

**IOWA FINANCE AUTHORITY  
BOARD MEETING AGENDA**

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

**Wednesday, July 5, 2023  
11:00 a.m.**

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

- |             |   |                      |
|-------------|---|----------------------|
| <b>I.</b>   | <b>Board Chair</b>  | <i>Michel Nelson</i> |
|             | A. Roll Call and Introductions  |                      |
|             | B. Approval of June 7, 2023, Meeting Minutes  | Action               |
| <b>II.</b>  | <b>Election of Officers</b>   | Michel Nelson        |
|             | A. Chair  | Action               |
|             | B. Vice Chair   | Action               |
|             | C. Treasurer  | Action               |
| <b>III.</b> | <b>IFA Staff Years of Service</b>   | Ashley Jared         |
| <b>IV.</b>  | <b>Public Comment Period</b>  |                      |
|             | 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. |                      |
| <b>V.</b>   | <b>Consent Agenda</b>   | <i>Michel Nelson</i> |
|             | IADD - Authorizing Resolutions  | Action on all items  |
|             | A. AG 23-032B Brady A. and Stacy R. Reinke  |                      |
|             | B. AG 23-033B Nathan G. and Jacklyn Nieuwendorp   |                      |
|             | IADD - Amending Resolutions   |                      |
|             | C. 04261M Christopher Richard and Pamela Ann Deutmeyer, Ryan  |                      |
|             | IADD – Loan Participation Program   |                      |
|             | D. AG-LP 23-03, Loan Participation Program  |                      |
|             | IADD - Beginning Farmer Tax Credit Program  |                      |
|             | E. AG-TC 23-05, Beginning Farmer Tax Credit Program   |                      |
|             | Private Activity Bond   |                      |
|             | F. PAB 23-12A, Chevron Corporation Project  |                      |
|             | Water Quality   |                      |
|             | G. WQ 23-11, State Revolving Fund Planning & Design Loans   |                      |
|             | H. WQ 23-12, State Revolving Fund Construction Loans  |                      |



- VI. Finance**
- A. May 2023 Financials *Jennifer Pulford – Action*
  - B. Loan Servicing – Reserve for Impaired Loans *Jennifer Pulford*
  - C. FIN 23-13, Single Family Authorizing Resolution 2023 EF Bonds *Cindy Harris – Action*
  - D. FIN 23-14, Loan Approval – Hiawatha Arro, LLC *Dave Powell – Action*
  - E. FIN 23-15, Loan Approval – The Crossing Apartments *Dave Powell – Action*
  - F. FIN 23-16, Loan Approval – NEX Senior *Sam Askland – Action*
- VII. Private Activity Bonds**
- A. PAB 22-21B, AHEPA 19-IV Apartments LP Project *Aaron Smith – Action*
- VIII. Legal** *Kristin Hanks-Bents – Action*
- A. GEN 23-03, Signature Authority – Acknowledging Statutory Change to Executive Director’s Title
- IX. Housing Programs**
- A. HI 23-09, 2023 9% LIHTC Awards *Derek Folden – Action*
  - B. HI 23-10, Waiver of Nonrefundable Fee – Villas at Fox Pointe Audubon *Derek Folden – Action*
- X. Director’s Office**
- A. IT Update *Rob Christensen*
  - B. Director’s Report *Debi Durham*
- XI. Other Business**  
Next IFA Board Meeting – Wednesday, August 2, 2023
- XII. Adjournment** *Action*



**BOARD MEETING MINUTES**

**Helmick Conference Room  
1963 Bell Ave. Des Moines, IA  
June 7, 2023**

**Board Members Present**

Ashley Aust  
Amy Reasner  
Gilbert Thomas  
John Eisenman  
Gretchen McLain  
Rep. Lindsay James  
Rep. Dan Gelbach

Tracey Ball  
Jennifer Cooper  
Michael Van Milligen  
Nate Weaton  
Jina Bresson  
Sen. Scott Webster

**Board Members Absent**

Michel Nelson  
Sen. Wahls

**Staff Members Present**

Debi Durham, Director  
Aaron Smith, Chief Bond Programs Officer  
Catalina Bos, Legal Office Administrator  
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  
Rick Peterson, Chief Operations & Cultural Officer  
Jamie Giusti, Housing Programs Specialist  
Nichole Hansen, Policy and Partnership Manager

Kristin Hanks-Bents, Legal Counsel  
Rita Grimm, Chief Legal Counsel  
Tim Morlan, Asset Management Director  
Nicki Howell, Ag Development Program Specialist  
Carrie Woerdeman, State Programs Director  
Alyson Fleming, Section 8 Director  
Dillon Malone, ITG Director  
Alex Lemke, Marketing Specialist  
Terri Rosonke, Housing Programs Manager  
Lucy Kade, Social Media Manager  
Vicky Clinkscales, Customer Service & Project Specialist

**Others Present**

David Grossklaus, Dorsey & Whitney  
Scott Fitzpatrick

Holly Engelhart, Eide Bailly  
Heather Hackbarth, IDOM

**Board Chair**  
**Welcome and Roll Call**

Jennifer Cooper called to order the June 7, 2023, 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, McLain, Reasner, Thomas, Van Milligen and Weaton. The following Board member was absent: Nelson.

Ashley Aust made a motion to nominate Jennifer Cooper as the acting vice chair for the remainder of the current term.

**MOTION:** On a motion by Ms. Reasner, and a second by Mr. Van Milligen, the Board unanimously approved Jennifer Cooper as acting vice chair.

**Approval of June 2, 2023, Special Board Meeting Minutes**

**MOTION:** On a motion by Mr. Thomas, and a second by Mr. Eisenman, the Board unanimously approved the June 2, 2023, IFA Special Board Meeting minutes.

**Approval of May 3, 2023, Meeting Minutes**

**MOTION:** On a motion by Mr. Thomas, and a second by Ms. Aust, the Board unanimously approved the May 3, 2023, IFA Board Meeting minutes.

**Public Comment Period**  
**Receive Comments from General Public**

Vice Chair Cooper 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. Vice Chair Cooper closed the public comment period.

**Consent Agenda**

Vice Chair Cooper asked if any items needed to be removed from the consent agenda. Item I. WQ 23-10 was removed from the agenda due to board member conflict of interest.

**MOTION:** Mr. Eisenman made a motion to approve the following items on the consent agenda:

IADD - Authorizing Resolutions

- A. AG 23-029B, Cody Alan Roberts
- B. AG 23-030B, Matthew and Paige Granzow
- C. AG 23-031B, Carter Thomas and Madisen Rose Williamson

IADD – Amending Resolutions

- D. 04736M, Corey Buch, Batavia

IADD – Beginning Farmer Tax Credit Program

- E. AG-TC 23-04, Beginning Farmer Tax Credit

Private Activity Bonds

- F. PAB 23-10A, Keystone and Stonehaven Project
- G. PAB 23-11A, CB Gateway Project

Water Quality

- H. WQ 23-09, SRF Planning & Design Loans



On a second by Mr. Thomas, the Board unanimously approved the remaining items on the consent agenda.

**MOTION:** Mr. Thomas made a motion to approve item I. WQ 23-10, SRF Construction Loans. On a second made by Ms. Aust, a roll call vote was taken with the following results: **YES:** Aust, Ball, Cooper, Eisenman, McLain, Thomas, Van Milligen and Weaton; **NO:** None; **Abstain:** Reasner. The motion passed.

### **Finance**

#### **April 2023 Financials**

Ms. Pulford mentioned that she emailed the board members the audit governance planning letter from Eide Bailly regarding the audit of IFA's financial statements for the fiscal year ending June 30, 2023. Ms. Pulford presented the highlights of the April 2023 financial statement that was included in the board packet.

**MOTION:** On a motion by Mr. Eisenman, and a second by Mr. Thomas, the Board unanimously approved the April 2023 financials.

#### **FY 2024 Budget**

Ms. Pulford requested board approval of the FY 2024 budget that was included in the board packet and presented at the May 3, 2023, IFA Board Meeting.

**MOTION:** On a motion by Mr. Thomas, and a second by Ms. Aust, the Board unanimously approved the FY 2024 Budget.

### **Housing Programs**

#### **HI-23-05, State Housing Trust Fund, Project-Based Award**

Ms. Rosonke shared that this award recommendation is for a \$50,000 grant to the Warren County Habitat for Humanity. They will be constructing a new home on an infill lot in Indianola. There is an existing home on the property that will be demolished in order to build the new property. There is an existing garage on the site that they will leave for the family to use going forward. Ms. Rosonke also mentioned that there is a contingency to this award that they will need a submission of the executed copy of the purchase agreement between the city of Indianola and Habitat for Humanity. There was a timing issue with the public hearing which will be held on June 19, 2023. The city is supportive of the project and plans to move forward with the sale of the property. Ms. Rosonke requested approval of resolution HI-32-05.

**MOTION:** On a motion by Ms. Reasner and a second by Mr. Thomas, the Board unanimously approved HI-23-05.

#### **HI-23-06, 2023 4% LIHTC QAP – Single Asset Entity Waiver**

Mr. Folden shared that the Iowa Portfolio 4% application is an A1 developer who is working on five Section-8 properties. The developer would like to have all five properties under one owner entity. They are combining finances for the bond issuance and for better cash flow. It is standard practice in the industry to reduce investment and lending risk. IFA is not the investor or lender for these applications and IFA is requiring HUD approval of the ownership structure prior to proceeding. Mr. Folden requested approval of waiving the single-asset entity requirement for the Iowa Portfolio projects.

**MOTION:** On a motion by Mr. Eisenman, and a second by Mr. Thomas, the Board unanimously approved HI-23-06.

**HI 23-07, Draft 2024 4% LIHTC QAP**

Mr. Folden presented on the draft 2024 4% LIHTC QAP. He shared that this draft is very similar to the 2023 4% LIHTC QAP, essentially mirroring the 9% QAP. Ms. Aust and Mr. Folden discussed the changes to the resyndication for the 4% and 9% QAP. Mr. Folden stated that the changes were made to level the playing field and encourage infill projects.

**MOTION:** On a motion by Ms. Aust, and a second by Ms. Reasner, the Board unanimously approved HI-23-07.

**HI 23-08, Draft 2024 9% LIHTC QAP**

Mr. Folden presented on the draft of the 2024 9% LIHTC QAP. He shared that staff previewed the draft with developers and the public last month. Two changes were proposed for this year: the Average Income Test and the Innovation Set-Aside. Mr. Folden shared that up to six applicants will be selected to present at this year's HousingIowa Conference and one of them may be selected to apply for an award next April. Mr. Folden shared that a \$500.00 fee will be charged to applicants and those funds will go to the Iowa Builder's Association for a scholarship program for high school students.

Staff and the Board discussed the new initiative of Thriving Communities, which is a program that encourages communities to promote enhanced housing. The program will be a designation recognized for both IFA and IEDA programs and is open to all communities. The application process will begin this summer and up to 15 communities will be selected.

Director Durham shared the success of IEDA's Rural Housing Summit in Ames and the League of Cities presentation.

**MOTION:** On a motion by Ms. Reasner, and a second by Mr. Eisenman, the Board unanimously approved HI-23-08.

**Iowa Title Guaranty  
Transfer of Funds**

Mr. Malone shared that the ITG Board met yesterday and approved a transfer of revenue in excess of claims, reserves, and operating expenses in the amount of \$75,000, which would bring ITG's fiscal year total number of transfers to \$3,575,000. Mr. Malone shared the background of Iowa Title Guaranty and how it is the only state-run title coverage provider in the nation.

**MOTION:** On a motion by Mr. Eisenman, and a second by Mr. Thomas, the Board unanimously approved the transfer of funds.

**Legal  
Notice of Intended Action, Amend 265 Chapter 12, Low-Income Housing Tax Credits**

Ms. Hanks-Bents shared that, pursuant to part four of Executive Order 10, the governor's Administrative Rules Coordinator has directed IFA to amend Chapter 265-12 of its Administrative Rules in order to adopt the updated QAP. The rules govern the allocation process and applications for the award of low-income housing tax credits. Ms. Hanks-Bents also touched on the possibility of removing the rulemaking requirement from the statute as part of the Red Tape Review. Ms.

Hanks-Bents recommended the board approve the filing of a Notice of Intended Action to amend Chapter 265-12.

**MOTION:** On a motion by Ms. Reasner, and a second by Ms. Aust, the Board unanimously approved the filing of Notice of Intended Action to amend 265 Chapter 12, Low-Income Housing Tax Credits.

Ms. Hanks-Bents suggested that the board officer elections be done in the month of May in future years. She also provided an update on the Red Tape Review process.

### **Private Activity Bonds**

#### **PAB 21-12B-1 and 21-13B-1, CCM-Iowa Portfolio Project Amending**

Mr. Smith shared that this is an amending resolution authorizing the issuance of, not to exceed, \$34 million in Multi-Family Housing Revenue Bonds for a project that was approved by the board in April 2023. He explained that the owner of the project has changed the name of their entity and has incurred additional costs related to construction of the project. Mr. Smith requested board action.

**MOTION:** On a motion by Ms. Reasner, and a second by Mr. Eisenman, the Board unanimously voted to approve PAB 21-12B-1 and 21-13B-1.

#### **PAB 22-19B, Red Oak Partners, LLC Project**

Mr. Smith shared that this is an authorizing resolution for, and not to exceed, \$7.5 million in Multi-Family Housing Revenue Bonds for Red Oak Partners, LLC. Mr. Smith shared that this is a 25-unit, affordable and workforce adaptive reuse project, to convert a former school building into housing. Mr. Smith and Director Durham discussed the progress and deadline of the project. Mr. Smith requested board action.

**MOTION:** On a motion by Mr. Thomas, and a second by Mr. Eisenman, the Board unanimously voted to approve PAB 22-19B.

### **Executive Director's Office Executive Director's Report**

Director Durham shared that IFA has selected a new data partner, mySidewalk, for the Iowa Profile on Demographics, Economics, and Housing. Ms. Jared gave an update on the upcoming HousingIowa Conference and the Homeowner Incubator competition which will be held during the conference. Director Durham talked about the success of the Down Payment Assistance Program and the transition of the Department of Cultural Affairs to IEDA. She also discussed her recent visits around Iowa and upcoming travel plans with the Governor to visit Kosovo, Italy, and Israel. Director Durham touched on a pilot program for wrap-around services in the state's correctional facilities and also discussed the need for mental health services in homeless shelters.

### **Other Business**

The next meeting of the IFA Board of Directors will be held on Wednesday, July 5, 2023.

### **Adjournment**

On a motion by Mr. Thomas and a second by Ms. Aust, the June 7, 2023, meeting of the Iowa Finance Authority Board of Directors adjourned at 12:07 p.m.

Dated this 5th day of July, 2023.

Respectfully submitted:

Deborah Durham,  
Executive Director

Approved as to form:

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: June 26, 2023

Re Iowa Agricultural Division Beginning Farmer Loan and Tax Credit Programs

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## Consent Agenda

### Iowa Agricultural Development Division

#### Authorizing Resolutions

##### AG 23-032 Brady A. and Stacy R. Reinke

This is a resolution authorizing the issuance of \$307,122 for Brady A. and Stacy R. Reinke. The bond will be used: To purchase approximately 3 acres of land and a 2,400 Hd Hog Finisher in Lyon County. The lender is Minnwest Bank in Luverne.

- **Need Board action on Resolution AG 23-032B**

##### AG 23-033 Nathan G. and Jacklyn Nieuwendorp

This is a resolution authorizing the issuance of \$366,100 for Nathan G. and Jacklyn Nieuwendorp. The bond will be used: To purchase approximately 74.36 acres of agricultural land in Lyon County. The lender is Northwestern Bank in Orange City.

- **Need Board action on Resolution AG 23-033B**

#### Amending Resolutions

##### 04261 Christopher Richard and Pamela Ann Deutmeyer, Ryan

This is a resolution amending a \$250,000 Beginning Farmer Loan to Christopher Richard and Pamela Ann Deutmeyer issued 4/7/2008 to fix the current interest rate of 6.00% for the remainder of the loan term from a variable rate adjustable every five years to be equal to the Wall Street Journal Prime Rate minus 2.00%. All other loan terms will remain the same. Eff.07.05.2023. The lender is Citizens State Bank in Manchester.

- **Need Board action on Resolution 04261M**

## **Loan Participation Program**

### **AG-LP 23-03, Loan Participation Program**

The Loan Participation Program (LPP) was established in to assist low-income farmers secure loans and make down payments. IADD's participation can be used to supplement the borrower's down payment, thereby helping a farmer secure a loan more readily. The lender's risk is also reduced since the IADD provides a "last-in/last-out" loan participation for the financial institution. Effective annually on February 1 the rate will adjust to be equal to Wall Street Journal Prime as of January 1. The rate will lock at the time of IADD approval and be fixed for the full 10-year term. The participation loan is a 10-year balloon with a 20-year amortization on land or a 12-year amortization on facilities. Attached are the LPP applications reviewed last month. The IADD Board has recommended approval.

## **Beginning Farmer Tax Credit Program**

### **AG-TC 23-05, 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 23-032B**

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 5<sup>th</sup> day of July 2023.

\_\_\_\_\_  
Michel Nelson, Board Chairman

ATTEST:

\_\_\_\_\_  
Deborah Durham, Secretary

(Seal)

**EXHIBIT A**

- 1. Project Number:** AG 23-032
- 2. Beginning Farmer:** Brady A. and Stacy R. Reinke  
1361 Buchanan Ave  
Larchwood, IA 51241-7548
- 3. Bond Purchaser:** Minnwest Bank  
116 E Main St, PO Box 899  
Luverne, MN 56156
- 4. Principal Amount:** \$307,122
- 5. Initial Approval Date:** 6/27/2023
- 6. Public Hearing Date:** 6/27/2023
- 7. Bond Resolution Date:** 7/5/2023
- 8. Project:** To purchase approximately 3 acres of land and a 2,400 Hd Hog Finisher

**RESOLUTION  
AG 23-033B**

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 5<sup>th</sup> day of July 2023.

\_\_\_\_\_  
Michel Nelson, Board Chairman

ATTEST:

\_\_\_\_\_  
Deborah Durham, Secretary

(Seal)

**EXHIBIT A**

- 1. Project Number:** AG 23-033
- 2. Beginning Farmer:** Nathan G. and Jacklyn Nieuwendorp  
1621 US 18 St  
Inwood, IA 51240-7545
- 3. Bond Purchaser:** Northwestern Bank  
122 Central Ave NW, PO Box 260  
Orange City, IA 51041-0260
- 4. Principal Amount:** \$366,100
- 5. Initial Approval Date:** 6/27/2023
- 6. Public Hearing Date:** 6/27/2023
- 7. Bond Resolution Date:** 7/5/2023
- 8. Project:** To purchase approximately 74.36 acres of agricultural land



**RESOLUTION  
04261M**

A Resolution amending an Agricultural Development Revenue Bond.

WHEREAS, the Iowa Agricultural Development Authority, or its successor, the Iowa Finance Authority (the "Authority"), heretofore took action to authorize the issuance of an Agricultural Development Revenue Bond, Project No. 04261 (the "Bond") pursuant to Resolution B relating thereto (the "Bond Resolution") for the purpose of financing the acquisition of the Project (as defined in the Bond Resolution) by the Beginning Farmer (as defined in the Bond Resolution); and

WHEREAS, the Beginning Farmer has requested to change the current interest rate and payment amount on the Bond.

NOW, THEREFORE, Be It Resolved by the Iowa Finance Authority, as follows:

Section 1. The Authority hereby approves fixing the current interest rate on the Bond of 6.00% for the remainder of the loan term from a variable rate adjustable every five years to be equal to the Wall Street Journal Prime Rate minus 2.00%. Due to fixing the rate and re-amortizing the remaining balance the annual payment amount will increase from \$14,461.74 to \$16,115.40 beginning on April 7, 2024. All other loan terms will remain the same. Eff.07.05.2023

Section 2. That the Staff and Officers of the Authority are hereby authorized to amend any and all loan documents as necessary to reflect the aforementioned amendments.

Section 3. That except as amended herein, the Bond and other loan documents are hereby confirmed in all other respects.

Section 4. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall become effective immediately upon adoption.

Passed and approved on this 5<sup>th</sup> day of July 2023.

\_\_\_\_\_  
Michel Nelson, Board Chairman

ATTEST:

\_\_\_\_\_  
Deborah Durham, Secretary

(Seal)

**RESOLUTION  
AG-LP 23-03**

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 Loan Participation Program pursuant to Chapter 16

WHEREAS, the Authority administers programs to assist beginning farmers with the purchase of agricultural land, equipment and breeding livestock; and

WHEREAS, the Authority understands that the lack of capital is a major impediment for beginning farmers and desires to assist those farmers with down payment assistance; and

WHEREAS, the IADD has received an application from a lending institution to participate in a loan for the down payment for the purchase of agricultural land by an eligible beginning farmer; and

WHEREAS, the IADD Board has recommended approval of the funding of the Loan Participation 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 the Authority to finalize this transaction with the Borrower, to negotiate and complete the necessary loan documents, and to fund the participation in the Loan as described herein. The Executive 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 3. The Board authorizes the Executive Director to fund said participation from available funds held under the IADD, 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 5<sup>th</sup> day of July 2023.

\_\_\_\_\_  
Michel Nelson, Board Chairman

ATTEST:

\_\_\_\_\_  
Deborah Durham, Secretary

(Seal)

# Exhibit A

## Loan Participation Program

Project No.	Beginning Farmer	Bank	Purpose	Loan Amt
P0318	Brady A. and Stacy R. Reinke	Minnwest Bank, Luverne	To purchase approximately 3 acres of land and a 2,400 Hd Hog Finisher	\$180,000
				<hr/> \$180,000

**RESOLUTION  
AG-TC 23-05**

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 5<sup>th</sup> day of July 2023.

\_\_\_\_\_  
Michel Nelson, Board Chairman

ATTEST:

\_\_\_\_\_  
Deborah Durham, Secretary

(Seal)

**Exhibit A**  
**Beginning Farmer Tax Credit (BFTC)**  
**Approval Date: 7/5/2023**

<b>Account Number</b>	<b>Owner Name</b>	<b>County</b>	<b>Beginning Farmer</b>	<b>Rental Type</b>	<b>Cash Rent / Acre</b>	<b>Crop Share Percentage</b>	<b>Number Of Lease Years</b>	<b>Total Award</b>
4901	Sam Ritchie	Jefferson	Cole Reighard	Share Crop	\$0.00	60.00	3	\$86,985.00
4916	Tina L Turner	Warren	Cutler Palar	Cash Rent	\$250.00	0.00	2	\$1,616.00
4924	Mohr Bros Corp	Scott	Derek Golvinghorst, Dylan Golvinghorst	Share Crop	\$0.00	50.00	3	\$29,151.00
4925	Allan Kohlhaas	Kossuth	Darren Arthur	Share Crop	\$0.00	50.00	5	\$78,960.00
4926	Richard and Harriett Woodin Family Trust	Wright	Austin Charlson	Cash Rent	\$260.00	0.00	2	\$2,580.00
4935	Bushman Organic Farms	Winnesheik	Logan Schweinefus	Share Crop	\$0.00	50.00	5	\$35,750.00
4937	Julia F Gochenour Revocable Trust	Harrison	Hall Land & Livestock LLC, Hall Land & Livestock LLC	Share Crop	\$0.00	50.00	5	\$49,725.00
4938	Robert R Gochenour Family Trust	Harrison	Hall land & Livestock LLC, Hall Land & Livestock LLC	Share Crop	\$0.00	50.00	5	\$53,890.00
4939	Eugene Gochenour Revocable Trust, Pamela J Gochenour Revocable Trust	Harrison	Hall Land & Livestock LLC	Share Crop	\$0.00	50.00	5	\$81,390.00
4940	Loess Hills Inc	Harrison	Jonathan Cheek	Share Crop	\$0.00	50.00	3	\$17,913.00
4941	Warren Clausen Farm LLC	Harrison	Brady Dickinson	Share Crop	\$0.00	50.00	5	\$52,365.00
4943	Robert J Schmitz	Harrison	Jonathan Cheek	Share Crop	\$0.00	50.00	3	\$50,748.00
4944	Gretchen A Kingland, Michael D Twito	Winnebago	Hunter Douglas Kingland	Share Crop	\$0.00	50.00	5	\$17,820.00
4946	Calvin D Sorensen Revocable Trust, Jane M Sorensen Revocable Trust	Pocahontas	Sorensen Ag LLC	Share Crop	\$0.00	25.00	5	\$86,760.00
4947	Everett E Heitshusen	Benton	Larry Gardemann, Dennis Gardemann	Cash Rent	\$300.00	0.00	2	\$6,688.00
4948	Lloyd E Siert Fam Ltd PNTR Grundy Co 1	Grundy	M5 Farms LLC, M5 Farms LLC	Share Crop	\$0.00	50.00	5	\$42,665.00
4970	Allan Kohlhaas, Rochelle Kohlhaas	Kossuth	Darren Arthur	Share Crop	\$0.00	50.00	5	\$61,150.00
4978	Doris Irene Ritchie	Jefferson	Cole Reighard	Share Crop	\$0.00	60.00	3	\$16,257.00
<b>Total</b>								<b>\$772,413.00</b>

## MEMORANDUM

Subject: Consent Agenda for July 2023 IFA Board Meeting  
From: Aaron Smith, Chief Bond Programs Director  
To: Iowa Finance Authority Board of Directors  
Date: June 27, 2023

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### PRIVATE ACTIVITY BONDS

#### PAB 23-12A – Chevron Corporation Project

This is an application for \$300,000,000 Iowa Finance Authority Solid Waste Facility Revenue Bonds for Chevron Corporation (the “Borrower”). The project consists of the acquisition, construction, rehabilitation, installation, development and equipping of solid waste disposal facilities related to the production of renewable natural gas, including but not limited to handling and sorting systems, conveyance systems, anaerobic digesters, purification and refinement systems, collection systems, pumps, pipes, monitoring control systems, site improvements, digestate handling and treatment systems and all other assets (including land) necessary to support the foregoing improvements and to place them into service in one or more locations in the State of Iowa.

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

### WATER QUALITY

#### WQ 23-11 – State Revolving Fund Planning & Design Loans

This is a resolution to approve an SRF Planning & Design (P&D) Loan for \$220,000 for the following community:

- City of Montour

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 23-12 – State Revolving Fund Construction Loans

This is a resolution to approve SRF Construction Loans totaling \$28,014,000 for the following entities:

- City of Bondurant
- City of Fostoria
- City of La Porte City
- Rathbun Rural Water Association
- City of Waterloo

SRF Construction Loans currently have an interest rate of 1.75% for 20 years, or 2.75% for up to 30 years. Taxable SRF Construction Loans currently have an interest rate of 3.57%.

RESOLUTION PAB 23-12A

Approving an Application for \$300,000,000  
Iowa Finance Authority Solid Waste Facility Revenue Bonds  
(Chevron Corporation Project), in one or more series  
For Chevron Corporation (the “Borrower”)

And Evidencing the Intent to Proceed with the Issuance of  
\$300,000,000 Revenue Bonds

WHEREAS, the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa (the “State”) duly organized and existing under and by virtue of the Constitution and laws of the State (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 \$300,000,000 (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 of the State, 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 or any political subdivision of the State 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 nor any political subdivision of the State 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 or any political subdivision of the State 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 5<sup>th</sup> day of July, 2023.

---

Michel Nelson, Chairperson

ATTEST:

(SEAL)

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Deborah Durham, Secretary

**EXHIBIT A**  
**ATTACH APPLICATION**



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 23-12  
Application Received 6/13/2023  
Application Fee Received?   
Amount of Request \$ 300,000,000

## PRIVATE ACTIVITY BOND APPLICATION

### Part A - Borrower Information

1. Project Name: Chevron Corporation

2. Contact Person/Title: Wayne P. Borduin  
Company: Chevron Corporation

Address: 6001 Bollinger Canyon Road

City, State, Zip: San Ramon, California 94583-2324

Telephone:

E-mail: [brwy@chevron.com](mailto:brwy@chevron.com)

3. Principals: (If a partnership, list partners; if a corporation, list officers/directors and state of incorporation; if a nursing facility, list directors and principal staff.) Attach separate list if necessary.  
State of Incorporation: Delaware; Please see Attachment A for the list of officers.

4. If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose: N/A

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: Approximately 47,700 (as provided in the most recent 10-K)

Number of permanent FTE's created by the project: TBD



**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: \$300,000,000

Amount to be used for refunding: \$0

4. Address/Location of Project

Street/City/State Various locations throughout Iowa

County \_\_\_\_\_

5. General Project Description:

The project consists of the acquisition, construction, rehabilitation, installation, development and equipping of solid waste disposal facilities related to the production of renewable natural gas, including but not limited to handling and sorting systems, conveyance systems, anaerobic digesters, purification and refinement systems, collection systems, pumps, pipes, monitoring control systems, site improvements, digestate handling and treatment systems and all other assets (including land) necessary to support the foregoing improvements and to place them into service in one or more locations in the State of Iowa.



**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 \$TBD\_ (There are IRS limitations on eligible reimbursable costs.)

7. Parties related to the Project:

a. Principal User will be:Chevron Corporation

b. Seller (if any) of the Project:N/A

c. Purchaser (if any) or Owner or Lessee of the Project:N/A

d. Relationship of Project Seller and Purchaser, if any:N/A

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

Sources:	Amount	Uses:	Amount
Bond Proceeds	\$ 300,000,000	Construction and Equipment Acquisition Costs	\$TBD
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
	\$ 300,000,000		\$300,000,000
<b>Total</b>	_____	<b>Total</b>	_____

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: James Smith  
Firm Name: Dorsey & Whitney LLP  
Address: 801 Grand Avenue Suite 4100  
City/State/Zip Code: Des Moines, Iowa 50309-2790  
Telephone: (515) 699-3276 E-mail: smith.james@dorsey.com

2. **Counsel to the Borrower:**

Name: \_\_\_\_\_  
Firm Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip Code: \_\_\_\_\_  
Telephone: \_\_\_\_\_ E-mail: \_\_\_\_\_

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

Name: Lawrence N. Tonomura  
Firm Name: BofA Securities, Inc.  
Address: 555 California Street, Suite 1160  
City/State/Zip Code: San Francisco, CA 94104  
Telephone: (415) 627-3086 \_\_\_\_\_ E-mail: lawrence.n.tonomura@bofa.com

4. **Counsel to the Underwriter:**

Name: \_\_\_\_\_  
Firm Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip Code: \_\_\_\_\_  
Telephone: \_\_\_\_\_ E-mail: \_\_\_\_\_

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

Name: \_\_\_\_\_  
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](mailto: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](mailto:Grossklaus.David@Dorsey.com)) at Dorsey & Whitney and the Authority's Chief Bond Programs Director ([Aaron.Smith@IowaFinance.com](mailto:Aaron.Smith@IowaFinance.com)).

Dated this 13<sup>th</sup> day of June, 2023

Borrower: Chevron Corporation

By: \_\_\_\_\_

## Attachment A

### Information about our Executive Officers at February 23, 2023

Members of the Corporation's Executive Committee are the Executive Officers of the Corporation:

Name	Age	Current and Prior Positions (up to five years)	Primary Areas of Responsibility
Michael K. Wirth	62	Chairman of the Board and Chief Executive Officer (since Feb 2018)	Chairman of the Board and Chief Executive Officer
Pierre R. Breber	58	Vice President and Chief Financial Officer (since Apr 2019) Executive Vice President, Downstream (Jan 2016 - Mar 2019)	Finance; Procurement
A. Nigel Heame	55	Executive Vice President, Oil, Products & Gas (since Oct 2022) President, Chevron Eurasia Pacific Exploration & Production (July 2020 - Oct 2022) President, Chevron Asia Pacific Exploration & Production (Jan 2019 - June 2020) Managing Director, Australia Business Unit (July 2016 - Dec 2018)	Upstream - Worldwide Exploration and Production; Downstream - Worldwide Manufacturing, Marketing, Lubricants, and Chemicals; Midstream - Worldwide
Mark A. Nelson	59	Vice Chairman and Executive Vice President, Strategy, Policy & Development (since Feb 2023) Executive Vice President, Strategy, Policy & Development (Oct 2022 - Feb 2023) Executive Vice President, Downstream (since Mar 2019 - Sep 2022) Vice President, Midstream, Strategy and Policy (Feb 2018 - Feb 2019)	Strategy & Sustainability; Corporate Affairs; Corporate Business Development
Eimear P. Bonner	48	Vice President (since Aug 2021), Chief Technology Officer and President of Chevron Technical Center (since Feb 2021) General Director of Tengizchevroil (Dec 2018 - Jan 2021) General Manager of Operations of Tengizchevroil (Nov 2015 - Nov 2018)	Information Technology; Subsurface; Global Reserves; Wells; Asset Performance and Process Safety; Facilities Designs and Solutions; Capital Projects; Health, Safety and Environment; Downstream Technology
Jeff B. Gustavson	50	Vice President, Lower Carbon Energies (since Aug 2021) Vice President, Chevron North America Exploration & Production (Feb 2018 - July 2021)	Lower Carbon Solutions
Rhonda J. Morris	57	Vice President and Chief Human Resources Officer (since Feb 2019) Vice President, Human Resources (Oct 2016 - Jan 2019)	Human Resources; Diversity and Inclusion
R. Hewitt Pate	60	Vice President and General Counsel (since Aug 2009)	Law, Governance and Compliance

**RESOLUTION**  
**WQ 23-11**

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, the Chief Financial Officer, the Chief Operating Officer or the Chief Bond Programs Director of the Authority (each an “Authorized Officer”) 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 Authorized Officer.

SECTION 3. The Board authorizes the Authorized Officer to fund said loan from funds held under the SRF Program, all in the manner deemed necessary and appropriate by the Authorized Officer, 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 5<sup>th</sup> day of July, 2023.

\_\_\_\_\_  
Michel Nelson, Chairperson

ATTEST:

\_\_\_\_\_  
Deborah Durham, Secretary

(SEAL)

**EXHIBIT A**  
**SRF Planning & Design Loans**

<b>Borrower</b>	<b>County</b>	<b>Pop.</b>	<b>Amount</b>	<b>CW/DW</b>	<b>Description</b>
Montour	Tama	245	\$220,000	CW	Treatment Improvements

\$220,000

**RESOLUTION**  
**WQ 23-12**

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, the Chief Financial Officer, the Chief Operating Officer or the Chief Bond Programs Director of the Authority (each an “Authorized Officer”) 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 Authorized Officer.

SECTION 3. The Board authorizes the Authorized Officer to fund said loan from funds held under the SRF Program, all in the manner deemed necessary and appropriate by the Authorized Officer, 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 5<sup>th</sup> day of July, 2023.

