prior to the start of construction. The CNA shall be prepared by a third party that regularly provides CNA's as a basic or core service. The third party may be a member of the Qualified Development Team with prior approval by IFA, but may not be the Ownership Entity or Developer. The CNA shall assess the rehabilitation needs of each existing structure, including:

- A. A site visit and physical inspection of the interior and exterior of Units and structures;
- B. An interview with on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs, and existing or chronic physical deficiencies;
- C. The presence of hazardous materials;
- D. A detailed opinion as to the proposed budget for recommended improvements;
- E. Identify critical building systems or components that have reached or exceeded their expected useful lives;
- F. A projection of recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, to determine the appropriate replacement reserve deposits on a per Unit per annual basis;
- G. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines;
- H. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, stairs, and drainage;

- I. Interiors, including Unit and common area finishes (carpeting, vinyl tile, plaster walls, paint conditions, etc.), Unit kitchen finishes, cabinets and appliances, Unit bathroom finishes and fixtures, and common area lobbies and corridors; and
- J. Mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems, and elevators.

The CNA shall conform to standards outlined in ASTM E 2018-08, Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process. An assessment done for and accepted by USDA Rural Development is acceptable.

7.5 PRECONSTRUCTION MEETING. An IFA representative shall attend a contractor/developer construction meeting at or near the initiation of construction. The Ownership Entity must provide a copy of the contractor's initial pay application with a schedule of values when executed.

7.6 MINIMUM DEVELOPMENT CHARACTERISTICS – ALL PROJECTS. All construction will use the following minimum development characteristics:

A. GENERAL.

1. **Construction Warranty.** Provide an enforceable minimum 1 year blanket construction warranty stipulating that the general contractor is responsible to do or have done any and all required warranty repair work, including consequential damages, at its own expense.
2. **Accessibility.** All Projects shall have at least 5% percent of the Units, or at least 1 (whichever is greater) Unit accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). An additional 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities (Units with Accessible Communication Features). For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit. Refer to Section 15 – Building Standards.
3. **Radon System.** A passive radon system, including a drain tile loop below the building slab along with vertical vent pipes and junction boxes for new construction. Acquisition/Rehab Projects shall have a radon test, and a passive radon system is required, or an active system if the radon test exceeds permissible thresholds. Refer to Appendix F – “Radon Control Methods” in the 2012 International Residential Code.
4. **No Smoking Policy.** Implement and enforce a “no smoking” policy in all Units and common areas, not including public areas of the exterior grounds.
5. **Community Room.** For senior Projects only, community room must be 20 square feet per unit up to the first 40 units made available exclusively to all tenants and guests of the Project, either in a stand-alone building or incorporated within a residential structure, located entirely on the Property. Does not apply to Scattered Site Projects.

6. **Playground.** For family Projects only, an outdoor area provided for children to play in containing 5 to 7 commercial-grade play components (an element intended to generate specific opportunities for play, socialization, or learning) that does not include wood. At least 2 must be elevated. Swings, spring riders, water tables, playhouses, slides, and climbers are acceptable; ramps, transfer systems, steps, decks, and roofs are not. IFA may approve a sport court. The playground must comply with the requirements of the Department of Justice 2010 ADA Standards for Accessible Design. Does not apply to Scattered Site Projects.
7. **Sidewalks.** Concrete sidewalks providing access to a city public way from each entrance door.
8. **Trash Enclosures.** Screened trash removal areas.
9. **Internet Access.** High speed internet wiring for broadband, wireless, or digital subscriber line (DSL) for all Units.
10. **Video Security System.** The security system shall record activity at the site as follows: Parts of the site to be covered include parking areas, all building entrances and the main level of the stairways. The recordings shall be maintained for a minimum of 30 days. Single family or each building in Scattered Site Projects are required to have the Video Security System.

B. EXTERIOR CONSTRUCTION.

1. **Exterior Design.** The Project shall have a building design that is appealing and appropriate for the community and neighborhood, including varied facades, rooflines, and exterior materials.
2. **Exterior Siding.** Exterior siding shall be durable and impact-resistant. Vinyl does not qualify as durable. Exterior siding shall be a mix of 2 or more of the following (no single material shall constitute more than 70% of the siding): brick, fiber cement board siding, or engineered wood siding with quality standards similar to Smartside, and/or nominal, 2" nominal thickness manufactured stone over ¾" stucco, nail on stone panels or metal siding approved by IFA. The soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood siding with quality standards similar to Smartside. Soffits shall be vented.
3. **Roofs.** Roofs shall have a 30 year full warranty. Flat roofs shall have a minimum 60 mil TPO or EPDM thickness and a 10 year full warranty. Full warranty includes: all labor and materials for the entire roofing system and insurance rider for consequential damage. All reroofing applications shall include the removal of the existing roofing system down to the roof deck.
4. **Main Entrance Areas.** Apartment building main entrances to interior shall have a foyer and be equipped with a remote security and intercom system to each Unit to control entry to common areas. Single-family, duplex, and rowhouse Unit main entrances to exterior shall have a storm door and a covered entry with a minimum depth and width of coverage of 4 feet by 4 feet.
5. **Unit Doors.** Any Unit primary entry door may be solid core wood or solid wood panel type, insulated metal, or fiberglass panel type with optional glass insert, 180-degree peephole, lockset and deadbolt lock with 1 inch throw. Primary entry doors shall have steel frames. Metal frames at exterior doors shall be thermally broken or metal clad wood frames are acceptable at Unit entries leading to the exterior.

C. INTERIOR CONSTRUCTION

1. **Appliances.** The kitchen shall have a cook top, an oven, a microwave, a cooling/freezing unit, built-in dishwasher, and a sink. Single-bowl sinks shall be minimum 20" x 30". Appliances shall be Energy Star. These requirements do not apply to Single Room Occupancy Units.

2. **Water Conserving Measures.** Toilets are high efficiency WaterSense toilets that use 1.28 gallons per flush or less; faucet aerators use 1.5 gallons per minute (gpm) or less in kitchens and 1.0 gpm or less in bathrooms; showerheads use 1.5 gpm or less. Dual flush toilets do not qualify.
3. **Cabinetry.** Cabinetry and woodwork shall meet ANSI/AWI standards for Custom Grade Cabinetry and/ have the KCM A161.1 Quality Certification Seal.
4. **Closet Rods and Shelves.** Closet rods and shelves are required in each bedroom closet in each Unit. For Accessible Units only, the closet shelves and hanger bars shall be easy to adjust to different heights with no tools required with adjustable standards and brackets. Hanger rods shall attach to the shelving and provide continuous slide for hangers between supports. Shelves shall be 12" deep minimum and material vinyl coated steel or similar.
5. **Paints and Primers, Adhesives, Caulks and Sealants.** Paints, primers, adhesives, caulks, and sealants shall comply with Federal regulations applicable to low VOC requirements.
6. **Minimum Bathroom Accessories**
 - Towel bar(s) within reach of lavatory and tub/shower
 - Toilet paper holder
 - Shower curtain rod (if applicable)
 - Mirror
 - Cabinet with drawers, shelf space, or medicine storage cabinet.
7. **Carpeting.** Carpets shall be 100% nylon or nylon/olefin blend.
8. **Resilient Flooring.** 1/8-inch vinyl composition tile with color and pattern full thickness, LVT, sheet vinyl, linoleum flooring, tile flooring, bamboo, wood, or polished concrete.
9. **Resilient Flooring—Bathrooms.** LVT, sheet vinyl, linoleum flooring, or tile flooring.
10. **Durable Window Sills.** All window sills/ledges shall be composed of moisture-resistant materials, such as plastic laminate, molded plastic, cultured marble, etc. Projects with Historic tax credits may provide wood sills if they are specifically required by the State Historic Preservation Office (SHPO).
11. **Window Covering.** Window coverings are required. A spring loaded type window shade is not an approved covering.

D. ENERGY REQUIREMENTS.

1. **Heating and Air Conditioning.** All Units shall be heated and air conditioned. Air conditioning equipment should be at least 13 SEER (14.5 SEER and 8.50 HSPF for electric heat pumps) and use R-410a refrigerant that is charged according to manufacturer specifications. Thru-wall A/C units, when used in conjunction with fluid based radiant heat systems, shall be at least 9.8 EER or 9.7 CEER, otherwise they shall be at least 10.7 EER or 10.6 CEER. Heating equipment should be at least 95 AFUE for furnaces and 90 AFUE for boilers. Window units are not allowed. Electric resistance heating is not allowed as the primary heating source for new construction adaptive reuse and must be approved at the time of application if proposed for an Acquisition/Rehab or rehab project. AC sleeves shall be provided with a tight-fitting, insulated cover for thru wall AC units. Winter covers shall be provided for each AC unit.

IFA may approve existing projects with electric resistance heating prior to Application submittal.

2. Water Heaters.

- In-unit water heaters that have a minimum energy factor (EF) of 0.61 for tank-type gas, 0.93 for tank-type electric, or 0.96 for tankless water heaters.
- Central water heaters (serving entire building) – with a 90% Thermal Efficiency rating or minimum 95% efficient thermal water storage tanks coupled to a better than 90 AFUE boiler.

7.7. MINIMUM DEVELOPMENT CHARACTERISTICS – NEW CONSTRUCTION AND ADAPTIVE REUSE.

New Construction and Adaptive Reuse Construction must use the following additional minimum development characteristics:

- A. **Closets.** Each bedroom shall have a closet (2 foot x 5 foot minimum) with a door. The minimum complement of closets per Unit include: 1 linen closet or cabinet 1.5 foot x 2 foot minimum and 1 coat closet 2 foot x 3 foot minimum.
- B. **Laundry.** Each Unit must have an enclosed washer and dryer (accessible if applicable), and the dryer vented to the building exterior.
- C. **Unit Bathrooms.** Three or more bedroom Units in new construction and Adaptive Reuse Projects shall have at least 1 full bathroom and 1 three-quarter bathroom.
- D. **Minimum Unit Net Square Footage:**

New Construction and Adaptive/Reuse

Unit Type	Minimum Unit Net Square Footage
Efficiency	450
1 Bedroom	625
2 Bedroom	800
3 Bedroom	1,000
4 Bedroom	1,175

Unit net square footage is measured face of wall to face of wall of the unit's perimeter walls. The total of all spaces in the Unit measured this way must exceed the Minimum Unit Net Square Footage. This does not include balconies or patios. IFA may approve smaller Units in Adaptive Reuse Projects prior to Application. Public area square footage is measured face of wall to face of wall. Building gross square footage is measured from the outside face of the building perimeter walls and includes balconies.

- E. **Energy Requirements.** In addition to meeting Iowa State Code and the IECC, the Project shall meet or exceed prescriptive standards for Multi Family New Construction (MFNC) or prescriptive standards for Energy Star Certified Homes (except where those requirements have been reduced herein) and receive a Home Energy Rating Systems (HERS) Index of 70 or less from a certified rater in Iowa. A home energy rating performed by a certified HERS rater is required on each building after it is completed to verify that actual construction meets the above listed requirements. Five Units with different floor plans and orientations for complexes of less than 50 Units and 10% of Units, up to a maximum of 10 Units in complexes of 50 or more Units shall be rated. The contract for the determination of the HERS index shall be between the certified rater and the Ownership Entity.

7.8 MINIMUM DEVELOPMENT CHARACTERISTICS – ACQUISITION/REHAB. Rehabilitation Construction must use the following additional minimum development characteristics:

- A. **Scope of Work.** The Scope of Work shall, at a minimum, include work on the following as indicated in the CNA:
1. Making common areas accessible, creating or improving sidewalks, installing new roof shingles, adding gutters, sealing brick veneers, applying exterior paint or siding, and re-surfacing or re-paving parking areas.
 2. Improving site and exterior dwelling lighting with Energy Star qualified lighting fixtures, landscaping/fencing, and durable siding.
 3. Using energy efficient related Energy Star labeled products to replace inferior ones, including insulated windows.
 4. Improving heating and cooling units, plumbing fixtures and water heaters, toilets, sinks, faucets, and tub/shower. Units to meet minimum efficiency standards for new construction above.
 5. Improving quality of interior conditions and fixtures, including carpet, vinyl, interior doors, painting, drywall repairs, cabinets, Energy Star appliances, Energy Star light fixtures, and window coverings to meet minimum efficiency standards for new construction.
 6. Upgrading electrical circuits to have GFCI outlets at kitchens, baths, laundries and other applicable locations;
 7. Upgrade all interior lighting to compact fluorescent and/or LED.
- B. **Resident/Community Laundry.** A common laundry room facility located on site with a minimum of 1 washer/dryer to serve each 12 Units. An Applicant may provide a washer and dryer in each Unit in lieu of a common laundry room facility.
- C. **Smoke Detectors.** All Acquisition Rehab/Rehab Projects shall replace all smoke detectors.

SECTION 8. BUILDING STANDARDS

Preliminary site plan and floor plans are to be submitted with the Application to IFA. The Applicant shall meet local, state and federal standards that apply to the Project, regardless if listed below.

- 2015 International Building Code adopted and published by the International Code Council.
- 2015 International Existing Building Code adopted and published by the International Code Council.
- 2015 International Residential Code adopted and published by the International Code Council (excepting paragraphs R313.1 and R313.2; sprinklers are not required in single family or townhomes separated by 2 hr. fire walls).
- 2015 International Fire Code adopted and published by the International Code Council.
- 2015 International Mechanical Code adopted and published by the International Code Council.
- 2012 Uniform Plumbing Code adopted by the International Association of Plumbing and Mechanical Officials.
- 2014 National Electric Code adopted by the National Electrical Code Committee and published by the National Fire Protection Association, Inc.
- 2015 International Energy Conservation Code adopted by the International Code Council.
- Iowa Administrative Code, including but not limited to the following Chapters: 300 (Administration), 301 (General Provisions), 302 (Accessibility of Building), 303 (Energy Conservation), 350 (State Historic Building), and 25 (State Plumbing Code).
- Uniform Federal Accessibility Standards provided in 24 CFR Part 8 and delineated in the American National Standards Institute Standard 2007 A117.1.
- The Americans with Disabilities Act 1990 provided by the Federal Department of Justice. All publicly accessible areas must meet the accessibility requirements of this Act.
- The Federal Fair Housing Act of 1988 – all buildings with 4 or more units must comply with this Act and the Fair Housing Design Standards. Applies to ground floor Units or all Units in an elevator building.
- For Adaptive Reuse/Rehabilitation, the Lead Base Paint Poisoning Prevention Act, the Department of Housing and Urban Development (HUD) Guidelines for the Evaluation and Control of Lead Based Paint Hazards, Environmental Protection Administration (EPA) and Occupational Safety and Health Act (OSHA) provisions shall apply when applicable.
- For Adaptive Reuse/Rehabilitation, if applicable, State Historic Preservation Office (SHPO) clearance Section 106 of the National Historic Preservation Act, 36 CFR Part 800 for Projects receiving any direct federal funding (HOME or categorical grant) or affecting properties listed in the National Register of Historic Places, or in a designated historic preservation district or zone.