\_\_\_\_\_  
Michel Nelson, Chairperson

ATTEST:

\_\_\_\_\_  
Deborah Durham, Secretary

(SEAL)

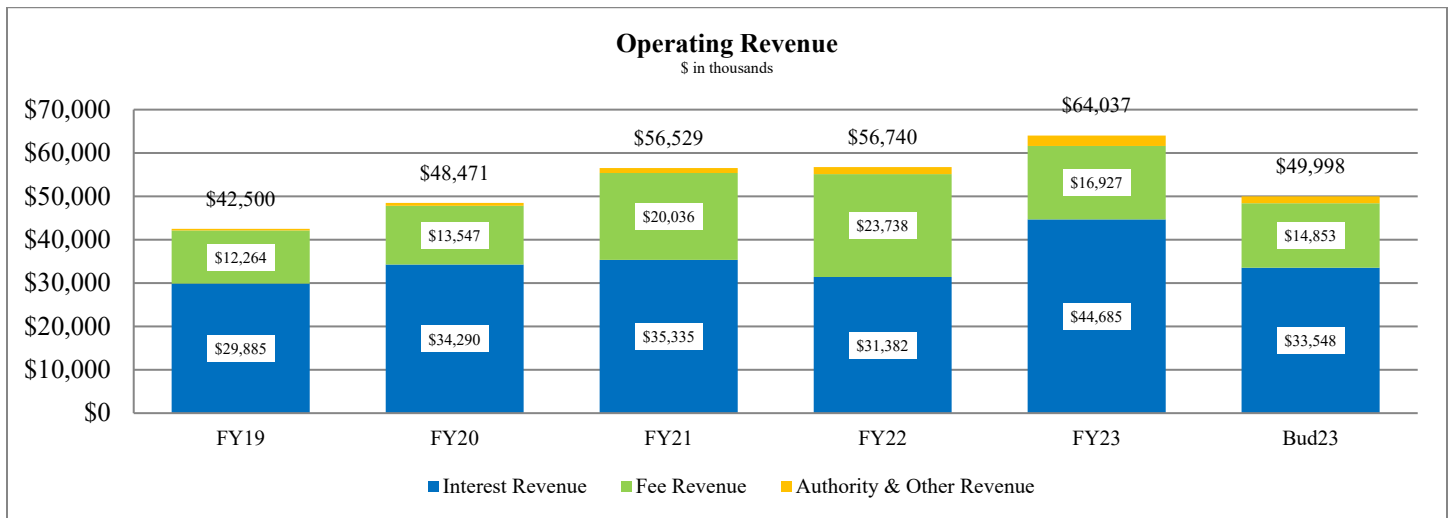
**EXHIBIT A**  
**SRF Construction Loans**

<b>Borrower</b>	<b>County</b>	<b>Population</b>	<b>Amount</b>	<b>CW/DW</b>	<b>Description</b>
Bondurant	Polk	7,365	\$7,750,000	DW	Storage Improvements
Fostoria	Clay	230	\$615,000	CW	Transmission Improvements
La Porte City	Black Hawk	2,284	\$12,701,000	CW	Treatment Improvements
Rathbun RWA	Multiple	90,000	\$2,903,000	DW	Water Meters
Waterloo	Blackhawk	67,310	\$4,045,000	CW	Transmission Improvements

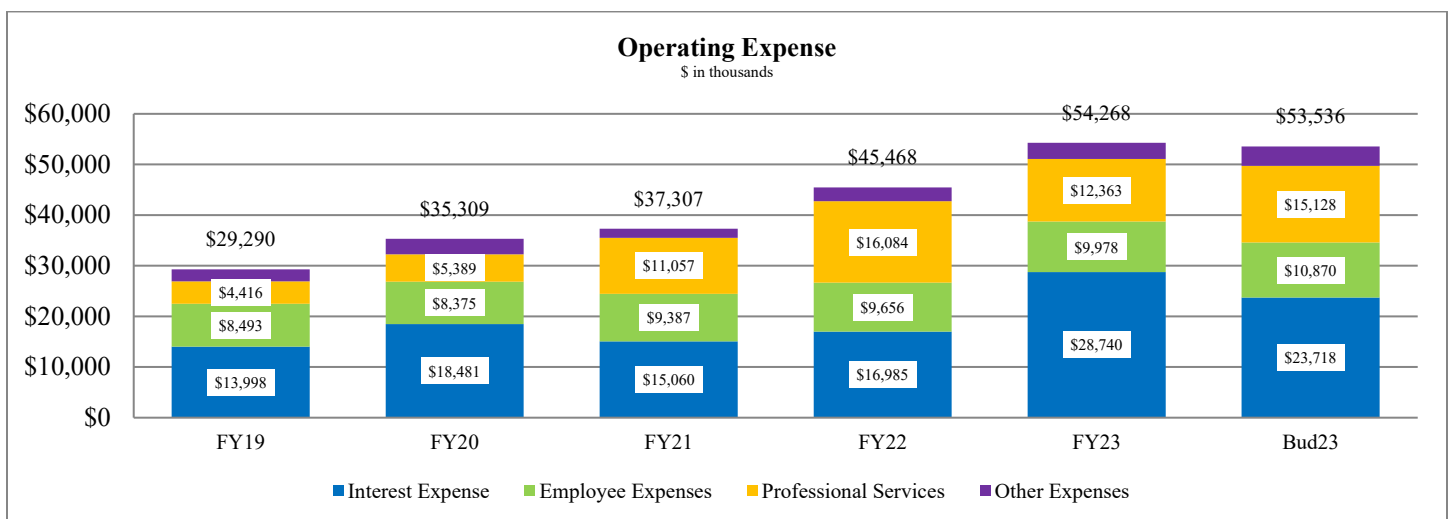
\$28,014,000

To: IFA Board of Directors  
 From: Jen Pulford  
 Date: June 16, 2023  
 Re: May 2023 Financial Results

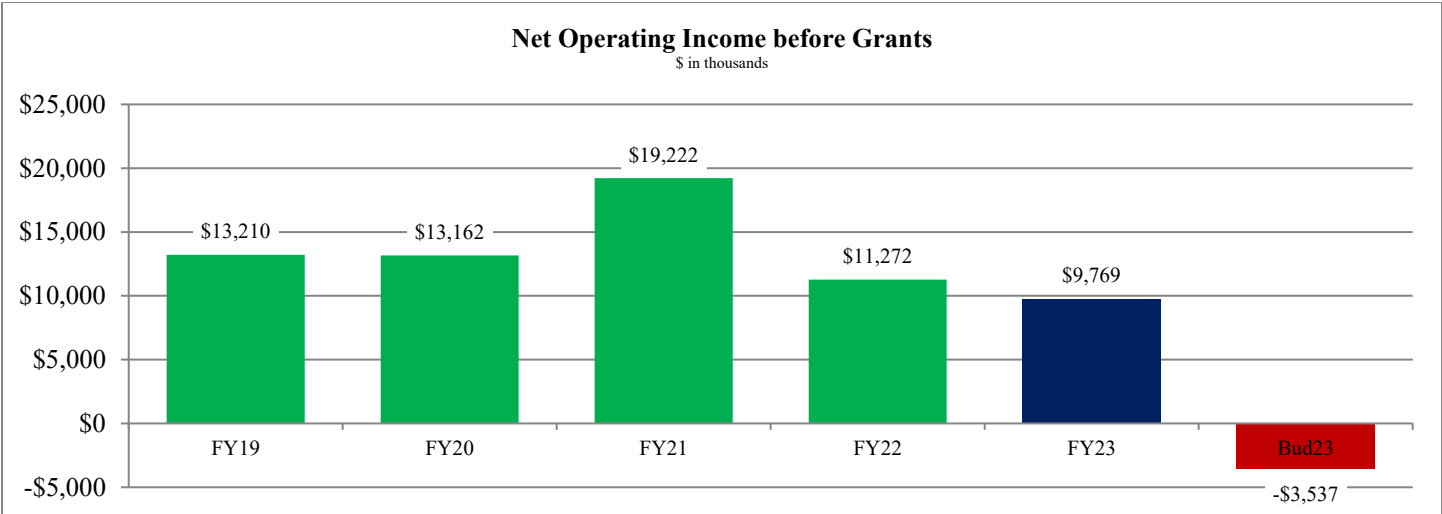
The Housing Authority operated favorably to budget through May 2023; operating revenues continue to be favorable to plan while operating expenses are slightly unfavorable to plan.



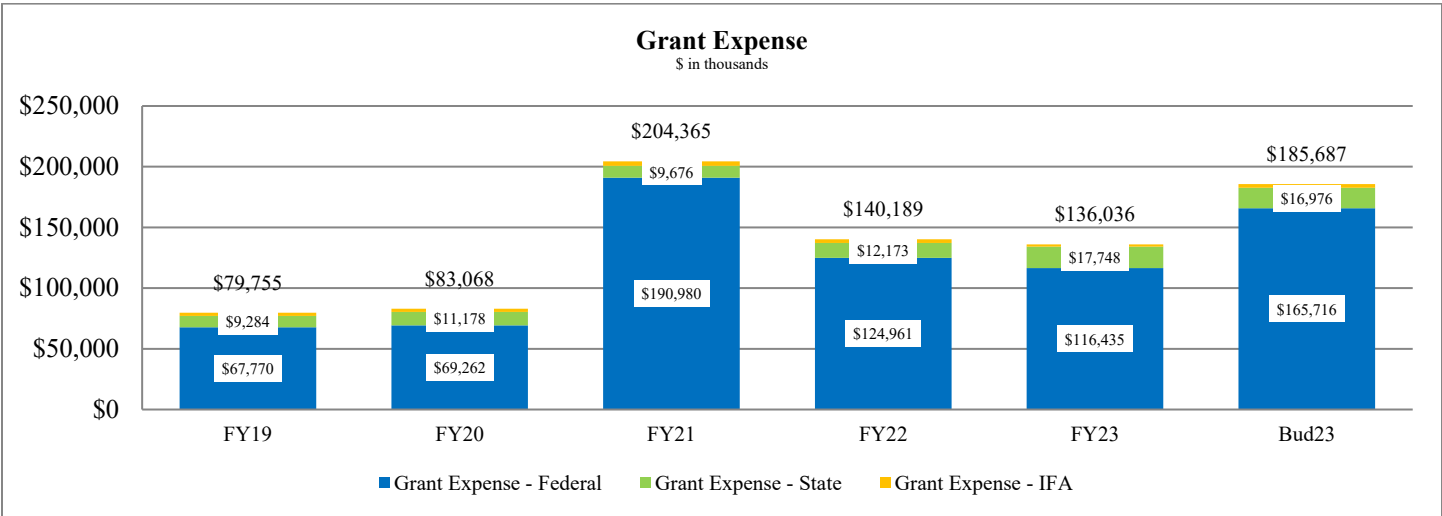
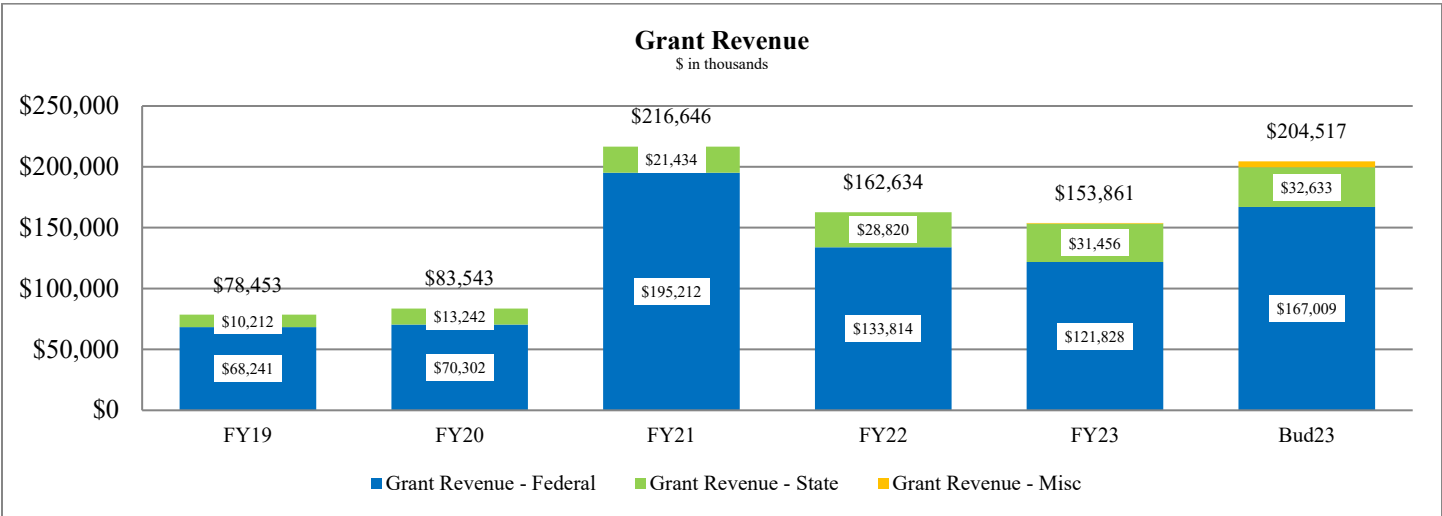
Operating revenue exceeded budget by \$14,039 or 28% and exceeded last year. Interest revenue earned from cash on hand related to the Emergency Rental Assistance federal programs accounts for the majority of this favorable variance.



Operating expenses exceeded budget by \$732 or 1% and exceeded last year. Due to changes in the market, interest expense is unfavorable to budget. Most other expense categories are favorable.

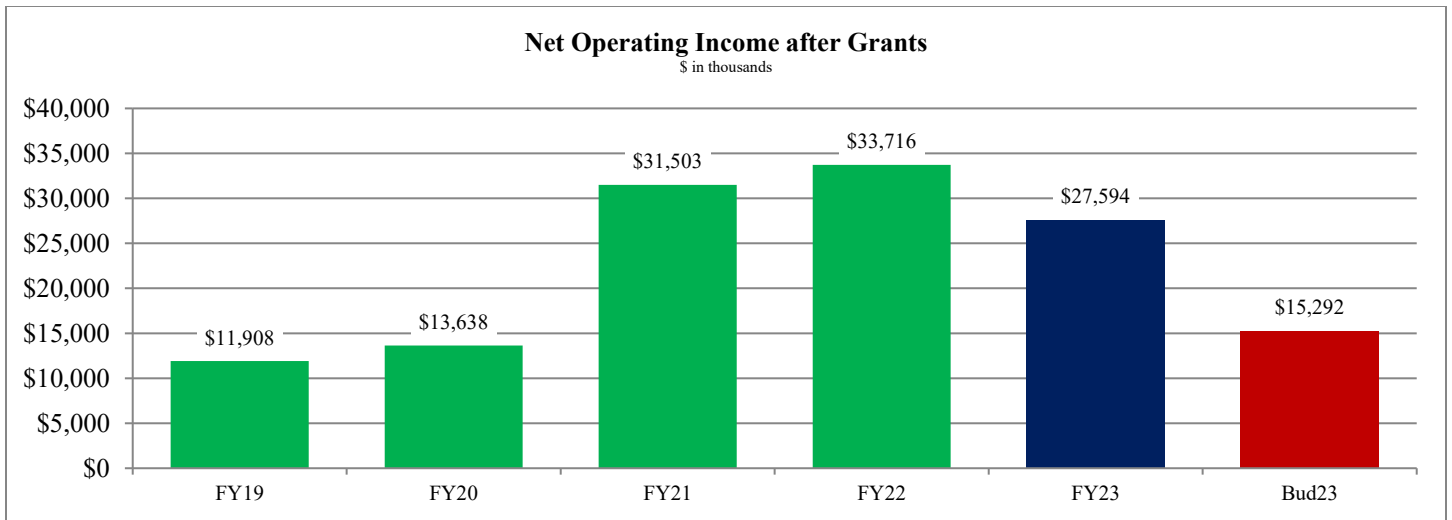


As a result, NOIBG was \$13,306 or 376% favorable to budget.

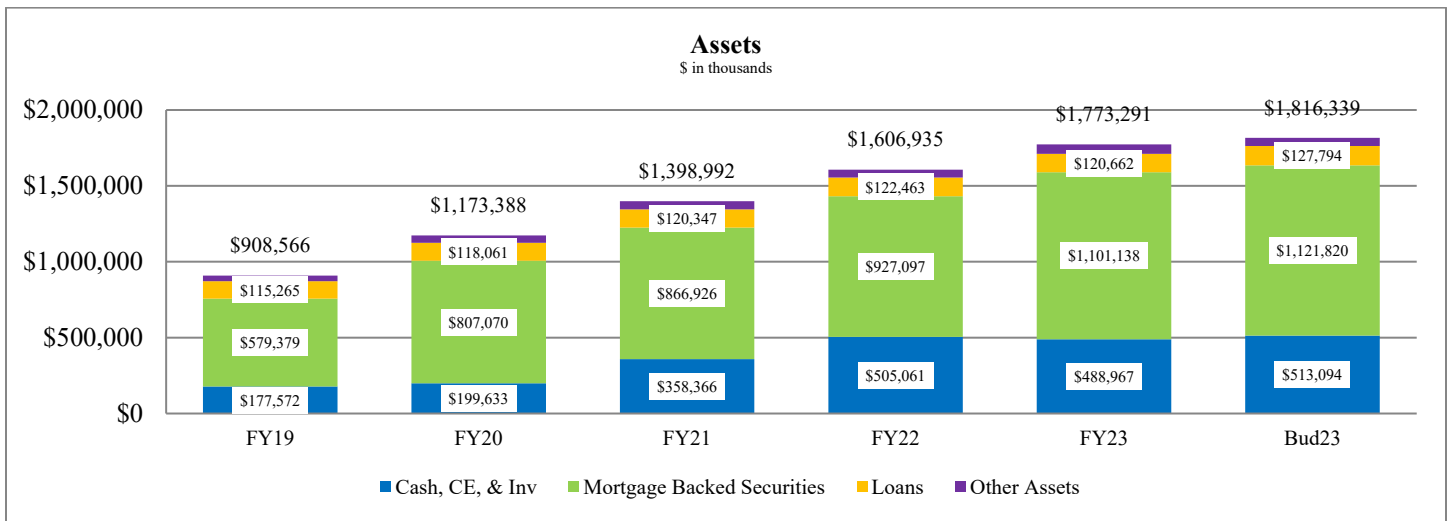


Net grant income was \$1,005 unfavorable to budget.

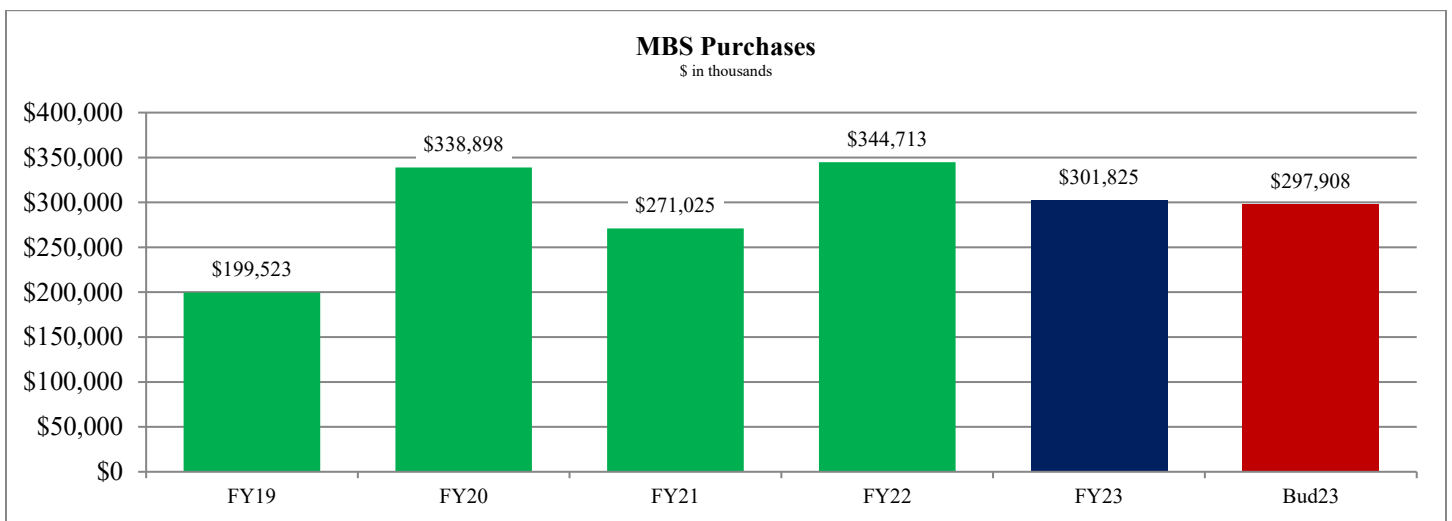




As a result, NOIAG was \$12,302 or 80% favorable to budget.

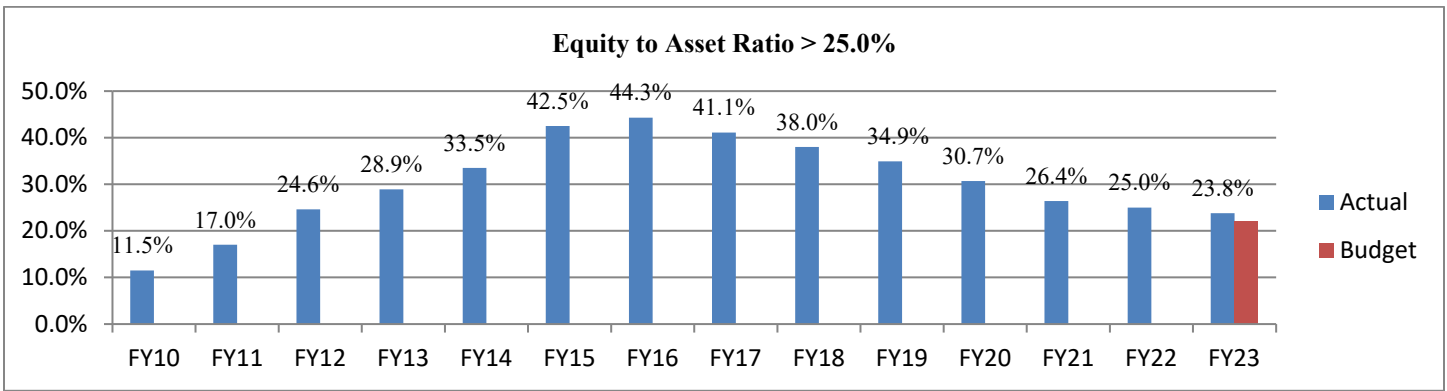


Total Assets have increased \$166,356 since last year.

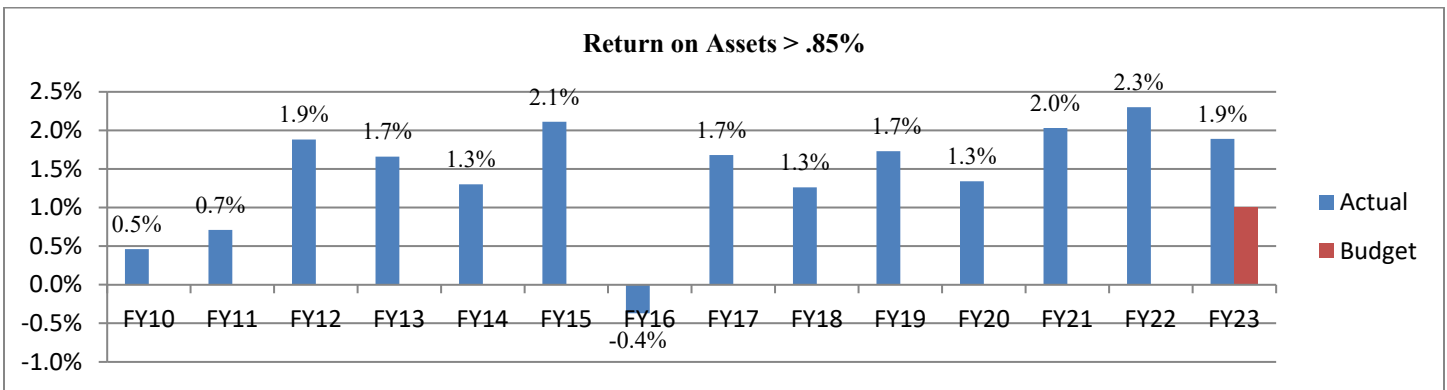


MBS purchases exceed budget by \$3,917.

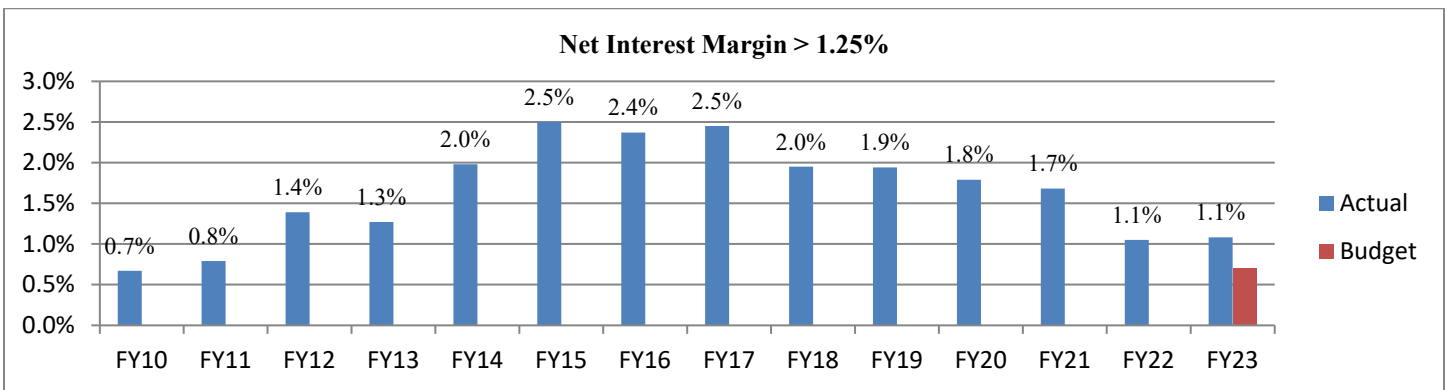
## Housing Authority Long-Term Measures



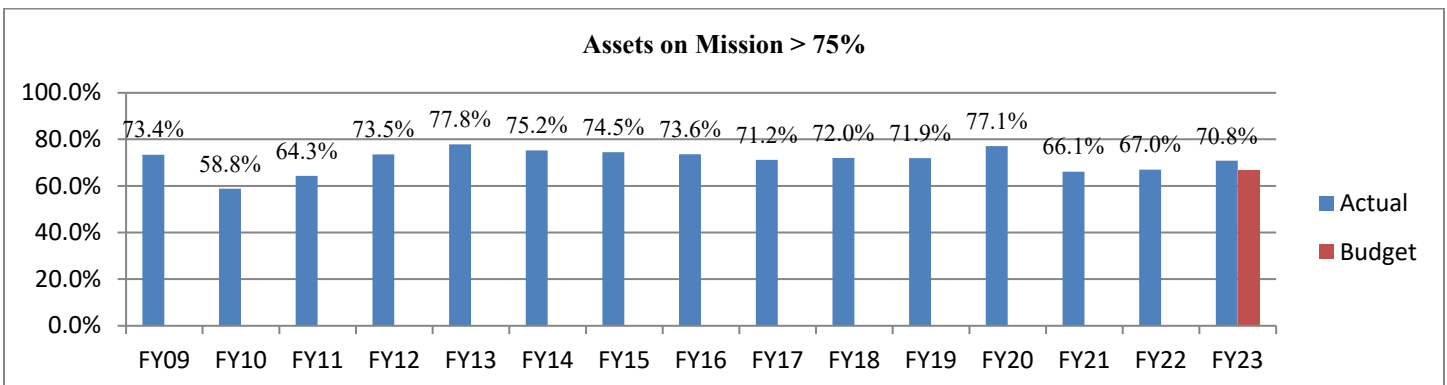
This ratio is an indicator of the Housing Authority’s financial strength and ability to increase debt to acquire assets.



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.

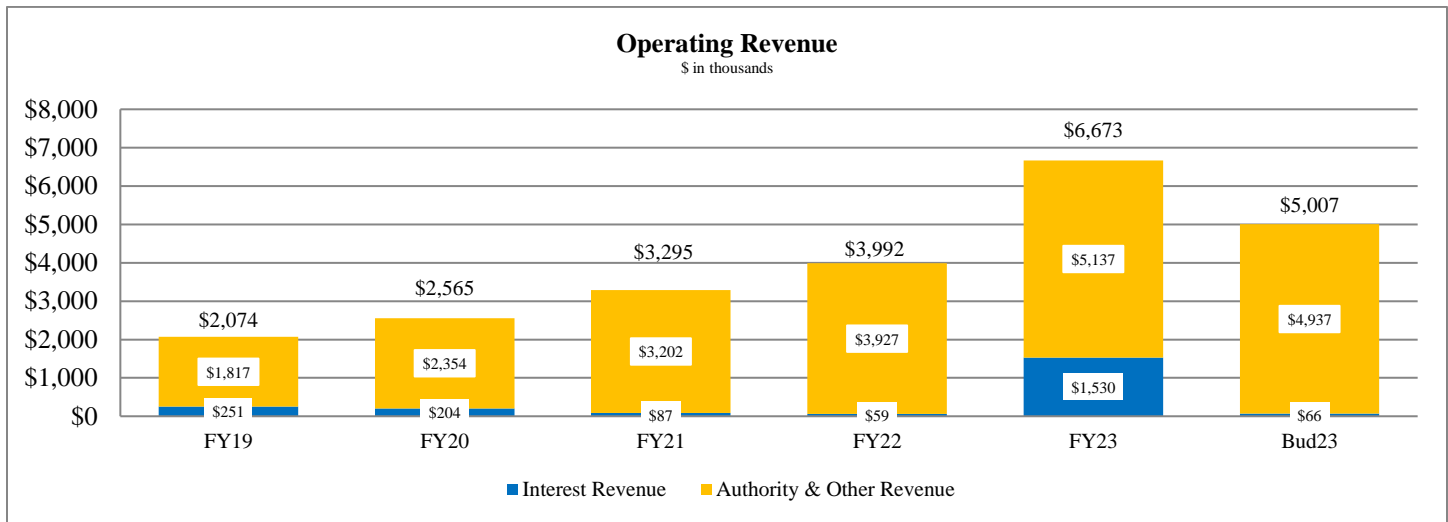
Balance Sheet	Housing Authority (Rollup)						
	May-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	488,966,641	510,423,544	(21,456,903)	-4.2	502,567,411	(13,600,770)	-2.7
Investments	-	2,670,664	(2,670,664)	-100.0	2,493,825	(2,493,825)	-100.0
Mortgage Backed Securities	1,065,922,323	1,105,193,105	(39,270,782)	-3.6	901,615,751	164,306,572	18.2
Line of Credit	35,215,600	16,626,959	18,588,641	111.8	25,480,819	9,734,780	38.2
Loans - net of reserve for losses	120,661,567	127,794,155	(7,132,588)	-5.6	122,463,181	(1,801,614)	-1.5
Capital Assets (net of accumulated depreciation)	13,207,606	13,360,980	(153,374)	-1.1	14,118,146	(910,540)	-6.4
Other Assets	45,820,894	31,330,349	14,490,545	46.3	29,220,818	16,600,076	56.8
Deferred Outflows	3,496,489	8,939,572	(5,443,083)	-60.9	8,975,467	(5,478,978)	-61.0
<b>Total Assets and Deferred Outflows</b>	<b>1,773,291,120</b>	<b>1,816,339,328</b>	<b>(43,048,208)</b>	<b>-2.4</b>	<b>1,606,935,419</b>	<b>166,355,701</b>	<b>10.4</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
Debt	1,216,169,923	1,211,169,909	5,000,014	0.4	1,006,928,545	209,241,379	20.8
Interest Payable	11,634,118	31,574,041	(19,939,923)	-63.2	7,077,048	4,557,070	64.4
Unearned Revenue	165,495,994	112,979,870	52,516,124	46.5	198,078,949	(32,582,955)	-16.4
Escrow Deposits	11,687,405	11,250,896	436,509	3.9	10,736,894	950,511	8.9
Reserves for Claims	1,662,508	2,323,267	(660,760)	-28.4	2,084,194	(421,687)	-20.2
Accounts Payable & Accrued Liabilities	4,475,563	5,212,329	(736,765)	-14.1	5,154,520	(678,957)	-13.2
Other liabilities	1,483,046	12,496,044	(11,012,998)	-88.1	11,813,565	(10,330,519)	-87.4
Deferred Inflows	17,465,045	1,524,551	15,940,494	1045.6	2,594,685	14,870,360	573.1
<b>Total Liabilities and Deferred Inflows</b>	<b>1,430,073,602</b>	<b>1,388,530,907</b>	<b>41,542,695</b>	<b>3.0</b>	<b>1,244,468,401</b>	<b>185,605,201</b>	<b>14.9</b>
<b>Equity</b>							
YTD Earnings(Loss)	(2,448,372)	15,292,363	(17,740,735)	-116.0	(52,351,592)	49,903,220	-95.3
Prior Years Earnings	345,663,223	412,516,058	(66,852,835)	-16.2	413,911,609	(68,248,387)	-16.5
Transfers	2,667	-	2,667	0.0	907,000	(904,333)	-99.7
<b>Total Equity</b>	<b>343,217,518</b>	<b>427,808,421</b>	<b>(84,590,903)</b>	<b>-19.8</b>	<b>362,467,018</b>	<b>(19,249,500)</b>	<b>-5.3</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>1,773,291,120</b>	<b>1,816,339,328</b>	<b>(43,048,208)</b>	<b>-2.4</b>	<b>1,606,935,419</b>	<b>166,355,701</b>	<b>10.4</b>

Income Statement	Housing Authority (Rollup)													
	May-2023							YTD as of May-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	4,778,532	3,239,577	1,538,954	47.5	2,871,164	1,907,367	66.4	44,685,372	33,548,183	11,137,188	33.2	31,382,378	13,302,993	42.4
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	63,722	(63,722)	-100.0
Fee Revenue	1,046,073	1,088,631	(42,558)	-3.9	1,765,259	(719,186)	-40.7	16,926,719	14,852,927	2,073,792	14.0	23,738,410	(6,811,691)	-28.7
Other Revenue	506,800	125,943	380,857	302.4	134,832	371,969	275.9	2,424,445	1,597,140	827,304	51.8	1,555,536	868,909	55.9
<b>Total Operating Revenue</b>	<b>6,331,405</b>	<b>4,454,152</b>	<b>1,877,253</b>	<b>42.1</b>	<b>4,771,255</b>	<b>1,560,150</b>	<b>32.7</b>	<b>64,036,536</b>	<b>49,998,251</b>	<b>14,038,284</b>	<b>28.1</b>	<b>56,740,047</b>	<b>7,296,489</b>	<b>12.9</b>
Operating Expense														
Interest Expense	2,944,972	2,112,812	832,160	39.4	2,770,784	174,189	6.3	28,740,383	23,718,320	5,022,063	21.2	16,984,635	11,755,748	69.2
Authority Expense	-	-	-	0.0	-	-	0.0	(0)	-	(0)	0.0	63,722	(63,722)	-100.0
Employee Expenses	921,851	1,049,097	(127,246)	-12.1	866,253	55,598	6.4	9,977,676	10,869,617	(891,940)	-8.2	9,656,268	321,408	3.3
Shared Expenses	221,572	215,624	5,948	2.8	228,222	(6,651)	-2.9	2,774,863	3,100,653	(325,790)	-10.5	2,761,393	13,470	0.5
Marketing Expense	10,993	85,243	(74,250)	-87.1	3,162	7,832	247.7	475,590	1,288,857	(813,267)	-63.1	428,268	47,322	11.0
Professional Services	695,957	1,039,343	(343,386)	-33.0	1,500,366	(804,409)	-53.6	12,362,962	15,127,761	(2,764,799)	-18.3	16,084,453	(3,721,491)	-23.1
Claim and Loss Expenses	21,568	(2,563)	24,131	-941.6	(24,400)	45,968	-188.4	423,656	(17,942)	441,598	-2461.3	(221,716)	645,372	-291.1
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	(41,617)	(34,374)	(7,242)	21.1	(29,646)	(11,971)	40.4	(288,133)	(398,854)	110,721	-27.8	(162,613)	(125,521)	77.2
Overhead Allocation	(16,244)	(13,403)	(2,842)	21.2	(10,700)	(5,545)	51.8	(199,373)	(152,770)	(46,603)	30.5	(126,179)	(73,195)	58.0
<b>Total Operating Expense</b>	<b>4,759,053</b>	<b>4,451,779</b>	<b>307,274</b>	<b>6.9</b>	<b>5,304,041</b>	<b>(544,988)</b>	<b>-10.3</b>	<b>54,267,624</b>	<b>53,535,641</b>	<b>731,983</b>	<b>1.4</b>	<b>45,468,232</b>	<b>8,799,392</b>	<b>19.4</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>1,572,352</b>	<b>2,373</b>	<b>1,569,979</b>	<b>66162.5</b>	<b>(532,786)</b>	<b>2,105,138</b>	<b>-395.1</b>	<b>9,768,912</b>	<b>(3,537,390)</b>	<b>13,306,302</b>	<b>-376.2</b>	<b>11,271,815</b>	<b>(1,502,903)</b>	<b>-13.3</b>
Net Grant (Income) Expense														
Grant Revenue	(14,481,579)	(18,831,081)	4,349,502	-23.1	(17,839,095)	3,357,516	-18.8	(153,861,127)	(204,516,887)	50,655,760	-24.8	(162,633,911)	8,772,785	-5.4
Grant Expense	11,596,509	15,802,386	(4,205,877)	-26.6	14,024,022	(2,427,514)	-17.3	136,036,017	185,687,134	(49,651,117)	-26.7	140,189,392	(4,153,375)	-3.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>(2,885,070)</b>	<b>(3,028,695)</b>	<b>143,625</b>	<b>-4.7</b>	<b>(3,815,073)</b>	<b>930,003</b>	<b>-24.4</b>	<b>(17,825,110)</b>	<b>(18,829,753)</b>	<b>1,004,644</b>	<b>-5.3</b>	<b>(22,444,520)</b>	<b>4,619,410</b>	<b>-20.6</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>4,457,422</b>	<b>3,031,068</b>	<b>1,426,354</b>	<b>47.1</b>	<b>3,282,287</b>	<b>1,175,136</b>	<b>35.8</b>	<b>27,594,021</b>	<b>15,292,363</b>	<b>12,301,658</b>	<b>80.4</b>	<b>33,716,334</b>	<b>(6,122,313)</b>	<b>-18.2</b>
Other Non-Operating (Income) Expense														
Other Non-Operating (Income) Expense	11,844,436	-	11,844,436	0.0	(6,426,543)	18,270,979	-284.3	30,042,393	-	30,042,393	0.0	86,067,926	(56,025,533)	-65.1
<b>Net Income (Loss)</b>	<b>(7,387,014)</b>	<b>3,031,068</b>	<b>(10,418,082)</b>	<b>-343.7</b>	<b>9,708,830</b>	<b>(17,095,843)</b>	<b>-176.1</b>	<b>(2,448,372)</b>	<b>15,292,363</b>	<b>(17,740,735)</b>	<b>-116.0</b>	<b>(52,351,592)</b>	<b>49,903,220</b>	<b>-95.3</b>
IFA Home Dept Staff Count	89	105	(16)	-15.4	82	7	8.5	85	105	(21)	-19.8	84	1	1.1
FTE Staff Count	88	97	(9)	-8.9	83	6	6.9	84	97	(13)	-13.4	83	1	0.7

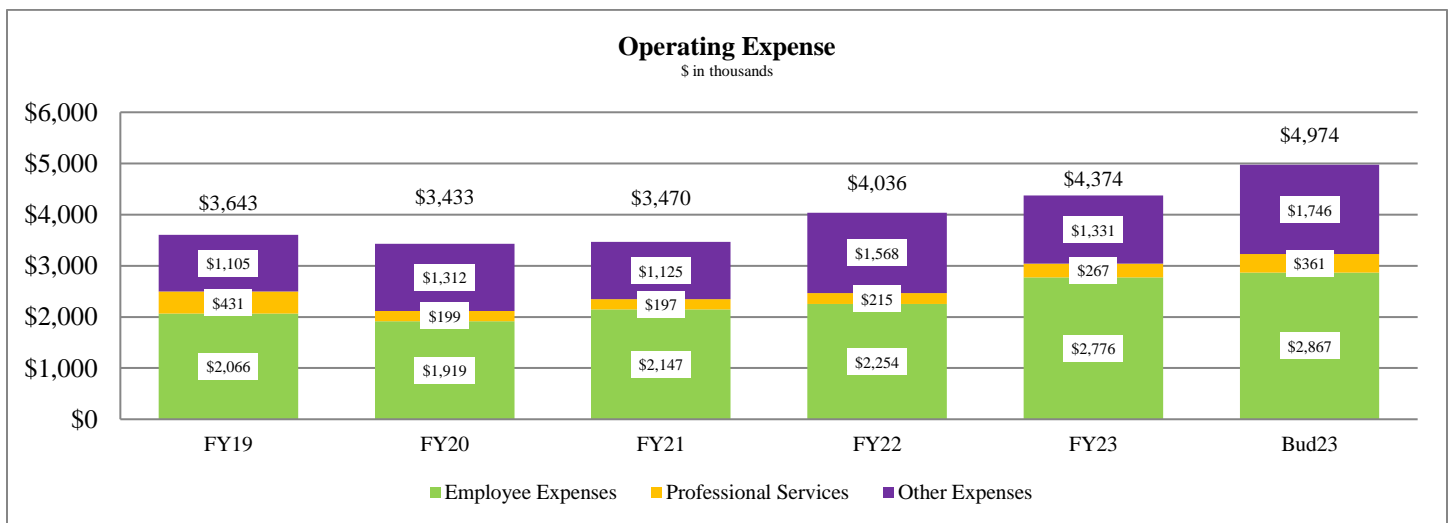
To: IFA Board of Directors  
 From: Dan Stout  
 Date: June 19, 2023  
 Re: YTD May 2023 Financial Results

**Overhead Departments** (\$ in thousands)

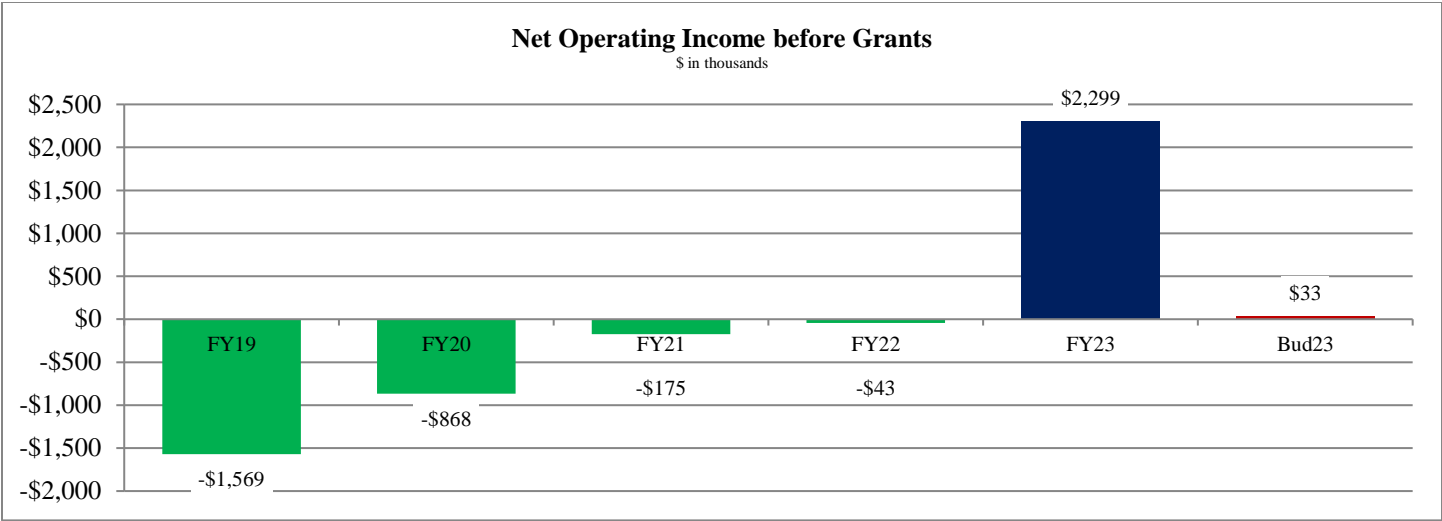
For May FY23, the Overhead departments are operating favorable to budget.



Operating Revenue was \$1,666 or 33.3% favorable to budget and \$2,681 or 67.2% favorable to last year. Interest Revenue was \$1,464 favorable to budget and \$1,471 favorable to last year. Interest revenue earned from cash on hand related to the Emergency Rental Assistance federal programs accounts for the majority of this favorable variance.



Operating Expense was \$600 or 12.1% favorable to budget but \$338 or 8.4% unfavorable to last year. Employee Expenses, Shared Expenses, Marketing Expense, and Professional Services are all favorable to budget.



As a result, NOIBG was \$2,266 favorable to budget and \$2,342 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 \$3.0MM. The current short-term liquidity for May 2023 was \$4.49MM.

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 \$12.3MM. The current long-term liquidity for May 2023 was \$17.97MM.

Balance Sheet	Overhead (Rollup)						
	Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	14,716,225	12,821,324	1,894,901	14.8	11,494,009	3,222,216	28.0
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	837,409	874,095	(36,686)	-4.2	1,021,907	(184,498)	-18.1
Line of Credit	-	50,000	(50,000)	-100.0	-	-	0.0
Loans - net of reserve for losses	344,881	361,260	(16,379)	-4.5	372,113	(27,232)	-7.3
Capital Assets (net of accumulated depreciation)	13,261,686	13,448,237	(186,552)	-1.4	14,166,947	(905,262)	-6.4
Other Assets	2,372,834	911,071	1,461,763	160.4	1,321,634	1,051,200	79.5
Deferred Outflows	976,523	1,144,197	(167,674)	-14.7	1,144,197	(167,674)	-14.7
<b>Total Assets and Deferred Outflows</b>	<b>32,509,557</b>	<b>29,610,183</b>	<b>2,899,373</b>	<b>9.8</b>	<b>29,520,807</b>	<b>2,988,749</b>	<b>10.1</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	284,243	82,520	201,723	244.5	460,079	(175,836)	-38.2
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	2,575,804	483,076	2,092,727	433.2	2,234,834	340,970	15.3
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
<b>Total Liabilities and Deferred Inflows</b>	<b>7,589,362</b>	<b>6,745,030</b>	<b>844,332</b>	<b>12.5</b>	<b>8,395,535</b>	<b>(806,173)</b>	<b>-9.6</b>
<b>Equity</b>							
YTD Earnings(Loss)	3,078,688	3,321,364	(242,676)	-7.3	51,061	3,027,627	5929.4
Prior Years Earnings	21,340,080	21,413,183	(73,104)	-0.3	20,675,691	664,389	3.2
Transfers	501,427	(1,869,394)	2,370,821	-126.8	398,521	102,907	25.8
<b>Total Equity</b>	<b>24,920,195</b>	<b>22,865,153</b>	<b>2,055,042</b>	<b>9.0</b>	<b>21,125,273</b>	<b>3,794,922</b>	<b>18.0</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>32,509,557</b>	<b>29,610,183</b>	<b>2,899,373</b>	<b>9.8</b>	<b>29,520,807</b>	<b>2,988,749</b>	<b>10.1</b>

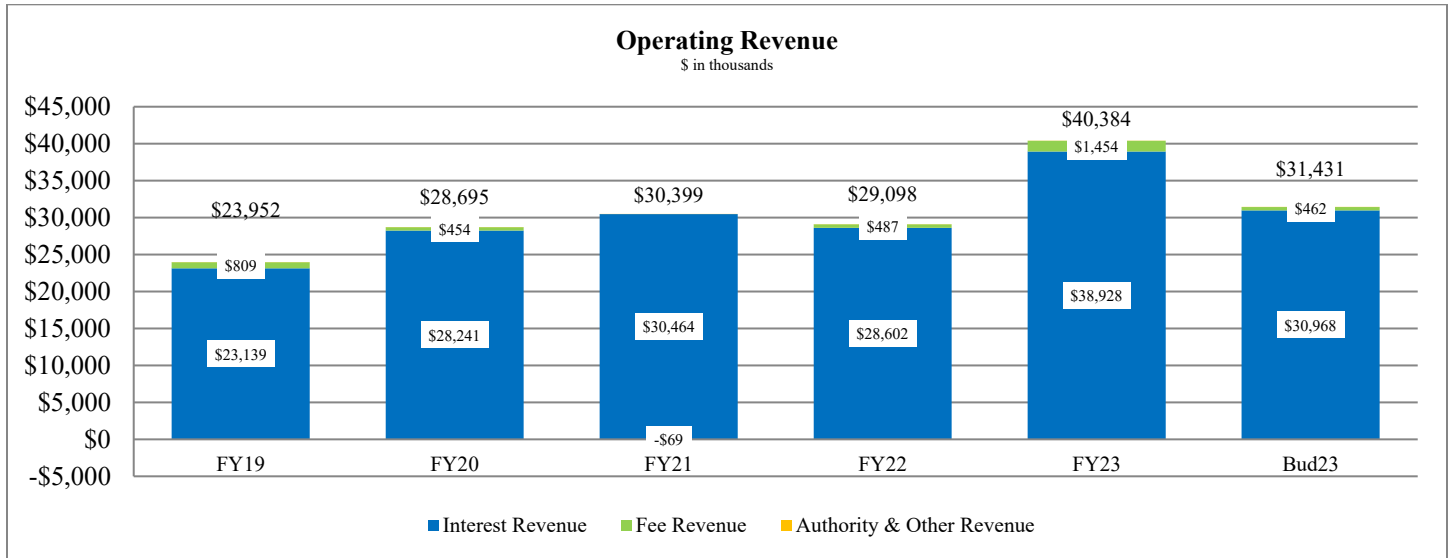
Income Statement	Overhead (Rollup)													
	Apr-2023							YTD as of Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	40,375	5,659	34,716	613.5	5,807	34,567	595.2	1,478,260	60,313	1,417,947	2351.0	52,379	1,425,881	2722.2
Authority Revenue	-	-	-	0.0	-	-	0.0	2,788,907	3,429,706	(640,798)	-18.7	2,487,267	301,640	12.1
Fee Revenue	-	400	(400)	-100.0	569	(569)	-100.0	6,198	4,000	2,198	55.0	6,132	66	1.1
Other Revenue	388,334	117,943	270,391	229.3	115,877	272,457	235.1	1,842,968	1,389,197	453,771	32.7	1,323,680	519,288	39.2
Total Operating Revenue	428,709	124,002	304,707	245.7	122,253	306,456	250.7	6,116,333	4,883,216	1,233,117	25.3	3,869,458	2,246,875	58.1
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	240,671	241,012	(340)	-0.1	226,114	14,557	6.4	2,495,911	2,587,620	(91,710)	-3.5	2,050,785	445,126	21.7
Shared Expenses	215,228	205,392	9,836	4.8	189,913	25,315	13.3	2,066,972	2,384,311	(317,338)	-13.3	2,075,059	(8,087)	-0.4
Marketing Expense	2,619	21,000	(18,381)	-87.5	15,711	(13,092)	-83.3	407,397	510,000	(102,603)	-20.1	315,360	92,036	29.2
Professional Services	16,683	31,888	(15,205)	-47.7	5,676	11,007	193.9	242,691	332,750	(90,059)	-27.1	210,705	31,987	15.2
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	(19,297)	(45,278)	25,981	-57.4	(30,108)	10,811	-35.9	(315,465)	(441,010)	125,545	-28.5	(230,636)	(84,829)	36.8
Overhead Allocation	(123,345)	(64,602)	(58,743)	90.9	(73,042)	(50,303)	68.9	(886,559)	(811,819)	(74,740)	9.2	(709,148)	(177,410)	25.0
Total Operating Expense	332,560	389,411	(56,852)	-14.6	334,265	(1,705)	-0.5	4,010,947	4,561,852	(550,905)	-12.1	3,711,184	299,763	8.1
Net Operating Income (Loss) Before Grants	96,149	(265,409)	361,559	-136.2	(212,012)	308,161	-145.4	2,105,386	321,364	1,784,022	555.1	158,274	1,947,112	1230.2
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)	(3,000,000)	2,000,000	-66.7	-	(1,000,000)	0.0
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	(1,000,000)	(3,000,000)	2,000,000	-66.7	-	(1,000,000)	0.0
Net Operating Income (Loss) After Grants	96,149	(265,409)	361,559	-136.2	(212,012)	308,161	-145.4	3,105,386	3,321,364	(215,978)	-6.5	158,274	2,947,112	1862.0
Other Non-Operating (Income) Expense	(2,954)	-	(2,954)	0.0	30,378	(33,332)	-109.7	26,698	-	26,698	0.0	107,213	(80,515)	-75.1
Net Income (Loss)	99,103	(265,409)	364,512	-137.3	(242,390)	341,493	-140.9	3,078,688	3,321,364	(242,676)	-7.3	51,061	3,027,627	5929.4
IFA Home Dept Staff Count	26	33	(7)	-20.5	23	3	13.0	23	33	(10)	-29.1	23	0	0.4
FTE Staff Count	21	26	(5)	-18.3	19	2	12.9	19	26	(7)	-27.2	18	1	4.9



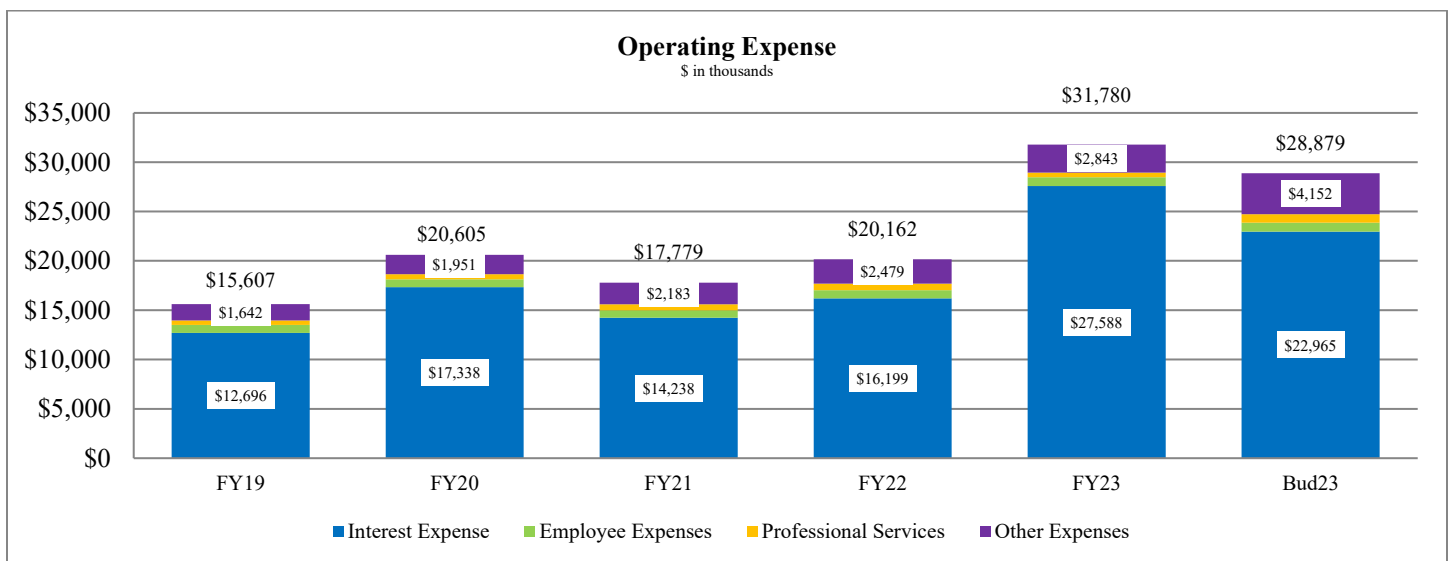
To: IFA Board of Directors  
 From: David Morrison  
 Date: June 19, 2023  
 Re: May 2023 YTD Single Family Financial Results

### Single Family Results (\$ in thousands)

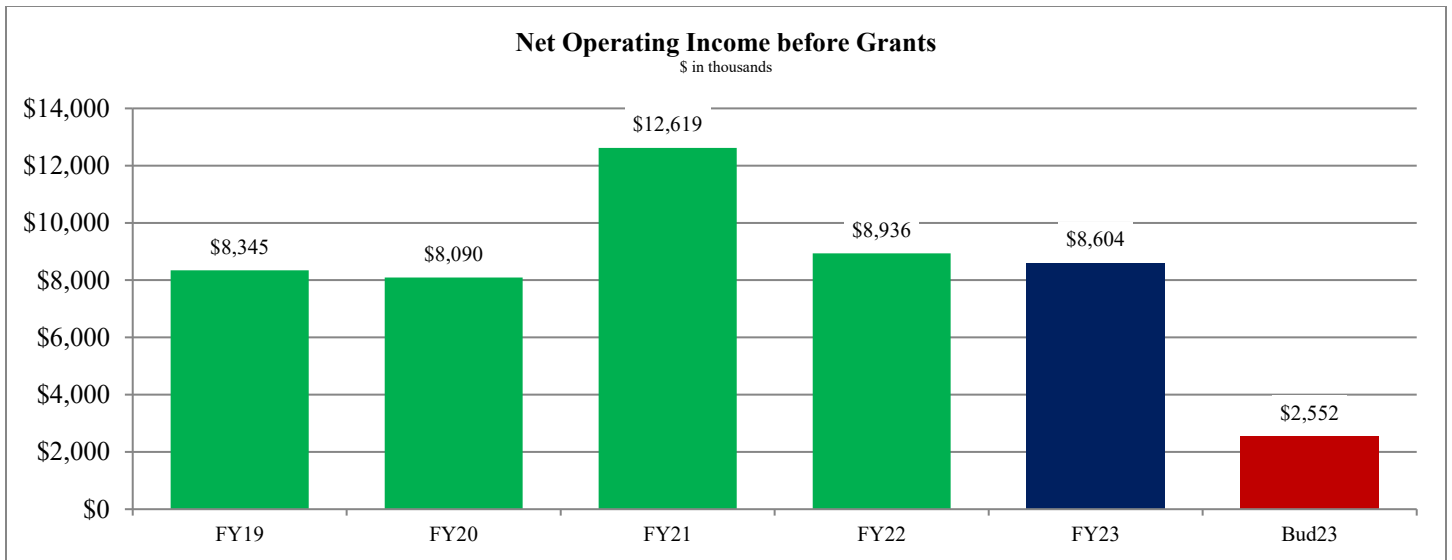
Single-Family program operated favorably to budget through the second month of the 4<sup>th</sup> quarter of FY2023.  
 Note: Single Family issued a bond in April for \$84.9M.



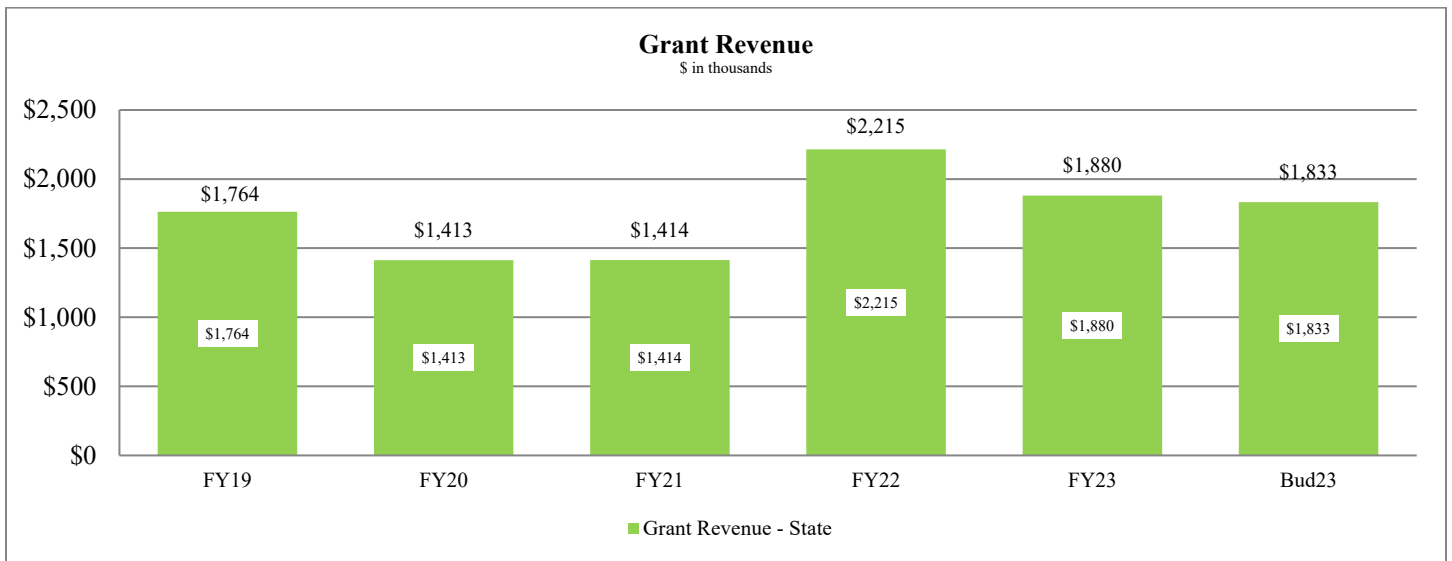
Operating Revenue was \$8,953 or 28.5% favorable to budget and \$11,286 or 38.8% favorable to last year. Interest Revenue was \$7,960 or 25.7% favorable to budget primarily due to higher earnings on Investments. Fee Revenue was \$992 favorable to budget which is related to higher Service Acquisition revenues.



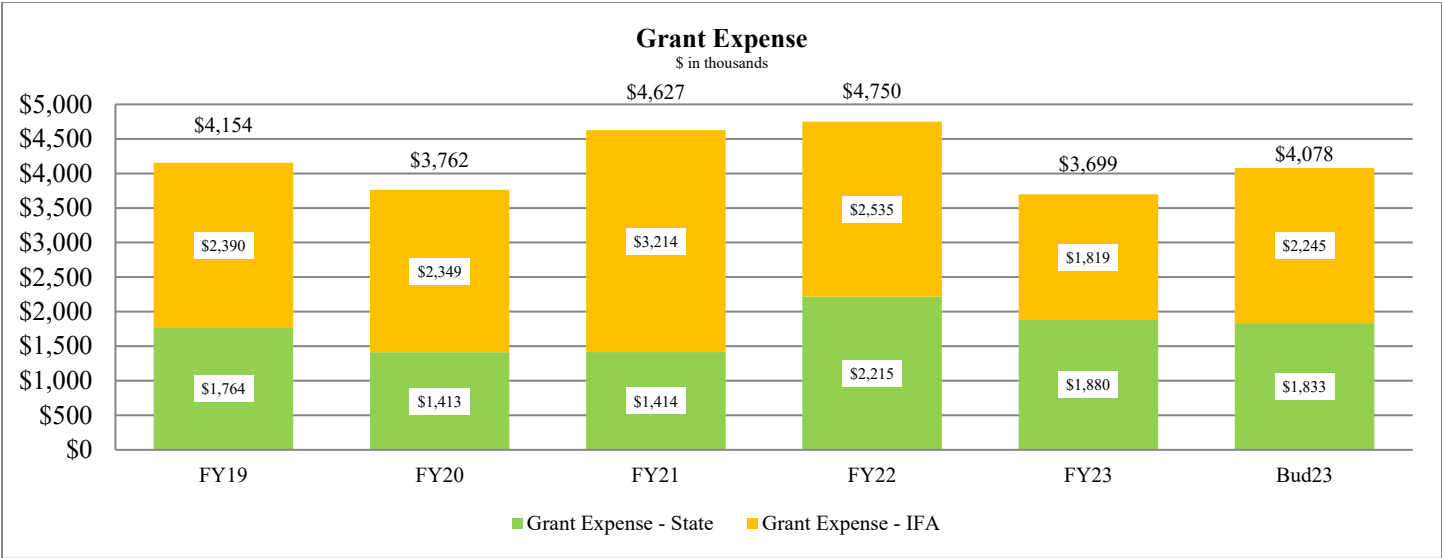
Operating Expense was unfavorable to budget by \$2,901 or 10.0% and unfavorable to last year by \$11,618 or 57.6%. Interest Expense was unfavorable (\$4,624) due to higher rates partially offset by favorable Marketing Expense accounts of \$679. Market conditions have delayed budgeted homebuyer ads reducing marketing expense. Most other expense categories were favorable to budget.



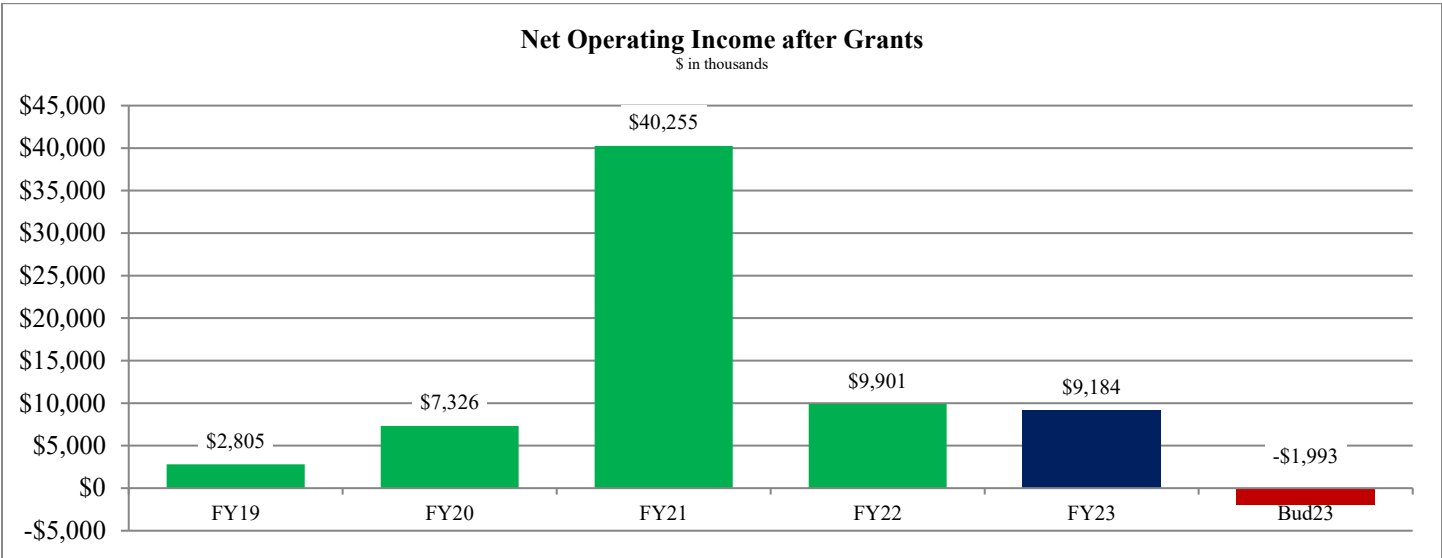
NOIBG was favorable to budget by \$6,052 but unfavorable to last year \$332.



Grant Revenue was \$47 or 2.5% favorable to budget and \$335 unfavorable to last year. Grant Revenue is solely made up of military DPA.



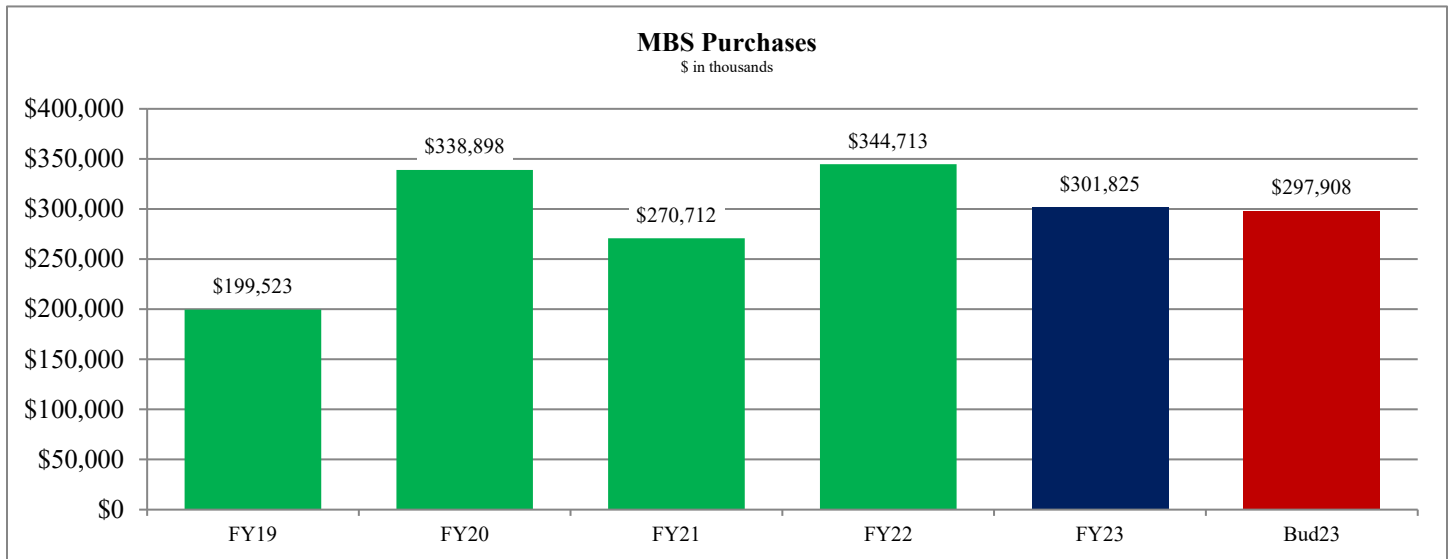
Grant Expense was favorable to budget by \$379 or 9.3% and favorable to last year by \$1,051 or 22.1%. Grant Expense IFA is favorable to budget due to fewer MBS sales in this current market environment. DPA grants are fully expensed when the MBS is sold.



Net Operating Income After Grants was favorable to budget by \$11,177 but unfavorable to last year by \$717.

**MBS Activity (\$ in thousands)**

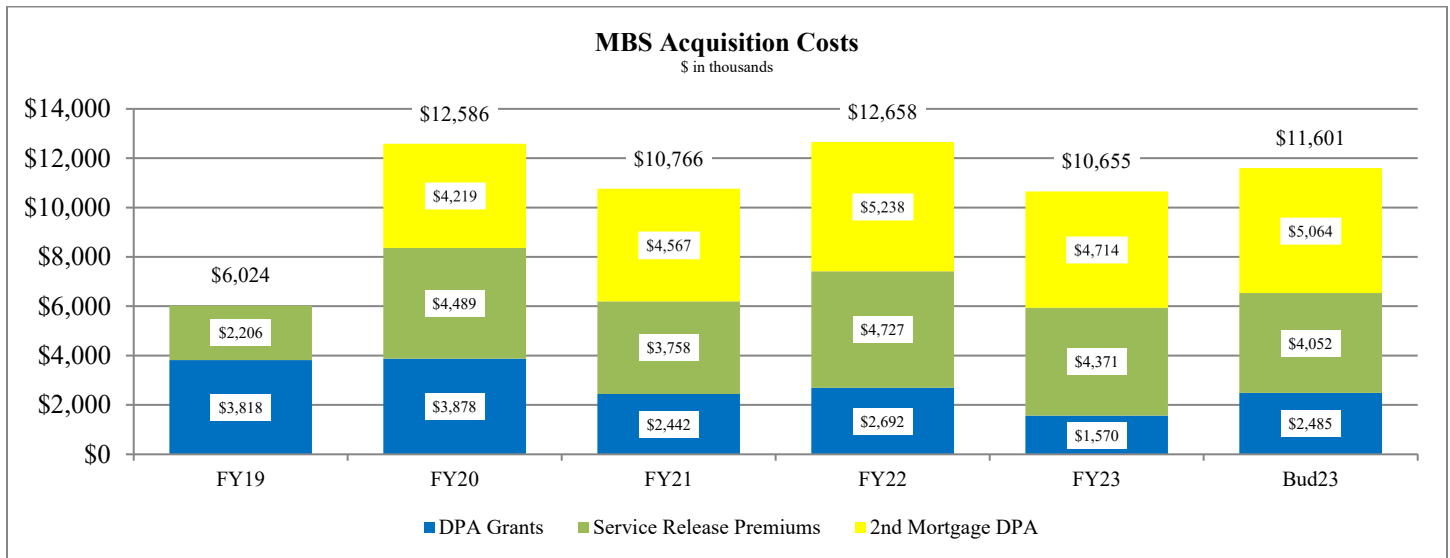
Series	Purchased	Sold	Net	DPA Grant	Funds Available
RHF Security (034)	-	-	-	-	10,199
RHF Program (053)	-	-	-	138	4,809
Retired MBS (058)	-	-	-	-	12,972
2015 ABC - 2021 BC (059 thru 071)	12,778		12,778	10	58,507
2021 DEF (072)	-		-	-	4,791
2022 AB (073)	189		189	-	2,246
2022 C (074)	-		-	-	94
2022 DEF (075)	62,663		62,663	365	2,391
2022 GHI (076)	76,857		76,857	458	3,129
2022 JK (077)	43,994		43,994	393	2,178
2023 AB (078)	22,012		22,012	208	56,465
SF Warehouse Acct (054)	83,332	(25,030)	58,302	-	27,986
<b>Total Single Family</b>	<b>301,825</b>	<b>(25,030)</b>	<b>276,795</b>	<b>1,570</b>	<b>185,767</b>



MBS Purchases were \$3,917 or 1.3% favorable to budget.

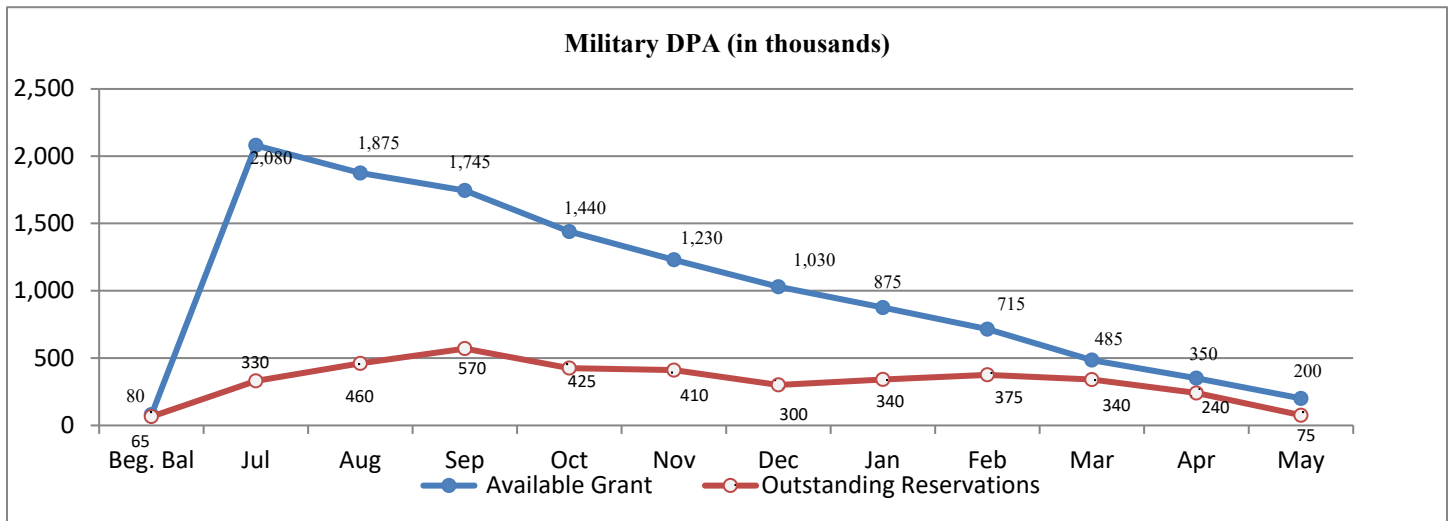
**SF Portfolio Analysis (\$ in thousands)**

Description	6/30/22 Balance	Additions	Reduction	YTD FY23	
				Balance	Chg
Mortgage Backed Sec - Cost	947,250	276,795	(75,433)	1,148,612	21%
Other SF Loans (net of reserve)	1,248		(431)	818	-35%
SF Second Mortgage DPA	15,603	4,799	(99)	20,303	30%
Warehouse Loans - LOC	23,882		11,334	35,216	47%
Subtotal	987,983	281,594	(64,629)	1,204,948	22%
MBS - FMVA	(53,302)	-	(30,210)	(83,512)	-57%
Total Portfolio	934,681	281,594	(94,840)	1,121,435	20%

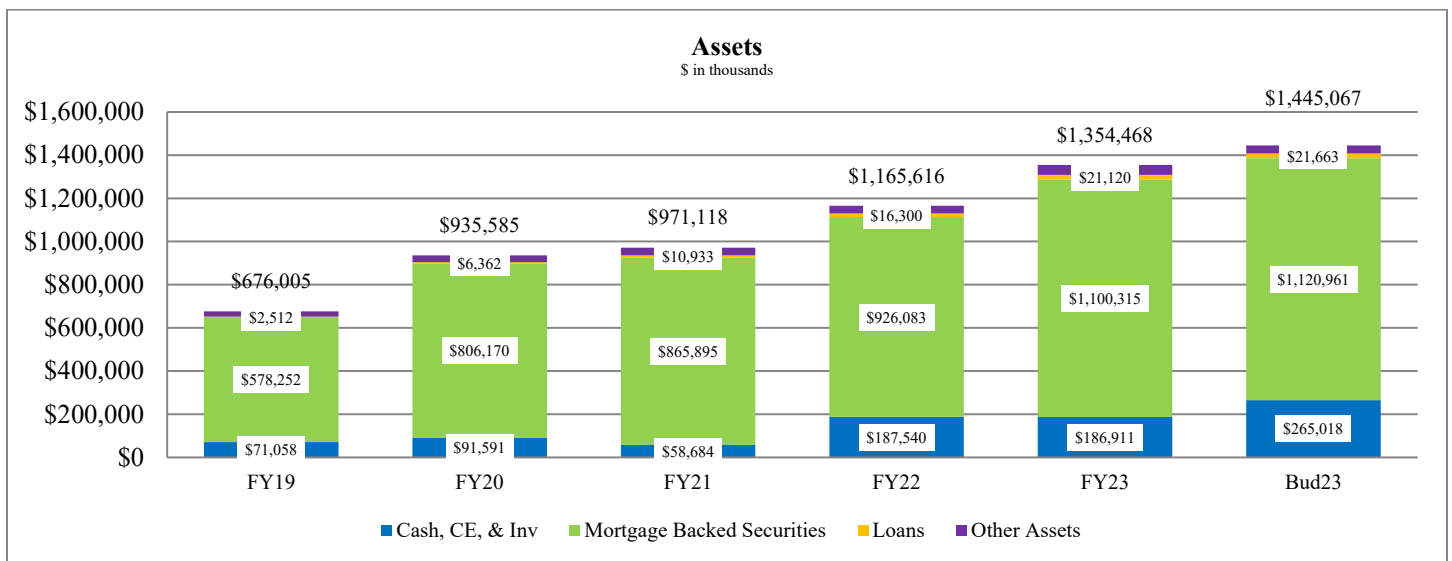


MBS Acquisition Costs are 8.2% below budget due to DPA grant and second mortgage DPA favorability.