**PART D –
GLOSSARY OF
TERMS**

The following capitalized terms shall have the meanings set forth herein unless context clearly requires a different meaning.

Affiliates: Any Person or Entity who (i) directly or indirectly through one or more intermediaries Controls, is controlled by, or is under common Control with the Applicant; or (ii) owns or Controls any outstanding voting securities, partnership interests, membership interests, or other ownership interests of the Applicant; or (iii) is an officer, director, guarantor, employee, agent, partner, member, manager or shareholder of the Applicant; or (iv) has an officer, director, member, manager, guarantor, employee, agent, partner, or shareholder who is also an officer, director, member, manager, employee, agent, partner, or shareholder of the Applicant.

Applicant: the Ownership Entity, Developer, General Partner or Affiliate as shown in the Application Package.

Area Median Gross Income (AMI): the most current tenant income requirements published by HUD pursuant to the qualified Low-Income Housing Project requirements of IRC Section 42(g).

Disability: at least one of the following criteria: (1) Has a physical, mental or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes the person's ability to live independently, and is of a nature that such ability could be improved by more suitable housing conditions; or (2) Has a developmental Disability, defined as a severe chronic Disability which is attributable to a mental or physical impairment or combination of mental and physical impairments, is manifested before the Person attains age 22, is likely to continue indefinitely, results in substantial functional limitation in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and which reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong, or extended duration and are individually planned and coordinated.

Eligible Basis: with respect to a building within a Project, the building's Eligible Basis at the close of the first taxable year of the Tax Credit Period and as further defined in IRC Section 42(d). Eligible Basis shall not include garages or Storage Units or other amenities where the Ownership Entity is charging tenants for the use of the garage or Storage Unit or other amenities, except when the garage or Storage Units or other amenities are part of normal rent for all of the Units in the Project. If a grant is made with respect to any building or its operation during any taxable year of the Compliance Period and Extended Use Period, if applicable, and any portions of such grant is funded with federal funds, the Eligible Basis of the building for that taxable year and all succeeding taxable years shall be reduced by the portion of the grant.

Entity: any General Partnership, limited partnership, corporation, joint venture, trust, limited liability company, limited liability partnership, business trust, cooperative or other business association.

Family Project: General occupancy project with no age restrictions.

Identity of Interest: a financial, familial or business relationship that permits less than an arm's length transaction. No matter how many transactions are made subsequently between Persons, corporations, or trusts Controlled by the Ownership Entity/Developer, these subsequent transactions shall not be considered "arm's-length". Identity of Interest includes but is not limited to the following: the existence of a reimbursement program or exchange of funds; common financial interests; common officers, directors or stockholders; family relationships among the officers, directors or stockholders; the Entity is Controlled by the same group of corporations; a partnership and each of its partners; a limited liability company and each of its members; or an S Corporation and each of its shareholders. Failure to disclose an Identity of Interest is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

Low-Income Unit: any residential rental Unit if such Unit is rent-restricted and the occupant's income meets the limitations applicable as required for a qualified low-income housing Project.

Older Persons: persons 55 or older: An Older Persons Project is exempt from the prohibition against familial status discrimination under the Fair Housing Act if: (1) The HUD Secretary has determined that it is specifically designed for and occupied by elderly Persons under a federal, state or local government program; or (2) It is occupied solely by Persons who are 62 or older; or (3) It houses at least one Person who is 55 or older in at least 80% of the occupied Units, and adheres to a policy that demonstrates intent to house Persons who are 55 or older.

Owner Representative: the General Partner(s) or managing member(s) of the Ownership Entity.

Project: a low-income rental housing Property the Applicant of which represents that it is or will be a qualified low-income housing Project within the meaning of IRC Section 42(g). With regard to this definition, the Project is that Property which is the basis for the Application.

Property: the real estate and all improvements thereon which are the subject of the Application, including all items of personal Property affixed or related thereto, whether currently existing or proposed to be built thereon in connection with the Application.

State Issued Notice of Noncompliance: a notice that identifies noncompliance issues (that existed at the property during a physical inspection or file review) with the LURA, the Carryover Agreement, the Application, etc. that are not reported to the IRS via IRS Form 8823, throughout the Compliance Period and the Extended Use Period, if applicable. This report will be issued to the Owner only after the 90 day correction period has expired and no action has been taken to correct all reported noncompliance issues to IFA's satisfaction.

Tax Credits: The Low-Income Housing Tax Credits issued pursuant to the program, IRC Section 42 and Iowa Code Section 16.35.

Tax Credit Reservation: With respect to a Project or a building within a Project, the amount of Tax Credits IFA awards to an Ownership Entity.

Tax Credit Reservation Date: The date that the notice of Tax Credit Reservation was emailed to an approved Applicant.

Unit: a room or a group of related rooms designed for use as a dwelling for which rent is paid. A Unit contains sleeping accommodations, a kitchen and a bathroom.

Utility (ies): gas, electricity, water, sewer service, and trash.



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2023 – 4% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the 2023 4% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.



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INTRODUCTION

This Qualified Allocation Plan (QAP) governs the 2023 4% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

The mission of the State of Iowa LIHTC Program is to enhance the lives of Iowans by partnering with developers who share our mission of preserving and expanding affordable housing. The QAP, online application, and policies and procedures were developed to meet this mission, as well as all requirements of Section 42 of the Internal Revenue Code (Code).

The Code requires each Allocating Agency to develop a QAP for use in determining those developments that will receive an allocation of Tax Credits. If the relevant IRS Code or IRS regulations that govern this program are amended, the IFA Board may amend this QAP to ensure it conforms.

In the process of administering the LIHTC program, IFA will make decisions and interpretations regarding this QAP, Applications, and Projects. Unless otherwise stated, IFA is entitled to full discretion in making such decisions.

IFA shall become the owner of the Applications. IFA is not responsible for any costs incurred by Applicants.

In all instances in which federal, state, or local requirements apply to the Project, the most restrictive requirements shall apply.

**PART A –
REQUIREMENTS FOR
FOUR PERCENT (4%)
TAX CREDITS WITH
TAX-EXEMPT BONDS**

SECTION 1. TAX-EXEMPT BOND FINANCED PROJECTS CREDIT ALLOCATION PROCESS

1.1. PRIVATE ACTIVITY CAP (CAP). The bonds to finance the Project shall have received an allocation of CAP pursuant to IRC Section 146 and Iowa Code Chapter 7C. Tax Credits are allowed for the portion of a Project's Eligible Basis that is financed with the tax-exempt bonds. If fifty percent (50%) or more of a Project's aggregate basis (land and building) is so financed, the Project is eligible for Tax Credits for up to the full amount of Eligible Basis. CAP allocation is limited to the greater of fifty five percent (55%) of the aggregate basis or \$15,000,000. The allocation of the CAP shall be after the 42M letter is issued.

1.2 PROJECT CAP. The maximum Tax Credit amount is limited by the availability of CAP and the Project Eligible Basis.

SECTION 2. APPLICATION PROCESS OVERVIEW

2.1 TAX CREDIT RESERVATION SCHEDULE. To the extent possible, the following schedules apply to the Tax Credit Reservation Application process for 4% Tax Credits:

1.	Application and Application Package Available	February 2023
2.	Date of Last Application Package Submission to IFA	October 27, 2023
3.	IRS Form 8609 Application Package due to IFA	No later than November 1 of the first year credit period

Any revisions to the schedule will be published on the IFA website at www.iowafinance.com.

2.2 FEES. Electronic payment of the fees is required. fees are nonrefundable. IFA shall collect the fees described below for the LIHTC Program.

Fee Type	All Applicants
Application Fee	\$2,750
Reservation Fee	One percent (1%) of the total 10-year Tax Credit amount due within 30 calendar days of issuance of IRC Section 42(m) Letter.
Material Change in Application Fee	\$7,500 <u>2,000</u> for material change requests.
IRS Form 8609 Application Fee	\$10,000
Amended IRS Form 8609 Fee	\$1,000
Legal Fees	Legal fees of IFA's in-house counsel and related to the Project may be billed at the rate of \$150 per hour. Legal fees of outside counsel and related to this Project will be billed at the rate charged to IFA. Fees and expenses in cases of unsuccessful appeals may be assessed and billed to the Applicant.
Construction Monitoring Fees	A \$2,900 construction monitoring fee will be due with the IRS Form 8609 Application.

Fee Type	All Applicants
Fees for Failed and Missed Inspections	IFA charges an additional \$500 fee when conditions at the site warrant a return visit or any missed inspection or preconstruction meetings when IFA's construction analyst is not given 10 days advance notice.
Compliance Monitoring Fee	<p>\$32 per Unit x number of total Project Units, submitted annually on or before January 31 for each year of the Compliance Period and the Extended Use Period (if applicable). (Example: \$32 per Unit x 24-Unit Project = \$768.00 paid annually for 30 years.)</p> <p>Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple-building Project on the IRS Form 8609, if eligible to do so.</p> <p>Annual rate increases may apply. Other fees as provided in the IFA compliance manual.</p> <p>The first annual payment shall be submitted with the IRS Form 8609 Application. The Ownership Entity has the option of paying the compliance monitoring fee in advance for the entire Compliance Period and the Extended Use Period (if applicable); however, additional fees may be assessed to the Property during the Compliance Period and Extended Use Period if annual rate increases are applied during that time.</p>

2.3 APPLICATION PROCESS.

Application Summary. An Application Summary shall be completed and submitted through the online Application. IFA will contact the Applicant to discuss the tax-exempt bond process and determine whether IFA will be the conduit bond issuer which will require submission of the bond inducement application.

Bond Inducement Application. If IFA will be the conduit bond issuer, Applicant shall complete the bond inducement application and payment of the bond inducement application fee through the online Application.

Board Approval of Bond Inducement. After receipt of the Bond Inducement Application, The IFA Board has discretion to approve or deny the bond inducement by resolution for the purpose of using tax-exempt financing for the 4% Tax Credit Project. The approved bond inducement resolution of the IFA Board is required prior to submission of the LIHTC Application.

LIHTC Application Package. Following the resolution of the IFA Board approving the Bond Inducement, Applicant shall submit the LIHTC Application and exhibits through the online Application. Applicant shall use the forms contained in the LIHTC Application Package and include all information required by the QAP or as otherwise required by IFA. LIHTC Applications shall be submitted within 6 months of the IFA Board's approval of the bond inducement otherwise the IFA Board may terminate the bond inducement. If no LIHTC Application is submitted within 18 months of the IFA Board's approval of the bond inducement, the bond inducement automatically terminates. Applicants are advised to check IFA's website periodically for any amendments or modifications to the LIHTC Application Package.

Complete Application. In order for IFA to review an Application fairly and accurately, it shall be complete. If there is not adequate information provided to review the Application, and upon request from IFA to the Applicant, adequate information is not submitted, then IFA shall reject the Application.

Market Study. All applications shall include a comprehensive market analysis with a full narrative report following IFA's current market study guidelines. The study must be prepared by an independent third-party National Council of Housing Market Analysts member unaffiliated with the developer. The Market Study Provider shall acknowledge the study is being completed for IFA's use and benefit. IFA may contact the Market Study Provider at any time. [Refer to Appendix O – Market Study Guidelines.](#)

Market Study Timing. The Market Study and field survey must have been completed no more than 6 months prior to the application submission.

IFA Market Study Review. The Market Study must reflect the Application submitted, including but not limited to: unit mix, income targeting, rent levels, minimum set-aside, and other property attributes and amenities. IFA may permit or require Applicants to comply with recommendations made by the Market Study Provider in the deficiency report.. IFA may reject an Application if the Market Study submitted does not meet the IFA Market Study guidelines.

Site Plans and Site Visits. Applications shall include a preliminary site plan, floor plans, and elevations of all sides of all buildings. Applicants shall provide IFA building access for inspection upon request.

Authorization Forms. IFA may request an executed IRS Form 8821, Tax Information Authorization Form

Document Timeliness. Required supporting documentation shall not be more than 180 days old, unless otherwise noted, on the date that the Application is submitted. Exceptions include documents not specifically produced for the Application, such as a valid purchase agreement, deed, land title document, Articles of Incorporation.

Opinions and Certifications. All certifications, professional opinions, and related documents must be based on an independent investigation into the facts and circumstances regarding the proposed Project, in the form specified by IFA, and made under penalty of perjury.

Local Jurisdiction Notification. The Applicant shall supply the contact information of the Chief Executive Officer of the Local Jurisdiction.

Application Deficiency. During the Application review, IFA may request additional information on the Application through a deficiency report sent via email. The Applicant will have a period of time determined solely by IFA to remedy the deficiency items. IFA may adjust the underwriting, if applicable. IFA may contact the Applicant in other ways to clarify information contained in the Application.

IRC Section 42(m) Letter. Once an Application is approved, IFA shall issue an IRC Section 42(m) letter confirming that the Project satisfies the requirements of the QAP and stating the preliminary amount of Tax Credits for the Project.

Joint Review. IFA may conduct joint reviews with any other party. IFA may contact other sources to obtain information regarding the materials contained in the Application.

Public Information. At the conclusion of the selection process, the contents of all Applications will be in the public domain and be public records available for review by interested parties, unless, at the time of submitting the application, the Applicant properly requests that specific parts of the Application be treated as confidential AND the information is confidential under Iowa or other applicable law. IFA's release of public records is governed by Iowa Code Chapter 22. Applicants are encouraged to familiarize themselves with Chapter 22 before submitting an Application. IFA will make records available as required to comply with Chapter 22 or other applicable law.

Confidential Request. An applicant who desires confidential treatment of information must complete a confidential treatment request exhibit and upload it with the application. For each confidentiality request, the Applicant must (1) enumerate the specific grounds in Iowa Code Chapter 22 or other applicable law that supports treatment of the material as confidential, (2) provide adequate justification as to why the material should be maintained in confidence, (3) explain why disclosure of the material would not be in the best interest of the public, and (4) set forth the name, address, telephone, and e-mail for the person authorized by applicant to respond to inquiries by IFA concerning the confidential status of such material. Requests to maintain an entire application as confidential will be rejected as non-responsive. An applicant's request for confidentiality that does not comply with this section or an applicant's request for confidentiality on information or material that cannot be held in confidence as set forth herein are grounds for rejecting an application as non-responsive.