## Other Activity



Total disbursements to date \$1,880 which includes prior year carry-over reservations, available grants of \$200 and outstanding reservations of \$75.



Total assets and deferred outflows were 6.3% unfavorable to budget.

Balance Sheet	Single Family (Rollup)						
	May-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	186,911,203	265,018,460	(78,107,257)	-29.5	187,539,913	(628,710)	-0.3
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	1,065,099,389	1,104,333,783	(39,234,393)	-3.6	900,602,518	164,496,872	18.3
Line of Credit	35,215,600	16,626,959	18,588,641	111.8	25,480,819	9,734,780	38.2
Loans - net of reserve for losses	21,120,120	21,662,886	(542,765)	-2.5	16,299,751	4,820,370	29.6
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	43,958,931	30,280,210	13,678,721	45.2	28,512,039	15,446,892	54.2
Deferred Outflows	2,162,461	7,145,200	(4,982,739)	-69.7	7,181,095	(5,018,634)	-69.9
<b>Total Assets and Deferred Outflows</b>	<b>1,354,467,705</b>	<b>1,445,067,497</b>	<b>(90,599,792)</b>	<b>-6.3</b>	<b>1,165,616,135</b>	<b>188,851,570</b>	<b>16.2</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
Debt	1,184,452,309	1,178,657,239	5,795,071	0.5	974,137,864	210,314,445	21.6
Interest Payable	11,487,843	30,906,712	(19,418,869)	-62.8	6,947,657	4,540,186	65.3
Unearned Revenue	199,714	(1,655,454)	1,855,168	-112.1	159,546	40,168	25.2
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	630,190	962,722	(332,532)	-34.5	(63,236)	693,426	-1096.6
Other liabilities	299,975	5,003,190	(4,703,215)	-94.0	5,003,190	(4,703,215)	-94.0
Deferred Inflows	12,467,201	1,137,094	11,330,107	996.4	1,771,153	10,696,047	603.9
<b>Total Liabilities and Deferred Inflows</b>	<b>1,209,537,233</b>	<b>1,215,011,503</b>	<b>(5,474,270)</b>	<b>-0.5</b>	<b>987,956,175</b>	<b>221,581,058</b>	<b>22.4</b>
<b>Equity</b>							
YTD Earnings(Loss)	(20,828,789)	(1,992,907)	(18,835,883)	945.1	(76,061,549)	55,232,760	-72.6
Prior Years Earnings	164,707,820	230,092,273	(65,384,453)	-28.4	251,778,209	(87,070,388)	-34.6
Transfers	1,051,441	1,956,628	(905,186)	-46.3	1,943,300	(891,859)	-45.9
<b>Total Equity</b>	<b>144,930,472</b>	<b>230,055,994</b>	<b>(85,125,522)</b>	<b>-37.0</b>	<b>177,659,960</b>	<b>(32,729,488)</b>	<b>-18.4</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>1,354,467,705</b>	<b>1,445,067,497</b>	<b>(90,599,792)</b>	<b>-6.3</b>	<b>1,165,616,135</b>	<b>188,851,570</b>	<b>16.2</b>

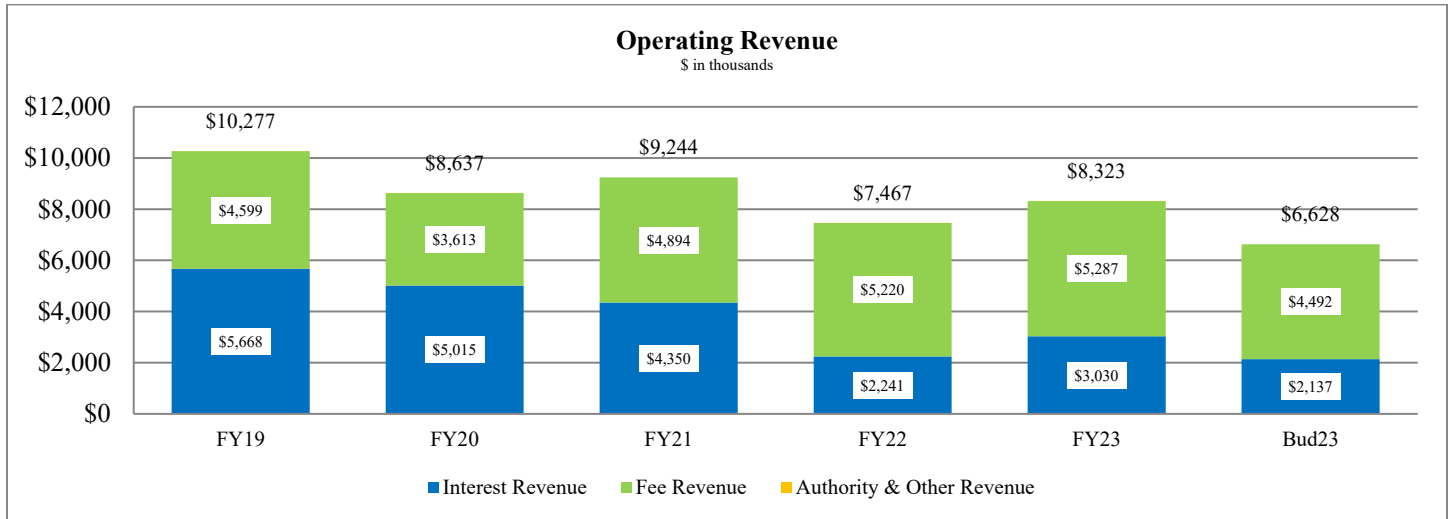
Income Statement	Single Family (Rollup)													
	May-2023							YTD as of May-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
<b>Operating Revenue</b>														
Interest Revenue	4,215,545	3,006,263	1,209,283	40.2	2,581,249	1,634,297	63.3	38,928,055	30,967,515	7,960,540	25.7	28,601,973	10,326,081	36.1
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	153,468	75,546	77,922	103.1	51,846	101,622	196.0	1,453,867	461,760	992,107	214.9	486,536	967,332	198.8
Other Revenue	-	-	-	0.0	-	-	0.0	2,000	2,000	-	0.0	9,761	(7,761)	-79.5
<b>Total Operating Revenue</b>	<b>4,369,013</b>	<b>3,081,809</b>	<b>1,287,205</b>	<b>41.8</b>	<b>2,633,094</b>	<b>1,735,919</b>	<b>65.9</b>	<b>40,383,922</b>	<b>31,431,275</b>	<b>8,952,647</b>	<b>28.5</b>	<b>29,098,270</b>	<b>11,285,652</b>	<b>38.8</b>
<b>Operating Expense</b>														
Interest Expense	2,825,407	2,044,832	780,575	38.2	2,690,909	134,498	5.0	27,588,243	22,964,686	4,623,556	20.1	16,198,501	11,389,741	70.3
Authority Expense	-	-	-	0.0	-	-	0.0	2,663,372	3,304,342	(640,970)	-19.4	2,359,210	304,162	12.9
Employee Expenses	83,765	88,895	(5,130)	-5.8	79,861	3,904	4.9	878,340	906,589	(28,249)	-3.1	831,855	46,484	5.6
Shared Expenses	3,250	3,105	145	4.7	5,350	(2,100)	-39.3	93,593	96,605	(3,012)	-3.1	90,165	3,428	3.8
Marketing Expense	4,260	62,500	(58,240)	-93.2	-	4,260	0.0	11,075	690,550	(679,475)	-98.4	78,897	(67,822)	-86.0
Professional Services	(9,165)	48,641	(57,807)	-118.8	30,273	(39,439)	-130.3	470,881	855,673	(384,792)	-45.0	652,958	(182,077)	-27.9
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	14,600	-	14,600	0.0	(99,000)	113,600	-114.7
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	10	(10)	-100.0	10	(10)	-100.0	-	110	(110)	-100.0	117	(117)	-100.0
Overhead Allocation	6,927	4,144	2,783	67.2	3,578	3,349	93.6	60,046	60,724	(677)	-1.1	49,197	10,849	22.1
<b>Total Operating Expense</b>	<b>2,914,443</b>	<b>2,252,127</b>	<b>662,316</b>	<b>29.4</b>	<b>2,809,982</b>	<b>104,462</b>	<b>3.7</b>	<b>31,780,150</b>	<b>28,879,279</b>	<b>2,900,871</b>	<b>10.0</b>	<b>20,161,901</b>	<b>11,618,249</b>	<b>57.6</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>1,454,570</b>	<b>829,682</b>	<b>624,888</b>	<b>75.3</b>	<b>(176,888)</b>	<b>1,631,457</b>	<b>-922.3</b>	<b>8,603,772</b>	<b>2,551,996</b>	<b>6,051,776</b>	<b>237.1</b>	<b>8,936,369</b>	<b>(332,597)</b>	<b>-3.7</b>
<b>Net Grant (Income) Expense</b>														
Grant Revenue	(150,000)	(166,667)	16,667	-10.0	(270,000)	120,000	-44.4	(1,879,832)	(1,833,333)	(46,499)	2.5	(2,214,668)	334,836	-15.1
Grant Expense	306,068	370,749	(64,681)	-17.4	433,259	(127,192)	-29.4	3,699,299	4,078,236	(378,937)	-9.3	4,749,910	(1,050,611)	-22.1
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	(2,400,000)	2,300,000	(4,700,000)	-204.3	(3,500,000)	1,100,000	-31.4
<b>Total Net Grant (Income) Expense</b>	<b>156,068</b>	<b>204,082</b>	<b>(48,015)</b>	<b>-23.5</b>	<b>163,259</b>	<b>(7,192)</b>	<b>-4.4</b>	<b>(580,533)</b>	<b>4,544,903</b>	<b>(5,125,435)</b>	<b>-112.8</b>	<b>(964,758)</b>	<b>384,225</b>	<b>-39.8</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>1,298,502</b>	<b>625,599</b>	<b>672,903</b>	<b>107.6</b>	<b>(340,147)</b>	<b>1,638,649</b>	<b>-481.7</b>	<b>9,184,305</b>	<b>(1,992,907)</b>	<b>11,177,211</b>	<b>-560.8</b>	<b>9,901,127</b>	<b>(716,822)</b>	<b>-7.2</b>
<b>Other Non-Operating (Income) Expense</b>														
Other Non-Operating (Income) Expense	11,838,942	-	11,838,942	0.0	(6,421,772)	18,260,715	-284.4	30,013,094	-	30,013,094	0.0	85,962,676	(55,949,582)	-65.1
<b>Net Income (Loss)</b>	<b>(10,540,440)</b>	<b>625,599</b>	<b>(11,166,040)</b>	<b>-1784.9</b>	<b>6,081,625</b>	<b>(16,622,065)</b>	<b>-273.3</b>	<b>(20,828,789)</b>	<b>(1,992,907)</b>	<b>(18,835,883)</b>	<b>945.1</b>	<b>(76,061,549)</b>	<b>55,232,760</b>	<b>-72.6</b>
IFA Home Dept Staff Count	6	6	-	0.0	6	-	0.0	6	6	-	0.0	6	0	8.2
FTE Staff Count	8	8	(0)	-3.7	8	0	0.5	8	8	(0)	-2.0	7	1	7.4



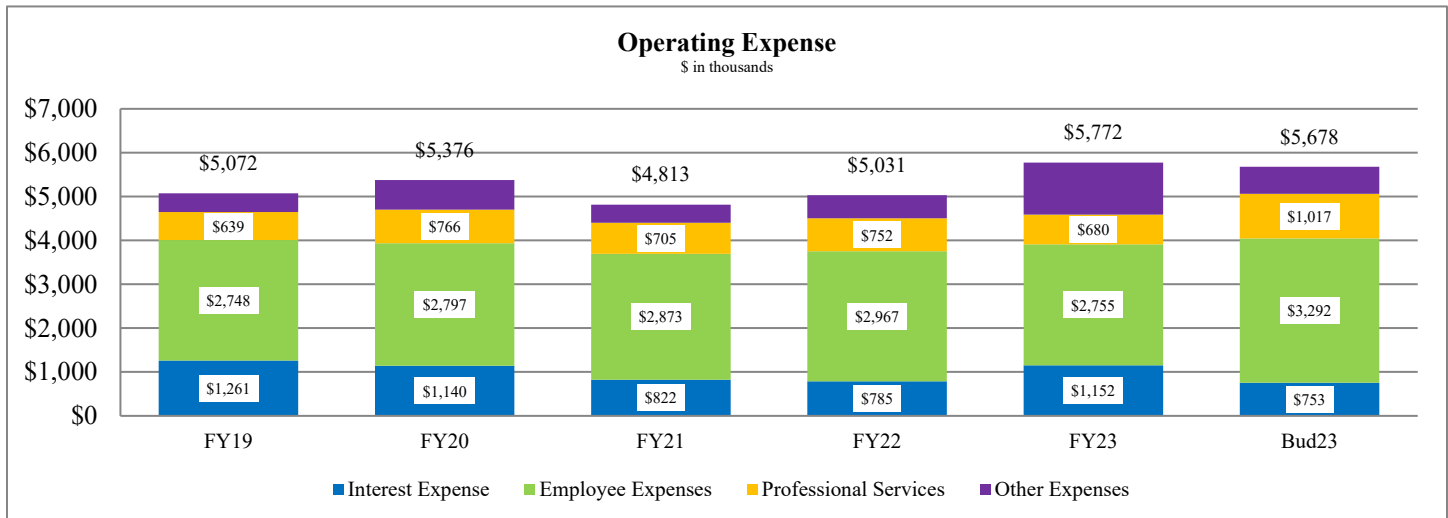
To: IFA Board Members  
 From: Jennifer Pulford  
 Date: June 16, 2023  
 Re: May 2023 YTD Multi-Family Financial Results

## Multi-Family Results (\$ in thousands)

Multi-Family programs are operating favorable to budget through the end of May 2023.



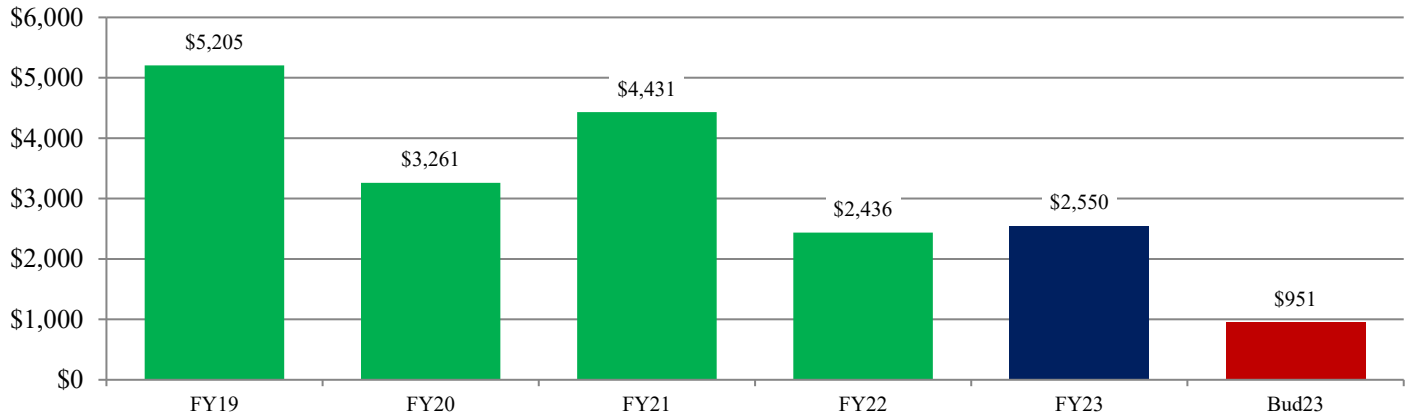
Operating Revenue was \$1,695 or 25.6% above budget and \$856 or 11.5% above last year. Fee revenue was \$795 above budget due mainly to LIHTC reservation fees. Interest Revenue was \$894 above budget due to the rise in interest rates.



Operating Expense was \$94 or 1.7% above budget and \$741 or 14.7% above last year. The increase in interest expense is due to the rapid rise in interest rates. The variance in Other Expenses is due to an increase in loan reserves.

### Net Operating Income before Grants

\$ in thousands



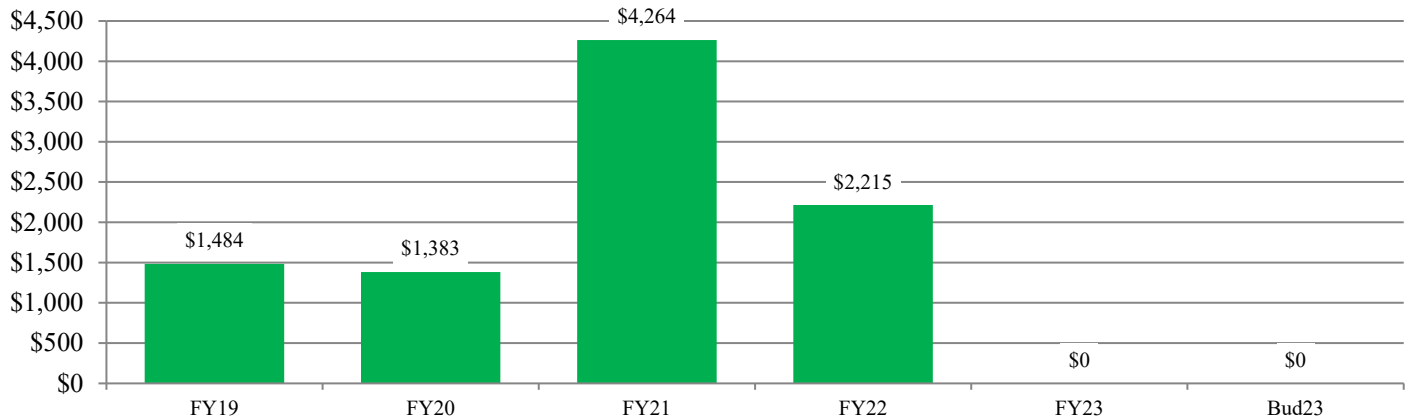
NOIBG was \$1,599 above budget and \$114 above last year.

### MF Portfolio Analysis (\$ in whole dollars)

	#	6/30/2022	Additions	Transfers	Reductions	End Bal	CHG	#
Multifamily Program Loans	38	26,924,631	0	1,463,195	(836,509)	27,551,317	2%	36
Multifamily Loans	6	33,022,659	0	(1,463,195)	(616,243)	30,943,221	-6%	5
	44	59,947,290	0	0	(1,452,752)	58,494,538		41
Loan Reserves		(1,312,000)	(537,000)	0	10,000	(1,839,000)	40%	
Capitalized Interest Reserves		0	0	0	0	0	0%	
<b>Total Portfolio</b>		<b>58,635,290</b>	<b>(537,000)</b>	<b>0</b>	<b>(1,442,752)</b>	<b>56,655,538</b>	<b>-3%</b>	

### Loan Disbursements

\$ in thousands



**MF Commitments (\$ in whole dollars)**

	Commitment Date	Original Commitment	04/30/2023 Balance	Monthly Activity	05/31/2023 Balance	Remaining Commitment
<b>Grants</b>						
Mobile Response Team - FY23 Extension	5/4/2022	100,000	0	0	0	100,000
<b>Total Grants</b>		100,000	0	0	0	100,000
<b>Construction Loans</b>						
<b>Total Construction</b>		0	0	0	0	0
<b>Permanent Loans</b>						
MF-XX-XXX - Grace Creek Snr Apts	6/1/2022	500,000	0	0	0	500,000
MF-XX-XXX - Westown Crossing Snr Apts	6/1/2022	1,400,000	0	0	0	1,400,000
<b>Total Permanent</b>		1,900,000	0	0	0	1,900,000
<b>Totals</b>		2,000,000	0	0	0	2,000,000
xxx = no loan agreement signed						

Balance Sheet	Multi Family (Rollup)						
	May-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	30,057,150	27,719,314	2,337,836	8.4	24,811,938	5,245,212	21.1
Investments	-	2,670,664	(2,670,664)	-100.0	2,493,825	(2,493,825)	-100.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	56,655,538	57,351,176	(695,638)	-1.2	58,991,098	(2,335,560)	-4.0
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	123,535	91,865	31,670	34.5	(42,359)	165,894	-391.6
Deferred Outflows	89,379	332,311	(242,933)	-73.1	332,311	(242,933)	-73.1
<b>Total Assets and Deferred Outflows</b>	<b>86,925,602</b>	<b>88,165,330</b>	<b>(1,239,728)</b>	<b>-1.4</b>	<b>86,586,814</b>	<b>338,788</b>	<b>0.4</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
Debt	31,717,614	32,512,670	(795,056)	-2.4	32,790,680	(1,073,066)	-3.3
Interest Payable	146,274	666,870	(520,596)	-78.1	129,391	16,884	13.0
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	9,792,926	10,224,055	(431,130)	-4.2	9,497,617	295,308	3.1
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	31,060	34,659	(3,599)	-10.4	24,154	6,905	28.6
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
<b>Total Liabilities and Deferred Inflows</b>	<b>41,828,511</b>	<b>43,777,660</b>	<b>(1,949,149)</b>	<b>-4.5</b>	<b>42,781,248</b>	<b>(952,737)</b>	<b>-2.2</b>
<b>Equity</b>							
YTD Earnings(Loss)	2,584,510	200,965	2,383,545	1186.1	1,913,831	670,679	35.0
Prior Years Earnings	43,943,612	43,909,164	34,448	0.1	43,014,735	928,877	2.2
Transfers	(1,431,031)	277,542	(1,708,573)	-615.6	(1,123,001)	(308,030)	27.4
<b>Total Equity</b>	<b>45,097,091</b>	<b>44,387,671</b>	<b>709,421</b>	<b>1.6</b>	<b>43,805,566</b>	<b>1,291,526</b>	<b>2.9</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>86,925,602</b>	<b>88,165,330</b>	<b>(1,239,728)</b>	<b>-1.4</b>	<b>86,586,814</b>	<b>338,788</b>	<b>0.4</b>

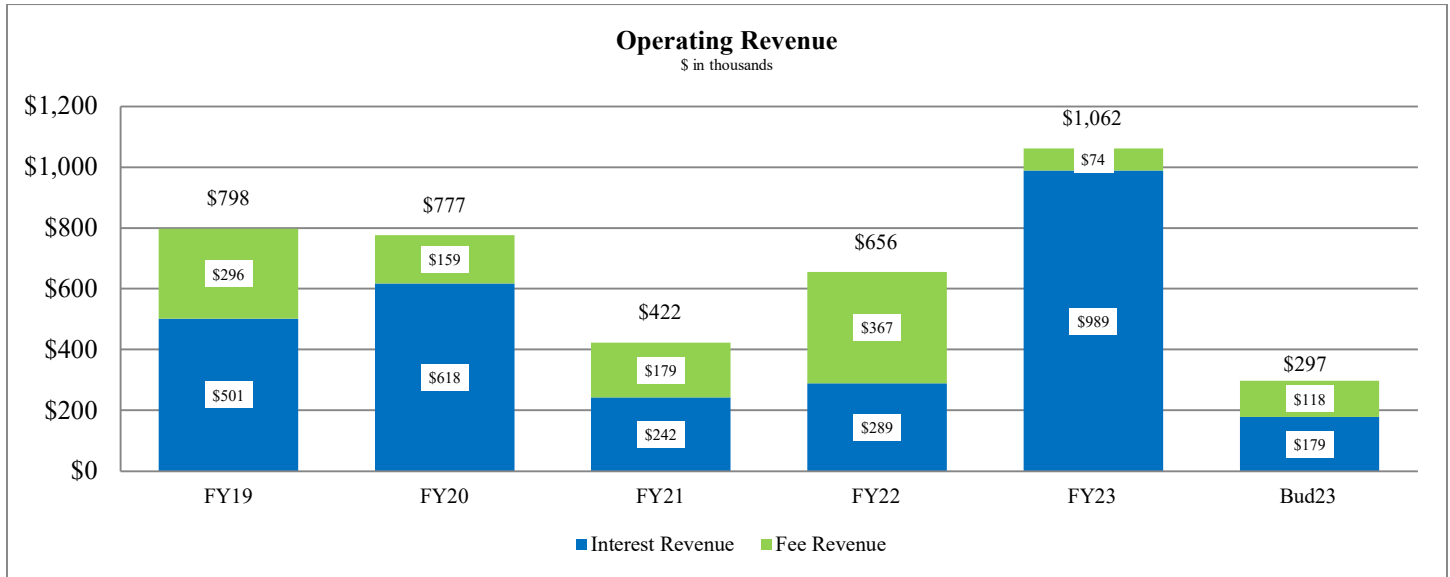
Income Statement	Multi Family (Rollup)													
	May-2023							YTD as of May-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
<b>Operating Revenue</b>														
Interest Revenue	327,095	192,013	135,082	70.4	221,124	105,971	47.9	3,030,182	2,136,617	893,565	41.8	2,241,467	788,715	35.2
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	279,789	266,721	13,068	4.9	487,391	(207,602)	-42.6	5,286,629	4,491,863	794,766	17.7	5,220,153	66,476	1.3
Other Revenue	50	-	50	0.0	3,000	(2,950)	-98.3	6,050	-	6,050	0.0	5,500	550	10.0
<b>Total Operating Revenue</b>	<b>606,934</b>	<b>458,734</b>	<b>148,200</b>	<b>32.3</b>	<b>711,514</b>	<b>(104,580)</b>	<b>-14.7</b>	<b>8,322,860</b>	<b>6,628,480</b>	<b>1,694,380</b>	<b>25.6</b>	<b>7,467,120</b>	<b>855,741</b>	<b>11.5</b>
<b>Operating Expense</b>														
Interest Expense	119,566	67,938	51,627	76.0	79,875	39,691	49.7	1,152,141	753,175	398,965	53.0	785,074	367,067	46.8
Authority Expense	-	-	-	0.0	-	-	0.0	125,535	125,363	172	0.1	128,057	(2,522)	-2.0
Employee Expenses	253,824	318,313	(64,489)	-20.3	256,953	(3,129)	-1.2	2,755,498	3,292,221	(536,723)	-16.3	2,966,500	(211,002)	-7.1
Shared Expenses	8,780	1,110	7,670	691.0	874	7,906	904.6	153,394	149,730	3,664	2.4	123,736	29,657	24.0
Marketing Expense	-	10	(10)	-100.0	-	-	0.0	3,811	160	3,651	2281.8	549	3,262	594.1
Professional Services	38,124	76,847	(38,723)	-50.4	214,770	(176,646)	-82.2	679,689	1,016,741	(337,052)	-33.2	751,629	(71,940)	-9.6
Claim and Loss Expenses	(1,000)	-	(1,000)	0.0	(1,000)	-	0.0	527,000	-	527,000	0.0	(12,000)	539,000	-4491.7
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	(810)	-	(810)	0.0	-	(810)	0.0	(2,210)	180	(2,390)	-1327.8	172	(2,382)	-1384.9
Overhead Allocation	34,439	26,761	7,679	28.7	23,684	10,755	45.4	377,578	339,945	37,633	11.1	287,413	90,165	31.4
<b>Total Operating Expense</b>	<b>452,924</b>	<b>490,979</b>	<b>(38,055)</b>	<b>-7.8</b>	<b>575,156</b>	<b>(122,232)</b>	<b>-21.3</b>	<b>5,772,436</b>	<b>5,677,515</b>	<b>94,921</b>	<b>1.7</b>	<b>5,031,131</b>	<b>741,305</b>	<b>14.7</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>154,010</b>	<b>(32,245)</b>	<b>186,255</b>	<b>-577.6</b>	<b>136,358</b>	<b>17,652</b>	<b>12.9</b>	<b>2,550,424</b>	<b>950,965</b>	<b>1,599,460</b>	<b>168.2</b>	<b>2,435,989</b>	<b>114,436</b>	<b>4.7</b>
<b>Net Grant (Income) Expense</b>														
Grant Revenue	(6,071,792)	(5,700,000)	(371,792)	6.5	(5,816,154)	(255,638)	4.4	(65,549,686)	(67,575,000)	2,025,314	-3.0	(63,050,866)	(2,498,820)	4.0
Grant Expense	6,040,362	5,700,000	340,362	6.0	5,816,154	224,208	3.9	65,518,493	68,325,000	(2,806,507)	-4.1	63,570,866	1,947,627	3.1
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>(31,430)</b>	<b>-</b>	<b>(31,430)</b>	<b>0.0</b>	<b>-</b>	<b>(31,430)</b>	<b>0.0</b>	<b>(31,193)</b>	<b>750,000</b>	<b>(781,193)</b>	<b>-104.2</b>	<b>520,000</b>	<b>(551,193)</b>	<b>-106.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>185,440</b>	<b>(32,245)</b>	<b>217,685</b>	<b>-675.1</b>	<b>136,358</b>	<b>49,082</b>	<b>36.0</b>	<b>2,581,618</b>	<b>200,965</b>	<b>2,380,653</b>	<b>1184.6</b>	<b>1,915,989</b>	<b>665,629</b>	<b>34.7</b>
<b>Other Non-Operating (Income) Expense</b>														
Other Non-Operating (Income) Expense	-	-	-	0.0	(650)	650	-100.0	(2,893)	-	(2,893)	0.0	2,158	(5,051)	-234.0
<b>Net Income (Loss)</b>	<b>185,440</b>	<b>(32,245)</b>	<b>217,685</b>	<b>-675.1</b>	<b>137,008</b>	<b>48,432</b>	<b>35.4</b>	<b>2,584,510</b>	<b>200,965</b>	<b>2,383,545</b>	<b>1186.1</b>	<b>1,913,831</b>	<b>670,679</b>	<b>35.0</b>
IFA Home Dept Staff Count	25	30	(5)	-15.3	25	-	0.0	26	30	(4)	-13.1	25	0	0.7
FTE Staff Count	23	28	(5)	-18.0	24	(0)	-1.4	23	28	(6)	-20.8	24	(1)	-5.9

To: IFA Board Members  
 From: Stephanie Volk  
 Date: June 14, 2023  
 Re: May 2023 YTD Financial Results

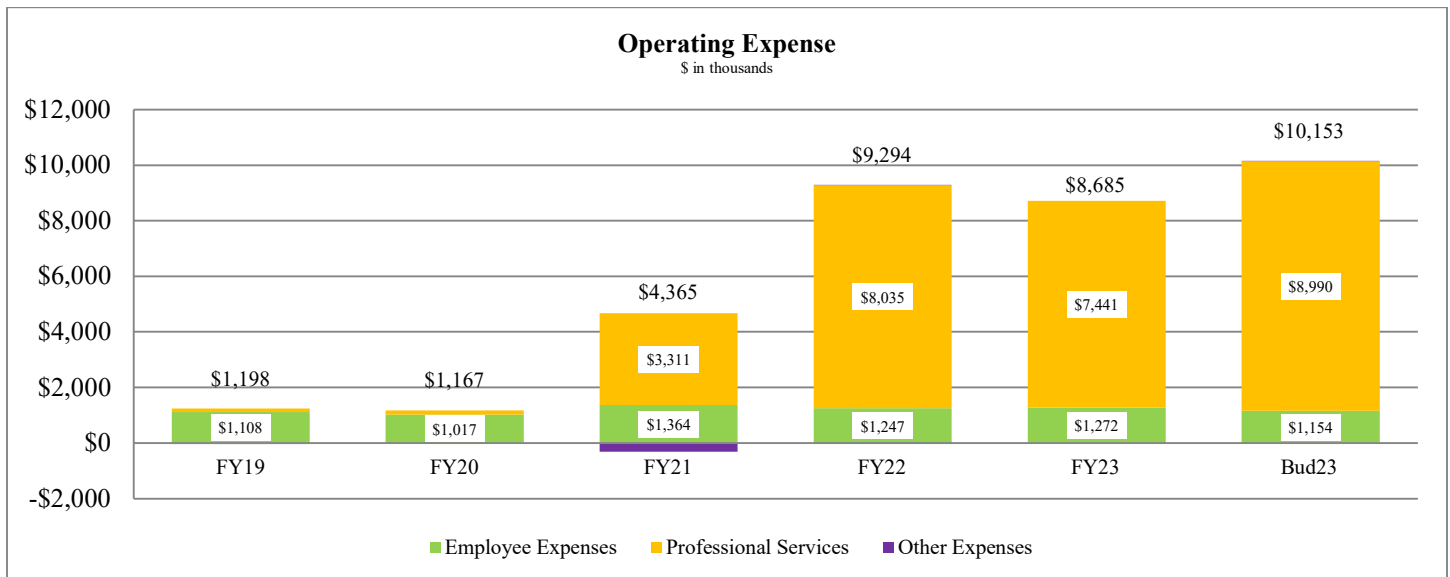


**Federal and State Programs (\$ in thousands)**

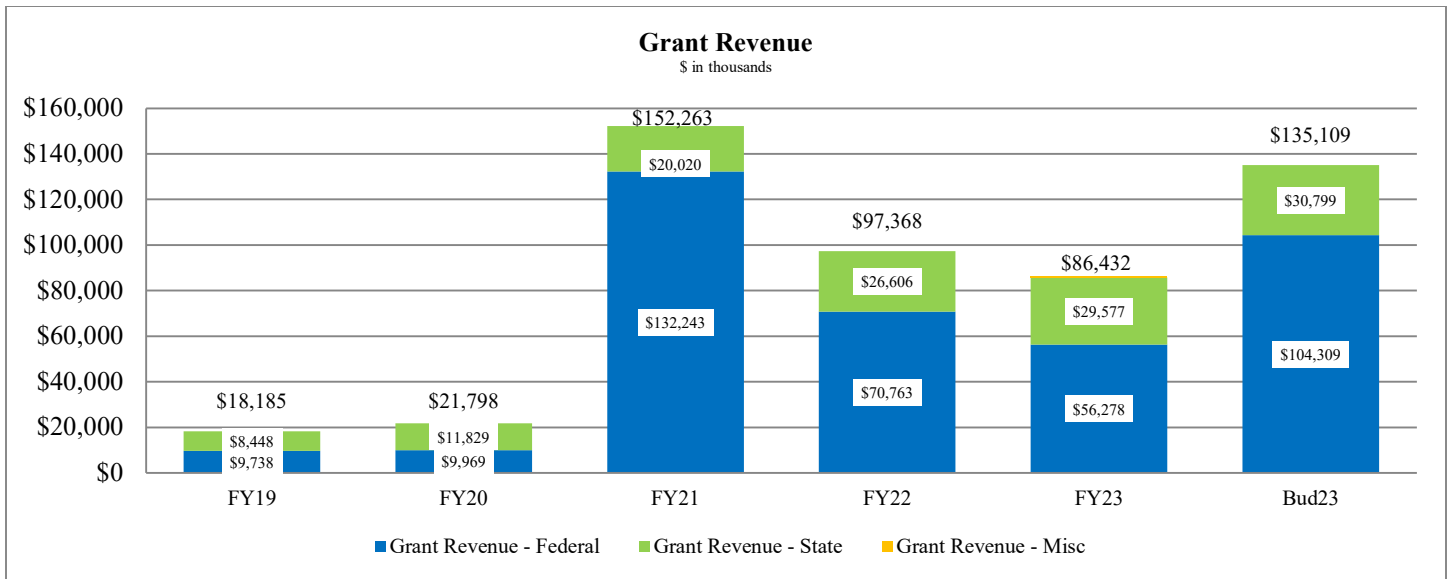
Federal and State programs are operating comparable to budget at the middle of the fourth quarter for FY23.



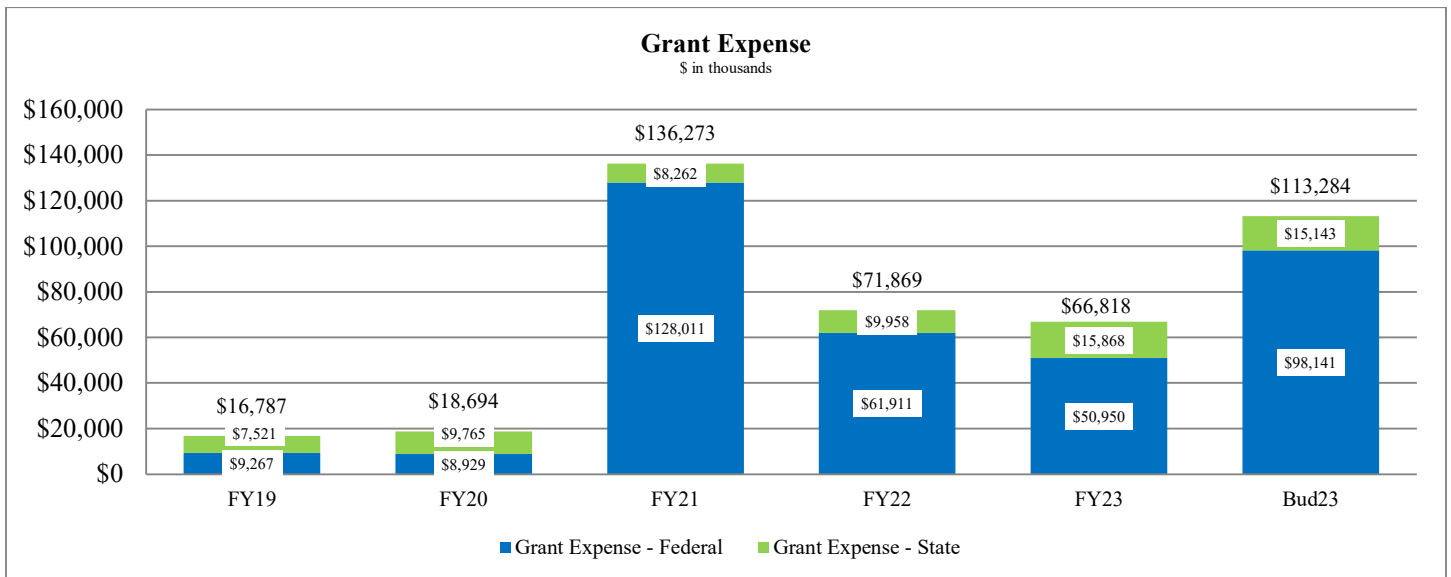
Operating Revenue was favorable to budget and prior year by \$765 and \$406, respectively. Interest revenue was \$810 above budget, of which \$737 was from the State Housing Trust Fund.



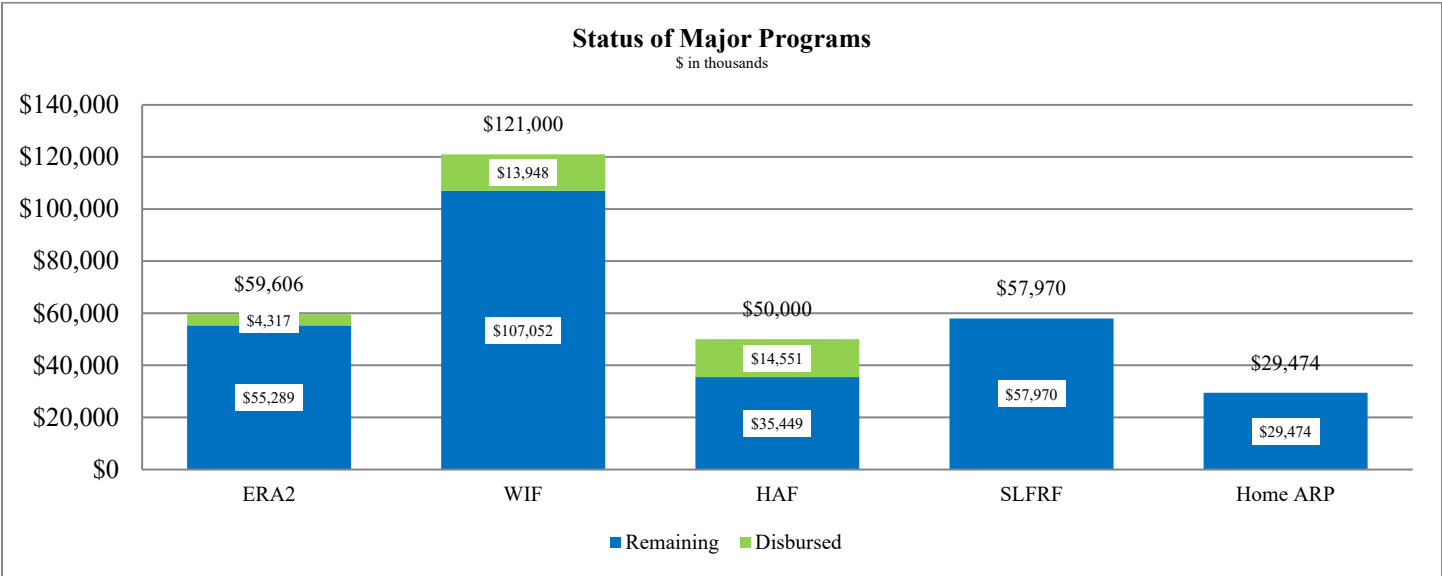
Operating Expense was \$1,468 or 14.5% favorable to budget and \$609 favorable to prior year. Professional Services expenses were below budget by \$1,549, resulting from less activity in Homeowners Assistance Fund Program by \$3,634 and more activity from the now closed Iowa Rent and Utility Assistance Program by \$2,141.



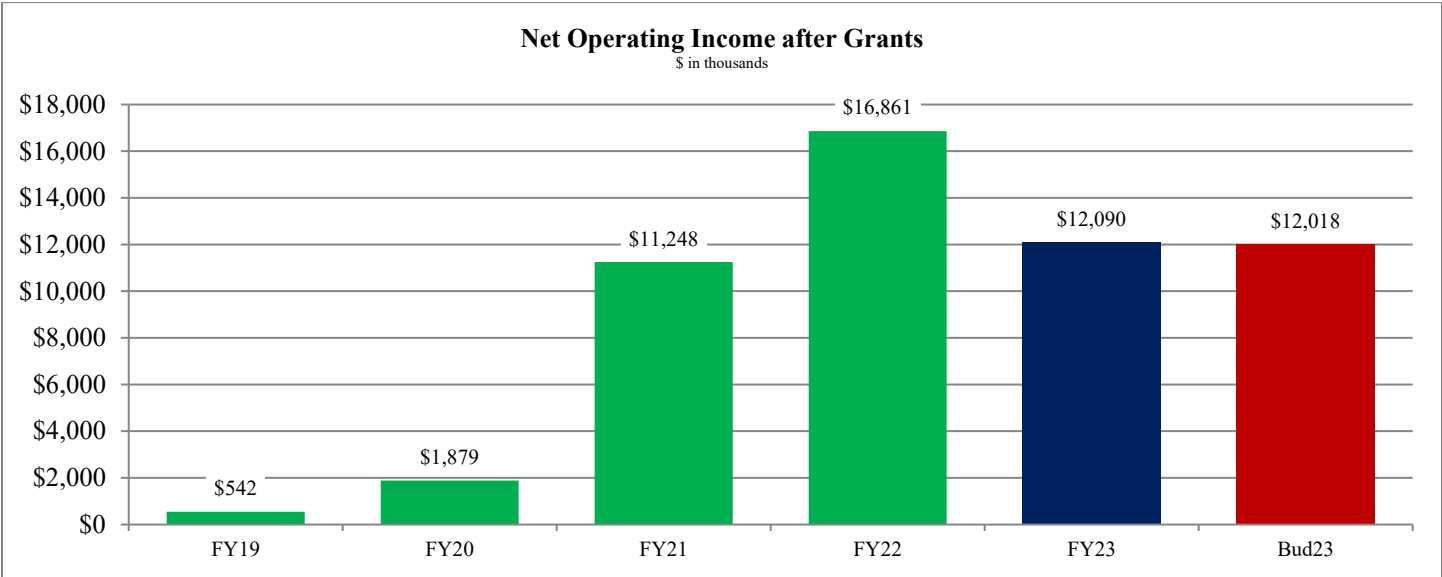
Grant Revenue was less than budgeted by \$48,677 or 36%, which is largely due to the below-mentioned programs disbursing less than expected. Grant Revenue was less than prior year by \$10,936 or 11.2%.



Grant expense is 7% lower than prior year was less than budgeted by \$46,466 or 41%. The federal difference of \$47,191 from current year to budget is largely due to the below programs disbursing less than expected. The following are the significant variances between budgeted and fiscal year 2023 actuals: Water Infrastructure Funds (WIF) \$39,874 Refugee Resettlement Assistance (RRA) \$11,347, and Rapid Rehousing (RRH) \$2,853.



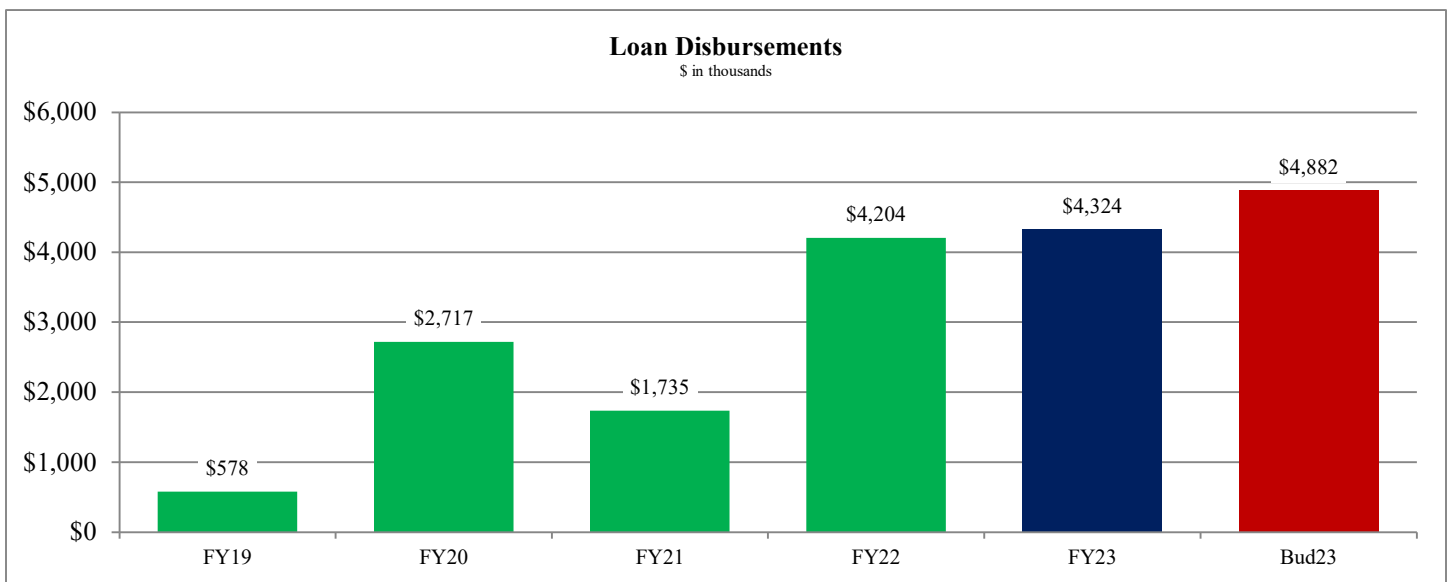
ERA2 consists of Rapid Rehousing Project (RRH), Refugee Resettlement Assistance (RRA), and Coordinated Entry (CE). WIF received an additional \$45MM. All of the below-mentioned programs are still in the planning phase. SLFRF, which consists of the Home Rehab Block Grant, ARPA LIHTC, and Iowa Home Grant. Home ARP is for the Home American Rescue Plan.



NOIAG was comparable to budget by \$72 and less than prior year by 28.3% due to over \$4,431 in water grants being disbursed in FY23.

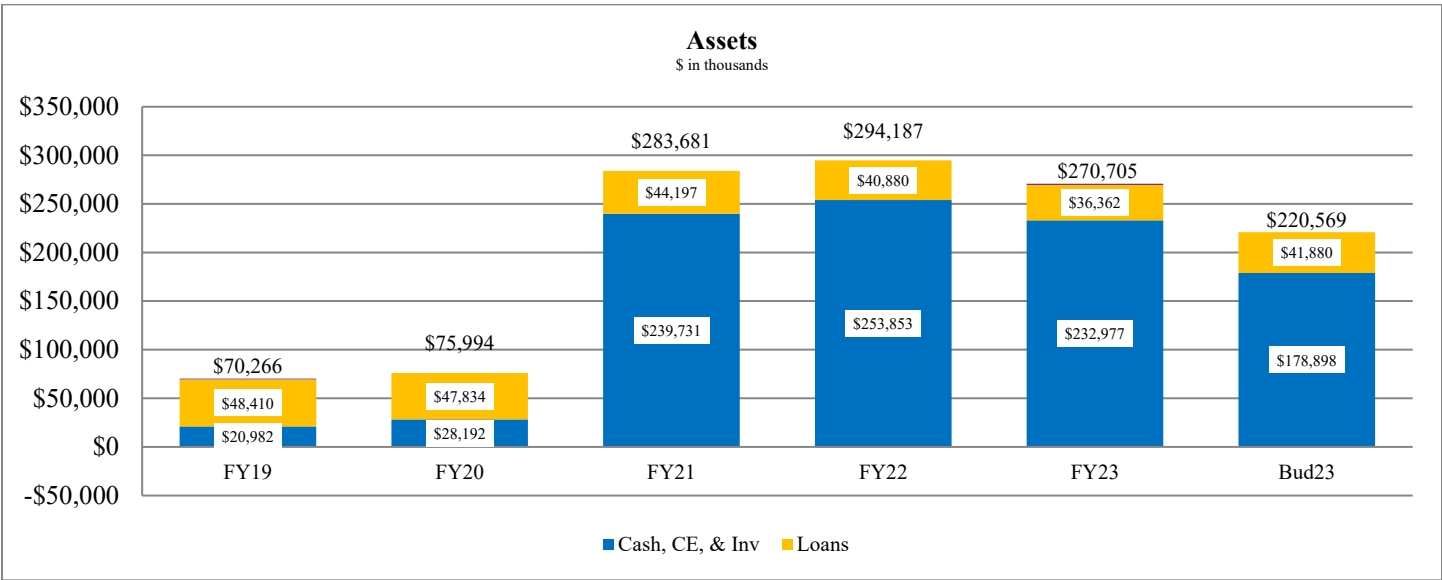


FSP Loan Portfolio by Series	June 30, 2022		Additions	Payments	Ending Balance		
	#	Balance			Balance	Chg	#
500-047 SHTF - Loans	10	1,858,869	-	(111,106)	1,747,763	-6.0%	10
500-047 SHTF - Cash Flow Loans	2	276,663	-	(58,754)	217,909	-21.2%	1
500-049 Senior Living Trust Lns	13	6,038,247	968,740	(212,608)	6,794,380	12.5%	14
500-050 Home & Comm Tr Lns	7	1,437,662	-	(129,323)	1,308,338	-9.0%	7
500-051 Transitional Housing Lns	2	762,259	-	(42,737)	719,522	-5.6%	2
500-057 TCAP Loans	12	17,890,957	-	(138,702)	17,752,255	-0.8%	12
500-058 HOME Loans	208	119,013,017	3,299,638	(10,076,230)	112,236,426	-5.7%	198
500-062 CHS Loans	7	620,818	55,544	(16,194)	660,168	6.3%	8
Total Portfolio before Cap Int & Reserves		147,898,492	4,323,923	(10,785,655)	141,436,761	-4.4%	
Loan Capitalized Interest Reserve		(8,955,000)	-	1,348,000	(7,607,000)	-15.1%	
Loan Reserves		(100,978,000)	-	3,510,000	(97,468,000)	-3.5%	
Total Portfolio	261	37,965,492	4,323,923	(5,927,655)	36,361,761	-4.2%	252



Loan disbursements were unfavorable to budget by \$558 and favorable to prior year by \$120.

Cash, Cash Equiv & Investments							State Loan Funds
	SLT 049						983,417
	HCBS 050						1,038,934
	THF 051						2,569,864
	CHS 062						2,180,599
	Funds in transit						(431,500)
							<b>6,341,314</b>
		Commitment Date	Original Commitment	4/30/2023 Balance	Monthly Activity	5/31/2023 Balance	Remaining Commitment
<b>Loan Commitments</b>							
	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	592,786	375,955	968,741	31,259
	NISHNA	2/28/2023	1,242,000	-	55,544	55,544	1,186,456
<b>Total Commitments</b>			<b>6,242,000</b>	<b>592,786</b>	<b>431,500</b>	<b>1,024,286</b>	<b>5,217,714</b>
<b>Net Funds Available</b>							<b>1,123,600</b>



Assets are 22.7% ahead of budget. The large assets in Cash & CE is derived from the funding for IRUAP at \$56,116 (which will be returned to Treasury in the next few months), Emergency Rental Assistance II Programs (ERA 2) at \$55,289, Water Infrastructure Fund at \$17,648, and Homeowner Assistance Fund at \$35,449.

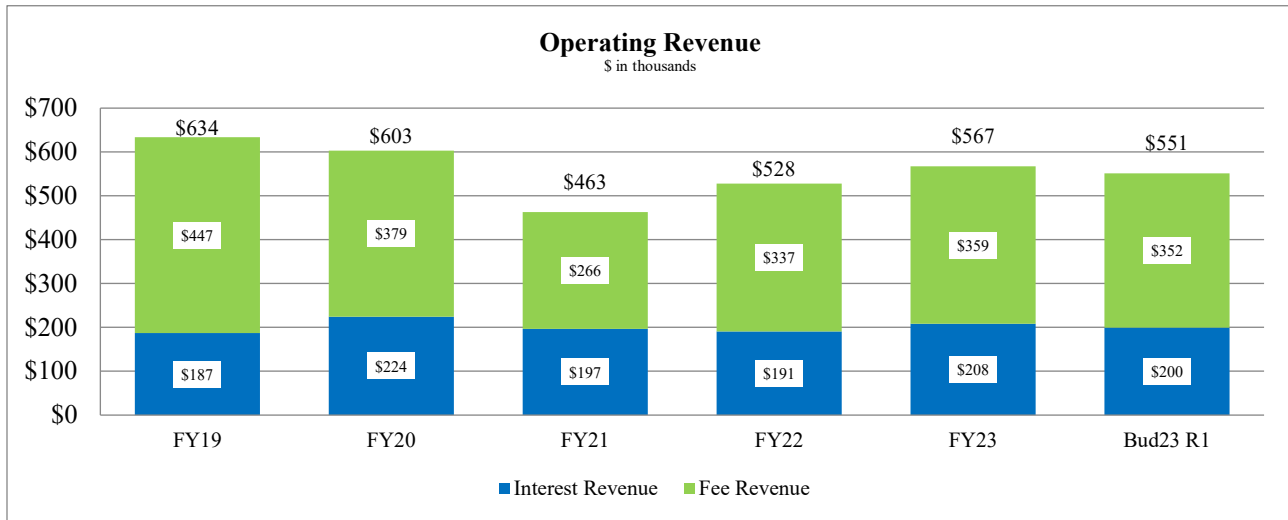
Income Statement	Federal and State Grant Programs (Rollup)													
	May-2023							YTD as of May-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
<b>Operating Revenue</b>														
Interest Revenue	162,459	16,875	145,584	862.7	44,234	118,224	267.3	988,631	178,535	810,096	453.7	288,909	699,722	242.2
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	3,500	10,750	(7,250)	-67.4	75,000	(71,500)	-95.3	73,582	118,250	(44,668)	-37.8	366,799	(293,217)	-79.9
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Revenue</b>	<b>165,959</b>	<b>27,625</b>	<b>138,334</b>	<b>500.8</b>	<b>119,234</b>	<b>46,724</b>	<b>39.2</b>	<b>1,062,213</b>	<b>296,785</b>	<b>765,428</b>	<b>257.9</b>	<b>655,708</b>	<b>406,505</b>	<b>62.0</b>
<b>Operating Expense</b>														
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	79,379	105,363	(25,984)	-24.7	115,883	(36,505)	-31.5	1,271,875	1,153,811	118,064	10.2	1,247,411	24,463	2.0
Shared Expenses	127	173	(46)	-26.8	1,425	(1,298)	-91.1	11,291	2,423	8,868	366.0	15,147	(3,856)	-25.5
Marketing Expense	-	-	-	0.0	-	-	0.0	4,386	-	4,386	0.0	25	4,361	17442.1
Professional Services	405,103	594,180	(189,076)	-31.8	876,744	(471,641)	-53.8	7,440,648	8,990,477	(1,549,829)	-17.2	8,035,169	(594,520)	-7.4
Claim and Loss Expenses	-	(12,000)	12,000	-100.0	(28,000)	28,000	-100.0	(199,000)	(132,000)	(67,000)	50.8	(140,049)	(58,951)	42.1
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	25	(25)	-100.0	-	-	0.0	-	275	(275)	-100.0	341	(341)	-100.0
Overhead Allocation	12,054	11,257	797	7.1	9,612	2,443	25.4	155,933	138,261	17,673	12.8	134,267	21,666	16.1
<b>Total Operating Expense</b>	<b>496,663</b>	<b>698,997</b>	<b>(202,334)</b>	<b>-28.9</b>	<b>975,664</b>	<b>(479,001)</b>	<b>-49.1</b>	<b>8,685,133</b>	<b>10,153,247</b>	<b>(1,468,114)</b>	<b>-14.5</b>	<b>9,294,311</b>	<b>(609,178)</b>	<b>-6.6</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(330,704)</b>	<b>(671,373)</b>	<b>340,668</b>	<b>-50.7</b>	<b>(856,430)</b>	<b>525,726</b>	<b>-61.4</b>	<b>(7,622,920)</b>	<b>(9,856,462)</b>	<b>2,233,542</b>	<b>-22.7</b>	<b>(8,638,603)</b>	<b>1,015,683</b>	<b>-11.8</b>
<b>Net Grant (Income) Expense</b>														
Grant Revenue	(8,259,787)	(12,964,414)	4,704,627	-36.3	(11,752,941)	3,493,154	-29.7	(86,431,609)	(135,108,554)	48,676,945	-36.0	(97,368,378)	10,936,769	-11.2
Grant Expense	5,250,079	9,731,637	(4,481,558)	-46.1	7,774,609	(2,524,530)	-32.5	66,818,225	113,283,898	(46,465,673)	-41.0	71,868,616	(5,050,391)	-7.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	(100,000)	(50,000)	(50,000)	100.0	-	(100,000)	0.0
<b>Total Net Grant (Income) Expense</b>	<b>(3,009,708)</b>	<b>(3,232,777)</b>	<b>223,070</b>	<b>-6.9</b>	<b>(3,978,332)</b>	<b>968,624</b>	<b>-24.3</b>	<b>(19,713,384)</b>	<b>(21,874,656)</b>	<b>2,161,272</b>	<b>-9.9</b>	<b>(25,499,762)</b>	<b>5,786,378</b>	<b>-22.7</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>2,679,004</b>	<b>2,561,405</b>	<b>117,599</b>	<b>4.6</b>	<b>3,121,902</b>	<b>(442,899)</b>	<b>-14.2</b>	<b>12,090,464</b>	<b>12,018,194</b>	<b>72,270</b>	<b>0.6</b>	<b>16,861,159</b>	<b>(4,770,695)</b>	<b>-28.3</b>
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>2,679,004</b>	<b>2,561,405</b>	<b>117,599</b>	<b>4.6</b>	<b>3,121,902</b>	<b>(442,899)</b>	<b>-14.2</b>	<b>12,090,464</b>	<b>12,018,194</b>	<b>72,270</b>	<b>0.6</b>	<b>16,861,159</b>	<b>(4,770,695)</b>	<b>-28.3</b>
IFA Home Dept Staff Count	8	14	(6)	-42.9	7	1	14.3	7	14	(7)	-47.4	8	(0)	-5.8
FTE Staff Count	11	10	1	12.0	10	1	8.8	11	10	1	12.0	11	0	3.5

Balance Sheet	Federal and State Grant Programs (Rollup)						
	May-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	232,977,180	178,898,296	54,078,884	30.2	253,852,847	(20,875,667)	-8.2
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	36,361,761	41,880,497	(5,518,735)	-13.2	40,879,817	(4,518,056)	-11.1
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	1,366,020	(209,961)	1,575,980	-750.6	(545,761)	1,911,781	-350.3
Deferred Outflows	-	-	-	0.0	-	-	0.0
<b>Total Assets and Deferred Outflows</b>	<b>270,704,961</b>	<b>220,568,832</b>	<b>50,136,129</b>	<b>22.7</b>	<b>294,186,903</b>	<b>(23,481,942)</b>	<b>-8.0</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	165,021,182	114,582,136	50,439,046	44.0	197,472,793	(32,451,611)	-16.4
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	220,000	20,371	199,629	980.0	13,600	206,400	1517.6
Other liabilities	-	-	-	0.0	-	-	0.0
Deferred Inflows	-	-	-	0.0	-	-	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>165,241,182</b>	<b>115,066,331</b>	<b>50,174,852</b>	<b>43.6</b>	<b>197,950,216</b>	<b>(32,709,034)</b>	<b>-16.5</b>
<b>Equity</b>							
YTD Earnings(Loss)	12,090,464	12,018,194	72,270	0.6	16,861,159	(4,770,695)	-28.3
Prior Years Earnings	93,364,299	93,515,558	(151,259)	-0.2	79,659,419	13,704,881	17.2
Transfers	9,016	(31,251)	40,267	-128.9	(283,891)	292,907	-103.2
<b>Total Equity</b>	<b>105,463,779</b>	<b>105,502,501</b>	<b>(38,722)</b>	<b>0.0</b>	<b>96,236,687</b>	<b>9,227,092</b>	<b>9.6</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>270,704,961</b>	<b>220,568,832</b>	<b>50,136,129</b>	<b>22.7</b>	<b>294,186,903</b>	<b>(23,481,942)</b>	<b>-8.0</b>

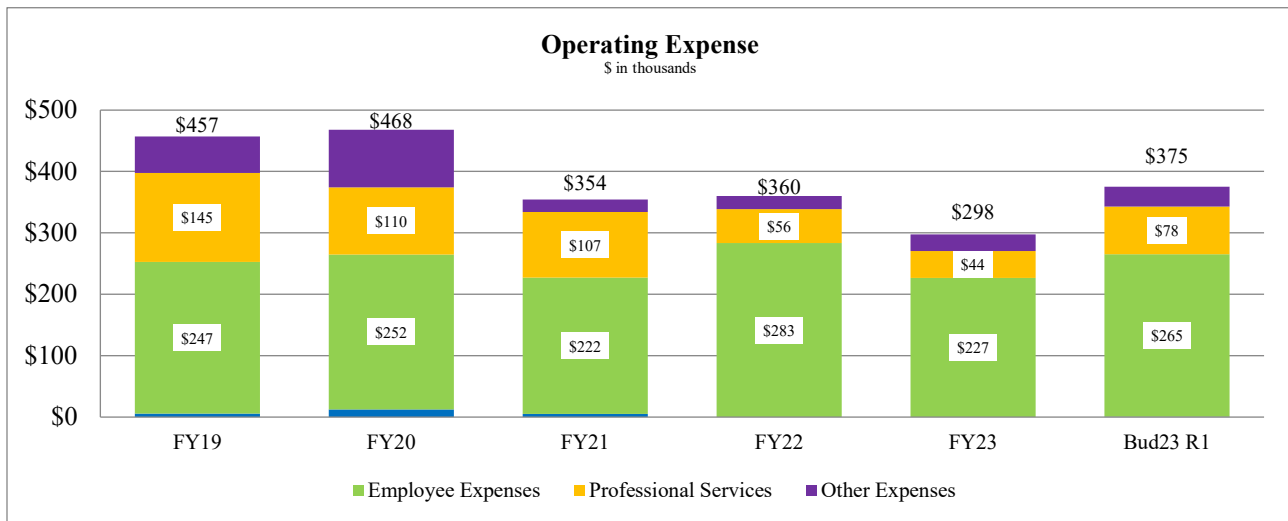
To: IFA and IADD Board Members  
 From: Becky Wu  
 Date: June 14, 2023  
 Re: May 2023 YTD IADD Financial Results

**Iowa Agricultural Development Division Results (\$ in thousands)**

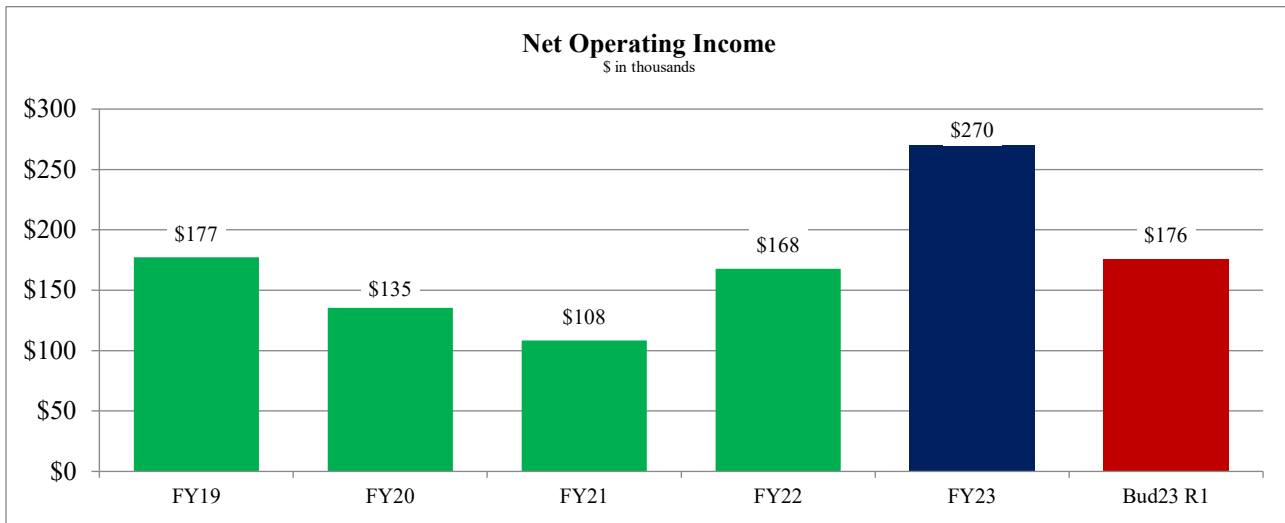
IADD Net Operating Income was favorable to budget as of May of fiscal year 23.



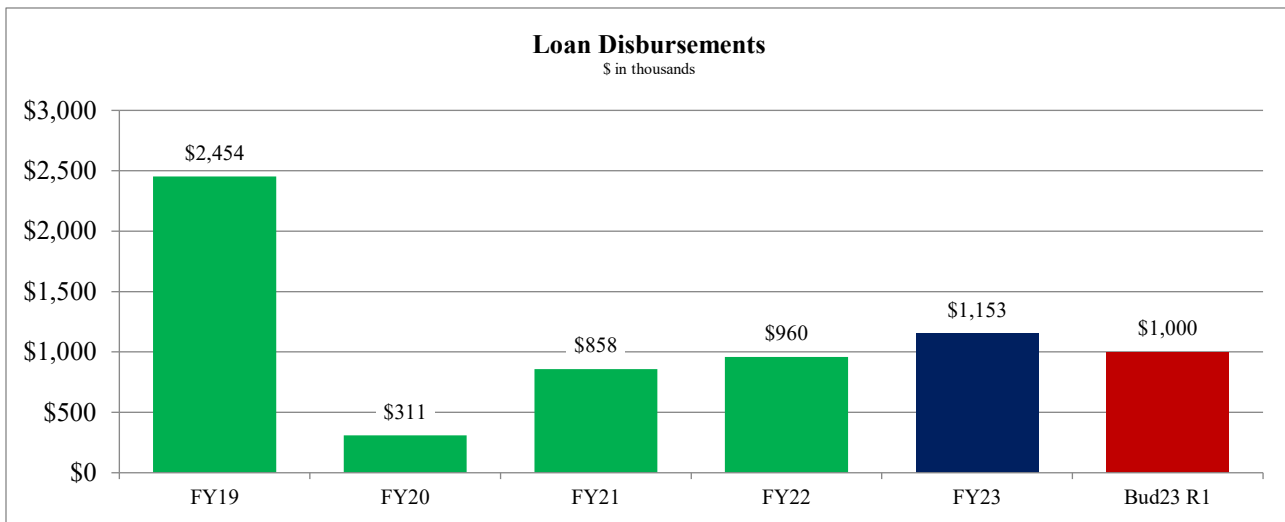
Operating Revenue was \$16 or 2.9% favorable to budget and \$39 or 7.5% favorable to last year. BFLP fee revenue was \$58 favorable to budget and BFTC fee revenue was \$47 unfavorable to budget, offsetting each other and resulting in net favorable fee revenue. Interest revenue was also favorable to budget.



Operating Expense was \$77 or 20.7% favorable to budget and \$62 or 17.4% favorable to last year. Employee Expense was \$38 or 14.3% favorable to budget, due to lower staff employee expenses. Professional Services Expense was \$34 or 43.9% favorable to budget. Shared Expenses and Marketing Expense were also favorable to budget.



Net Income was \$94 or 53.3% favorable to budget and \$102 or 60.8% favorable to last year.



**Notes:**

- There was \$646 available for administrative expenses.
- Restricted Rural Rehab Trust funds (LPP loan funds, includes cash and LPP loan repayments) balance was \$388.
- There were six LPP loans closed in year-to-date FY23.
- The LPP loan balance was \$6,181. Loan balance net of reserves was \$6,243 and reserve was \$62.

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### LPP Loan Commitments

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We currently don't have any outstanding LPP's, all approved projects have been closed.