Redacting. Any Application submitted which contains information for which Applicant is requesting confidential treatment must be conspicuously marked by the Applicant as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. If the Contractor designates any portion of its Application as confidential, the Applicant must submit a copy labeled as "Public Copy" from which the confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the Application as possible. Failure to properly identify specific information as confidential or to provide a Public Copy shall relieve IFA or State personnel from any responsibility if confidential information is viewed by the public or a competitor, or is in any way released. If the Applicant identifies its entire Application as confidential, IFA will reject the Application.

Release. If IFA receives a request for information that includes information Applicant has marked as confidential and IFA intends to release such information, IFA will give written notice to the Applicant at least seven calendar days prior to the release of the information to allow the Applicant to seek injunctive relief pursuant to Iowa Code Section 22.8. After seven calendar days, IFA will release the information marked confidential unless a court of competent jurisdiction determines the information is confidential under Iowa Code Chapter 22 or other applicable law. If Applicant fails to comply with the request process set forth herein, if Applicant's request for confidentiality is unreasonable, or if Applicant rescinds its request for confidential treatment, IFA may release such information or material with or without providing advance notice to Applicant and with or without affording Applicant the opportunity to obtain an order restraining its release from a court possessing competent jurisdiction.

Waiver. The Applicant's failure to request confidential treatment of material will be deemed a waiver of any right to confidentiality the Applicant may have had.

SECTION 3. ELIGIBILITY

3.1 LEGAL OWNERSHIP ENTITY. This Ownership Entity shall be formed prior to application submission and shall be a single-asset entity to which Tax Credits will be or have been awarded. All members, managers, partners, and officers of all entities of the Ownership Entity shall be disclosed in an organizational chart. The proposed structure identified within this chart may not be changed after Application submittal until closing with the investor, and only the limited partner and special limited partner, if applicable, may be added.

3.2 QUALIFIED DEVELOPMENT TEAM. The Application shall identify all members of the Qualified Development Team (QDT) and Affiliates. The Developer/Co-Developer (Developer), General Partner/Managing Member (GP/MM), and Affiliates thereof may not change between Tax Credit reservation and issuance of the IRS Form 8609.

Qualified Development Team Members. The Application must identify the following QDT Members, if applicable:

- Developer/Co-Developer
- General Partner/Managing Member
- Syndicator or Direct Investor
- Special Limited Partner
- Management Company
- Bond Counsel
- Architect
- Energy Consultant
- Tax Attorney
- Tax Accountant
- Contractor
- Engineer
- Development Consultant

New Developer and General Partner/Managing Member. If the Developer or GP/MM has never received an IRS Form 8609 in Iowa, they shall have no more than 1 LIHTC award under this QAP. If the Developer or GP/MM has never received an IRS Form 8609, they shall have no more than 1 LIHTC award under this QAP, and they shall not be eligible for a second award in any team member role until an IRS Form 8609 has been received.

Direct Investor. A direct investor shall have a LIHTC asset management department with at least 3 years' experience.

Management Company. The management company shall have at least 3 years of LIHTC management experience and is currently managing at least 3 LIHTC Properties.

Architect. The Architect, and not just the architectural firm, must be duly licensed to do business in Iowa.

Energy Consultant. The Energy Consultant shall be a RESNET certified energy rater in Iowa.

Development Consultant. A copy of the executed Development Consultant Agreement shall be submitted in the Application.

3.3 INELIGIBILITY. Any QDT member or Affiliates thereof may be deemed ineligible by the Executive Director to participate in the LIHTC Program for the following:

- Evidence of involvement in a financial crime or crime related to dishonesty.
- Making misrepresentation or providing materially false information in an application.
- Allowing an affordable rental housing property to enter into foreclosure.
- ~~Being removed from an Exiting a~~ LIHTC ownership entity. ~~by an equity investor or~~ voluntarily or involuntarily.
- Being suspended, debarred, or otherwise excluded from doing business with any federal housing program.
- Not being in good standing with any affordable rental housing program administrator.
- Having been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance.
- A history of repeated or numerous Tax Credit compliance issues in Iowa, even if such issues have not resulted in an uncorrected IRS Form 8823.
- Has returned a full credit Allocation or has failed to comply with a Carryover allocation.

3.4 SITE REQUIREMENTS. The proposed Project shall be located in an incorporated city at Application submission. Applications shall not contain or propose alternate sites. The Applicant shall be ready to proceed with the Project by documenting site control and site suitability. IFA may deem a site unacceptable if located in an area of high LIHTC unit density.

Zoning.

The Applicant shall provide confirmation from the city of the current zoning, including special or conditional-use permits and any other discretionary land use for each site on which the Project will be located. The city zoning department shall verify whether the official plat is properly zoned. The Applicant shall provide site plans to the city that show the Project will have:

- The proper number of parking stalls;
- Direct contiguous access to a publicly dedicated paved road;
- Any legal easement(s) necessary to not be landlocked; and
- Right of ways, if applicable.

Scattered Sites. The Applicant shall submit an Application reflecting the total of all sites as well as separate site specific exhibits for each site included in the Project. A Scattered Site is a Project where multiple buildings with the same occupancy type and are not located in proximity to one another, but are owned by the same party and financed under the same agreement(s). For Scattered Site Projects, all Units shall be qualified LIHTC Units. Scattered Sites cannot elect the average income test.

Submission of Site Characteristics. The site shall be suitable for the proposed Project and shall not include excess acreage unnecessary for the construction and use of the Project.

The Applicant shall provide:

- ~~A~~ narrative of the current use of the Property, all adjacent Property land uses, and the surrounding neighborhood;
- Labeled colored photographs (or color copies) of the proposed Property and all adjacent properties;
- A clear map identifying the exact location of the Project site; and
- A plat map of the site or proposed replat of the site.

Detrimental Site Characteristics

If the site(s) includes any detrimental characteristics, the Applicant shall provide a remediation plan and budget, subject to IFA's approval, to make the site suitable for the Project. The Applicant shall not change the site location.

IFA may reject sites:

- ~~located~~ Located within one-half mile of storage areas for hazardous or noxious materials, sewage treatment plants or other solid waste facilities, businesses or equipment producing foul odors or excessive noise or the site is a prior storage area for hazardous or noxious materials, sewage, or other solid or liquid waste;
- ~~where~~ Where the slope/terrain is not suitable for a Project based on extensive earth removal/replacement required for development;
- where there are obvious physical barriers to the Project;
- located within one-half mile of a sanitary landfill or sites that were previously used as a sanitary landfill;
- located within a flood hazard area, or a 500-year flood zone as determined by the Iowa Department of Natural Resources, a FEMA map, or a FIRM map. Sites that are located within a 100-year flood zone are not permitted;
- located within 500 feet of an airport runway clear zone or accident potential zone;
- that are landlocked;
- that are native prairie land or designated wetlands;
- within 300 feet of an electrical power substation, natural gas substation, or similar substation; or
- that are otherwise unsuitable as a home for LIHTC households as determined by IFA.

Site Control. The Application must demonstrate the Applicant has site control by providing executed documents described below.

Evidence of Site Control.

- The Applicant holds sole fee simple title to the Property on which the Project will be located by a properly executed and recorded warranty deed; or
- The Applicant has an executed and exclusive purchase option or contract that is valid for nine months following the date of the Application due date; or
- The Applicant has an executed lease or an option on a lease, which has a term not less than 35 years.

If the Applicant is purchasing or leasing parking space from a unit of local government, a project specific resolution would suffice.

The evidence shown in a, b, and c above must be binding on the contractor/lessor/optionor of the Property (i.e. there must be no conditions for the termination within the sole discretion of the contractor/lessor/optionor, and the evidence must provide that the contractor/lessor/optionor cannot unilaterally withdraw, revoke, or rescind the obligation to the sale or lease of the Property to the Applicant unless the Applicant is in default under the contract).

Requirements for Site Control.

- a. There shall be a common ownership between all Units and buildings within a single Project for the duration of the Compliance Period and the Extended Use Period.
- b. The Applicant shall provide the location of existing and proposed easements on the site, the most current real estate tax assessment, and documentation that the Project meets or exceeds the City requirements for parking (unless subject to an exemption).

3.5 PROJECT REQUIREMENTS.

The Applicable Percentage for each building is established at either the month in which the building is Placed-in-Service, or at the Ownership Entity's election, the month in which the bonds are issued. If the latter is desired, the election statement shall be signed by the Ownership Entity, notarized and submitted to IFA before the close of the fifth calendar day following the month in which the bonds are issued.

The Project shall be Placed-in-Service no later than 24 months following the date of the bond issuance. IFA may, on a case-by-case basis, allow a Project to exceed the 24 month requirement. All requests to exceed this requirement on a ~~four percent (4%)~~ Tax Credit Project shall be required to go before the IFA Board of Directors for approval.

Qualified Residential Rental Property. The Applicant shall certify that the Project as proposed is a Qualified Residential Rental Property. IFA may require the Applicant to supply a legal opinion.

Community Service Facility. A Community Service Facility is a facility meeting the requirements of IRC Section 42(d)(4)(C)(iii) and Revenue Ruling 2003-77.

Minimum Set-Aside Elections. The Applicant shall make a minimum set-aside election of income and rent levels of those listed below. Any Owner election made in regard to the minimum set-aside election requirement for a qualified low-income housing project under IRC Section 42(g) cannot be changed once made in the Application.

20-50 Test. At a minimum ~~twenty percent (20%)~~ or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is ~~fifty percent (50%)~~ or less of AMI; or

40-60 Test. At a minimum ~~forty percent (40%)~~ or more of the residential Units in a Project are both rent restricted and occupied by individuals whose income is ~~sixty percent (60%)~~ or less of AMI); or

Average Income Test (Income Averaging). At a minimum ~~forty percent (40%)~~ or more of the residential Units in a Project serve households earning as much as ~~eighty percent (80%)~~ AMI, as long as the average income/rent limit in the property is ~~sixty percent (60%)~~ or less of AMI. The average income test is not available for Scattered Site Projects.

Senior Projects Standards. Senior Projects are not allowed anything greater than 2 bedrooms per Unit. If layered with an existing Federal Program, the senior occupancy restrictions for the Federal Contract shall apply.

Units. All LIHTC Units shall be evenly distributed in terms of location and number of bedrooms throughout the Project, be of comparable quality, and offer a range of sizes and number of bedrooms to any unrestricted Units.

Market Rate Standards. Market rate single family homes shall not be allowed in any Project.

Acquisition/Rehab

Prohibition of Applying Within the Initial 15-Year Compliance Period. Once a Project has been issued an IRS Form 8609, the Project is prohibited from applying for LIHTC credits until after the 15th year has been completed (of the initial 15 year Compliance Period).

Rehabilitation Expenditure(s): The Applicant shall provide information regarding rehabilitation expenditures for each building. The information shall address how the Applicant will meet all of the building standards and minimum development characteristics. The Applicant shall identify, with respect to each building as required by the Application, the rehabilitation expenditures as defined in IRC Section 42(e)(2) that shall be allocable to or substantially benefit the Low-Income Units in such building. Each building in the Project must meet the greater of the IRS minimum expenditures requirement set forth in Section 42(e)(3) or a \$35,000 rehabilitation expenditure limited to hard construction costs per Low-Income Unit.

3.6 DISPLACEMENT OF RESIDENTIAL TENANTS. IFA may reject any Application that fails to minimize permanent displacement of tenants and/or provide an adequate relocation plan. The Application must include a formal relocation plan if the Project scope requires any form of temporary or permanent relocation of existing tenants. The plan shall provide an overview of the need for relocation, a proposed timeline, an estimated budget, and other information as requested in the Application. If the project has a federal funding source, the most restrictive relocation plan requirements shall apply.

SECTION 4. APPLICATION UNDERWRITING STANDARDS

IFA may adjust the amount of Tax Credits based upon the underwriting. All Projects shall meet underwriting [standards](#) requirements to pass threshold review.

4.1 PROJECT DEVELOPMENT COSTS

Developer Fees. Developer fees (including overhead and profit, Consultant Fees) shall not exceed ~~sixteen percent (16%)~~. The Developer's Fee is calculated as a percentage of Total Project Costs minus land, Developer's Fee, Developer's overhead and profit, Consultant Fees and Project reserves.

Builder and General Contractor Fees. Builder and general contractor fees will be limited to a total of ~~twelve percent (12%)~~ of the hard construction costs (site improvements or work, new construction, rehabilitation, accessory buildings, garages, general requirements, construction contingency, asbestos abatement, lead-based paint measures, builder's overhead, builder's profit, builder bond fee, architect's fees, engineering fees, and other fees).

Professional and Other Fees. IFA reserves the right to limit professional fees and other fees related to services rendered to the Project.

Operating Reserve. The operating reserve will be at least 6 months of debt service, operating expenses, and real estate taxes. The operating reserve shall be fully funded within 6 months from the date IFA sent the IRS Form 8609 to the Ownership Entity. The operating reserves may be funded with an irrevocable letter of credit. If a letter of credit is used, the proceeds shall not be included in the Project costs. The fees associated with obtaining the letter of credit may be included in Project costs.

Appraisals. An appraisal by an active Member Appraisal Institute (MAI)-certified appraiser who is not a related party at the Applicant's expense is required for the following reasons unless waived by IFA:

- For land or buildings that are acquired from a party with an Identity of Interest.
- For Acquisition/Rehab Projects requesting acquisition credits.
- During the Application review, if IFA may determine that cause exists to question the fair market value of the land and/or buildings being acquired and require an appraisal.

Project Costs Not Allowed in Eligible Basis. The following project costs are not allowed in Eligible Basis:

Existing Reserve Accounts. Cash from Project reserve accounts transferred to the Ownership Entity with the acquisition of a Project shall not be allowed in eligible basis.

Construction and Permanent Lender Fees. Construction fees if the construction and permanent lender are the same.

Paved Roads. The cost of construction of a de minimis paved road on public property may be included in the

Project costs, as determined by IFA. The cost of construction of an extensive paved road on public property shall not be included in the Project costs.

Off-Site Utilities. Costs that are not normal connections or extensions to existing utilities shall not be included in the Project costs.

Tenant Paid Amenities. Garages, storage units, or other amenities where the Ownership Entity is charging tenants for use, except when part of normal rent for all of Units.

4.2 PROJECT FUNDING SOURCES.

Tax Credit Investor Letter of Intent. Applicant shall provide a letter of intent from the investor for the LIHTCs on the company letterhead with the price, approximate equity amount, recommended minimum project operating expense for the Project, and investor-approved market analyst firm.

Financing Letters of Intent. Applicant shall provide a letter of intent from each funding source for construction and permanent financing on the institution's letterhead. The letter for loans shall state the amount of the loan, interest rate, term, amortization period (minimum 30 years required for first mortgage debt), fees, prepayment penalties, anticipated security interest in the Property, and lien position. The letter for all other sources (including any existing debt to be assumed, grants, loans, tax credits, etc.) shall state the value of the funding, the purpose the funds may be used for, and any time limitations.