Balance Sheet	Agriculture Development Division (Rollup)						
	May-2023						
	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	958,112	653,011	305,101	46.7	1,038,199	(80,087)	-7.7
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	6,180,750	6,539,421	(358,671)	-5.5	5,922,746	258,005	4.4
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	72,458	38,443	34,015	88.5	46,017	26,441	57.5
Deferred Outflows	-	-	-	0.0	-	-	0.0
<b>Total Assets and Deferred Outflows</b>	<b>7,211,321</b>	<b>7,230,875</b>	<b>(19,554)</b>	<b>-0.3</b>	<b>7,006,962</b>	<b>204,359</b>	<b>2.9</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
Debt	-	50,000	(50,000)	-100.0	-	-	0.0
Interest Payable	-	458	(458)	-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	2,777	6,127	(3,350)	-54.7	3,920	(1,143)	-29.2
Other liabilities	-	-	-	0.0	-	-	0.0
Deferred Inflows	-	-	-	0.0	-	-	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>2,777</b>	<b>56,585</b>	<b>(53,808)</b>	<b>-95.1</b>	<b>3,920</b>	<b>(1,143)</b>	<b>-29.2</b>
<b>Equity</b>							
YTD Earnings(Loss)	269,868	176,016	93,852	53.3	167,867	102,001	60.8
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
<b>Total Equity</b>	<b>7,208,544</b>	<b>7,174,290</b>	<b>34,254</b>	<b>0.5</b>	<b>7,003,042</b>	<b>205,502</b>	<b>2.9</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>7,211,321</b>	<b>7,230,875</b>	<b>(19,554)</b>	<b>-0.3</b>	<b>7,006,962</b>	<b>204,359</b>	<b>2.9</b>

Income Statement	Agriculture Development Division (Rollup)													
	May-2023							YTD as of May-2023						
	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%
<b>Operating Income</b>														
Interest Revenue - Loans	18,289	18,847	(559)	-3.0%	17,448	841	5%	186,920	199,625	(12,705)	-6%	189,494	(2,574)	-1%
Interest Revenue - CE & Inv	3,117	-	3,117	0.0%	249	2,869	1153%	21,298	-	21,298	0%	1,296	20,003	1544%
Fee Inc - BFLP	41,000	18,750	22,250	118.7%	46,538	(5,538)	-12%	264,847	206,250	58,597	28%	202,324	62,524	31%
Fee Inc - LPP	-	1,500	(1,500)	-100.0%	3,000	(3,000)	-100%	12,439	16,500	(4,061)	-25%	12,275	164	1%
Fee Inc - BFTC	9,000	21,000	(12,000)	-57.1%	9,900	(900)	-9%	81,950	129,000	(47,050)	-36%	122,684	(40,734)	-33%
Fee Inc - BFCH TC	-	-	-	0.0%	-	-	0%	-	-	-	0%	-	-	0%
<b>Total Operating Income</b>	<b>71,406</b>	<b>60,097</b>	<b>11,308</b>	<b>18.8%</b>	<b>77,134</b>	<b>(5,729)</b>	<b>-7%</b>	<b>567,454</b>	<b>551,375</b>	<b>16,079</b>	<b>3%</b>	<b>528,072</b>	<b>39,382</b>	<b>7%</b>
<b>Operating Expense</b>														
Employee Expenses	19,353	25,585	(6,233)	-24.4%	33,184	(13,831)	-42%	226,785	264,563	(37,778)	-14%	283,285	(56,500)	-20%
Shared Expenses	16	200	(184)	-92.0%	88	(72)	-82%	2,101	2,650	(549)	-21%	2,877	(777)	-27%
Marketing Expense	-	700	(700)	-100.0%	-	-	0%	3,100	7,700	(4,600)	-60%	2,603	497	19%
Professional Services	2,848	7,075	(4,227)	-59.7%	3,920	(1,072)	-27%	43,680	77,825	(34,145)	-44%	55,724	(12,044)	-22%
Claim and Loss Expenses	(1,000)	(563)	(437)	77.7%	2,000	(3,000)	-150%	4,128	4,058	70	2%	-	4,128	0%
<b>Operating Expense</b>	<b>23,269</b>	<b>34,274</b>	<b>(11,005)</b>	<b>-32.1%</b>	<b>40,335</b>	<b>(17,066)</b>	<b>-42%</b>	<b>297,586</b>	<b>375,359</b>	<b>(77,773)</b>	<b>-21%</b>	<b>360,205</b>	<b>(62,619)</b>	<b>-17%</b>
<b>Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Net Income (Loss)</b>	<b>48,137</b>	<b>25,823</b>	<b>22,314</b>	<b>86.4%</b>	<b>36,799</b>	<b>11,337</b>	<b>31%</b>	<b>269,868</b>	<b>176,016</b>	<b>93,852</b>	<b>53%</b>	<b>167,867</b>	<b>102,001</b>	<b>61%</b>

Balance Sheet	Admin	RRTF	Total
<b>Assets</b>			
Cash & Cash Equivalents	641,892	316,220	958,112
Investments	-	-	-
Loans - net of reserves	127,739	6,053,011	6,180,750
Other Assets	(21,920)	94,378	72,458
<b>Total Assets</b>	<b>747,712</b>	<b>6,463,609</b>	<b>7,211,321</b>
<b>Liabilities and Equity</b>			
A/P - STATE	-	-	-
A/P - IFA	-	-	-
A/P - MISC	2,777	-	2,777
<b>Total Liabilities</b>	<b>2,777</b>	<b>-</b>	<b>2,777</b>
<b>Equity</b>			
Current Years Earnings	84,005	185,863	269,868
Prior Years Earnings	660,929	6,277,746	6,938,676
<b>Equity</b>	<b>744,934</b>	<b>6,463,609</b>	<b>7,208,544</b>
<b>Total Liabilities and Equity</b>	<b>747,712</b>	<b>6,463,609</b>	<b>7,211,321</b>

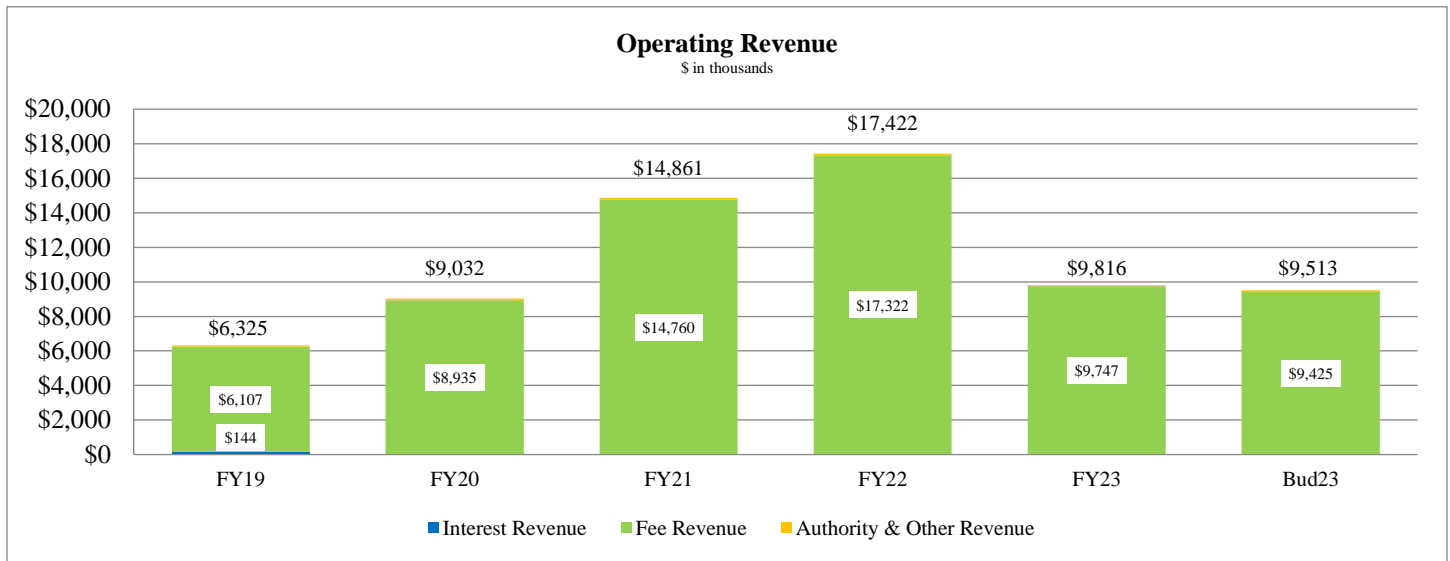


Income Statement	Agriculture Development Division (Rollup)													
	May-2023							YTD as of May-2023						
	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	21,406	18,847	2,559	13.6	17,697	3,709	21.0	208,218	199,625	8,593	4.3	190,790	17,429	9.1
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	50,000	41,250	8,750	21.2	59,438	(9,438)	-15.9	359,236	351,750	7,486	2.1	337,282	21,954	6.5
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	71,406	60,097	11,308	18.8	77,134	(5,729)	-7.4	567,454	551,375	16,079	2.9	528,072	39,382	7.5
Operating Expense														
Interest Expense	-	42	(42)	-100.0	-	-	0.0	-	458	(458)	-100.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	19,353	25,585	(6,233)	-24.4	33,184	(13,831)	-41.7	226,785	264,563	(37,778)	-14.3	283,285	(56,500)	-19.9
Shared Expenses	16	200	(184)	-92.0	88	(72)	-81.8	2,101	2,650	(549)	-20.7	2,877	(777)	-27.0
Marketing Expense	-	700	(700)	-100.0	-	-	0.0	3,100	7,700	(4,600)	-59.7	2,603	497	19.1
Professional Services	2,848	7,075	(4,227)	-59.7	3,920	(1,072)	-27.3	43,680	77,825	(34,145)	-43.9	55,724	(12,044)	-21.6
Claim and Loss Expenses	(1,000)	(563)	(437)	77.7	2,000	(3,000)	-150.0	4,128	4,058	70	1.7	-	4,128	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	2,052	1,235	817	66.1	1,143	909	79.6	17,792	18,104	(312)	-1.7	15,716	2,076	13.2
Total Operating Expense	23,269	34,274	(11,005)	-32.1	40,335	(17,066)	-42.3	297,586	375,359	(77,773)	-20.7	360,205	(62,619)	-17.4
Net Operating Income (Loss) Before Grants	48,137	25,823	22,314	86.4	36,799	11,337	30.8	269,868	176,016	93,852	53.3	167,867	102,001	60.8
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	48,137	25,823	22,314	86.4	36,799	11,337	30.8	269,868	176,016	93,852	53.3	167,867	102,001	60.8
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	48,137	25,823	22,314	86.4	36,799	11,337	30.8	269,868	176,016	93,852	53.3	167,867	102,001	60.8
IFA Home Dept Staff Count	2	2	-	0.0	1	1	100.0	1	2	(1)	-36.4	2	(1)	-33.3
FTE Staff Count	2	2	(0)	-7.9	1	1	79.7	2	2	(0)	-3.5	2	0	1.0

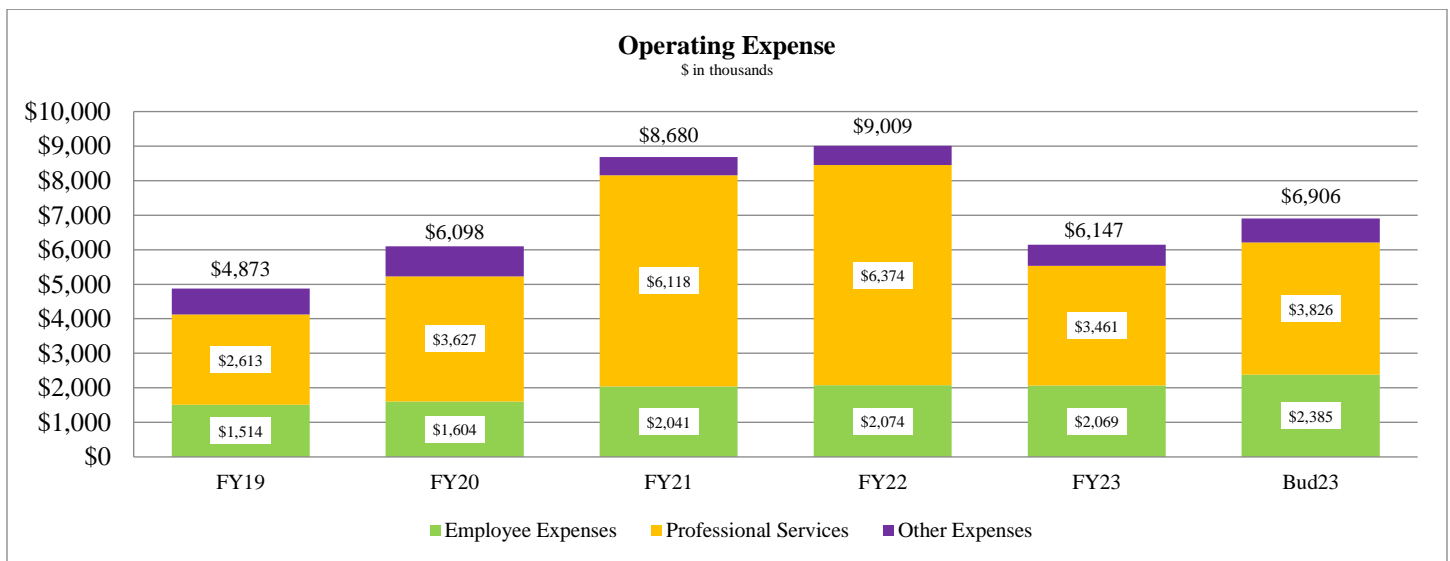
To: IFA & ITG Board Members  
 From: Michelle Bodie & David Morrison  
 Date: June 16, 2023  
 RE: May 2023 YTD Financial Results

**Iowa Title Guaranty Financial Results (\$ in thousands)**

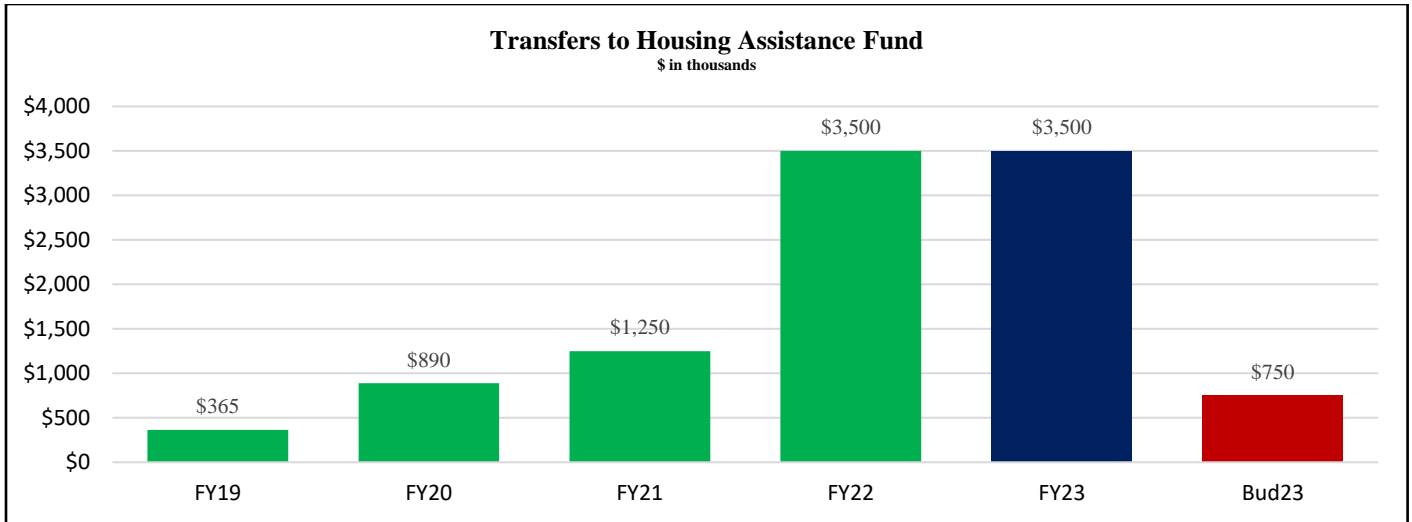
ITG operated unfavorably to budget through May of FY2023.



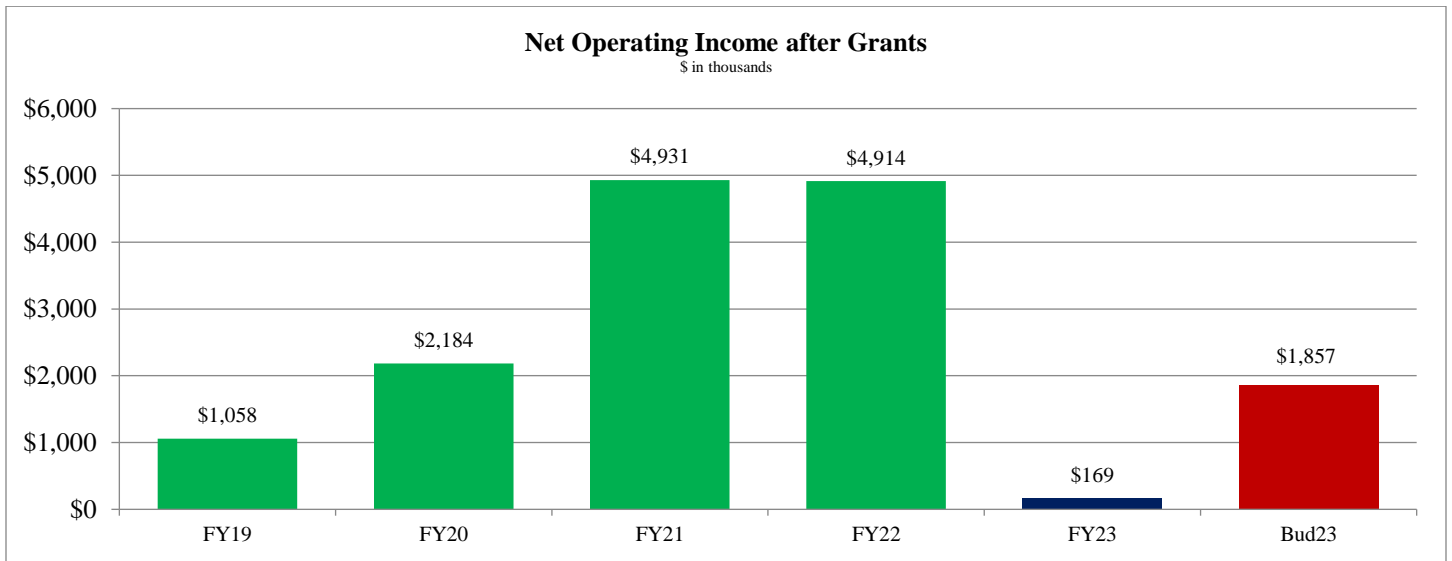
Operating revenue was \$303 or 3.2% above budget and 43.7% behind last year. The effect of rising interest rates on the housing market was the primary reason for the reduction in revenue from the prior year.



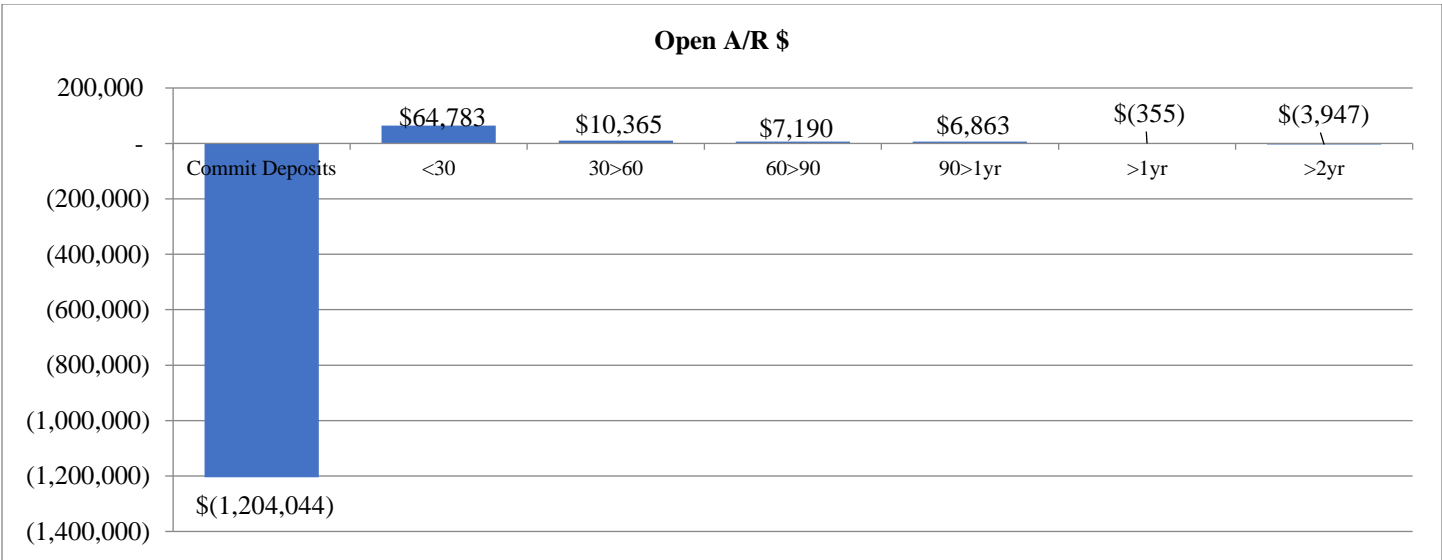
Operating expense was \$759 or 11.0% favorable to budget and 31.8% favorable to last year. All expense categories were favorable to budget; in particular, Professional Services and Employee Expenses were below budget by \$365 and \$316 respectively.



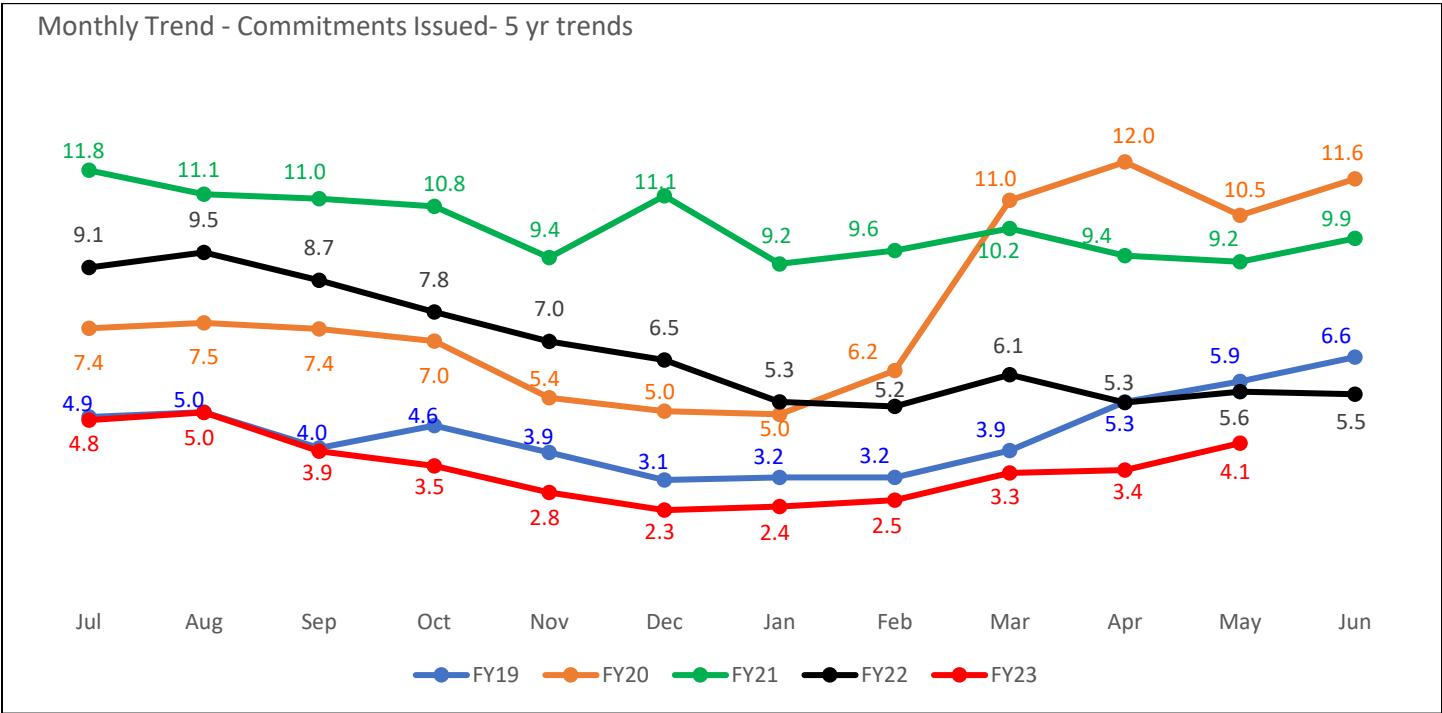
Transfers to the Housing Assistance Fund from Title Guaranty occur quarterly. Transfers are \$2,750 ahead of budget and on par with last year.



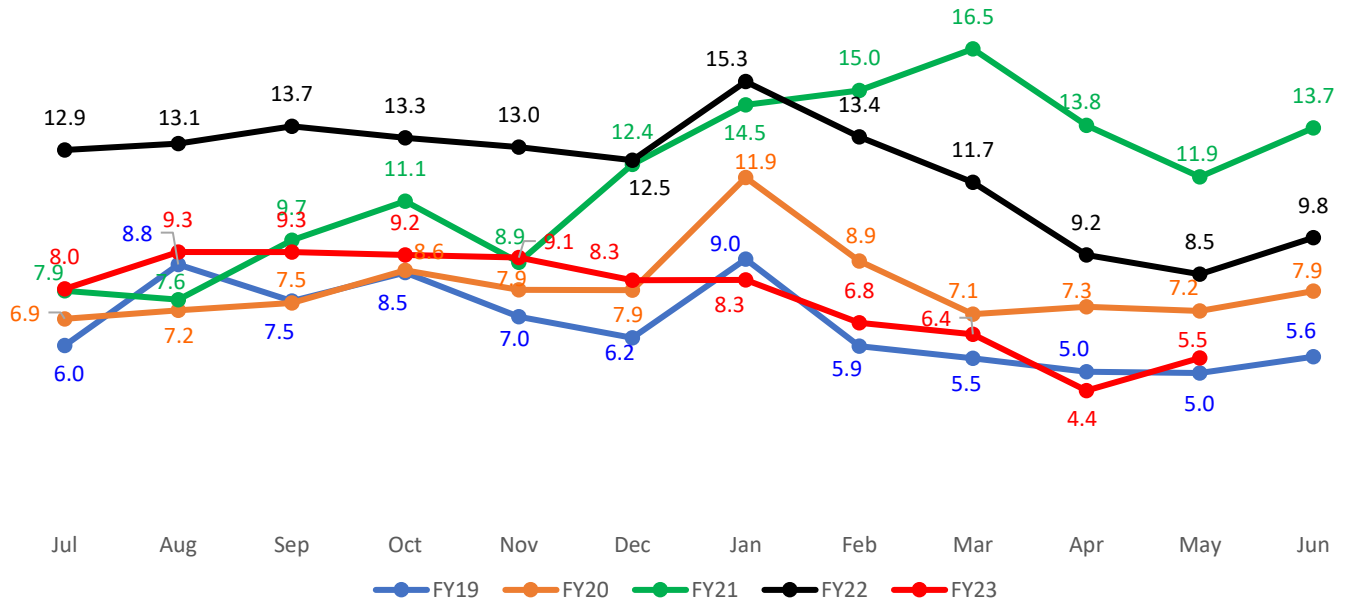
As a result of the \$3.5M transfer to the Housing Assistance Fund, the NOIAG is \$1,688 unfavorable to budget. Compared to the prior year, NOIAG is \$4,745 unfavorable primarily due to the current year Fee Revenue decrease of 43.7% or \$7,574 from housing market changes.



Commitments increased 7.7% in May compared to April (\$1.204M vs \$1.118M), while outstanding receivables were basically unchanged (\$84.9k vs \$84.7k).



Monthly Trend - Certificates Issued 5 year trend



Balance Sheet	Iowa Title Guaranty Division (Rollup)						
	May-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	21,251,668	25,860,908	(4,609,239)	-17.8	24,115,470	(2,863,802)	-11.9
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	-	-	-	0.0	-	-	0.0
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	291,285	218,722	72,563	33.2	44,117	247,168	560.3
Deferred Outflows	268,126	317,864	(49,738)	-15.6	317,864	(49,738)	-15.6
<b>Total Assets and Deferred Outflows</b>	<b>21,811,079</b>	<b>26,397,493</b>	<b>(4,586,414)</b>	<b>-17.4</b>	<b>24,477,451</b>	<b>(2,666,372)</b>	<b>-10.9</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	1,894,479	1,026,841	867,638	84.5	1,239,277	655,203	52.9
Reserves for Claims	1,662,508	1,859,444	(196,936)	-10.6	1,620,371	42,137	2.6
Accounts Payable & Accrued Liabilities	1,405,785	3,705,324	(2,299,539)	-62.1	3,161,894	(1,756,109)	-55.5
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
<b>Total Liabilities and Deferred Inflows</b>	<b>6,273,735</b>	<b>7,953,080</b>	<b>(1,679,345)</b>	<b>-21.1</b>	<b>7,615,421</b>	<b>(1,341,686)</b>	<b>-17.6</b>
<b>Equity</b>							
YTD Earnings(Loss)	168,608	1,856,807	(1,688,199)	-90.9	4,913,649	(4,745,041)	-96.6
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
<b>Total Equity</b>	<b>15,537,344</b>	<b>18,444,413</b>	<b>(2,907,069)</b>	<b>-15.8</b>	<b>16,862,029</b>	<b>(1,324,685)</b>	<b>-7.9</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>21,811,079</b>	<b>26,397,493</b>	<b>(4,586,414)</b>	<b>-17.4</b>	<b>24,477,451</b>	<b>(2,666,372)</b>	<b>-10.9</b>

Income Statement	Iowa Title Guaranty Division (Rollup)													
	May-2023							YTD as of May-2023						
	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	559,316	693,964	(134,648)	-19.4	1,091,585	(532,269)	-48.8	9,747,207	9,424,904	322,303	3.4	17,321,508	(7,574,301)	-43.7
Other Revenue	2,100	8,000	(5,900)	-73.7	15,955	(13,855)	-86.8	68,777	88,000	(19,223)	-21.8	100,718	(31,942)	-31.7
<b>Total Operating Revenue</b>	<b>561,416</b>	<b>701,964</b>	<b>(140,548)</b>	<b>-20.0</b>	<b>1,107,540</b>	<b>(546,124)</b>	<b>-49.3</b>	<b>9,815,984</b>	<b>9,512,904</b>	<b>303,080</b>	<b>3.2</b>	<b>17,422,226</b>	<b>(7,606,242)</b>	<b>-43.7</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	205,656	231,090	(25,433)	-11.0	177,642	28,014	15.8	2,069,394	2,384,961	(315,568)	-13.2	2,073,702	(4,309)	-0.2
Shared Expenses	22,068	17,433	4,634	26.6	14,969	7,099	47.4	260,181	271,332	(11,151)	-4.1	248,891	11,290	4.5
Marketing Expense	405	1,033	(628)	-60.8	(141)	546	-386.3	39,493	59,447	(19,954)	-33.6	27,530	11,963	43.5
Professional Services	234,541	284,742	(50,201)	-17.6	370,602	(136,061)	-36.7	3,460,866	3,826,436	(365,571)	-9.6	6,374,213	(2,913,347)	-45.7
Claim and Loss Expenses	23,568	10,000	13,568	135.7	2,600	20,968	806.5	76,928	110,000	(33,072)	-30.1	29,333	47,595	162.3
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	3,370	7,600	(4,230)	-55.7	1,385	1,985	143.4	73,719	83,600	(9,881)	-11.8	98,435	(24,716)	-25.1
Overhead Allocation	19,242	11,505	7,737	67.3	11,380	7,862	69.1	166,796	170,320	(3,524)	-2.1	156,474	10,322	6.6
<b>Total Operating Expense</b>	<b>508,850</b>	<b>563,403</b>	<b>(54,553)</b>	<b>-9.7</b>	<b>578,437</b>	<b>(69,587)</b>	<b>-12.0</b>	<b>6,147,376</b>	<b>6,906,097</b>	<b>(758,721)</b>	<b>-11.0</b>	<b>9,008,578</b>	<b>(2,861,202)</b>	<b>-31.8</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>52,566</b>	<b>138,561</b>	<b>(85,995)</b>	<b>-62.1</b>	<b>529,104</b>	<b>(476,537)</b>	<b>-90.1</b>	<b>3,668,608</b>	<b>2,606,807</b>	<b>1,061,801</b>	<b>40.7</b>	<b>8,413,649</b>	<b>(4,745,041)</b>	<b>-56.4</b>
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	3,500,000	750,000	2,750,000	366.7	3,500,000	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>3,500,000</b>	<b>750,000</b>	<b>2,750,000</b>	<b>366.7</b>	<b>3,500,000</b>	<b>-</b>	<b>0.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>52,566</b>	<b>138,561</b>	<b>(85,995)</b>	<b>-62.1</b>	<b>529,104</b>	<b>(476,537)</b>	<b>-90.1</b>	<b>168,608</b>	<b>1,856,807</b>	<b>(1,688,199)</b>	<b>-90.9</b>	<b>4,913,649</b>	<b>(4,745,041)</b>	<b>-96.6</b>
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>52,566</b>	<b>138,561</b>	<b>(85,995)</b>	<b>-62.1</b>	<b>529,104</b>	<b>(476,537)</b>	<b>-90.1</b>	<b>168,608</b>	<b>1,856,807</b>	<b>(1,688,199)</b>	<b>-90.9</b>	<b>4,913,649</b>	<b>(4,745,041)</b>	<b>-96.6</b>
IFA Home Dept Staff Count	21	21	-	0.0	19	2	10.5	21	21	(0)	-2.1	20	1	5.1
FTE Staff Count	22	22	(0)	-2.1	21	1	5.5	21	23	(1)	-5.9	21	0	0.0

Income Statement	800-020 Residential													
	May-2023							YTD as of May-2023						
	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	498,339	633,175	(134,836)	-21.3	1,006,871	(508,532)	-50.5	8,846,530	8,756,225	90,305	1.0	16,476,786	(7,630,255)	-46.3
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Revenue</b>	<b>498,339</b>	<b>633,175</b>	<b>(134,836)</b>	<b>-21.3</b>	<b>1,006,871</b>	<b>(508,532)</b>	<b>-50.5</b>	<b>8,846,530</b>	<b>8,756,225</b>	<b>90,305</b>	<b>1.0</b>	<b>16,476,786</b>	<b>(7,630,255)</b>	<b>-46.3</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	161,015	192,349	(31,334)	-16.3	141,020	19,995	14.2	1,654,459	1,970,787	(316,328)	-16.1	1,685,663	(31,204)	-1.9
Shared Expenses	19,054	16,834	2,220	13.2	14,575	4,479	30.7	242,458	259,726	(17,268)	-6.6	241,074	1,384	0.6
Marketing Expense	405	933	(528)	-56.6	(141)	546	-386.3	32,743	49,352	(16,609)	-33.7	23,030	9,713	42.2
Professional Services	234,541	284,392	(49,851)	-17.5	370,341	(135,800)	-36.7	3,458,779	3,822,586	(363,808)	-9.5	6,370,784	(2,912,005)	-45.7
Claim and Loss Expenses	23,568	10,000	13,568	135.7	2,600	20,968	806.5	76,928	110,000	(33,072)	-30.1	29,333	47,595	162.3
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	660	350	310	88.6	510	150	29.4	5,402	3,850	1,552	40.3	7,075	(1,673)	-23.6
Overhead Allocation	15,992	9,600	6,392	66.6	9,492	6,500	68.5	138,626	141,546	(2,921)	-2.1	130,509	8,117	6.2
<b>Total Operating Expense</b>	<b>455,235</b>	<b>514,458</b>	<b>(59,223)</b>	<b>-11.5</b>	<b>538,397</b>	<b>(83,162)</b>	<b>-15.4</b>	<b>5,609,394</b>	<b>6,357,848</b>	<b>(748,453)</b>	<b>-11.8</b>	<b>8,487,468</b>	<b>(2,878,074)</b>	<b>-33.9</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>43,104</b>	<b>118,717</b>	<b>(75,613)</b>	<b>-63.7</b>	<b>468,474</b>	<b>(425,370)</b>	<b>-90.8</b>	<b>3,237,136</b>	<b>2,398,377</b>	<b>838,758</b>	<b>35.0</b>	<b>7,989,317</b>	<b>(4,752,181)</b>	<b>-59.5</b>
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	3,500,000	750,000	2,750,000	366.7	3,500,000	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>3,500,000</b>	<b>750,000</b>	<b>2,750,000</b>	<b>366.7</b>	<b>3,500,000</b>	<b>-</b>	<b>0.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>43,104</b>	<b>118,717</b>	<b>(75,613)</b>	<b>-63.7</b>	<b>468,474</b>	<b>(425,370)</b>	<b>-90.8</b>	<b>(262,864)</b>	<b>1,648,377</b>	<b>(1,911,242)</b>	<b>-115.9</b>	<b>4,489,317</b>	<b>(4,752,181)</b>	<b>-105.9</b>
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>43,104</b>	<b>118,717</b>	<b>(75,613)</b>	<b>-63.7</b>	<b>468,474</b>	<b>(425,370)</b>	<b>-90.8</b>	<b>(262,864)</b>	<b>1,648,377</b>	<b>(1,911,242)</b>	<b>-115.9</b>	<b>4,489,317</b>	<b>(4,752,181)</b>	<b>-105.9</b>
IFA Home Dept Staff Count	17	17	-	0.0	15	2	13.3	17	17	(0)	-1.6	16	1	7.5
FTE Staff Count	17	19	(2)	-8.6	17	0	1.1	17	19	(2)	-8.7	17	(0)	-1.7

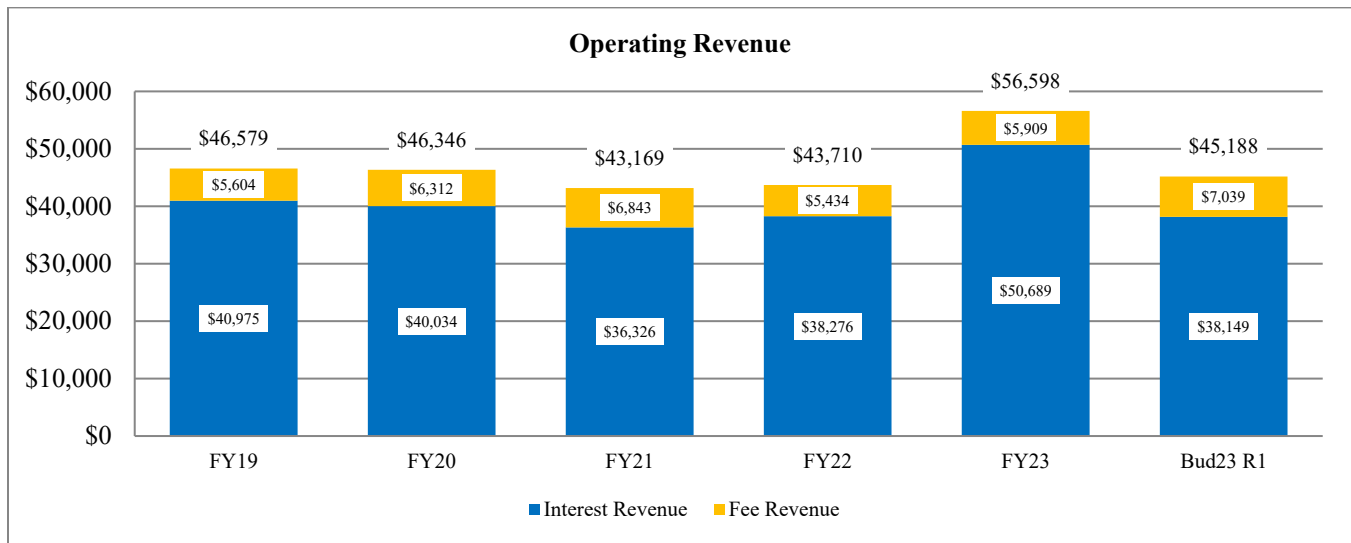


Income Statement	800-030 Commercial													
	May-2023							YTD as of May-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	60,977	60,789	188	0.3	84,714	(23,737)	-28.0	900,677	668,679	231,998	34.7	844,722	55,955	6.6
Other Revenue	2,100	8,000	(5,900)	-73.7	15,955	(13,855)	-86.8	68,777	88,000	(19,223)	-21.8	100,718	(31,942)	-31.7
<b>Total Operating Revenue</b>	<b>63,077</b>	<b>68,789</b>	<b>(5,712)</b>	<b>-8.3</b>	<b>100,669</b>	<b>(37,592)</b>	<b>-37.3</b>	<b>969,454</b>	<b>756,679</b>	<b>212,775</b>	<b>28.1</b>	<b>945,441</b>	<b>24,013</b>	<b>2.5</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	44,641	38,741	5,900	15.2	36,622	8,019	21.9	414,935	414,174	760	0.2	388,039	26,895	6.9
Shared Expenses	3,014	599	2,415	403.1	394	2,620	665.8	17,723	11,607	6,117	52.7	7,817	9,906	126.7
Marketing Expense	-	100	(100)	-100.0	-	-	0.0	6,750	10,095	(3,345)	-33.1	4,500	2,250	50.0
Professional Services	-	350	(350)	-100.0	261	(261)	-100.0	2,087	3,850	(1,763)	-45.8	3,428	(1,341)	-39.1
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	2,710	7,250	(4,540)	-62.6	875	1,835	209.8	68,317	79,750	(11,433)	-14.3	91,360	(23,043)	-25.2
Overhead Allocation	3,250	1,905	1,345	70.6	1,888	1,361	72.1	28,170	28,774	(604)	-2.1	25,965	2,205	8.5
<b>Total Operating Expense</b>	<b>53,615</b>	<b>48,945</b>	<b>4,670</b>	<b>9.5</b>	<b>40,040</b>	<b>13,575</b>	<b>33.9</b>	<b>537,982</b>	<b>548,250</b>	<b>(10,268)</b>	<b>-1.9</b>	<b>521,109</b>	<b>16,872</b>	<b>3.2</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>9,462</b>	<b>19,844</b>	<b>(10,382)</b>	<b>-52.3</b>	<b>60,629</b>	<b>(51,167)</b>	<b>-84.4</b>	<b>431,472</b>	<b>208,429</b>	<b>223,043</b>	<b>107.0</b>	<b>424,331</b>	<b>7,141</b>	<b>1.7</b>
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
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>9,462</b>	<b>19,844</b>	<b>(10,382)</b>	<b>-52.3</b>	<b>60,629</b>	<b>(51,167)</b>	<b>-84.4</b>	<b>431,472</b>	<b>208,429</b>	<b>223,043</b>	<b>107.0</b>	<b>424,331</b>	<b>7,141</b>	<b>1.7</b>
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>9,462</b>	<b>19,844</b>	<b>(10,382)</b>	<b>-52.3</b>	<b>60,629</b>	<b>(51,167)</b>	<b>-84.4</b>	<b>431,472</b>	<b>208,429</b>	<b>223,043</b>	<b>107.0</b>	<b>424,331</b>	<b>7,141</b>	<b>1.7</b>
IFA Home Dept Staff Count	4	4	-	0.0	4	-	0.0	4	4	(0.2)	-4.5	4	(0.2)	-4.5
FTE Staff Count	5	4	1	30.8	4	1	24.7	4	4	0	7.9	4	0	7.9

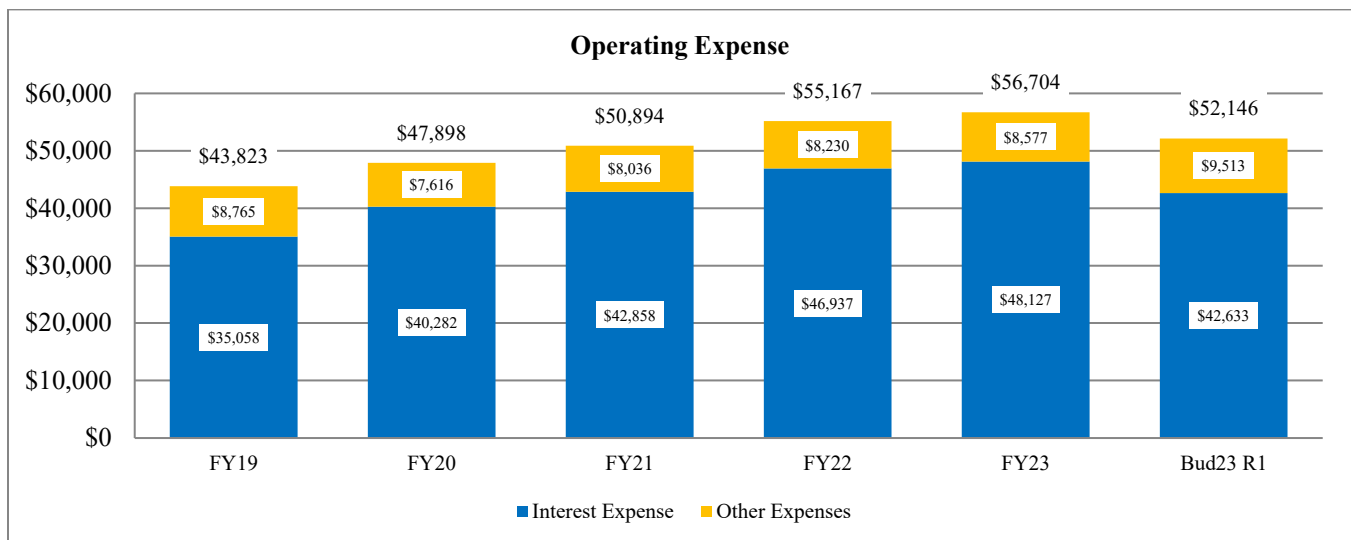
To: IFA Board Members  
 From: Deena Klesel  
 Date: June 15, 2023  
 Re: May 2023 YTD Financial Results

## State Revolving Fund Results (\$ in thousands)

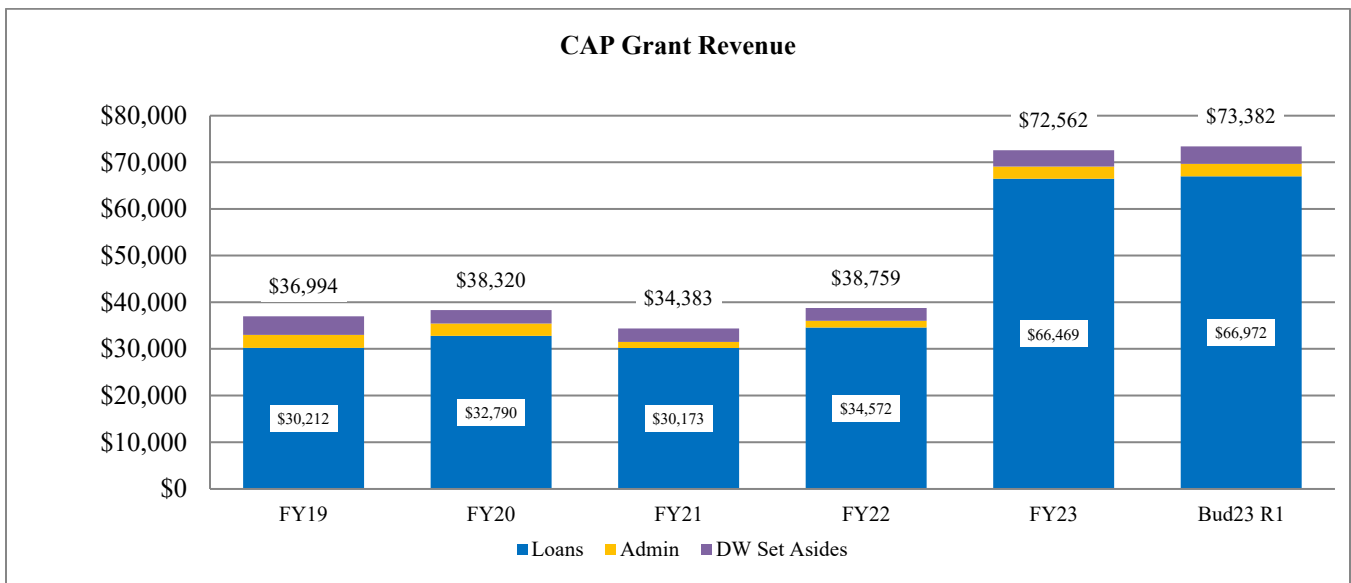
Through May of the fourth quarter of FY23, the State Revolving Fund is operating favorably to budget.