Deferred Developer Fees. Deferred Developer fees cannot exceed 65% of the total Developer fee, and the Application must demonstrate the full amount being paid within 15 years. The deferred Developer fee shall be paid from the net cash flow and not be calculated into the minimum Debt Service Coverage Ratio.

Federal and State Historic Tax Credits. Projects with historic significance shall use equity invested for the maximum amount of state and federal historic tax credits as proposed or awarded by the appropriate allocating agency as a funding source. Applicants shall not create a subrecipient of the Federal Historic Tax Credits in order to become eligible for more Tax Credits.

4.3 PROJECT OPERATING COSTS AND CASH FLOW.

Operating Expenses. Operating expenses are based on thresholds provided by the LIHTC equity investor partner and subject to IFA review.

Escalators. IFA will underwrite Projects with income escalating at 2% and operating expenses escalating at 3%. Management fees will escalate at the same rate as income.

Vacancy Rate Standards. IFA will underwrite Projects at a 7% vacancy rate unless otherwise recommended by a lender or investor.

Debt Service Coverage Ratio (DSCR) Standards. The Application may not show DSCR as less than 1.15 in any year. IFA will evaluate high DSCR and cash flow to determine if the requested resources are necessary for sustainability.

Replacement Reserve. All Family Projects shall budget replacement reserves of \$350 per Unit per year, escalating at the same rate as operating expenses, or a flat \$435 per unit per year. All Older Persons Projects shall budget replacement reserves of \$300 per Unit per year, escalating at the same rate as operating expenses, or a flat \$375 per unit per year.

Subsidy Layering Review. IFA shall complete a subsidy layering review for each Project that receives HUD housing assistance (other than HOME and CDBG).

Basis Boost. The Code allows ~~the possibility of receiving a Tax Credit Reservation a~~ boost in Eligible Basis of up to thirty percent (30%) for Projects located in a areas defined by HUD as a QCT or DDA as defined by HUD. ~~Applicants may request the higher basis, but IFA reserves the right to determine the Tax Credit Allocation amount required for feasible development.~~ Refer to Appendix C- QCTs & DDAs ~~of the Application Package~~.

**PART B –
POST RESERVATION
REQUIREMENTS**

Failure to comply with any provision of this Section may result in revocation of the Tax Credit Reservation, withholding of the IRS Form 8609 or issuance of an IRS Form 8823.

SECTION 5. POST RESERVATION REQUIREMENTS

5.1 CHANGES TO THE APPLICATION. ~~Failure to comply with any provision of this Section may result in revocation of the Tax Credit Reservation, withholding of the IRS Form 8609 or issuance of an IRS Form 8823.~~

Ownership Entities must submit any proposed Project change after Tax Credit Reservation through the online Application. IFA may approve changes, subject to conditions ~~(including fee payment and future negative points)~~, or deny. Material changes ~~that cause the Project to not be substantially the same as when awarded will~~ may be considered, but shall result in an additional fee and future scoring penalty in a 9% Round if approved. Material changes are changes that cause the Project to not be substantially the same as when awarded. This includes but is not limited to redesigns or revisions to the site, design or plans that may require extensive review, consideration for feasibility, or special considerations that may require IFA Board approval.

The following changes are not allowed:

- Changes to the Ownership Entity named in after Tax Credit Reservation;
- Transfers of the Tax Credit Reservation;
- Changes in Unit mix;
- Change to the minimum set-aside election; or
- Change that decreases the applicable fraction per building.

5.2 POST CLOSING SUBMITTAL. Applicant shall submit evidence of site ownership and final closing documents to the online Application within ~~thirty (30)~~ days of Syndicator/Direct Investor closing.

5.3 PRIOR TO PLACED-IN-SERVICE DOCUMENTS.

As a precondition to receiving IRS Form 8609, the Ownership Entity shall submit the following documents through the online Application at least 120 days prior to the first Unit placing in service:

1. Affirmative Fair Housing Marketing Plan Package.
2. Confirmation that the Project is listed on Iowa's free rental housing locator at www.iowaHousingSearch.org.
3. A commitment to notify PHA of vacancies.

A tenant selection plan that includes the following: descriptions of the eligibility requirements, income limits, elderly restrictions or preferences in the admission of tenants (if applicable), and a preference for persons with a disability. The restrictions or preferences must cite the supporting documentation to ensure nondiscrimination in the selection of tenants. The plan also shall be consistent with the purpose of improving housing opportunities and be reasonably related to program eligibility and the rental applicant's ability to perform the obligations of the lease.

MARKETABLE TITLE REQUIREMENT The Ownership Entity shall provide adequate evidence that the

Ownership Entity's title in the real estate on which the Project is to be located is a marketable title pursuant to Iowa Land Title Examination Standards, or other applicable law. Adequate evidence of marketable title is demonstrated by either: (1) a title opinion of an attorney authorized to practice law in Iowa showing marketable title in the Ownership Entity; or (2) a title guaranty certificate issued by the Iowa Title Guaranty Division of IFA showing the Ownership Entity as the guaranteed. In the case of leased land, a copy of the recorded lease shall be provided.

5.55.4 IRS FORM 8609. Upon approval of the 8609 Application by IFA, IFA shall complete Part A of IRS Form 8609 and send it to the Ownership Entity. The Ownership Entity shall complete Part B and return a copy of the fully executed IRS Form 8609 to IFA within 60 days of IFA sending the IFA executed IRS Form 8609. The Owner's completed IRS Form 8609 shall match the terms agreed upon in the LURA.

5.65.5 COMPLIANCE IFA has established procedures for monitoring compliance. Refer to the Iowa LIHTC Compliance manual and supporting documentation.

5.75.6 COMPLIANCE PERIOD (INITIAL 15-YEAR COMPLIANCE PERIOD). The Compliance Period is the 10-year credit period and additional 5-year period for a total of 15 taxable years, beginning with the first taxable year of the credit period. During this period the federal minimum set-aside selected by the applicant and the rent affordability requirements in Section 6.1 of this QAP apply, with the more restrictive of the set-asides applying to the LIHTC units. Any other rent and income restrictions required by other programs, including HOME, shall still apply as applicable.

5.85.7 EXTENDED USE PERIOD (LONG TERM COMPLIANCE PERIOD). The time frame that begins the first day of the Initial 15-Year Compliance Period, in which the building is a part of a qualified low-income housing Project and ends 15 years after the close of the Initial 15-Year Compliance Period, or the date specified by IFA in the LURA. Any other rent and income restrictions required by other programs, including HOME, shall still apply as applicable.

SECTION 6: TERMS AND CONDITIONS.

The following terms and conditions apply to all Applicants and Projects that receive a reservation of ~~four percent~~ (4%) Tax Credits.

IFA will rely on the following when interpreting the requirements of the QAP: (1) the QAP, including the Tax Credit Application, appendices, exhibits, instructions, and any incorporated materials; (2) IFA's questions and answers for the QAP; and (3) IFA's past practice. IFA may, at its discretion, conduct due diligence to verify information provided by the Applicant. An Applicant's interpretation of the QAP and its requirements is immaterial.

6.1 DOCUMENTS INCORPORATED BY REFERENCE The items described in this Section are incorporated by reference in the QAP.

26 USC Section 42 as amended and the related Treasury regulations in effect as of the date this QAP is adopted by the Board..

Iowa Code Section 16.35 and the rules promulgated by IFA to govern the LIHTC Program in effect as of the effective date hereof.

In the case of any inconsistency or conflict between the items listed in this Section, conflicts shall be resolved as follows:

- a. First by IRC Section 42 and the related Treasury regulations;
- b. Second by Iowa Code Sections 16.4, 16.35, and the rules governing the QAP; and

c. Third by the QAP.

6.2 BINDING OBLIGATIONS The representations made in the Application bind the Applicant and shall become a contractual obligation of the Developer and the Ownership Entity and any Entity the Developer or the Ownership Entity is representing in the presentation of the Application or a successor in interest in the event Tax Credits are awarded to a proposed Project. The contractual obligation constitutes the agreement between the parties, as represented by the Developer or Ownership Entity, within the following documents: the QAP, Application (with any permitted amendments), and any other agreements executed between IFA and the Ownership Entity.

6.3 LAND USE RESTRICTIVE COVENANTS (LAND USE RESTRICTIVE AGREEMENT (LURA)). The Project shall be subject to the LURA, which is an agreement between IFA and the Ownership Entity and all of its successors in interest. The LURA shall conform to the requirements of IRC Section 42(h), Iowa Code Section 16.35 and the QAP.

6.4 NO REPRESENTATION OR WARRANTY REGARDING QAP. IFA makes no representation or warranty to any Person or Entity as to compliance issues or the feasibility or viability of any Project.

6.5 IFA POLICY ON CIVIL RIGHTS COMPLIANCE. The Applicant and any of its employees, agents, or sub-contractors doing business with IFA understand and agree that it is the responsibility of the Developer and Ownership Entity to adhere to and comply with all federal civil rights legislation, including the Fair Housing Laws, the Americans With Disabilities Act, as well as any state and local civil rights legislation. The Developer and Ownership Entity are responsible for being aware of and complying with all non-discrimination provisions of federal, state, or local law.

6.6 VIOLENCE AGAINST WOMEN ACT (VAWA). The Applicant and any of its employees, agents, or sub-contractors doing business with IFA understand and agree that it is the responsibility of the Developer and Ownership Entity to adhere to and comply with the Violence Against Women Act, including adding the VAWA lease terms provided by the authority to its leases.

**PART C –
CONSTRUCTION
REQUIREMENTS**

SECTION 7. PRIOR TO THE INITIATION OF CONSTRUCTION

7.1 CHANGES IN SCOPE. The Ownership Entity shall not make any changes or alterations to the Project (including the site layout, floor plan, elevations, or amenities) from Reservation without IFA's written authorization. This includes changes required by local governments to receive building permits.

7.2 IFA PLAN REVIEW. The Ownership Entity shall submit final plans, specifications, the energy audit or analysis and, ~~if applicable, Capital Needs Assessment (CNA) if applicable,~~ to IFA upon completion. IFA shall give written approval before the Ownership Entity commences site work or construction.

7.3 ENERGY. For Acquisition/Rehab Projects, the Ownership Entity must provide:

- ~~a complete Capital Needs Assessment (CNA),~~
- a copy of the energy audit conducted by a certified home energy rater, and
- appropriate specifications to meet IECC standards or alternate cost-effective energy improvements with the final construction documents.

IFA requires an engineer or architect to certify that the architect has met and coordinated the design with the energy consultant and Ownership Entity and that the design meets the applicable International Energy Conservation Code (IECC). as shown in Section ~~15-11~~ – Building Standards. The contract for the determination of the energy audit shall be between the certified rater and the Ownership Entity. This section does not apply to Historic projects.

7.4 CAPITAL NEEDS ASSESSMENT (CNA). Acquisition/Rehab or Rehab Projects shall submit a complete Capital Needs Assessment with the design documents that are submitted for review and approval prior to the start of construction. The CNA shall be prepared by a third party that regularly provides CNA's as a basic or core service. The third party may be a member of the Qualified Development Team with prior approval by IFA, but may not be the Ownership Entity or Developer. The CNA shall assess the rehabilitation needs of each existing structure, including:

- a site visit and physical inspection of the interior and exterior of Units and structures;
- an interview with on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs, and existing or chronic physical deficiencies;
- the presence of hazardous materials;
- a detailed opinion as to the proposed budget for recommended improvements;
- identify critical building systems or components that have reached or exceeded their expected useful lives;
- a projection of recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, to determine the appropriate replacement reserve deposits on a per Unit per annual basis;
- site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines;

- structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, stairs, and drainage;
- interiors, including Unit and common area finishes (carpeting, vinyl tile, plaster walls, paint conditions, etc.), Unit kitchen finishes, cabinets and appliances, Unit bathroom finishes and fixtures, and common area lobbies and corridors; and
- mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems, and elevators.

The CNA shall conform to standards outlined in ASTM E 2018-08, Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process. An assessment done for and accepted by USDA Rural Development is acceptable.

7.5 PRECONSTRUCTION MEETING. An IFA representative shall attend a contractor/developer construction meeting at or near the initiation of construction. The Ownership Entity must provide a copy of the contractor’s initial pay application with a schedule of values when executed.

SECTION 8. MINIMUM DEVELOPMENT CHARACTERISTICS – ALL PROJECTS.

All construction will use the following minimum development characteristics:

GENERAL.

Construction Warranty. Provide an enforceable minimum 1 year blanket construction warranty stipulating that the general contractor is responsible to do or have done any and all required warranty repair work, including consequential damages, at its own expense.

Accessibility. All Projects shall have at least 5% percent of the Units, or at least 1 (whichever is greater) Unit accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). An additional 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities (Units with Accessible Communication Features). For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit. Refer to Section 15 – Building Standards.

Radon System. A passive radon system, including a drain tile loop below the building slab along with vertical vent pipes and junction boxes for new construction. Acquisition/Rehab Projects shall have a radon test, and a passive radon system is required, or an active system if the radon test exceeds permissible thresholds. Refer to Appendix F – “Radon Control Methods” in the 2012 International Residential Code.

No Smoking Policy. Implement and enforce a “no smoking” policy in all Units and common areas, not including public areas of the exterior grounds.

Community Room. For senior Projects only, community room must be 20 square feet per unit up to the first 40 units made available exclusively to all tenants and guests of the Project, either in a stand- alone building or incorporated within a residential structure, located entirely on the Property. [Does not apply to Scattered Site Projects.](#)

Playground. For family Projects only, an outdoor area provided for children to play in containing 5 to 7 commercial-grade play components (an element intended to generate specific opportunities for play, socialization, or learning) that does not include wood. At least 2 must be elevated. Swings, spring riders, water tables, playhouses, slides, and climbers are acceptable; ramps, transfer systems, steps, decks, and roofs are not. IFA may approve a sport court. The playground must comply with the requirements of the Department of Justice 2010 ADA Standards for Accessible Design. [Does not apply to Scattered Site Projects.](#)

Sidewalks. Concrete sidewalks providing access to a city public way from each entrance door.

Trash Enclosures. Screened trash removal areas.

Internet Access. High speed internet wiring for broadband, wireless, or digital subscriber line (DSL) for all Units.

Video Security System. The security system shall record activity at the site as follows: Parts of the site to be covered include parking areas and all levels of stairways. Cameras in corridors shall be placed in such a way that all unit entrances are covered. The recordings shall be maintained for a minimum of 30 days. ~~To be eligible for points, For~~ single family or each building in Scattered Site Projects are required to have the Video Security System.

8-28.1 EXTERIOR CONSTRUCTION.

Exterior Design. The Project shall have a building design that is appealing and appropriate for the community and neighborhood, including varied facades, rooflines, and exterior materials.

Exterior Siding. An air infiltration barrier is required on all new siding installations. Siding within six feet of the ground shall be durable and impact resistant.

Roofs. Roofs shall have a 30 year full warranty. Flat roofs shall have a minimum 60 mil TPO or EPDM thickness and a 10 year full warranty. Full warranty includes: all labor and materials for the entire roofing system and insurance rider for consequential damage. All reroofing applications shall include the removal of the existing roofing system down to the roof deck.

Main Entrance Areas. Apartment building main entrances to interior shall have a foyer and be equipped with a remote security and intercom system to each Unit to control entry to common areas. Single-family, duplex, and rowhouse Unit main entrances to exterior shall have a storm door and a covered entry with a minimum depth and width of coverage of 4 feet by 4 feet.

Unit Doors. Any Unit primary entry door may be solid core wood or solid wood panel type, insulated metal, or fiberglass panel type with optional glass insert, 180-degree peephole, lockset, and deadbolt lock with 1 inch throw. Primary entry doors shall have steel frames. Metal frames at exterior doors shall be thermally broken or metal clad wood frames are acceptable at Unit entries leading to the exterior.

8-38.2 INTERIOR CONSTRUCTION

Appliances. The kitchen shall have a cook top, an oven, a microwave, a cooling/freezing unit, built-in dishwasher, and a sink. Single-bowl sinks shall be minimum 20" x 30". Appliances shall be Energy Star. These requirements do not apply to Single Room Occupancy Units.

Water Conserving Measures. Toilets are high efficiency WaterSense toilets that use 1.28 gallons per flush or less; faucet aerators use 1.5 gallons per minute (gpm) or less in kitchens and 1.0 gpm or less in bathrooms; showerheads use 1.5 gpm or less. Dual flush toilets do not qualify.

Cabinetry. Cabinetry and woodwork shall meet ANSI/AWI standards for Custom Grade Cabinetry and/have the KCMA A161.1 Quality Certification Seal.

Closet Rods and Shelves. Closet rods and shelves are required in each bedroom closet in each Unit.

For Accessible Units only, the closet shelves and hanger bars shall be easy to adjust to different heights with no tools required with adjustable standards and brackets. Hanger rods shall attach to the shelving and provide continuous slide for hangers between supports. Shelves shall be 12" deep minimum and material vinyl coated steel or similar.

Paints and Primers, Adhesives, Caulks and Sealants. Paints, primers, adhesives, caulks, and sealants shall comply with Federal regulations applicable to low VOC requirements.

Minimum Bathroom Accessories

1. Towel bar(s) within reach of lavatory and tub/shower
2. Toilet paper holder
3. Shower curtain rod (if applicable)
4. Mirror
5. Cabinet with drawers, shelf space, or medicine storage cabinet.

Carpeting. Carpets shall be 100% nylon or nylon/olefin blend.

Resilient Flooring. 1/8-inch vinyl composition tile with color and pattern full thickness, LVT, sheet vinyl, linoleum flooring, tile flooring, bamboo, wood, or polished concrete.

Resilient Flooring—Bathrooms. LVT, sheet vinyl, linoleum flooring, or tile flooring.

Durable Window Sills. All window sills/ledges shall be composed of moisture-resistant materials, such as plastic laminate, molded plastic, cultured marble, etc. Projects with Historic tax credits may provide wood sills if they are specifically required by the State Historic Preservation Office (SHPO).

Window Covering. Window coverings are required. A spring loaded type window shade is not an approved covering.

8-48.3 ENERGY REQUIREMENTS.

Heating and Air Conditioning. All Units shall be heated and air conditioned. Air conditioning equipment should be at least 13 SEER (14.5 SEER and 8.50 HSPF for electric heat pumps) and use R-410a refrigerant that is charged according to manufacturer specifications. Thru-wall A/C units, when used in conjunction with fluid based radiant heat systems, shall be at least 9.8 EER or 9.7 CEER, otherwise they shall be at least 10.7 EER or 10.6 CEER. Heating equipment should be at least 95 AFUE for furnaces and 90 AFUE for boilers. Window units are not allowed. Electric resistance heating is not allowed as the primary heating source for new construction adaptive reuse and must be approved at the time of application if proposed for an Acquisition/ Rehab or rehab project. AC sleeves shall be provided with a tight-fitting, insulated cover for thru wall AC units. Winter covers shall be provided for each AC unit.

IFA may approve existing projects with electric resistance heating prior to Application submittal.

Water Heaters.

- In-unit water heaters that have a minimum energy factor (EF) of 0.61 for tank-type gas, 0.93 for tank-type electric, or 0.96 for tankless water heaters.
- Central water heaters (serving entire building) – with a 90% Thermal Efficiency rating or minimum 95% efficient thermal water storage tanks coupled to a better than 90 AFUE boiler.

SECTION 9. MINIMUM DEVELOPMENT CHARACTERISTICS – NEW CONSTRUCTION AND ADAPTIVE REUSE.

New Construction and Adaptive Reuse Construction must use the following additional minimum development characteristics:

Closets. Each bedroom shall have a closet (2 foot x 5 foot minimum) with a door. The minimum complement of closets per Unit include: 1 linen closet or cabinet 1.5 foot x 2 foot minimum and 1 coat closet 2 foot x 3 foot minimum.

Laundry. Each Unit must have an enclosed washer and dryer (accessible if applicable), and the dryer vented to the building exterior.

Unit Bathrooms. Three or more bedroom Units in new construction and Adaptive Reuse Projects shall have at least 1 full bathroom and 1 three-quarter bathroom.

Minimum Unit Net Square Footage:

New Construction and Adaptive/Reuse

Unit Type	Minimum Unit Net Square Footage
Efficiency	450
1 Bedroom	625
2 Bedroom	800
3 Bedroom	1,000
4 Bedroom	1,175

Unit net square footage for each room is measured face to face of the outside wall. Unit net square footage is measured face of wall to face of wall of the unit's perimeter walls. The total of all spaces in the Unit measured this way must exceed

the Minimum Unit Net Square Footage. This does not include balconies or patios.

IFA may approve smaller Units in Adaptive Reuse Projects prior to Application.

Public area square footage is measured face of wall to face of wall.

Building gross square footage is measured from the outside face of the building perimeter walls and includes balconies.

Energy Requirements. In addition to meeting Iowa State Code and the IECC, the Project shall meet or exceed prescriptive standards for Multi Family New Construction (MFNC) or prescriptive standards for Energy Star Certified Homes (except where those requirements have been reduced herein) and receive a Home Energy Rating Systems (HERS) Index of 70 or less from a certified rater in Iowa. A home energy rating performed by a certified HERS rater is required on each building after it is completed to verify that actual construction meets the above listed requirements. Five Units with different floor plans and orientations for complexes of less than 50 Units and 10% of Units, up to a maximum of 10 Units in complexes of 50 or more Units shall be rated. The contract for the determination of the HERS index shall be between the certified rater and the Ownership Entity.

SECTION 10. MINIMUM DEVELOPMENT CHARACTERISTICS – ACQUISITION/REHAB.

Rehabilitation Construction must use the following additional minimum development characteristics:

Scope of Work. The Scope of Work shall, at a minimum, include the following:

1. Making common areas accessible, creating or improving sidewalks, installing new roof shingles, adding gutters, sealing brick veneers, applying exterior paint or siding, and re-surfacing or re-paving parking areas.
2. Improving site and exterior dwelling lighting with Energy Star qualified lighting fixtures, landscaping/fencing, and durable siding.
3. Using energy efficient related Energy Star labeled products to replace inferior ones, including insulated windows.
4. Improving heating and cooling units, plumbing fixtures and water heaters, toilets, sinks, faucets, and tub/shower. Units to meet minimum efficiency standards for new construction above.
5. Improving quality of interior conditions and fixtures, including carpet, vinyl, interior doors, painting, drywall repairs, cabinets, Energy Star appliances, Energy Star light fixtures, and window coverings to meet minimum efficiency standards for new construction.
6. Upgrading electrical circuits to have GFCI outlets at kitchens, baths, laundries and other applicable locations;
7. Upgrade all interior lighting to compact fluorescent and/or LED.

Resident/Community Laundry. A common laundry room facility located on site with a minimum of 1 washer/dryer to serve each 12 Units. An Applicant may provide a washer and dryer in each Unit in lieu of a common laundry room facility.

Smoke Detectors. All Acquisition Rehab/Rehab Projects shall replace all smoke detectors.

SECTION 11. BUILDING STANDARDS

Preliminary site plan and floor plans are to be submitted with the Application to IFA. The Applicant shall meet local, state and federal standards that apply to the Project, regardless if listed below.

- 2015 International Building Code adopted and published by the International Code Council.
- 2015 International Existing Building Code adopted and published by the International Code Council.
- 2015 International Residential Code adopted and published by the International Code Council (excepting paragraphs R313.1 and R313.2; sprinklers are not required in single family or townhomes separated by 2 hr. fire walls).
- 2015 International Fire Code adopted and published by the International Code Council.
- 2015 International Mechanical Code adopted and published by the International Code Council.
- 2012 Uniform Plumbing Code adopted by the International Association of Plumbing and Mechanical Officials.
- 2014 National Electric Code adopted by the National Electrical Code Committee and published by the National Fire Protection Association, Inc.
- 2015 International Energy Conservation Code adopted by the International Code Council.
- Iowa Administrative Code, including but not limited to the following Chapters: 300 (Administration), 301 (General Provisions), 302 (Accessibility of Building), 303 (Energy Conservation), 350 (State Historic Building), and 25 (State Plumbing Code).
- Uniform Federal Accessibility Standards provided in 24 CFR Part 8 and delineated in the American National Standards Institute Standard 2007 A117.1.
- The Americans with Disabilities Act 1990 provided by the Federal Department of Justice. All publicly accessible areas must meet the accessibility requirements of this Act. ADA design requirements do not apply to residential units, but do apply to public accommodations.
- The Federal Fair Housing Act of 1988 – all buildings with 4 or more units must comply with this Act and the Fair Housing Design Standards. Applies to ground floor Units or all Units in an elevator building.
- ~~The Federal Fair Housing Act of 1988 Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Title VIII of the Civil Rights Act of 1968, Section 3 of the Housing and Urban Development Act of 1968, and Executive Order 11063.~~
- For Adaptive Reuse/Rehabilitation, the Lead Base Paint Poisoning Prevention Act, the Department of Housing and Urban Development (HUD) Guidelines for the Evaluation and Control of Lead Based Paint Hazards, Environmental Protection Administration (EPA) and Occupational Safety and Health Act (OSHA) provisions shall apply when applicable.
- For Adaptive Reuse/Rehabilitation, if applicable, State Historic Preservation Office (SHPO) clearance Section 106 of the National Historic Preservation Act, 36 CFR Part 800 for Projects receiving any direct federal funding (HOME or categorical grant) or affecting properties listed in the National Register of Historic Places, or in a designated historic preservation district or zone.

**PART D –
GLOSSARY OF
TERMS**

The following capitalized terms shall have the meanings set forth herein unless context clearly requires a different meaning.

Affiliates: Any Person or Entity who (i) directly or indirectly through one or more intermediaries Controls, is controlled by, or is under common Control with the Applicant; or (ii) owns or Controls any outstanding voting securities, partnership interests, membership interests, or other ownership interests of the Applicant; or (iii) is an officer, director, guarantor, employee, agent, partner, member, manager or shareholder of the Applicant; or (iv) has an officer, director, member, manager, guarantor, employee, agent, partner, or shareholder who is also an officer, director, member, manager, employee, agent, partner, or shareholder of the Applicant.

Applicant: The Ownership Entity, Developer, General Partner or Affiliate as shown in the Application Package.

Area Median Gross Income (AMI): the most current tenant income requirements published by HUD pursuant to the qualified Low-Income Housing Project requirements of IRC Section 42(g).

Disability: at least one of the following criteria: (1) Has a physical, mental or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes the person's ability to live independently, and is of a nature that such ability could be improved by more suitable housing conditions; or (2) Has a developmental Disability, defined as a severe chronic Disability which is attributable to a mental or physical impairment or combination of mental and physical impairments, is manifested before the Person attains age 22, is likely to continue indefinitely, results in substantial functional limitation in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and which reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong, or extended duration and are individually planned and coordinated.

Eligible Basis: with respect to a building within a Project, the building's Eligible Basis at the close of the first taxable year of the Tax Credit Period and as further defined in IRC Section 42(d). Eligible Basis shall not include garages or Storage Units or other amenities where the Ownership Entity is charging tenants for the use of the garage or Storage Unit or other amenities, except when the garage or Storage Units or other amenities are part of normal rent for all of the Units in the Project. If a grant is made with respect to any building or its operation during any taxable year of the Compliance Period and Extended Use Period, if applicable, and any portions of such grant is funded with federal funds, the Eligible Basis of the building for that taxable year and all succeeding taxable years shall be reduced by the portion of the grant.

Entity: any General Partnership, limited partnership, corporation, joint venture, trust, limited liability company, limited liability partnership, business trust, cooperative or other business association.

Family Project: General occupancy project with no age restrictions.

Identity of Interest: a financial, familial, or business relationship that permits less than an arm's length transaction. No matter how many transactions are made subsequently between Persons, corporations, or trusts Controlled by the Ownership Entity/Developer, these subsequent transactions shall not be considered "arm's-length". Identity of Interest includes but is not limited to the following: the existence of a reimbursement program or exchange of funds; common financial interests; common officers, directors or stockholders; family relationships among the officers, directors or stockholders; the Entity is Controlled by the same group of corporations; a partnership and each of its partners; a limited liability company and each of its members; or an S Corporation and each of its shareholders. Failure to disclose an Identity of Interest is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

Low-Income Unit: any residential rental Unit if such Unit is rent-restricted and the occupant's income meets the limitations applicable as required for a qualified low-income housing Project.

Older Persons: persons 55 or older: An Older Persons Project is exempt from the prohibition against familial status discrimination under the Fair Housing Act if: (1) The HUD Secretary has determined that it is specifically designed for and occupied by elderly Persons under a federal, state or local government program; or (2) It is occupied solely by Persons who are 62 or older; or (3) It houses at least one Person who is 55 or older in at least ~~eighty percent (80%)~~ of the occupied Units, and adheres to a policy that demonstrates intent to house Persons who are 55 or older.

Owner Representative: The General Partner(s) or managing member(s) of the Ownership Entity.