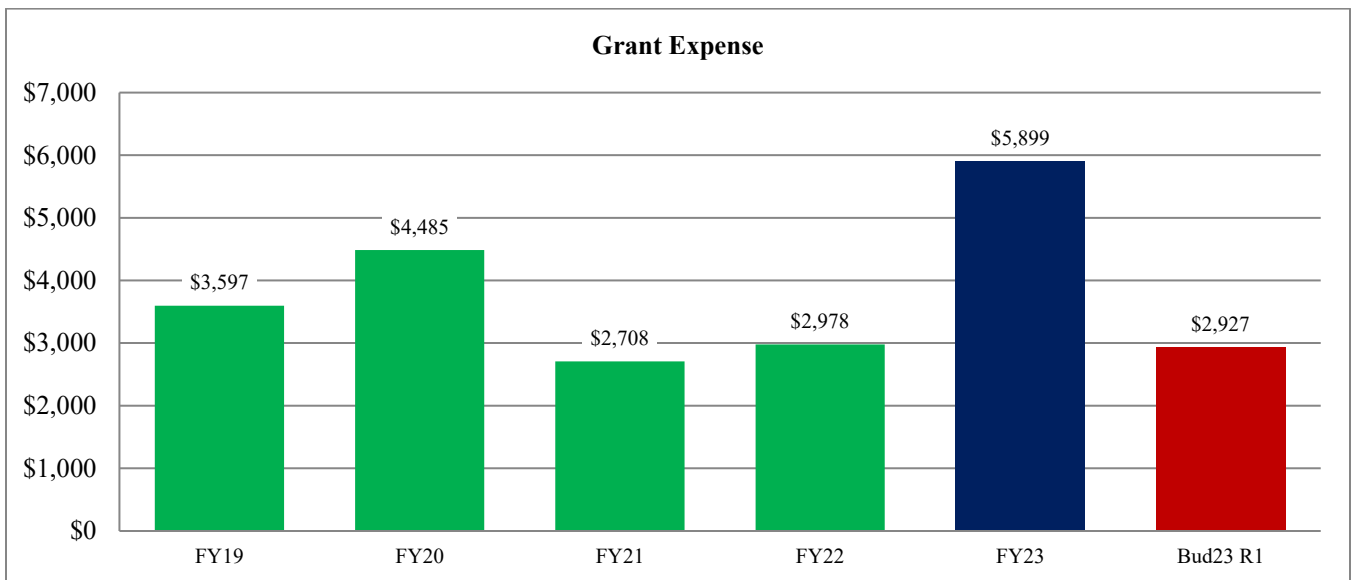
Operating Revenue was \$11,410 or 25.2% above budget and \$12,888 or 29.5% above last year. The SRF program is no longer charging initiation fees on disadvantaged communities receiving loan forgiveness. This change contributed to Fee Revenue coming in 16.1% below budget. Interest revenue from investments was 32.9% ahead of budget which offset the reduction in fee revenue.



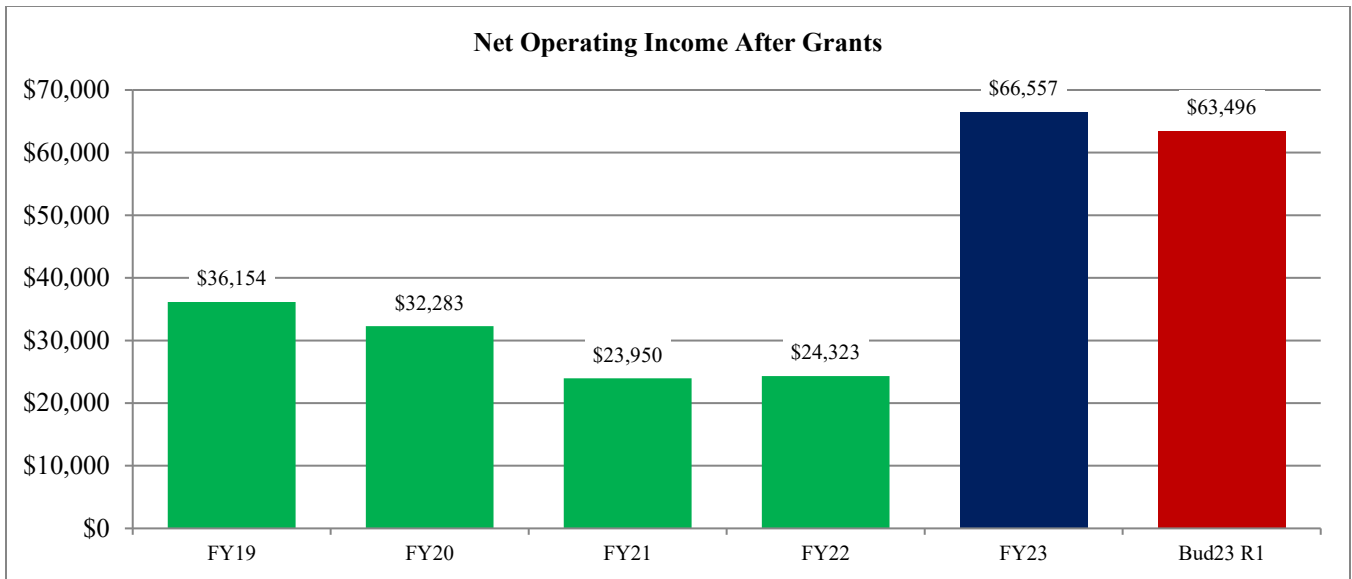
Operating Expense was \$4,558 or 8.7% unfavorable to budget and \$1,537 or 2.8% unfavorable to last year. Interest expense, at 12.9% above budget, is the primary driver of the variance.



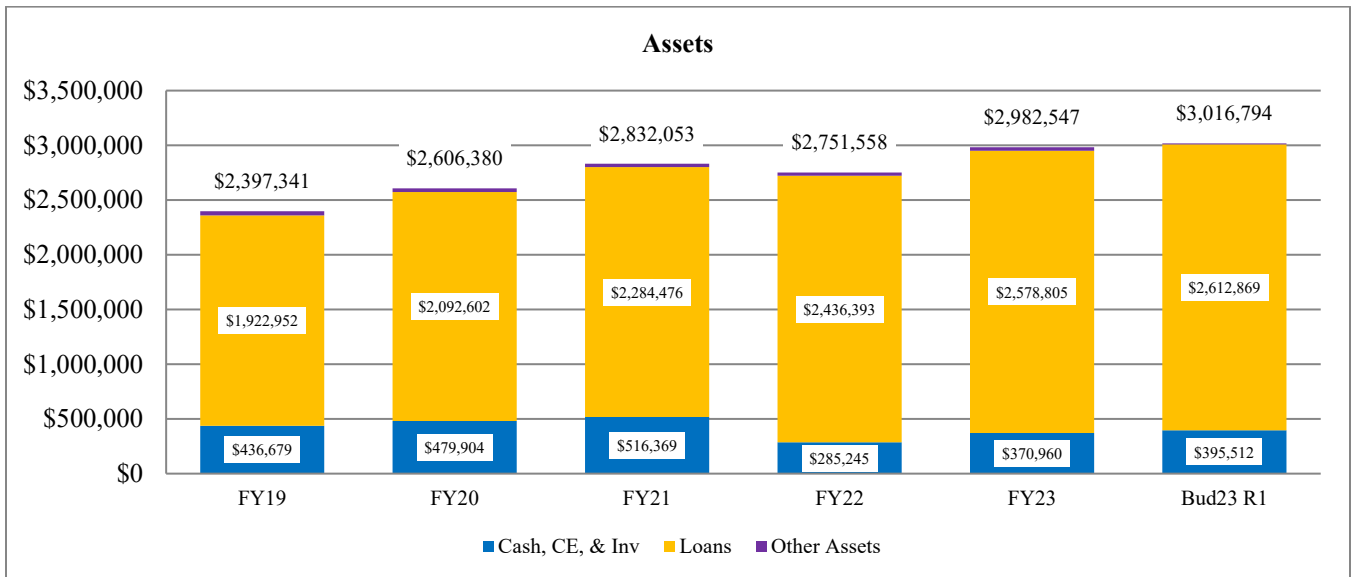
CAP Grant Revenue was \$820 or 1.1% unfavorable to budget and \$33,803 or 87.2% above last year. This favorability to prior year was due to the funding made available in the Bipartisan Infrastructure Law. The 2022 CWSRF Base, CWSRF General Supplemental, and DWSRF Base funds available for loans have been fully disbursed. The 2022 DWSRF General Supplemental funds are currently being drawn and disbursed.



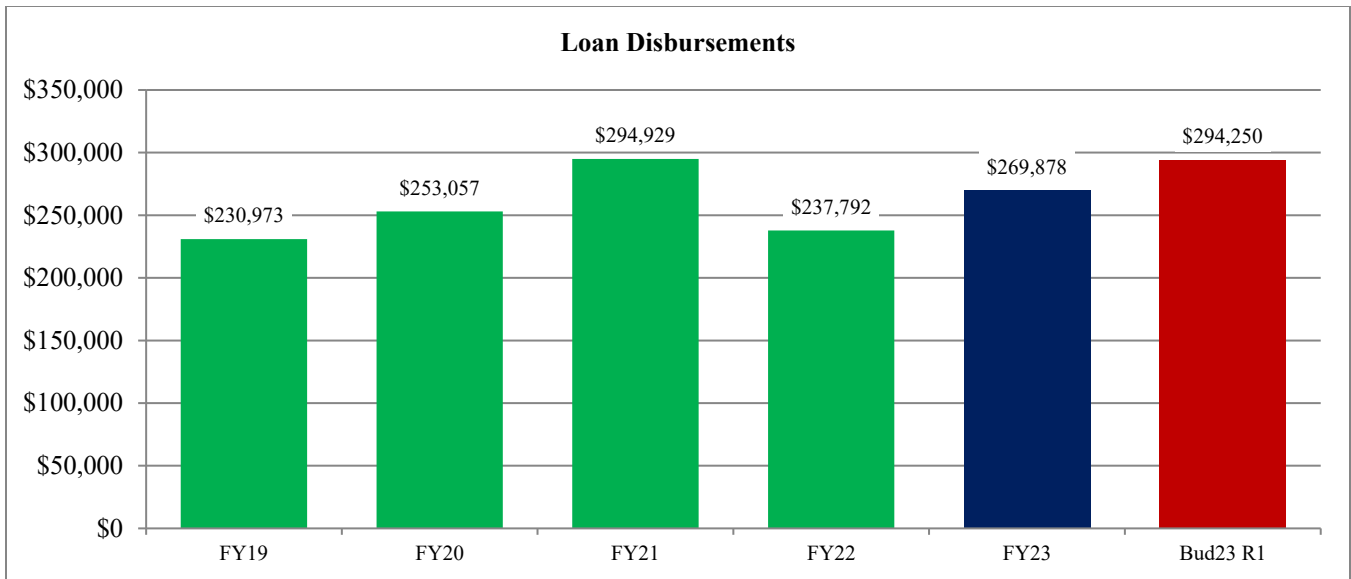
Grant Expense was \$2,972 or 101.5% unfavorable to budget and \$2,921 or 98.1% above last year. Grant Expense relates to the forgivable portion of specific SRF loans which is applied upon project completion. 15 BIL funded projects have accepted offers of principal forgiveness, totaling more than \$10.7M, which significantly increased the associated reserve and impacted grant expense. Project pacing, and associated principal forgiveness, has been challenging to forecast in this first year of BIL funding.



NOIAG was \$3,061 or 4.8% favorable to budget and \$42,234 or 173.6% favorable to last year.



Assets were \$34,247 or 1.1% below budget and \$230,989 or 8.4% above last year.



In May, \$16,408 was disbursed which, YTD, was \$24,372 or 8.3% unfavorable to budget but \$32,086 or 13.5% above last year. Total loan commitments were \$413,035 which is a 9.7% increase from April 2023.

<b>Equity/Program/Admin Fund Balances</b>					
<u>Program</u>	<u>Uses</u>	<u>Account</u>	<u>Balance at 4/30/2023</u>	<u>Net Cash Inflows (Outflows)</u>	<u>Balance at 5/31/2023</u>
<b>Equity Fund</b>	Construction Loans				
Clean Water		1206-9250/1	101,753	(12,633)	89,120
Drinking Water		1206-9253/4	148,174	(63)	148,111
Leveraged		8264-4014/8241-0107	0	0	0
			<u>249,927</u>	<u>(12,696)</u>	<u>237,231</u>
<b>Program Fund</b>	P&D, CW GNPS, DW SWP				
Clean Water		2254-6000	52,861	(1,138)	51,723
Drinking Water		2254-6001	16,008	(88)	15,920
			<u>68,869</u>	<u>(1,226)</u>	<u>67,643</u>
<b>Administration Fund</b>	Administrative Expenses				
Clean Water		2254-6002	16,140	(314)	15,826
Drinking Water		2254-6003	21,114	(602)	20,512
			<u>37,254</u>	<u>(916)</u>	<u>36,338</u>

**Federal Capitalization Grants**

As of 5/31/23

<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	-	38,932	-
2022	39,673	-	39,605	9,149	79,278	9,149
Total	698,167	-	418,449	9,149	1,116,616	9,149
Total federal capitalization grants received to date:					\$ 1,107,467	
<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	-	
2020	-	-	-	Drinking Water	2,823	
2021	-	-	-			
2022	-	6,326	6,326			
	-	6,326	6,326		2,823	

<b>SRF Loan Portfolio</b>	<b>6/30/2020</b>	<b>6/30/2021</b>	<b>6/30/2022</b>	<b>5/31/2023</b>	<b>YTD Increase</b>
Clean Water	1,527,898	1,684,234	1,815,279	2,015,725	11.0%
Drinking Water	497,130	526,655	528,104	573,524	8.6%
Total SRF Loan Portfolio	2,025,028	2,210,889	2,343,383	2,589,249	10.5%

Balance Sheet	State Revolving Fund (Rollup)						
	May-2023						
	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	312,370,855	355,753,057	(43,382,202)	-12.2	217,082,348	95,288,507	43.9
Investments	58,589,438	39,759,042	18,830,395	47.4	68,163,102	(9,573,665)	-14.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	2,578,804,532	2,612,868,677	(34,064,145)	-1.3	2,436,393,087	142,411,445	5.8
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	26,872,254	4,550,948	22,321,306	490.5	24,095,136	2,777,118	11.5
Deferred Outflows	5,910,061	3,862,242	2,047,819	53.0	5,824,638	85,423	1.5
<b>Total Assets and Deferred Outflows</b>	<b>2,982,547,141</b>	<b>3,016,793,967</b>	<b>(34,246,826)</b>	<b>-1.1</b>	<b>2,751,558,312</b>	<b>230,988,829</b>	<b>8.4</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
Debt	1,845,889,226	1,818,166,969	27,722,257	1.5	1,940,083,903	(94,194,677)	-4.9
Interest Payable	26,073,228	84,876,568	(58,803,340)	-69.3	23,714,261	2,358,967	9.9
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	535,114	1,289,011	(753,897)	-58.5	233,728	301,386	128.9
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
<b>Total Liabilities and Deferred Inflows</b>	<b>1,872,890,191</b>	<b>1,905,007,597</b>	<b>(32,117,406)</b>	<b>-1.7</b>	<b>1,964,546,652</b>	<b>(91,656,461)</b>	<b>-4.7</b>
<b>Equity</b>							
YTD Earnings(Loss)	66,362,765	63,496,377	2,866,387	4.5	23,079,351	43,283,414	187.5
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	(1,404,899)	-	(1,404,899)	0.0	(255,663,099)	254,258,200	-99.5
<b>Total Equity</b>	<b>1,109,656,949</b>	<b>1,111,786,370</b>	<b>(2,129,420)</b>	<b>-0.2</b>	<b>787,011,660</b>	<b>322,645,289</b>	<b>41.0</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>2,982,547,141</b>	<b>3,016,793,967</b>	<b>(34,246,826)</b>	<b>-1.1</b>	<b>2,751,558,312</b>	<b>230,988,829</b>	<b>8.4</b>

Income Statement	State Revolving Fund (Rollup)													
	May-2023							YTD as of May-2023						
	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	4,519,754	3,643,546	876,208	24.0	3,826,203	693,551	18.1	50,688,946	38,149,136	12,539,810	32.9	38,275,776	12,413,170	32.4
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	629,215	665,154	(35,939)	-5.4	500,590	128,625	25.7	5,909,362	7,038,653	(1,129,291)	-16.0	5,434,103	475,259	8.7
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	2	(2)	-100.0
<b>Total Operating Revenue</b>	<b>5,148,969</b>	<b>4,308,700</b>	<b>840,268</b>	<b>19.5</b>	<b>4,326,793</b>	<b>822,176</b>	<b>19.0</b>	<b>56,598,308</b>	<b>45,187,789</b>	<b>11,410,519</b>	<b>25.3</b>	<b>43,709,881</b>	<b>12,888,427</b>	<b>29.5</b>
Operating Expense														
Interest Expense	4,353,330	3,861,152	492,179	12.7	5,881,316	(1,527,985)	-26.0	48,126,869	42,633,310	5,493,559	12.9	46,937,199	1,189,670	2.5
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	83,589	71,043	12,546	17.7	61,011	22,578	37.0	758,995	735,995	22,999	3.1	667,254	91,740	13.7
Shared Expenses	99	917	(817)	-89.2	71	29	40.3	8,260	10,083	(1,823)	-18.1	10,473	(2,212)	-21.1
Marketing Expense	408	3,333	(2,925)	-87.8	-	408	0.0	10,138	36,667	(26,529)	-72.4	11,118	(980)	-8.8
Professional Services	96,069	48,649	47,420	97.5	55,307	40,761	73.7	631,248	538,305	92,942	17.3	553,602	77,646	14.0
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	(1,263,168)	-	(1,263,168)	0.0	-	(1,263,168)	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	1,857,037	730,833	1,126,203	154.1	954,557	902,480	94.5	8,232,543	8,039,167	193,377	2.4	6,861,483	1,371,060	20.0
Overhead Allocation	16,244	13,403	2,842	21.2	10,700	5,545	51.8	199,373	152,770	46,603	30.5	126,179	73,195	58.0
<b>Total Operating Expense</b>	<b>6,406,777</b>	<b>4,729,330</b>	<b>1,677,447</b>	<b>35.5</b>	<b>6,962,962</b>	<b>(556,185)</b>	<b>-8.0</b>	<b>56,704,257</b>	<b>52,146,297</b>	<b>4,557,960</b>	<b>8.7</b>	<b>55,167,308</b>	<b>1,536,950</b>	<b>2.8</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(1,257,808)</b>	<b>(420,630)</b>	<b>(837,178)</b>	<b>199.0</b>	<b>(2,636,169)</b>	<b>1,378,361</b>	<b>-52.3</b>	<b>(105,949)</b>	<b>(6,958,509)</b>	<b>6,852,559</b>	<b>-98.5</b>	<b>(11,457,427)</b>	<b>11,351,478</b>	<b>-99.1</b>
Net Grant (Income) Expense														
Grant Revenue	(3,029,314)	(2,585,667)	(443,647)	17.2	(507,251)	(2,522,062)	497.2	(72,562,249)	(73,381,777)	819,528	-1.1	(38,758,693)	(33,803,556)	87.2
Grant Expense	737,871	266,081	471,790	177.3	547,963	189,907	34.7	5,899,201	2,926,891	2,972,310	101.6	2,978,478	2,920,723	98.1
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>(2,291,443)</b>	<b>(2,319,586)</b>	<b>28,143</b>	<b>-1.2</b>	<b>40,712</b>	<b>(2,332,155)</b>	<b>-5728.4</b>	<b>(66,663,048)</b>	<b>(70,454,886)</b>	<b>3,791,838</b>	<b>-5.4</b>	<b>(35,780,215)</b>	<b>(30,882,833)</b>	<b>86.3</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>1,033,635</b>	<b>1,898,956</b>	<b>(865,321)</b>	<b>-45.6</b>	<b>(2,676,881)</b>	<b>3,710,516</b>	<b>-138.6</b>	<b>66,557,098</b>	<b>63,496,377</b>	<b>3,060,721</b>	<b>4.8</b>	<b>24,322,788</b>	<b>42,234,311</b>	<b>173.6</b>
Other Non-Operating (Income) Expense	212,115	-	212,115	0.0	(120,840)	332,956	-275.5	194,334	-	194,334	0.0	1,243,437	(1,049,103)	-84.4
<b>Net Income (Loss)</b>	<b>821,519</b>	<b>1,898,956</b>	<b>(1,077,437)</b>	<b>-56.7</b>	<b>(2,556,041)</b>	<b>3,377,560</b>	<b>-132.1</b>	<b>66,362,765</b>	<b>63,496,377</b>	<b>2,866,387</b>	<b>4.5</b>	<b>23,079,351</b>	<b>43,283,414</b>	<b>187.5</b>
IFA Home Dept Staff Count	5	6	(1)	-16.7	5	-	0.0	5	6	(1)	-16.7	5	0	5.8
FTE Staff Count	7	6	1	8.2	6	1	18.2	6	6	(0)	-4.4	5	1	10.9



Iowa Finance Authority  
Loan Servicing – Reserve for Impaired Loans

To comply with:

**ASC 450-20** (Formerly FAS 5) – Accounting for Contingencies

**ASC 310-10** (Formerly FAS 114) – Accounting by Creditors for Impairment of a Loan (Amends FAS 5 & FAS 15)

**FAS 118** – Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures (Amends FAS 114).

**Scope:** This policy applies to all loans under any IFA loan program including, but not limited to:

1. Housing Loans
2. State Revolving Fund (SRF) Loans
3. Single Family Second Mortgage Loans

Mortgage-backed securities (MBS) are excluded because they are considered investments and reported at their fair market value.

**General Reserve Policy:** The loan reserve should reflect estimated credit losses for specifically identified loans, as well as estimated probable credit losses inherent in the loan portfolio at the balance sheet date. Loan reserve calculations shall be prepared at least quarterly. IFA will evaluate risk on an individual loan basis by examining underwriting quality, insurance requirements, security & collateral, existing loan-to-value (LTV) ratios and payment history. A loss reserve shall be created for both loan principal receivable and accrued loan interest receivable. **Performing loans** are defined as loans which are current and demonstrate strong repayment ability. **Non-performing loans** are defined as loans that frequently miss payment dates, are delinquent 90 days or longer, or are in foreclosure. IFA management has the discretion to amend the reserve for loss percentages stated in this policy to reflect the **net realizable value** of the individual asset.

1. **Secured Loans Reserve:** First mortgage loans or securitized loans (SRF Loans) shall be classified into three loan-to-value (LTV) categories for loan loss reserve purposes.
  - A. Loan-to-Value (LTV) < 90%, or insured
    - 1) Performing loans– 0% loan loss reserve, 0% accrued interest reserve
    - 2) Non-performing loans- 0% loan loss reserve, 0% accrued interest reserve
  - B. 90% < Loan-to-Value (LTV) < 100%
    - 1) Performing loans- 0% loan loss reserve, 0% accrued interest reserve
    - 2) Non-performing loans – 10% loan loss reserve, 100% accrued interest reserve
  - C. Loan-to-Value (LTV) > 100%
    - 1) Performing loans- 0% loan loss reserve, 0% accrued interest reserve
    - 2) Non-performing loans – IFA shall typically estimate the loan loss reserve at 25%, or if known, to the asset’s net realizable value. The accrued interest reserve shall be set at 100%.
2. **Subordinate Loans Reserve:** Subordinate loans generally will be classified into the two basic categories – performing and non-performing.
  - A. Performing loans – 5.0% loan loss reserve, 0% accrued interest reserve
  - B. Non-performing loans – IFA typically will estimate the loan loss reserve at 50% for all subordinate loans, or if known, to the asset’s net realizable value. The accrued interest reserve will be set at 100%. Furthermore, if the loan becomes one year delinquent, the loan loss reserve shall be increased to 100%.
3. **Unsecured Loans Reserve:** Unsecured loans generally will be classified into the three basic categories – performing, non-performing, and Single Family Second Mortgage loans.
  - A. Performing loans – 5.0% loan loss reserve, 0% accrued interest reserve
  - B. Non-performing loans – IFA shall increase the loan loss reserve to 100% for all subordinate loans that become delinquent. The accrued interest reserve shall be set at 100%.
  - C. Single Family Second Mortgage loans – 1.0% loan loss reserve, 0% accrued interest reserve
4. **Non-Conventional Loan Reserve:** Loans that have non-conventional terms where a payment schedule cannot reasonably be determined should be reserved as follows:
  - A. **Balloon Final Payment With or Without Periodic Payments Loans.** Reserve is 50% of the total outstanding principal loan balance.

Iowa Finance Authority  
Loan Servicing – Reserve for Impaired Loans

- B. **Cash Flow Loans**, where payment is not required unless the borrower’s cash flow allows, shall be reserved at 25% of the loan value plus 25% of the accrued interest for each year that no payment is received.
- C. **Community Housing Development Organization (CHDO) Loans**, where scheduled periodic loan payments are deferred according to the CHDO guidelines. Reserve is 100% of the total outstanding principal loan balance.
- D. **Forgivable Loans**, where some or all of the future payments may be forgiven for certain (expected) performance. Reserve is 100% of entire forgivable portion of the loan.

**5. Home Loan Reserves:** Loans associated with the federally funded HOME program are non-conventional financing and have a higher degree of risk than conventional financing.

- 1. Risk Category 1 5% Fully Amortizing Loans – These loans are fully amortizing with at least annual payments over the life of the loan.
- 2. Risk Category 2 50% Partially Amortizing Loans with balloon – These loans are partially amortizing with a principal and interest payment due at least annually and a final balloon payment due at maturity.
- 3. Risk Category 3 55% Interest Only Loans – These loans have the same risk characteristics as RC2 loans however they are not reducing the original principal balance over the life of the loan resulting in a larger balloon payment than RC2 loans at maturity.
- 4. Risk Category 4 60% Less Than Interest Due Loans – These loans have the same characteristics as RC2 & RC3 loans however are paying less than interest due on the loans resulting in a larger balloon payment than RC3 loans at maturity.
- 5. Risk Category 5 70% Cash Flow Loans – These loans have no payments due unless an annual calculation of excess cash results in a payment due.
- 6. Risk Category 6 75% No Payment Balloon Loans – These loans have no payments due until maturity.
- 7. Risk Category 7 100% CHDO Loans – These loans are made to Community Housing Development Organizations (CHDO). Per HOME program rules, CHDO’s may establish a reuse plan for loan payments due and request deferral of those payments.
- 8. Risk Category 8 100% Forgivable Loans – These loans have no payments due and are forgivable upon successful completion of the affordability period.
- 9. Risk Category 9 100% Deferred Loans – These loans have been approved for one or more years of deferred loan payments and are at higher risk for continued deferral of payment over the remaining life of the loan.

**Authorization to Write-off loans:** The Board of Directors, via formal resolution, will approve all loans written off the books of record of the Iowa Finance Authority, with the exception of Single Family Second Mortgage loans, as the Idaho Housing and Finance Association is the master servicer of these loans. Idaho Housing provides information monthly to IFA’s Accounting and Finance team with loan foreclosure details.

**Accounting for Loan Loss Reserves (Housing Loans)** (for Monthly accounting only)

- 1. Recording Loan Loss Reserve (reversing entry)
  - a. Debit/credit – Provision for loss expense (7130-000)
  - b. Credit/debit – Loan loss Reserve asset (1207-029)
- 2. Recording Accrued Interest Reserve (reversing entry)
  - a. Debit – Interest income loans (5100-010)
  - b. Credit – Accrued interest Reserve asset (1080-999)
- 3. Recording loan write off (general entry)
  - a. Debit – Bad debt expense (7130-001)
  - b. Credit – Loan receivable asset (1200-000)

**Accounting for Loan Loss Reserves (SRF Loans)** (for Monthly accounting only)

- 1. Recording Loan Loss Reserve (reversing entry) or (recurring entry)
  - a. Debit – Provision for loss expense (7130-000)
  - b. Credit – SRF Loan loss Reserve asset (1204-029)
- 2. Recording Accrued Interest Reserve (reversing entry)
  - a. Debit – Interest income loans (5100-010)
  - b. Credit – Accrued interest Reserve asset (1080-999)
- 3. Recording loan write off (general entry)

Iowa Finance Authority  
Loan Servicing – Reserve for Impaired Loans

- a. Debit - Bad debt expense (7130-001)
- b. Credit – Provision for loss expense (7130-000)
- c. Debit – SRF Loan Reserve asset ( 1204-029 )
- d. Credit – SRF Loans account ( 1204-000 )

**Accounting for Loan Forgiveness (SRF Loans)** (for Monthly accounting only)

- 1. Recording the loan Disbursement of forgivable loans
  - a. Debit – SRF Loans (1204-000)
  - b. Credit – Cash (1051-050)
  - c. Debit – Grant Expense ( 7200-000 )
  - d. Credit – SRF Loan Reserve account ( 1204-029 )
- 2. Recording loan forgiveness after completed performance
  - a. Debit – SRF Loan Reserve asset ( 1204-029 )
  - b. Credit – SRF Loans account ( 1204-000 )

**Accounting for Loan Loss Reserves (Single Family Second Mortgage Loans)** (for Monthly accounting only)

- 1. Recording Loan Loss Reserve (reversing entry)
  - a. Debit/credit – Provision for loss expense (7130-000)
  - b. Credit/debit – Loan loss Reserve asset (1207-029)
- 2. Recording loan write off (general entry)
  - a. Debit – Bad debt expense (7130-002)
  - b. Credit – Loan receivable asset (1200-010)

To: IFA Board of Directors

From: Cindy Harris, Chief Financial Officer

Date: July 5, 2023

Re: Single Family Mortgage Bonds (“1991 Indenture”), 2023 Series EF (“2023 Bonds”)

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This resolution authorizes the issuance of bonds in an amount not to exceed \$175 million. However, the expected par size of the bond issue is currently anticipated to be about \$95 million. The proceeds will be used to finance new Fannie Mae, Freddie Mac and GNMA mortgage-backed securities (“MBS”) from the FirstHome and Homes for Iowans loan program as well as down payment assistance. The 2023 Bonds will be issued within the 1991 Indenture.

### **Proposed Transaction and Timing**

The Authority expects to begin reserving FirstHome loans the first week of July and these loans are projected to be securitized and delivered into the Single Family 2023 Bonds. We estimate FirstHome net reservations of \$7 million per week and anticipate approximately \$45 million of FirstHome reservations by the late August pricing date. The current anticipated structure of the 2023 Bonds is expected to be as follows:

An estimated \$95 million is anticipated to be a combination of both tax-exempt and taxable bonds to fund new MBS. We expect to issue all fixed rate bonds.

- Tax-exempt bonds are used to fund new FirstHome MBS and down payment assistance.
- Taxable bonds are used to fund Homes for Iowans MBS and down payment assistance.
- Anticipated pricing of the bonds (per current financing schedule) – Week of August 21st
- Anticipated closing of the bonds (per current financing schedule) – Week of September 18th

## RESOLUTION FIN 23-13

Resolution Adopting and Approving Series Resolution Relating to Single Family Mortgage Bonds (Mortgage-Backed Securities Program) in one or more series and Authorizing the Issuance, Sale and Delivery of the Authority's Single Family Mortgage Bonds Pursuant to Such Series Resolution; and Delegating Certain Responsibilities to Authorized Officers for Finalizing Certain Matters, Forms and Contents of Certain Documents

BE IT RESOLVED BY THE IOWA FINANCE AUTHORITY (the "Authority"), as follows:

Section 1. Approval of Series Resolution. The Authority did on July 10, 1991, adopt its Single Family Mortgage Bond Resolution and has adopted certain amendments and supplements thereto (as amended and supplemented, the "General Resolution"), which General Resolution provides for the issuance from time to time of series of bonds upon adoption of Series Resolutions. To provide additional funding for the Program (as defined in the General Resolution), and subject to the parameters set forth in Section 2 of this Resolution, the Authority determines to proceed with the issuance of additional series of its Single Family Mortgage Bonds (Mortgage-Backed Securities Program), in one or more series, a portion of which may be issued as bonds bearing interest at a fixed rate (the "Fixed Rate Bonds") and a portion of which may be issued as bonds bearing interest at a variable rate (the "Variable Rate Bonds" and, together with the Fixed Rate Bonds, the "Bonds"). The Bonds shall be issued pursuant to one or more Series Resolutions (the "Series Resolution") substantially in the form now before this meeting, which is hereby adopted and approved. Authority is hereby delegated to the Executive Director, Chief Financial Officer or Chief Bond Programs Director (each an "Authorized Officer"), and each of them without the other is hereby authorized to execute and to approve such changes, modifications, amendments, revisions and alterations in and to said Series Resolution as such Authorized Officer shall in the exercise of her or his own independent judgment and discretion and upon the advice of counsel determine to be necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery by the Authority of the Bonds as provided and described in this Resolution and said Series Resolution as finally approved and executed by the Authorized Officer (including, without limitation, the authority, subject to the general parameters contained in Section 2 hereof, to designate the series of the Bonds to be issued, to determine the aggregate principal amount of Bonds, and the principal amount of any series of Bonds and to determine which series, if any, shall be composed of Bonds the interest on which shall be includable in gross income for federal income tax purposes). For purposes of this Resolution, Bonds issued with interest not includable in gross income for federal income tax purposes are hereinafter referred to as the "Tax-Exempt Bonds" and Bonds issued with interest includable in gross income for federal income tax purposes are hereinafter referred to as the "Taxable Bonds."