Project: a low-income rental housing Property the Applicant of which represents that it is or will be a qualified low-income housing Project within the meaning of IRC Section 42(g). With regard to this definition, the Project is that Property which is the basis for the Application.

Property: the real estate and all improvements thereon which are the subject of the Application, including all items of personal Property affixed or related thereto, whether currently existing or proposed to be built thereon in connection with the Application.

State Issued Notice of Noncompliance: a notice that identifies noncompliance issues (that existed at the property during a physical inspection or file review) with the LURA, the Carryover Agreement, the Application, etc. that are not reported to the IRS via IRS Form 8823, throughout the Compliance Period and the Extended Use Period, if applicable. This report will be issued to the Owner only after the 90 day correction period has expired and no action has been taken to correct all reported noncompliance issues to IFA's satisfaction.

Tax Credits: The Low-Income Housing Tax Credits issued pursuant to the program, IRC Section 42 and Iowa Code Section 16.35.

Tax Credit Reservation: With respect to a Project or a building within a Project, the amount of Tax Credits IFA awards to an Ownership Entity.

Tax Credit Reservation Date: The date that the notice of Tax Credit Reservation was emailed to an approved Applicant.

Unit: a room or a group of related rooms designed for use as a dwelling for which rent is paid. A Unit contains sleeping accommodations, a kitchen and a bathroom.

Utility (ies): gas, electricity, water ~~and~~ sewer service, and trash.



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AUTHORITY

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**RESOLUTION
HI 21-23**

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 (“LIHTC”) Program administered under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, pursuant to Section 42 of the Code and Iowa Code section 16.35, the Authority must draft one or more qualified allocation plans (each a “QAP”) which governs the allocation of tax credits under Section 42 of the Code; and

WHEREAS, the Board’s proposed 2023 Low Income Housing Tax Credit Qualified Allocation Plan for four percent tax credits (“2023 4% QAP”) is attached as Exhibit A hereto; and

WHEREAS, the Authority now wishes to adopt the 2023 4% QAP as the governing document for the 2023 tax credit applications and awards to replace the 2022-23 Low-Income Housing Tax Credit Qualified Allocation Plan for 4% tax credits, which was previously adopted as the governing document for the 2023 four percent tax credit applications and awards.

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

SECTION 1. The Board hereby approves the 2023 Low Income 4% QAP set forth as Exhibit A hereto as the governing document for the 2023 four percent tax credit applications and awards to replace the 2022-23 Low-Income Housing Tax Credit Qualified Allocation Plan for 4% tax credits, which was previously approved as the governing document for the 2023 four percent tax credit applications and awards.

SECTION 2. 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 3. 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 7th day of December, 2022.

ATTEST:

Michel Nelson, Board Chairman
(SEAL)

Deborah Durham, Secretary

To: Iowa Finance Authority Board of Directors

From: Kristin Hanks-Bents, Legal Counsel

Date: November 30, 2022

Re: Notice of Intended Action to Amend 265—Chapter 12

Reason for the rule making: Pursuant to Iowa Code section 16.35, IFA has adopted rules which govern the allocation process and applications for the award of tax credits. These rules function by incorporating the QAP by reference. IFA staff has drafted a new 4% Qualified Allocation Plan for 2023 (2023 4% QAP). In order to ensure the rules properly incorporate the 2023 4% QAP, the Board of Directors must amend 265 Iowa Administrative Code chapter 12.

Summary of proposed amendments to rules: Staff proposes amending subrule 265-12.1(1) by changing the year of the QAP and the date. Staff proposes amending subrule 265-12.2(1) by changing the date referenced in the rules.

Status update since September 2022: Staff has received no comments related to the amendments proposed in the Notice of Intended Action that the Board approved on October 5, 2022. Staff intends to file the adopted rules “Emergency After Notice” to allow the amendments to become effective immediately upon filing.

Staff recommendation: Staff recommends the Board approve the filing of a Notice of Intended Action to amend chapter 265-12 as set forth in the attached rule making.

Proposed Motion: Move to adopt amendments to chapter 265-12 as proposed.

CHAPTER 12
LOW-INCOME HOUSING TAX CREDITS

265—12.1(16) Qualified allocation plans.

12.1(1) *Four percent qualified allocation plan.* The qualified allocation plan titled Iowa Finance Authority Low-Income Housing Tax Credit Program 2023 4% Qualified Allocation Plan (“4% QAP”) dated October 5, 2022, shall be the qualified allocation plan for the allocation of 4 percent low-income housing tax credits consistent with IRC Section 42 and the applicable Treasury regulations and Iowa Code section 16.35. The 4% QAP is incorporated by reference pursuant to Iowa Code section 17A.6 and 265—subrules 17.4(2) and 17.12(2). The 4% QAP does not include any amendments or editions created subsequent to October 5, 2022.

265—12.2(16) Location of copies of the plans.

12.2(1) *4% QAP.* The 4% QAP can be reviewed and copied in its entirety on the authority’s website at www.iowafinance.com. Copies of the 4% QAP, application, and all related attachments and exhibits shall be deposited with the administrative rules coordinator and at the state law library and shall be available on the authority’s website. The 4% QAP incorporates by reference IRC Section 42 and the regulations in effect as of October 5, 2022. Additionally, the 4% QAP incorporates by reference Iowa Code section 16.35. These documents are available from the state law library, and information about these statutes, regulations and rules is on the authority’s website.

To: Iowa Finance Authority Board of Directors

From: Kristin Hanks-Bents, Counsel

Date: November 18, 2022

Re: Notice of Intended Action to Amend 265—Chapters 31

Reason for the rule making: Iowa Code section 16.2D establishes the Iowa Council on Homelessness and describes its composition and aspects of its operation. House File 2258 amended Iowa Code section 16.2D during the 2022 Legislative session. The Iowa Council on Homelessness proposed the bill to make changes to the composition of the Council and its duties based on a Strategic Plan that it completed in the fall of 2021. Staff proposes to amend 265, Chapter 31 of the Iowa Administrative Code to conform to the changes made by House File 2258. The proposed amendments have been reviewed with the newly reconstituted Council at its meeting on November 18.

Summary of proposed amendments to rules:

- **31.1** First, staff proposes to change the structure of rule 31.1 to break it down further by topic and make it more readable
- Council Composition
 - Conforming change – reduces total size from 38 to 20; reduces general public members from 26 to 11 and reduces agency director members 12 to 9
 - Conforming change - Reduces the number of voting members and states that only general public members will be voting members; agency director members will be nonvoting members
- Board officers – removes language that requires that officers be split between general public members and agency director members
- Quorum and voting – conforming change
- Meetings –establishes a minimum number of times for meeting per year, rather than designating months for meeting
- Executive committee - limits voting members to not more than 6. Membership and size determined annually by council. Chairperson may appoint nonvoting members of the executive committee
- Nominating committee – conforming change
- Council may establish other advisory committees and subcommittees
- **31.2** – Duties of the Council – makes conforming changes which includes a change that streamlines the required reports



Staff recommendation: Staff recommends the Board approve the filing of a Notice of Intended Action to amend chapter 265-31 as set forth in the attached rule making.

Proposed Motion: Move to approve the filing of a Notice of Intended Action to amend chapter 265-31 as proposed.

IOWA FINANCE AUTHORITY [261]

Notice of Intended Action

The Iowa Finance Authority hereby proposes to amend Chapter 31, “Council on Homelessness,” Iowa Administrative Code.

The following rule-making actions are proposed:

ITEM 1. Amend rule 265—31.1(16) as follows:

265—31.1(16) ~~Organization~~ General.

31.1(1) Location and staff.

a. The main office of the council is located at the offices of the Iowa finance authority, located at the address set forth in rule 265—1.3(16). Office hours for the council shall be 8 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. Written requests may be submitted to the council at this address. Information about the council is available at this website address: ~~www.iowafinanceauthority.gov~~ www.iowafinance.com. ~~The council’s telephone numbers are: (515)725-4900 (general); 1-800-432-7230 (toll free); 1-800-618-4718 (TTY); and (515)725-4901 (faecsimile).~~

b. Staff assistance and administrative support shall be provided by the Iowa finance authority as approved by the executive director.

31.1(2) ~~Council members and staff~~ Composition. The powers of the council are vested in and exercised by ~~3820~~ eleven ~~voting members, eleven of whom are voting members and nine of whom are nonvoting members.~~ Voting members are appointed by the governor in accordance with Iowa Code section 16.2D.

31.1(3) Terms. The ~~2611~~ eleven voting members selected from the general public shall each serve a

two-year term. Terms shall be staggered so half of the voting members are appointed in one year and half are appointed in the year thereafter.

~~31.1(3)~~ 31.1(4) *Board officers.* ~~Initially, the council shall, as soon as all members have been appointed, promptly~~ The council shall annually elect a chairperson and a vice chairperson and may elect other officers as determined by the council, both to a term not to exceed two years ending in May. The chairperson and vice chairperson shall not both be either general public members or agency director members. Thereafter, the chairperson and vice chairperson positions shall rotate between agency director members and general public members so that the chairperson and vice chairperson shall not both be either general public members or agency director members at the same time. Staff assistance and administrative support shall be provided by the Iowa finance authority as approved by the executive director.

~~31.1(3)~~ 31.1(5) *Council action*Quorum and voting requirements. ~~A majority of the Seven voting members of the council shall constitute a quorum. Any action taken by the council must be adopted by an affirmative vote of a majority of its membership~~ the quorum. The majority shall not include any member who has a conflict of interest and a statement by a member who asserts a conflict of interest shall be conclusive for this purpose.

~~31.1(4)~~ 31.1(6) *Meetings.* ~~Regular meetings of the council shall be held on the third Friday of the following months: January, March, May, July, September, and November, unless another time of meeting is designated by the council. The council shall meet at least six times per year. Meetings may also be held at the call of the chairperson or whenever a majority of the members so request. The council shall comply with the requirements of Iowa Code chapters 21 and 22. Interested parties are encouraged to attend and participate in council meetings where feasible.~~

~~31.1(5)~~ 31.1(7) *Committees.* ~~The council shall form an executive committee consisting of the~~

~~council's chairperson, vice chairperson, and seven members, one of whom shall be the immediate past chairperson if a current member of the council. The chairperson shall appoint the remaining members of the executive committee. The executive committee shall be responsible for reviewing and making recommendations for amendments or changes to the internal rules of procedure. The executive committee shall carry out the business of the council between regularly scheduled council meetings. A majority of the members of the executive committee shall constitute a quorum. Any action taken by the executive committee must be adopted by an affirmative vote of a majority of its members. The council may form an executive committee comprised of not more than six voting members of the council. The membership and size of the committee as well as the terms of the committee members will be established annually by the council. The members of the executive committee may elect a member to serve as a chairperson. A majority of voting committee members constitutes a quorum. Any action taken by the committee must be adopted by an affirmative vote of a majority of its voting members. The chairperson of the council may appoint nonvoting members of the council to serve on the executive committee as nonvoting members. The executive committee will be responsible for reviewing and making recommendations for amendments or changes to the internal rules of procedure. The executive committee will carry out the business of the council between regularly scheduled council meetings.~~

a. Nominating committee. ~~The nominating committee shall initially consist of all 12 agency director members. Following the initial appointment of the general public members to the council, the~~ The council shall annually at its March meeting elect six five members, three at least two of whom shall be agency director nonvoting members and three at least two of whom shall be general public voting members. The chairperson of the council shall also be a voting member. The nominating committee shall nominate persons to the governor to fill the general public voting

member positions when they become open. A majority of the members of the nominating committee shall constitute a quorum. Any action taken by the nominating committee must be adopted by an affirmative vote of a majority of its members.

b. Other committees. ~~Other committees may be assembled by the executive committee~~ The council may establish other advisory committees and subcommittees comprised of members of the council to carry out various responsibilities of the council. A majority of the voting members of such a committee shall constitute a quorum. Any action taken by a committee must be adopted by an affirmative vote of a majority of its voting members.

c. Informal working groups. Informal working groups may be assembled from time to time by the chairperson for various tasks.

ITEM 2. Amend rule 265—31.2(16) as follows:

265—31.2(16) Duties of the council. The duties of the council shall be to:

1. Develop a process for evaluating state policies, programs, statutes, and rules to determine whether any state policies, programs, statutes, or rules should be revised to help prevent and alleviate homelessness.

2. Evaluate whether state agency resources could be more efficiently coordinated with other state agencies to prevent and alleviate homelessness.

3. Work to develop a coordinated and seamless service delivery system to prevent and alleviate homelessness.

~~4. Use existing resources to identify and prioritize efforts to prevent persons from becoming homeless and to eliminate factors that keep people homeless.~~

~~5. Identify and use federal and other funding opportunities to address and reduce homelessness within the state.~~

~~6.~~4. Work to identify causes and effects of homelessness and increase awareness among policymakers and the general public.

~~7.~~5. Advise the governor's office, the Iowa finance authority, state agencies, and private organizations on strategies to prevent and eliminate homelessness.

~~8.~~ Make annual recommendations to the governor regarding matters which impact homelessness on or before September 15.

~~9.~~6. Prepare a point-in-time report on homelessness in Iowa and file with the governor and the general assembly on or before the first day of December ~~in each odd-numbered year~~ a report on homelessness in Iowa.

~~10.~~7. Assist in the completion of the state's continuum of care application to the U.S. Department of Housing and Urban Development.

These rules are intended to implement Iowa Code sections 16.5(1) "r" and 16.2D and 2022 Iowa Acts, House File 2258.

To: Iowa Finance Authority Board of Directors

From: Kristin Hanks-Bents, Counsel

Date: November 29, 2022

Re: Notice of Intended Action to Amend 265—Chapter 47

Reason for the rule making: During the 2022 Legislative session, Habitat for Humanity of Iowa (“Habitat”) worked with legislators to create a Housing Renewal Pilot Program (“Program”). The proposal was passed in House File 2564, Division III. In addition to creating the Housing Renewal Pilot Program (“Program”), the Legislature appropriated \$500,000 to the Program. HF2564 also required IFA to write rules for the program.

HF2564, Division III overview: Pursuant to HF2564, IFA shall provide funds to Habitat and Habitat will in turn award grants to communities.

- Habitat (also known as “nonprofit Iowa affiliate” in the bill) may award funds to cities, counties, a consortium of local governments, non-profit 501(c)(3) organizations and housing trust funds.
- Eligible uses of funds include:
 - Acquisition, rehabilitation, and resale or ownership units;
 - Acquisition, demolition of blighted structures, redevelopment of ownership units;
- Maximum amount per housing unit shall be \$100,000;
- Housing units must be sold to homebuyers under 120% Area Median Income to homebuyers who will use it as their primary residence;
- Deeds to the homes must include a restrictive resale requirement, which must remain in place for five years; and
- IFA and Habitat must submit a report to the Legislature by December 31, 2023.

Summary of proposed new rules chapter: The proposed new chapter, 265-47, describes the purpose of the Program, sets forth definitions, and requires IFA to prepare an agreement between IFA and Habitat. The rules also require Habitat to prepare an agreement for each grantee that receives an award and to provide to IFA a copy of each agreement. The rules also require Habitat to submit a report to IFA on or before November 30 of each year and describe the required contents of the report.

Staff recommendation: Staff recommends the Board approve the filing of a Notice of Intended Action to adopt new chapter 265-47 as set forth in the attached rule making.

Proposed Motion: Move to approve the filing of a Notice of Intended Action to adopt new chapter 265-47 as proposed.

Housing Renewal Pilot Program

Chapter 47

Item 1. Adopt new chapter 265.47.

47.1 Purpose. Pursuant to 2022 Iowa Acts, House File 2564, Division III, a housing renewal program fund is established under the control of the Iowa finance authority. The authority shall provide moneys from the fund to a nonprofit Iowa affiliate to award grants under the program. Grantees shall use the funds for the purpose of investing in housing rehabilitation and redevelopment for resale to an income-qualified buyer who occupies the home as the buyer's primary residence.

47.2 Definitions.

“Authority” means the Iowa finance authority created in Iowa Code section 16.1A.

“Eligible participant” means a city, county, a consortium of local governments, or an organization exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code with whom a nonprofit affiliate elects to partner.

“Grantee” means an eligible participant awarded a grant under the program.

“Nonprofit Iowa affiliate” or *“nonprofit affiliate”* means a nonprofit Iowa affiliate of a nonprofit international organization whose primary activity is the promotion of the construction, remodeling, or rehabilitation of one-family or two-family dwellings for use by low-income families.

“Redevelopment” means activities including new construction of housing on vacant or demolished properties on infill lots or the conversion of property from a non-residential use to housing.

“Rehabilitation” means renovation, remodeling and repair of existing housing units for continued residential use.

47.3 Agreement.

47.3(1) The authority will prepare an agreement between the authority and the nonprofit affiliate. The agreement may include terms and conditions reasonably necessary for implementation of the program pursuant to this chapter and 2022 Iowa Acts, House File 2564.

47.3(2) Any substantive change to the nonprofit affiliate’s proposed uses of funds shall require an amendment to the agreement. Amendments shall be requested in writing. No amendment shall be valid until approved by the authority.

47.3(3) The nonprofit affiliate must prepare an agreement for each project approved for an award. The agreement will reflect the terms of the award and may include other terms and conditions reasonably necessary for implementation of the program pursuant to this chapter and 2022 Iowa Acts, House File 2564. The nonprofit affiliate and the grantee must execute an agreement before funds are disbursed by the nonprofit affiliate. The nonprofit affiliate must provide a copy of each agreement executed by the affiliate and a grantee to the authority within 30 days of execution.

47.4 Reporting. The nonprofit affiliate must submit a report to the authority on or before November 30 of each year. In addition to the requirements described in 2022 Iowa Acts, HF 2564, Division III, the nonprofit affiliate must report on each of the following:

47.4(1) A description of each grantee’s project and grantee’s progress towards completion of its projects.

47.4(2) The sale price and sale closing date of each ownership unit.

47.4(3) The income level of each homebuyer purchasing an ownership unit.

47.4(4) The street address, city, zip code and county of each ownership unit.

47.4(5) The amount of funds awarded to each grantee.

47.4(6) The amount of funds expended by each grantee.

47.4(7) The amount of funds obligated by each grantee.

47.4(8) The amount of funds leveraged by each grantee.

47.4(9) Any other information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the general assembly or the governor’s office.

These rules are intended to implement 2022 Iowa Acts, House File 2564, Division III.

To: Iowa Finance Authority Board of Directors

From: Kristin Hanks-Bents, Counsel

Date: December 5, 2022

Re: Notice of Intended Action to Rescind Chapter 29, and Adopt new Chapter 29, Disaster Recovery Housing Assistance

Reason for the rule making: The Legislature passed the Disaster Recovery Housing Assistance Program (“Program”) during the 2021 Legislative session. The proposal was passed in Senate File 619. The Disaster Recovery Housing Assistance Program has not received any appropriation to date.

SF 619, Division XVI, Disaster Recovery Housing Assistance and the proposed new rules chapter: The Disaster Recovery Housing Assistance program was first proposed during the 2020 session in response to flooding along the Missouri River in 2019. The legislation creates a standing vehicle for distributing disaster recovery housing assistance to eligible homeowners in the form of forgivable loans and to eligible renters in the form of grants. The proposed rules describe the operation of the program, define eligible homeowners and eligible renters, describe eligible uses of funds, set the terms of forgivable loans and grants, and allow the authority to request information as needed to provide reports.

The legislation also established an eviction prevention program. This program allows IFA to award grants to keep eligible renters in their current residences and to eviction prevention partners to pay for rent or housing stability services for the purpose of preventing the eviction of eligible renters. The proposed rules define eligible renters, describe the eligible uses of funds, and the terms on which grants may be awarded. Both disaster recovery housing assistance and the eviction prevention program must be activated by a state of disaster emergency proclamation.

Reason for rescission of old chapter 29: Chapter 29, Jump-Start Housing Assistance Program, was created by appropriation language in 2008 in response to natural disasters. It describes the operation of that program but was associated with funds that have since been fully awarded. There are no outstanding obligations from this program, therefore, it is appropriate to rescind and replace the chapter.

Staff recommendation: Staff recommends the Board approve the filing of a Notice of Intended Action to rescind chapter 29, Jump-Start Housing Assistance Program and adopt new chapter 265-29 as set forth in the attached rule making.

Proposed Motion: Move to approve the filing of a Notice of Intended Action to rescind chapter 29, Jump-Start Housing Assistance Program and adopt new chapter 265-29 as proposed.

DISASTER RECOVERY HOUSING ASSISTANCE

Item 1. Rescind 265—Chapter 29 and adopt the following **new** chapter in lieu thereof:

265--29.1(16) Definitions. For purposes of this chapter, unless the context otherwise requires:

1. *Definitions.* As used in this section, unless the context otherwise requires:

“*Authority*” means the Iowa finance authority created in Iowa Code section 16.1A.

“*Council of government*” or “*COG*” means an Iowa council of governments as defined by Iowa Code chapter 28H.

“*Disaster-affected home*” means a primary residence that is destroyed or damaged due to a natural disaster that occurs on or after June 16, 2021, and the primary residence is located in a county that is the subject of a state of disaster emergency proclamation by the governor that authorizes disaster recovery housing assistance.

“*Fund*” means the disaster recovery housing assistance fund.

“*Local program administrator*” means the same as defined in subrule 29.2(1).

“*Program*” means the disaster recovery housing assistance program, except for where the term “program” is used in rule 265-29.8.

“*Replacement housing*” means housing purchased by a homeowner or leased by a renter needed to replace a disaster-affected home that is destroyed or damaged beyond reasonable repair as determined by a local program administrator.

“*Retention period*” means of period of time during which a retention agreement will remain in place. The retention period will begin on the date of a loan closing or the date repairs are completed and will end five years after the beginning of the retention period.

“*Retention agreement*” means an agreement as described in 265.29.5(6).

“*State of disaster emergency*” means the same as described in section 29C.6, subsection 1.

265-29.2(16) Operation of program with local program administrators.

29.2(1) *Local program administrators.* For purposes of this chapter 265-29, “local program administrator” means any of the following:

a. The cities of Ames, Cedar Falls, Cedar Rapids, Council Bluffs, Davenport, Des Moines, Dubuque, Iowa City, Waterloo, and West Des Moines.

b. A council of governments whose territory includes at least one county that is the subject of a state of disaster emergency proclamation by the governor that authorizes disaster recovery housing assistance or the eviction prevention program under Iowa code section 16.57C on or after June 16, 2021.

c. A community action agency as defined in Iowa Code section 216A.91 and whose territory includes at least one county that is the subject of a state of disaster emergency proclamation by the governor that authorizes disaster recovery housing assistance or the eviction prevention program under section 16.57C on or after June 16, 2021.

d. A qualified local organization, organized as a non-profit in the state of Iowa, or a governmental entity that provides housing stability services. Housing stability services may include:

(1) housing counseling;

(2) legal services related to eviction proceedings and maintaining housing stability; and

(3) housing navigation services.

29.2(2) *Agreements with local government administrators.* The authority will enter into agreements with local program administrators working in disaster-affected counties for the purpose of

reviewing applications for disaster recovery housing assistance and determining whether applicants are eligible for assistance under the program.

29.2(3) *Review of requests for assistance.* To be considered for a forgivable loan or grant under the program, a homeowner or renter must register for the disaster case management program established pursuant to Iowa Code section 29C.20B. The disaster case manager may refer the homeowner or renter to the appropriate local program administrator. If referred by disaster case managers, homeowners and renters will submit applications to local program administrators in the manner prescribed by the authority. Local program administrators shall accept and review each application. The authority may award a forgivable loan or grant after a local program administrator has determined the following:

- a. Whether the applicant is eligible for assistance.
- b. Whether the requested funds are being requested for a use permitted under the program.
- c. The amount of financial assistance to be awarded to the homeowner or renter.

29.2(4) *Administrative fees.* The authority shall not use more than five percent of the moneys in the fund on July 1 of a fiscal year for purposes of administrative costs and other program support during the fiscal year. The authority may share a portion of the funds reserved for its administrative costs with local program administrators to reimburse their administrative costs.

29.2(5) *Proceeds of repayments.* All loan amounts repaid to the authority by an eligible homeowner pursuant to this chapter shall be returned the disaster recovery housing assistance fund created in Iowa Code section 16.57B.

265—29.3(16) Eligibility.

29.3(1) *Eligible Homeowners.* To be eligible for a forgivable loan under the program, all of the following requirements shall apply:

a. The homeowner's disaster-affected home must have sustained damage greater than the damage that is covered by the homeowner's property and casualty insurance policy insuring the home plus any other state or federal disaster-related financial assistance that the homeowner is eligible to receive.

b. A local official must either deem the disaster-affected home suitable for rehabilitation or damaged beyond reasonable repair.

c. The disaster-affected home is not eligible for buyout by the county or city where the disaster-affected home is located, or the disaster-affected home is eligible for a buyout by the county or city where the disaster-affected home is located, but the homeowner is requesting a forgivable loan for the repair or rehabilitation of the homeowner's disaster-affected home in lieu of a buyout.

d. Assistance under the program must not duplicate benefits provided by any local, state, or federal disaster recovery assistance program.

e. A homeowner must be referred to the authority or to a local program administrator to be considered for a financial assistance award.

29.3(2) *Eligible Renters.* To be eligible for a grant under the program, all of the following requirements shall apply:

a. A local program administrator either deems the disaster-affected home of the renter suitable for rehabilitation but unsuitable for current short-term habitation, or the disaster-affected home is damaged beyond reasonable repair.

b. Assistance under the program must not duplicate benefits provided by any local, state, or federal disaster recovery assistance program.

c. A renter must be referred to the authority or to a local program administrator to be considered for a financial assistance award.

d. A renter must be a party to a written lease.

e. The landlord must not reside at the same address as the eligible renter.

29.3(3) Registration required. To be considered for a forgivable loan or grant under the program, a homeowner or renter must register for the disaster case management program established pursuant to section 29C.20B. The disaster case manager may refer the homeowner or renter to the appropriate local program administrator.

265—29.4 Eligible Uses of Funds.

29.4(1) Forgivable Loans. The authority may award a forgivable loan to an eligible homeowner for any of the following purposes:

a. Repair or rehabilitation of the disaster-affected home.

b. Down payment assistance on the purchase of replacement housing, and the cost of reasonable repairs to be performed on the replacement housing to render the replacement housing decent, safe, sanitary, and in good repair. For purposes of this paragraph, “*decent, safe, sanitary, and in good repair*” means the same as described in 24 C.F.R. §5.703. The amount of down payment assistance that may be awarded to an eligible homeowner must not exceed 25 percent of the purchase price of the home being purchased plus any amount allowed for repairs, or, \$50,000, whichever is less.

(1) Replacement housing shall not be located in a one-hundred-year floodplain.

(2) For purposes of calculating the amount of down payment assistance available to the eligible homeowner, the amount of the down payment assistance will be reduced by the amount of any disaster compensation received by the eligible resident in excess of any amount necessary to pay off a mortgage or real estate purchase contract on the disaster-affected home.

(3) As a condition of receiving down payment assistance, the eligible homeowner must agree that any disaster compensation received subsequent to the closing of the forgivable loan, if not applied toward repayment of a mortgage on the disaster-affected home, shall be used by the eligible homeowner to pay down the balance of the forgivable loan outstanding at the time the eligible homeowner receives such disaster compensation.

(4) An eligible homeowner shall not use the assistance allowed under this paragraph for the purchase of more than one home.

(5) Replacement housing must be used as the eligible homeowner’s primary residence.

29.4(2) Grants. The authority may award a grant to an eligible renter to provide short-term financial assistance for the payment of rent for replacement housing, pursuant to the limitations set forth in subrule 29.6(1).

265-29.5 Loan Terms. Loans made under the program shall, at a minimum, contain the following terms:

29.5(1) Five-year term. The duration of the loan will be for a term of five years.

29.5(2) Amount. The maximum amount of loan made under this program shall be \$50,000.

29.5(3) Interest. Loans made pursuant to the program shall bear no interest.

29.5(4) Forgivability. Loans made pursuant to the program will be forgiven and the principal amount of the loan reduced by 1/60th of the initial loan amount for each full month of the retention period in which the homeowner is not in default pursuant to the loan agreement, beginning on the date of the final disbursement of forgivable loan proceeds.

29.5(5) Repayment due upon sale of home. If a homeowner, who has been awarded a forgivable loan, sells a disaster-affected home or replacement housing for which the homeowner received the forgivable loan prior to the end of the loan term, the remaining principal on the forgivable loan shall be due and payable upon the sale of the home.

29.5(6) Retention agreement. Each loan made pursuant to this program shall be secured by a retention agreement which shall constitute a lien on the title of the real property for which the forgivable loan is made until such time as the forgivable loan has either been fully forgiven or paid in full. However,

if an eligible homeowner receives a buyout of the disaster-affected home from the hazard mitigation grant program established in Iowa Code chapter 29C or any other funding source, the receipt of the buyout will not trigger a repayment of assistance received under subrule 29.4(1).

29.5(7) General conditions of assistance.

a. If an eligible homeowner receives other disaster compensation after a forgivable loan is awarded, the authority may require repayment of some or all of the forgivable loan based on the amount of disaster compensation received and review for any duplication of benefits.

b. Any home to be purchased, repaired or rehabilitated using assistance under the program must be in compliance with all applicable state and local laws, rules and ordinances. To be eligible for assistance, the home must be in compliance as of the time of closing in the case of purchases, and as of the date of the final disbursement of forgivable loan proceeds in the case of repair or rehabilitation.

265—29.6 Grant terms. Grants made under the program shall be subject to the following terms:

29.6(1) Award calculation and maximum award.

a. An eligible renter may be awarded up to six months of rent assistance.

b. An eligible renter may be awarded retroactive rent assistance.

c. An eligible renter may be awarded rent assistance to pay late fees provided that the late fees are permissible under Iowa Code chapters 562A or 562B.

d. Rent assistance will be calculated by first multiplying the monthly rent amount stated on the eligible renter's lease times the number of months for which assistance is needed, and then adding any eligible retroactive rent assistance and late fees.

e. The amount of monthly rent assistance used in calculating the award must not exceed the amount stated on the eligible renter's lease.

f. The maximum allowable rent assistance that may be awarded must not exceed the lesser of:

(1) the sum of the amount stated on the eligible renter's lease multiplied by six months plus late fees; or

(2) \$5,000.

29.6(2) Priority of awards. The authority may prioritize awards of rent assistance to eligible renters earning 80% or less of the area median income for the county where the replacement housing is located.

29.6(3) Disbursement. The authority will disburse rent assistance only after a complete application has been received, an award has been approved by the authority, and all applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenses. Disbursements will be paid directly to the eligible renter's landlord, unless the authority determines that payment to the landlord is not feasible. If the authority determines it is not feasible to pay the eligible renter's landlord directly, the authority may disburse payment directly to the eligible renter.

265-29.7(16) Reporting. A local program administrator working with the authority to administer assistance provided under rule 29.4 will submit any information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the general assembly or the governor's office.

265-29.8(16) Eviction prevention program.

29.8(1) Purpose. The authority shall establish and administer an eviction prevention program. Under the eviction prevention program, the authority shall award grants to eligible renters and to eviction prevention partners for purposes of this rule. Grants may be awarded upon a state of disaster emergency

proclamation by the governor that authorizes the eviction prevention program. Eviction prevention assistance shall be paid out of the fund established in Iowa Code section 16.57B.

29.8(2) Rent assistance.

a. Grants awarded to eligible renters pursuant to this subrule shall be used for short-term financial rent assistance to keep eligible renters in their current residences.

b. For the purposes of this subrule, an “eligible renter” means a renter whose income meets the qualifications of the program, who is at risk of eviction, and who resides in a county that is the subject of a state of disaster emergency proclamation by the governor that authorizes the eviction prevention program and meets the following requirements:

(1) To meet the income qualifications of the eviction prevention program established in this rule, a renter’s household income must not exceed 80% of the area median income as published annually by the U.S. Department of Housing and Urban Development (HUD) for the county in which the rental unit is located.

(2) A renter must be a party to a written lease.

(3) The landlord must not reside at the same address as the eligible renter.

c. An eligible renter may receive rent assistance subject to the following limitations:

(1) An eligible renter may be awarded up to six months of rent assistance.

(2) An eligible renter may be awarded retroactive rent assistance.

(3) An eligible renter may be awarded rent assistance to pay late fees provided that the late fees are permissible under Iowa Code chapters 562A or 562B.

(4) Rent assistance will be calculated by first multiplying the monthly rent amount stated on the eligible renter’s lease times the number of months for which assistance is needed, and then adding any eligible retroactive rent assistance and late fees.

(5) The amount of monthly rent assistance used in calculating the award must not exceed the amount stated on the eligible renter’s lease.

(6) The maximum allowable rent assistance that may be awarded must not exceed the lesser of the sum of the amount stated on the eligible renter’s lease multiplied by six months plus late fees or \$5,000.

d. A renter will apply for assistance under this rule in the form and manner required by the authority.

e. The authority will disburse rent assistance under this paragraph only after a complete application has been received, an award has been approved by the authority, and all applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenses. Disbursements will be paid directly to the eligible renter’s landlord, unless the authority determines that payment to the landlord is not feasible. If the authority determines it is not feasible to pay the eligible renter’s landlord directly, the authority may disburse payment directly to the eligible renter.

29.8(3) Eviction prevention partners.

a. Grants awarded to eviction prevention partners pursuant to this section shall be used to pay for rent or housing stability services provided to eligible renters for the purpose of preventing the eviction of eligible renters.

b. For the purposes of this subrule, an “eviction prevention partner” means a local program administrator as defined in subrule 29.2(1).

c. The authority may enter into an agreement with one or more eviction prevention partners, to administer the program. The authority will prepare an agreement for each grant awarded to an eviction

prevention partner. The agreement will reflect the terms of the award and may include other terms and conditions reasonably necessary for implementation of the program pursuant to this rule.

d. Any substantive change to an agreement will require an amendment to the agreement. Amendments shall be requested in writing. No amendment shall be valid unless approved by the authority.

e. The authority will disburse funds under this paragraph only after an award has been approved by the authority, and all applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenses.

f. An eviction prevention partner receiving an award under this rule shall submit any information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the general assembly or the governor's office.

265-29.9(16) Financial assistance subject to availability of funding. All financial assistance awarded pursuant to this chapter shall be subject to funds being made available to the authority for the purpose of awarding financial assistance to eligible homeowners and eligible renters in disaster-affected counties.

These rules are intended to implement Iowa Code sections 16.57A, 16.57B and 16.57C as enacted by 2021 Iowa Acts, Chapter 177, Division XVI.

MEMORANDUM

Subject: Private Activity Bonds for December 2022 IFA Board Meeting
From: Aaron Smith, Chief Bond Programs Director
To: Iowa Finance Authority Board of Directors
Date: November 30, 2022

PRIVATE ACTIVITY BOND PROGRAM

ED 15-17 – Drake Village West Project

This is a resolution amending Resolution ED 15-17B, which was initially adopted in March 2016 to authorize the issuance of \$40,000,000 of Iowa Finance Authority Student Housing Revenue Bonds and Notes to refund bonds that were originally issued to construct student housing at Drake University in Des Moines.

Amending Resolution PAB 15-17B-2 authorizes the consent solicitation to current bondholders for a tender offer of the Bonds.

- **Action: Amending Resolution PAB 15-17B-2**

AMENDING RESOLUTION PAB 15-17B-2

Resolution Amending Resolution No. ED 15-17B Regarding not to exceed \$40,000,000 Iowa Finance Authority Student Housing Revenue Bonds and Notes (Drake West Village Project) to Authorize the Execution and Delivery of certain documents.

WHEREAS, the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa, duly organized and existing under and by virtue of the Constitution and the laws of the State of Iowa, (the “Authority”) is authorized and empowered by Chapter 16 of the Code of Iowa (the “Act”) to issue revenue bonds to be used to pay the cost of defraying the cost of acquiring, constructing, improving and equipping certain projects described in the Act, including any project for which tax exempt financing is authorized by the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Authority has previously issued its \$22,735,000 Student Housing Revenue Refunding Bonds (Drake West Village Project), Series 2016A (the “Series 2016A Bonds”) and its \$450,000 Student Housing Revenue Refunding Bonds (Drake West Village Project), Taxable Series 2016B (the “Series 2016B Bonds”) pursuant to a Trust Indenture dated as of April 1, 2016 relating to the Series 2016A Bonds and the Series 2016B Bonds (the “Senior Trust Indenture”) between the Authority and Regions Bank as trustee (the “Senior Trustee”), and loaned the proceeds of the Series 2016A Bonds and the Series 2016B Bonds to NCCD-Drake Properties LLC (the “Borrower”) pursuant to a Loan Agreement dated as of April 1, 2016 (the “Senior Loan Agreement”) between the Authority and the Borrower for the purposes of refunding a portion of the Authority’s Variable Rate Demand Student Housing Revenue Bonds (CHF-Des Moines, L.L.C. Project), Series 2007A (the “Prior Bonds”) issued for the purpose of financing the construction, equipping and installation of certain student housing facilities and certain related retail and parking facilities on land located adjacent to the campus of Drake University in Des Moines, Iowa (the “Project”); and

WHEREAS, the Authority also previously issued its \$12,670,000 Student Housing Unsecured Subordinate Notes (Drake West Village Project), Series 2016 (the “Series 2016 Subordinate Notes” and, together with the Series 2016A Bonds and the Series 2016B Bonds, the “Bonds”) pursuant to a Trust Indenture dated as of April 1, 2016 relating to the Series 2016 Subordinate Notes (the “Subordinate Indenture”) between the Authority and Regions Bank (the “Subordinate Trustee”) and loaned the proceeds of the Series 2016 Subordinate Notes to the Borrower pursuant to a Subordinate Loan and Pledge Agreement dated as of April 1, 2016 (the “Subordinate Loan Agreement”) between the Authority and the Borrower in order to refund the remaining portion of the Prior Bonds; and

WHEREAS, the Authority previously entered into certain amendments to the Subordinate Loan Agreement for the purpose of allowing Preston Hollow Capital, LLC the sole owner of the Series 2016 Subordinate Notes (the “Purchaser”) to make advances under the Subordinate Loan Agreement to prevent default under the Subordinate Loan Agreement (the “Proposed Amendments”) pursuant to an Amendment to Subordinate Loan and Pledge

Agreement (the “First Amendment”) between the Authority and the Borrower and agreed to by the Subordinate Trustee and the Purchaser; and

WHEREAS, the Borrower has requested that the Authority assist with a tender offer to the holders of the Series 2016 Bonds through one or more solicitations for tender of the Series 2016 Bonds, to be conducted by Loop Capital Markets LLC (the “Dealer Manager”), Globic Advisors, Inc. (the “Information Agent”) and the Purchaser pursuant to which the Purchaser will offer to purchase the Series 2016 Bonds from the current holders thereof.

NOW THEREFORE, Be It Resolved by the Board of the Authority, as follows:

1. The use by the Dealer Manager, the Information Agent and the Purchaser of one or more documents used to make tender offers for the Series 2016 Bonds (the “Solicitation Statements”), in connection with one or more offers of tender of the Series 2016 Bonds is hereby authorized and approved, subject to approval by Counsel to the Authority; provided such authorization and approval shall not be deemed to include authorization and approval of information contained in such Solicitation Statements other than information describing the Authority or its litigation, and only as the same relates to the Authority, but nothing contained in this Resolution shall be construed as prohibiting or limiting the Purchaser from including such information as they reasonably deem appropriate.

2. The Executive Director, the Chief Financial Officer, the Chief Operating Officer or the Chief Bond Programs Director (each, an “Authorized Officer”) is hereby authorized to execute and deliver one or more solicitation agreements, if required, any and all agreements, instruments and documents related to the tender offer or offers as approved by counsel to the Authority and to take such further actions as may be necessary to effectuate the intent and purpose of this Resolution.

3. The Bonds shall remain special, limited obligations of the Authority, payable solely from the proceeds of the Bonds, the revenues pledged to the payment thereof pursuant to the Senior Loan Agreement and the Subordinate Loan Agreement, and the funds and accounts held under and pursuant to the Senior Indenture and the Subordinate Indenture and pledged therefor. The Bonds, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness or a loan of the credit of the Authority, the State of Iowa or any political subdivision thereof within the meaning of any constitutional or statutory provisions. The Authority does not pledge its faith or credit nor the faith or credit of the State of Iowa nor any political subdivision of the State of Iowa to the payment of the principal of, the interest on or any other payments or costs incident to the Bonds. The issuance of the Bonds and the execution of any documents in relation thereto do not directly, indirectly or contingently obligate the State of Iowa or any political subdivision of the State of Iowa to apply money from or levy or pledge any form of taxation whatever to the payment of the principal of or interest on the Bonds or any other payments or costs incident thereto. The Authority has no taxing power.

4. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

5. 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 adoption.

Passed and approved this 7th day of December, 2022.

Michel Nelson, Chairperson

ATTEST:

(SEAL)

Deborah Durham, Secretary

MEMORANDUM

Subject: SRF Loan Participation Extension with Peoples Bank
From: Aaron Smith, Chief Bond Programs Director
To: Iowa Finance Authority Board of Directors
Date: November 29, 2022

WATER QUALITY

WQ 22-20 – Peoples Bank Loan Participation Extension (Kiburz Property)

The Iowa Natural Heritage Foundation (INHF) negotiated the purchase of approximately 392 acres of land in Humboldt County for long-term restoration, protection, and future public enjoyment. The property contains 234 acres of mixed recreational timber and Conservation Reserve Program (CRP), and 158-acres of irregular and wet agricultural fields. Through the middle of the property are several meandering miles of Prairie Creek, a tributary to the Boone River, one of only five Protected Water Areas in Iowa.

IFA entered into a 5-year loan participation agreement with Peoples Bank in October 2017 to facilitate INHF's purchase of the property. The original loan was for \$1.755 million; the current balance is \$1.043 million. INHF has requested an extension to the loan participation in order to continue raising the funds needed to pay off the loan.

WQ 22-20 extends the existing SRF loan participation for seven years while INHF completes their fundraising. They plan on paying off the loan in its entirety before the extension period is over.

- **Action: Resolution WQ 22-20**

RESOLUTION
WQ 22-20

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa and sections 455B.291 through and including 455B.299 of the Code of Iowa, works with the Iowa Department of Natural Resources (the “DNR”) to administer the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program (collectively, the “SRF Program”); and

WHEREAS, the Authority offers low-interest loans, pass-through loans, linked deposits and purchases of loan participations through local lending institutions under the SRF Program for non-point source projects; and

WHEREAS, the Authority purchased a participation in a loan to the Iowa Natural Heritage Foundation (the “Borrower”) from Peoples Savings Bank on October 6, 2017, in the amount of \$1,755,000 with a term of 5 years for a non-point source project under the SRF Program; and

WHEREAS, the Borrower has repaid \$712,000 of the loan, leaving a balance of \$1,043,000; and

WHEREAS, the Borrower has requested an extension of the term of the participation for an additional 7 years; and

WHEREAS, Peoples Savings Bank has agreed to such an extension of the term.

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

SECTION 1. The Board hereby approves an extension of the loan participation with Peoples Savings Bank for an additional 7 years and authorizes the Authority to finalize this transaction and to negotiate and complete the necessary documents. The Chief Bond Programs Director is authorized to prepare and execute any necessary documents in connection with the participation in the loan, consistent with the terms of this Resolution.

SECTION 2. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 3. 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 adoption.

PASSED AND APPROVED this 7th day of December, 2022.

Deborah Durham, Secretary

(Seal)