Section 2. Authority for Contracts of Purchase, Continuing Covenant Agreement and Standby Bond Purchase Agreement; Terms of Bonds. Any Authorized Officer, with assistance of counsel, is hereby authorized to negotiate the terms of (a) one or more contracts of purchase

(singularly, the “Contract of Purchase” and, collectively, the “Contracts of Purchase”) with respect to the Bonds with RBC Capital Markets, LLC, as representative of the underwriters purchasing the Bonds, or with another firm or firms as may be determined by either the Executive Director or Chief Financial Officer (such firm or firms, the “Underwriters”), and to execute on behalf of the Authority any Contract of Purchase so negotiated; provided that the Contracts of Purchase shall be substantially in the form previously utilized with the Underwriters, in connection with bonds previously issued pursuant to the General Resolution, and/or (b) a continuing covenant agreement or similar agreement (a “Continuing Covenant Agreement”) with a financial institution for the purchase of a portion of the Bonds in such form as approved by the Executive Director or Chief Financial Officer in consultation with counsel; provided that in either case the aggregate principal amount of the Bonds sold pursuant to such Contracts of Purchase or Continuing Covenant Agreement shall not exceed \$175,000,000, the final maturity date of the Bonds shall not be later than July 1, 2062, and the underwriting discount or origination or other fee shall not exceed 2% of the principal amount of the Bonds. The average coupon rate for the Tax-Exempt Bonds, if issued as Fixed Rate Bonds, shall not exceed 7.00% per annum and the average coupon rate for the Taxable Bonds, if issued as Fixed Rate Bonds, shall not exceed 8.50% per annum. The Variable Rate Bonds may be issued bearing interest at a variable rate in accordance with an index or formula set forth in the Series Resolution and may be subject to conversion to other variable rate modes based on differing formulas or indices, or to conversion to fixed interest rates, as provided in said Series Resolution and, in connection with any Variable Rate Bonds, any Authorized Officer may at any time negotiate and execute a standby bond purchase agreement with a bank or financial institution selected by an Authorized Officer (the “Standby Bond Purchase Agreement”), and may enter into derivative transactions as further authorized by Section 6 of this Resolution.

Section 3. Authority for Preliminary Official Statement and Official Statement. Any Authorized Officer, with assistance of counsel, is authorized to assist in the preparation of a Preliminary Official Statement to be used by the Underwriters in the offering and sale of a portion or all of the Bonds and to approve the use thereof for such purpose. Any Authorized Officer, with assistance of counsel, is further authorized to approve and execute a final Official Statement, substantially in the form of the Preliminary Official Statement, but with such changes, modifications, amendments, revisions and alterations therein, thereof and thereto as the Authorized Officer shall in the exercise of her or his own independent judgment and discretion and upon advice of counsel determine to be necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of a portion or all of the Bonds. Any Authorized Officer is further authorized to execute and deliver such certifications and to take such steps as are necessary to comply with SEC Rule 15c2-12.

Section 4. Authority for Continuing Disclosure Agreement. Any Authorized Officer, with assistance of counsel, is authorized to negotiate the terms of a continuing disclosure agreement and/or a disclosure dissemination agent agreement (the “Continuing Disclosure Agreement”), to be entered into between the Authority and Digital Assurance Certification, L.L.C. (the “Dissemination Agent”), with provisions substantially similar to continuing disclosure agreements entered into by the Authority in connection with bonds previously issued under the General Resolution, wherein the Authority will covenant for the benefit of the beneficial owners of the Bonds to provide annually certain financial information and operating data relating to the Authority and to provide notices of the occurrence of certain enumerated events with respect to

the Bonds and the Authority, and to execute and deliver such Continuing Disclosure Agreement on behalf of the Authority.

Section 5. Holding of Hearing and Report to Governor. Prior to the issuance and delivery of the Bonds, any Authorized Officer is authorized to establish a date for the holding of the public hearing required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and publish the required notice of intention to issue Single Family Mortgage Bonds, in one or more series, in an aggregate principal amount not to exceed \$175,000,000 as required by Section 147(f) of the Code and the Treasury Regulations promulgated thereunder not less than 7 days prior to the date established for the hearing. Subsequent to the hearing, an Authorized Officer is directed to make a report of such hearing to the Governor, and to request the Governor's approval of the issuance of the Tax-Exempt Bonds.

Section 6. General and Specific Authorizations. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby (1) authorizes and directs all of the officers, employees and agents of the Authority to carry out or cause to be carried out, and to perform such obligations of the Authority and such other actions as they, or any one of them, in consultation with counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Resolution, the General Resolution, the Series Resolution, the Contracts of Purchase, the Continuing Covenant Agreement, the Standby Bond Purchase Agreement, the Continuing Disclosure Agreement, the Official Statement, and the issuance, sale and delivery of the Bonds, including without limitation and whenever appropriate, the execution and delivery thereof by any Authorized Officer of all other related documents, instruments, certifications and opinions and amendments to documents as may be deemed necessary by an Authorized Officer, and also including (i) giving any required notices of redemption in connection with the redemption, whether mandatory, special or optional, of bonds to be refunded, in whole or in part, from the proceeds of the Bonds and (ii) entering into any derivative transactions and necessary related documents in connection therewith, and (2) delegates the right, power and authority to any Authorized Officer of the Authority to exercise her or his own independent judgment and discretion upon advice of counsel in determining and finalizing the terms, provisions, form and contents of each of the documents hereinbefore referenced and identified, if applicable. The execution and delivery by any Authorized Officer or by any such other officer, officers, agent or agents of the Authority of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the Authority's and their approval of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the Authority and the authorization, approval and ratification by the Authority of the documents, instruments, certifications and opinions so executed and the action so taken.

Section 7. Prior Resolutions. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 5th day of July, 2023.

\_\_\_\_\_  
Michel Nelson, Chairperson

Attest:

\_\_\_\_\_  
Deborah Durham  
Executive Director/Secretary

(Seal)



To: Iowa Finance Authority Board of Directors

From: David Powell, Underwriter

Date: July 5, 2023

Re: Hiawatha Arro, LLC

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**Background:** This proposed new construction targets Older Persons 55 and was approved for 9% LIHTC during the 2022 round. It will be located at 875 Miller Road in Hiawatha, IA. The one building project will have a total of (40) 2-bedroom units. Of that total there will be (8) 40% AMI units, (28) 60% AMI units, and (4) market rate units. Project amenities will include a video security system, elevator, dedicated storage rooms within each unit that comply with fire safety and uniform fire code, built-in dishwasher, in unit enclosed laundry space, community room, two ceiling fan/light combination in each unit, steel frame doors, 40 surface parking spaces on site, site lighting, high speed internet access per unit, security locked building, patio/balcony, onsite leasing office, window coverings, microwave/refrigerator/range, thru-wall A/C units, passive radon system.

**Recommendation:** Staff recommends providing the project with a 1<sup>st</sup> mortgage permanent loan and a tax abatement loan that will be funded by IFA sources under the Multifamily Loan Program. The loan will not be funded until the project has stabilized with a 92% occupancy and a 1.15 to 1.00 debt service coverage for an average of three months. Replacement and operating reserves will be held at IFA.

<b>Borrower:</b>	Hiawatha Arro, LLC
<b>Co-Developers:</b>	St. Michael Development Group, LLC Belisle Development, LLC Ember Lake, LLC
<b>Management Company:</b>	Sand Property Management
<b>Syndicator:</b>	Wells Fargo Community Lending and Investment
<b>Construction Lender:</b>	Wells Fargo Bank

**1<sup>st</sup> Permanent Loan**

<b>Proposed Loan Amount:</b>	\$1,685,000
<b>Term &amp; Amortization:</b>	15-year term / 35-year amortization
<b>Rate:</b>	Fixed rate set at construction loan closing; currently 5.35% with a two-year lock
<b>Debt Service Coverage Ratio:</b>	1.65:1.0



1<sup>st</sup> Permanent Loan (continued)

Operating Reserve Amount:	\$189,300
Loan to Value:	60%
IFA Fees:	1% of permanent loan

IFA Tax Abatement Loan

Proposed Loan Amount:	\$310,000
Term & Amortization:	10-year term/10-year amortization
Rate:	Fixed rate set at construction loan closing; currently 5.35% with a two-year lock
Debt Service Coverage Ratio:	1.20:1.0 (combined IFA loan coverage)
Loan to Value: (Combined IFA Loan Debt)	71.5%
IFA Fees:	1% of permanent loan

## **RESOLUTION**

### **FIN 23-14**

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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 create, protect and preserve affordable housing for low and moderate income families in the State of Iowa; and

WHEREAS, the Board approved a 9% LIHTC Award for Hiawatha ARRO, LLC (the “Borrower”) for the purpose of financing a 40 unit apartment complex in Hiawatha, Iowa known as ARRO Senior (the “Project”); and

WHEREAS, the Authority has received an application under its Multifamily Loan Program from the Borrower, also for the purpose of financing the Project; and

WHEREAS, the Authority has reviewed the Borrower’s request and desires to approve a first mortgage loan to the Borrower on the terms and conditions described herein; and

WHEREAS, the Authority has reviewed the Borrower’s request and desires to approve a tax abatement loan to the Borrower on the terms and conditions described herein.

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

SECTION 1. The Authority staff, in its discretion, is authorized to commit to and fund a permanent loan to the borrower in an amount not to exceed \$1,685,000.00, to mature in 15 years, amortized over 35 years, and bearing a fixed interest rate to be set at construction loan closing (the “1<sup>st</sup> Loan”)

SECTION 2. The 1<sup>st</sup> Loan shall be secured by a first mortgage on the Project and such other security as the Executive Director, working with Authority staff, deems necessary and appropriate.

SECTION 3. The Authority staff, in its discretion, is authorized to commit to and fund a tax abatement loan to the borrower in an amount not to exceed \$310,000.00, to mature in 10 years, amortized over 10 years, and bearing a fixed interest rate to be set at construction loan closing (the “Tax Abatement Loan”)

SECTION 4. The Tax Abatement Loan shall be secured by a second mortgage on the Project and such other security as the Executive Director, working with Authority staff, deems necessary and appropriate.

SECTION 5. The Board authorizes the Executive Director, working with Authority staff, to finalize the terms of the 1<sup>st</sup> Loan and the Tax Abatement Loan, subject to the parameters described herein; to fund said 1<sup>st</sup> Loan and the Tax Abatement Loan from the Program; and to execute all loan, security, regulatory and other agreements and

documents she deems necessary to effect the 1<sup>st</sup> Loan and the Tax Abatement Loan. The execution and delivery of such agreements and documents by the Executive Director or her designee shall constitute approval of the terms thereof by the Authority.

SECTION 6. 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 7. 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 5th day of July, 2023.

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Michel Nelson, Board Chair

(Seal)

ATTEST:

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Deborah Durham, Secretary

Name: **Arro Senior**  
Address: 875 Miller Rd, Hiawatha, IA 52233  
County: Linn

Escalators: Income: 2.00% Vacancy Rate: 7.00% Bedroom type: 2 bdrm market 40% rent reduced 60%  
Expenses: 3.00% Management Fee: 7.00% Projected Rent: \$ 1,225 \$ 738 \$ 780 \$ 1,050  
Reserves: 2.00% Replacement Reserves PUPA: \$300 No. of Units: 4 8 14 14

Rate Amort Term  
1st IFA Mtge: \$1,685,000 5.350% 35.00  
2nd IFA Mtge: \$310,000 5.350% 10.00

	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2032	Year 9 2033	Year 10 2034	Year 11 2035	Year 12 2036	Year 13 2037	Year 14 2038	Year 15 2039
Income:															
Gross Rent Revenue - 100%	<b>437,088</b>	445,830	454,746	463,841	473,118	482,580	492,232	502,077	512,118	522,361	532,808	543,464	554,333	565,420	576,728
Cable, Laundry, Misc.	<b>0</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Vacancies (with bad debts)	<b>(30,596)</b>	(31,208)	(31,832)	(32,469)	(33,118)	(33,781)	(34,456)	(35,145)	(35,848)	(36,565)	(37,297)	(38,042)	(38,803)	(39,579)	(40,371)
<b>Net Rental Revenue (NRR)</b>	<b>406,492</b>	414,622	422,914	431,372	440,000	448,800	457,776	466,931	476,270	485,795	495,511	505,422	515,530	525,841	536,357
Operating Expenses:															
Advertising	<b>500</b>	515	530	546	563	580	597	615	633	652	672	692	713	734	756
Office Expenses	<b>3,600</b>	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	4,983	5,133	5,287	5,445
Management Fee	<b>33,600</b>	34,272	34,957	35,657	36,370	37,097	37,839	38,596	39,368	40,155	40,958	41,777	42,613	43,465	44,334
Onsite Manager Salary	<b>52,000</b>	53,560	55,167	56,822	58,526	60,282	62,091	63,953	65,872	67,848	69,884	71,980	74,140	76,364	78,655
Legal Expenses	<b>1,000</b>	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513
Auditing Expenses	<b>6,000</b>	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076
Electricity & Gas	<b>15,000</b>	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764	21,386	22,028	22,689
Water & Sewer	<b>14,000</b>	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	18,815	19,379	19,961	20,559	21,176
Trash	<b>5,500</b>	5,665	5,835	6,010	6,190	6,376	6,567	6,764	6,967	7,176	7,392	7,613	7,842	8,077	8,319
Maintenance Payroll	<b>20,000</b>	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252
Maintenance Supplies	<b>5,000</b>	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563
Snow Removal	<b>8,000</b>	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438	10,751	11,074	11,406	11,748	12,101
Decorating	<b>1,000</b>	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513
Insurance	<b>16,000</b>	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201
Real Estate Taxes	<b>1,500</b>	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	57,853	59,589	61,376	63,218	65,114
Security System Expense	<b>1,000</b>	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513
IFA Compliance Fee	<b>1,280</b>	1,318	1,358	1,399	1,441	1,484	1,528	1,574	1,621	1,670	1,720	1,772	1,825	1,880	1,936
Investor Fee	<b>5,500</b>	5,665	5,835	6,010	6,190	6,376	6,567	6,764	6,967	7,176	7,392	7,613	7,842	8,077	8,319
Other Expenses	<b>28,400</b>	29,252	30,130	31,033	31,964	32,923	33,911	34,928	35,976	37,056	38,167	39,312	40,492	41,706	42,958
<b>Total Operating Expenses</b>	<b>218,880</b>	225,110	231,521	238,117	244,904	251,887	259,073	266,467	274,075	281,903	345,796	355,760	366,016	376,570	387,432
Net Operating Income	<b>187,612</b>	189,511	191,393	193,255	195,096	196,912	198,703	200,464	202,195	203,892	149,715	149,661	149,514	149,271	148,925
Reserve Replacement Funds	<b>12,000</b>	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628	14,920	15,219	15,523	15,834
Adjusted N.O.I.	<b>175,612</b>	177,271	178,908	180,521	182,107	183,663	185,189	186,680	188,135	189,551	135,087	134,741	134,296	133,747	133,091
<b>1st Mortgage Debt Service</b>	<b>106,605</b>	106,605	106,605	106,605	106,605	106,605	106,605	106,605	106,605	106,605	106,605	106,605	106,605	106,605	106,605
<b>2nd loan - IFA MF Loan</b>	<b>40,096</b>	40,096	40,096	40,096	40,096	40,096	40,096	40,096	40,096	40,096	0	0	0	0	0
<b>3rd Loan - Housing Fund for Linn County</b>	<b>6,000</b>	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Debt Service Ratio - 1st Mortgage	<b>1.65</b>	1.66	1.68	1.69	1.71	1.72	1.74	1.75	1.76	1.78	1.27	1.26	1.26	1.25	1.25
Debt Service Ratio - IFA Mortgages	<b>1.20</b>	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.29	1.27	1.26	1.26	1.25	1.25
Debt Service Ratio - Overall Debt	<b>1.15</b>	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24	1.20	1.20	1.19	1.19	1.18
<b>Net Cash Flow</b>	<b>22,911</b>	24,570	26,207	27,820	29,406	30,962	32,488	33,979	35,434	36,850	22,482	22,135	21,690	21,142	20,486

**Source of Funds****Arro Senior**

1st Mortgage - IFA Loan	1,685,000.00	
Tax Abatement Loan - IFA	310,000.00	
Below Market Interest Rate Loan - Linn County	180,000.00	
GP/MM Loan	427,066.00	
Deferred Developer Fees	265,846.00	
GP Minimum Contribution	100.00	
Limited Partner - LIHTC	8,438,161.00	
GAP	\$0.00	
<b>Total Source of Funds</b>		<b>11,306,173.00</b>

**Use of Funds**

Purchase Land/buildings	413,000.00	
Site Work/Landscaping	340,000.00	
Construction - New Building	8,320,860.00	
Architect Fees - Design/Supervision/Inspection	328,000.00	
Construction Interest	430,000.00	
Construction - Loan Origination Fee	60,500.00	
Taxes - During Construction	10,000.00	
Predevelopment Loan & Fees	30,000.00	
Permanent Loan Origination Fee	30,000.00	
Title and Recording	50,000.00	
Soft Costs - Appraisal/Market Study/Environmental	19,600.00	
Soft Costs - Tax Credit Reservation Fee	94,821.00	
Soft Costs - Other	200,092.00	
Developer's Fee	540,000.00	
Consultant Fee	250,000.00	
Operating Reserve	189,300.00	
<b>Total Use of Funds</b>		<b>11,306,173.00</b>

THE FOLLOWING SHALL BE INCLUDED IN THE BUILDING DESIGN

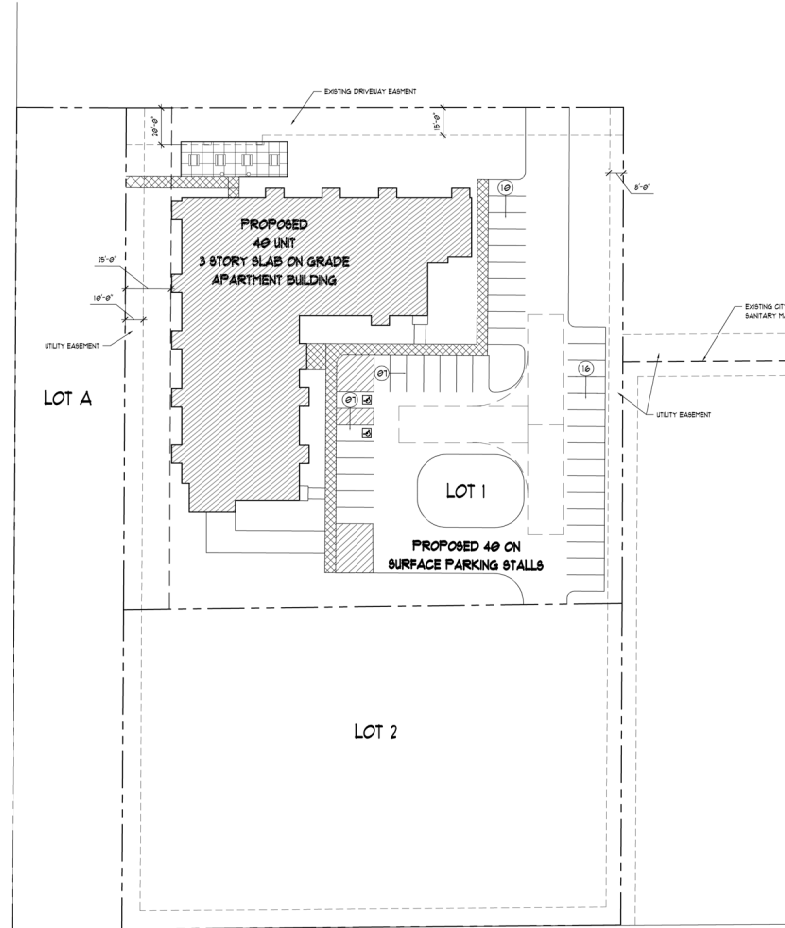
- VIDEO SECURITY SYSTEM. THE SECURITY SYSTEM THAT SHALL RECORD ACTIVITY AT THE SITE SUCH THAT NO PART OF THE SITE CAN BE ACCESSED WITHOUT THAT ACTIVITY BEING RECORDED. PARTS OF THE SITE TO BE COVERED INCLUDE PARKING AREAS, ALL LEVELS OF STAIRWAYS, ELEVATORS, HALLWAYS, AND ENTRANCES TO ALL NON-TENANT SPACES. 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.
- STORAGE UNITS - ALL UNITS ARE TO HAVE A DEDICATED, LOCKABLE, STRUCTURALLY STRONG AND SECURE, FLOOR TO CEILING ROOM THAT IS AT LEAST 20 SQUARE FEET. THE STORAGE UNIT SHALL BE IN ADDITION TO AND EXCESS OF THE REQUIRED BEDROOM, LINEN AND COAT CLOSETS. STORAGE ROOMS SHALL BE MAINTAINED IN COMPLIANCE WITH THE REQUIREMENTS FOR FIRE SAFETY AND UNIFORM FIRE CODE, WHICH LIMITS FLAMMABLE AND COMBUSTIBLE MATERIALS.
- BEDROOM CLOSET DOORS ARE TO BE OF SWING TYPE, NOT BI-FOLD
- CLOSET RODS AND SHELVES IN EACH BEDROOM CLOSET IN EACH UNIT. ONCE INSTALLED, THE CLOSET SHELVES AND HANGER BARS SHALL BE EASY TO ADJUST TO DIFFERENT HEIGHTS WITH NO TOOLS REQUIRED. THEY SHALL HAVE 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
- LARGE ADA COMPLIANT KITCHEN CABINET AND DRAWER PULLS
- BUILT-IN DISHWASHER IN ALL UNITS
- TWO CEILING FAN/LIGHT COMBINATION WITH WALL SWITCHES IN ALL UNITS.
- IN-UNIT LAUNDRY SPACE WITH WASHER AND DRYER. (DRYER SHALL VENT TO EXTERIOR.)
- SHOWER HEAD AND HAND-HELD SHOWER COMBINATION OR AN ADJUSTABLE HEIGHT MOVABLE HAND-HELD SHOWER HEAD WITH A SHOWER HEAD IN ALL UNITS
- MOTION-SENSING LIGHT SWITCH IN EACH BATHROOM
- ADA COMPLIANT SINGLE LEVER FAUCET CONTROLS
- 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
- COMMUNITY ROOM OF 800 SQUARE FEET.
- STEEL DOOR FRAMES AT UNIT ENTRIES LEADING TO BUILDING CORRIDORS OR INTERIOR SPACES, METAL CLAD WOOD FRAMES ACCEPTABLE AT UNIT ENTRIES LEADING TO THE EXTERIOR
- MAIN ENTRANCE AREAS: UNIT MAIN ENTRANCE TO INTERIOR - SHALL BE DESIGNED WITH A FOYER AND EQUIPPED WITH A REMOTE SECURITY AND INTERCOM SYSTEM TO EACH UNIT TO CONTROL ENTRY TO COMMON AREAS. UNIT MAIN ENTRANCE TO EXTERIOR
- IMPLEMENT AND ENFORCE A "NO SMOKING" POLICY IN ALL COMMON AND INDIVIDUAL LIVING AREAS OF ALL BUILDINGS.
- PROJECT SHALL PROVIDE AND MAINTAIN TRASH AND/OR RECYCLING DISPOSAL CHUTES
- PASSIVE (NEW CONSTRUCTION) OR ACTIVE (REHAB/REUSE) RADON SYSTEM RADON-REDUCING FEATURES (INCLUDING A DRAIN TILE LOOP FOR NEW CONSTRUCTION), BELOW THE BUILDING SLAB ALONG WITH VERTICAL VENT PIPE(S) AND JUNCTION BOX(ES) FOLLOWING REQUIREMENTS AS SHOWN IN APPENDIX F - "RADON CONTROL METHODS" IN THE 2012 INTERNATIONAL RESIDENTIAL CODE.
- CENTRAL WATER HEATERS (SERVING ENTIRE BUILDING) - WITH A NINETY (90%) THERMAL EFFICIENCY RATING OR MINIMUM NINETY FIVE PERCENT (95%) EFFICIENT THERMAL WATER STORAGE TANKS COUPLED TO A BETTER THAN 90 AFUE BOILER.
- HOME ENERGY RATING SYSTEMS (HERS) INDEX OF 62 OR LESS
- MINIMUM OF FORTY PERCENT (40%) OF THE GROSS EXTERIOR (EXCLUDING WINDOW AND DOOR AREAS), OF 4" NOMINAL BRICK, 4" NOMINAL STONE, STUCCO OVER MASONRY, ARCHITECTURAL CMU BLOCK OR PRE-CAST CONCRETE WALL PANELS. THE REMAINING FIFTY PERCENT (50%) SHALL BE CONSTRUCTED OF ONE HUNDRED PERCENT (100%) FIBER CEMENT BOARD SIDING OR ENGINEERED WOOD SIDING BY SMARTSIDE, TRUWOOD OR KATAWBA. THE BUILDINGS SOFFIT AND FASCIA SHALL BE PRE-FINISHED ALUMINUM OR ENGINEERED WOOD SIDING BY SMARTSIDE, TRUWOOD OR KATAWBA. SOFFITS SHALL BE VENTED.
- MINIMUM OF TWO PICNIC TABLES AND ONE GRILL FOR EVERY 25 UNITS SHALL BE PROVIDED AND MAINTAINED

MILLER ROAD

WOLF CREEK TRAIL

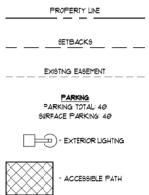
CARPENTER ROAD NE

BOYSON ROAD



UNIT TYPE LEGEND			
TOTAL ACCESSIBLE UNIT	FA	2	38
ACCESSIBLE TYPE A UNITS	A	10	28
TYPE B UNIT	B	28	108
TOTAL		40	146
ACCESSIBLE COMMUNICATION FEATURED UNIT	AC	146	28

BUILDING SQ. FT.	
FIRST FLOOR PLAN	15,959 SQ. FT.
SECOND FLOOR PLAN	15,841 SQ. FT.
THIRD FLOOR PLAN	15,841 SQ. FT.
TOTAL	47,641 SQ. FT.



PRELIMINARY  
NOT FOR  
CONSTRUCTION

05-18-2022

**Sand**  
Architects, LLC

366 South Tenth Avenue  
PO Box 727  
Waite Park, MN 56387-0727  
Office: (320) 202-3100  
Fax: (320) 202-3139  
Website: www.SandCompanies.com  
E-Mail: Sand@SandCompanies.com

Senior  
Apartments

Hiawatha, IA

A-0

1 SITE PLAN  
SCALE 1/32" = 1'-0"

1.71 ACRES  
TRUE

THESE DRAWINGS AND SPECIFICATIONS ARE THE SOLE PROPERTY OF SAND ARCHITECTS, LLC AND NO REPRODUCTION OR REUSE OF THESE DOCUMENTS IS PERMITTED WITHOUT WRITTEN PERMISSION FROM SAND ARCHITECTS, LLC. 3/22







To: Iowa Finance Authority Board of Directors

From: Dave Powell, Underwriter

Date: July 5, 2023

Re: The Crossing Apartments

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**Background:** This proposed new construction family project was approved for 9% LIHTC during the 2022 round. It will be located at 200 2<sup>nd</sup> Street NE in Bondurant, IA. It will have (twelve) 1-bedroom units, (sixteen) 2-bedroom units, and (twelve) 4-bedroom units, for a total of 40 units. There will be four market rate units, eight 40% AMI units, and twenty-eight 60% AMI units. Amenities will include: video security, storage, built-in dishwasher, in unit washer/dryer, playground, pergola, exercise/fitness center, on-site recycling, on-site surface parking, high speed internet access per unit, site lighting, security lock buildings, screened trash enclosures and onsite leasing.

**Recommendation:** Staff recommends providing the project with a 1<sup>st</sup> mortgage permanent loan that will be funded by IFA sources under the Multifamily Loan Program. The loan will not be funded until the project has stabilized with a 92% occupancy and a 1.15 to 1.00 debt service coverage for an average of three months. Replacement and operating reserves will be held at IFA.

<b>Borrower:</b>	The Crossing Development, LLC
<b>Developer:</b>	Commonwealth Development Corporation of America
<b>Management Company:</b>	Indigo Living (Hubbell Realty Company)
<b>Syndicator:</b>	Raymond James
<b>Construction Lender:</b>	Great Southern Bank

**1<sup>st</sup> Permanent Loan**

<b>Proposed Loan Amount:</b>	\$2,300,000
<b>Term &amp; Amortization:</b>	15-year term / 35-year amortization
<b>Rate:</b>	Fixed rate set at construction loan closing; currently 5.35% with a two-year lock
<b>Debt Service Coverage Ratio:</b>	1.25:1
<b>Operating Reserve Amount:</b>	\$284,751
<b>Loan-to-Value:</b>	61%
<b>IFA Fees:</b>	1% of permanent loan

**RESOLUTION**  
**FIN 23-15**

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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 create, protect and preserve affordable housing for low and moderate income families in the State of Iowa; and

WHEREAS, the Board approved a 9% LIHTC Award for The Crossing Development, LLC (the “Borrower”) for the purpose of financing a 40 unit apartment complex in Bondurant, Iowa known as The Crossing (the “Project”); and

WHEREAS, the Authority has received an application under its Multifamily Loan Program from the Borrower, also for the purpose of financing the Project; and

WHEREAS, the Authority has reviewed the Borrower’s request and desires to approve a first mortgage loan to the Borrower on the terms and conditions described herein.

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

SECTION 1. The Authority staff, in its discretion, is authorized to commit to and fund a permanent loan to the borrower in an amount not to exceed \$2,300,000.00, to mature in 15 years, amortized over 35 years, and bearing a fixed interest rate to be set at construction loan closing (the “Loan”).

SECTION 2. The Loan shall be secured by a first mortgage on the Project and such other security as the Executive Director, working with Authority staff, deems necessary and appropriate.

SECTION 3. The Board authorizes the Executive Director, working with Authority staff, to finalize the terms of the Loan, subject to the parameters described herein; to fund said Loan from the Program; and to execute all loan, security, regulatory and other agreements and documents she deems necessary to effect the Loan. The execution and delivery of such agreements and documents by the Executive Director or her designee shall constitute approval of the terms thereof by the Authority.

SECTION 4. 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 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 its adoption.

PASSED AND APPROVED this 5th day of July, 2023.

\_\_\_\_\_  
Michel Nelson, Board Chair

(Seal)

ATTEST:

\_\_\_\_\_  
Deborah Durham, Secretary

15 YEAR CASH FLOW PROFORMA

Name: <b>The Crossing</b>	Escalators:	Income: 2.00%	Vacancy Rate: 7.00%	Bedroom type: 1 bd/1 bath	2bd/1 bath	Market rate				Total
Address: 200 2nd St NE, Bondurant, IA 50035		Expenses: 3.00%	Management Fee: 6.00%	Projected Rent: \$ 680	\$ 806	\$ 1,339	\$ 973	\$ 1,255		
County: Polk		Reserves: 3.00%	Replacement Reserves PUPA: \$350	No. of Units: 12	10	4	2	12	40	

IFA	Rate	Amort	Term
1st Mtge: \$2,300,000	5.350%	35.00	15.00

	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2032	Year 9 2033	Year 10 2034	Year 11 2035	Year 12 2036	Year 13 2037	Year 14 2038	Year 15 2039
<b>Income:</b>															
Gross Rent Revenue - 100%	463,104	472,366	481,813	491,450	501,279	511,304	521,530	531,961	542,600	553,452	564,521	575,812	587,328	599,074	611,056
Other (late fees, pet fees, moveout charges)	7,000	7,140	7,283	7,428	7,577	7,729	7,883	8,041	8,202	8,366	8,533	8,704	8,878	9,055	9,236
Less: Vacancies (with bad debts)	(32,907)	(33,565)	(34,237)	(34,921)	(35,620)	(36,332)	(37,059)	(37,800)	(38,556)	(39,327)	(40,114)	(40,916)	(41,734)	(42,569)	(43,420)
<b>Net Rental Revenue (NRR)</b>	<b>437,197</b>	<b>445,941</b>	<b>454,859</b>	<b>463,957</b>	<b>473,236</b>	<b>482,701</b>	<b>492,355</b>	<b>502,202</b>	<b>512,246</b>	<b>522,491</b>	<b>532,940</b>	<b>543,599</b>	<b>554,471</b>	<b>565,561</b>	<b>576,872</b>
<b>Operating Expenses:</b>															
Advertising	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768	2,852	2,937	3,025
Legal and Auditing	6,700	6,901	7,108	7,321	7,541	7,767	8,000	8,240	8,487	8,742	9,004	9,274	9,553	9,839	10,134
Office Expenses	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076
Management Fee	26,232	26,756	27,292	27,837	28,394	28,962	29,541	30,132	30,735	31,349	31,976	32,616	33,268	33,934	34,612
Waste Removal	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076
Utilities	32,000	32,960	33,949	34,967	36,016	37,097	38,210	39,356	40,537	41,753	43,005	44,295	45,624	46,993	48,403
Maintenance Payroll	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,757	55,369	57,030	58,741	60,504
Maintenance Supplies/Contract	32,000	32,960	33,949	34,967	36,016	37,097	38,210	39,356	40,537	41,753	43,005	44,295	45,624	46,993	48,403
Other - capital items, etc.	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252
Insurance	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201
Real Estate Taxes	52,500	54,075	55,697	57,368	59,089	60,862	62,688	64,568	66,505	68,501	70,556	72,672	74,852	77,098	79,411
IFA Compliance Fee	1,280	1,318	1,358	1,399	1,441	1,484	1,528	1,574	1,621	1,670	1,720	1,772	1,825	1,880	1,936
<b>Total Operating Expenses</b>	<b>240,712</b>	<b>247,671</b>	<b>254,833</b>	<b>262,205</b>	<b>269,793</b>	<b>277,603</b>	<b>285,642</b>	<b>293,915</b>	<b>302,432</b>	<b>311,197</b>	<b>320,220</b>	<b>329,506</b>	<b>339,065</b>	<b>348,905</b>	<b>359,033</b>
<b>Net Operating Income</b>	<b>196,485</b>	<b>198,270</b>	<b>200,026</b>	<b>201,751</b>	<b>203,443</b>	<b>205,097</b>	<b>206,713</b>	<b>208,286</b>	<b>209,814</b>	<b>211,293</b>	<b>212,721</b>	<b>214,093</b>	<b>215,406</b>	<b>216,656</b>	<b>217,839</b>
Reserve Replacement Funds	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	18,815	19,379	19,961	20,559	21,176
<b>Adjusted N.O.I.</b>	<b>182,485</b>	<b>183,850</b>	<b>185,173</b>	<b>186,453</b>	<b>187,685</b>	<b>188,868</b>	<b>189,996</b>	<b>191,068</b>	<b>192,079</b>	<b>193,027</b>	<b>193,906</b>	<b>194,713</b>	<b>195,445</b>	<b>196,096</b>	<b>196,663</b>
<b>1st Mortgage Debt Service</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>	<b>145,515</b>
2nd loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3rd Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Ratio - 1st Mortgage	1.25	1.26	1.27	1.28	1.29	1.30	1.31	1.31	1.32	1.33	1.33	1.34	1.34	1.35	1.35
Debt Service Ratio - Overall	1.25	1.26	1.27	1.28	1.29	1.30	1.31	1.31	1.32	1.33	1.33	1.34	1.34	1.35	1.35
<b>Net Cash Flow</b>	<b>36,970</b>	<b>38,335</b>	<b>39,658</b>	<b>40,938</b>	<b>42,170</b>	<b>43,353</b>	<b>44,481</b>	<b>45,553</b>	<b>46,564</b>	<b>47,512</b>	<b>48,391</b>	<b>49,198</b>	<b>49,930</b>	<b>50,581</b>	<b>51,148</b>

## The Crossing

### The Crossing

#### Source of Funds

1st Mortgage IFA	\$	2,300,000
Polk County ARPA funds	\$	1,500,000
Limited Partner Equity -LIHTC	\$	8,173,440
Deferred Developer Fee	\$	548,172
GP equity	\$	100
GAP - GP Loan	\$	554,000

**Total Source of Funds** **\$ 13,075,712**

#### Use of Funds

Purchase Land/buildings	\$	670,000
Site Work	\$	210,210
Total Constuction Costs	\$	9,379,496
Construction Interest /Financing Costs	\$	582,166
Architectural and Engineering fees	\$	543,800
Syndication fees - opinion	\$	112,424
Borrower legal/Real Estate fees	\$	95,250
Soft Cost Contingency	\$	101,000
Developer's fee	\$	1,096,615
Operating Reserve	\$	284,751

**Total Use of Funds** **\$ 13,075,712**



# THE CROSSING

BONDURANT, IA





**SITE INFORMATION:**

PROPERTY AREA: AREA - 3.00 +/- ACRES  
 ZONING: R-3 HIGH DENSITY RESIDENTIAL  
 PROPOSED USE: R-3 MULTIFAMILY  
 BUILDING: BUILDING - FRONT - 30' / REAR - 30' / SIDE - 30' / REAR - 30'

BUILDING HEIGHT: 31' UP PROPOSED (3 STORIES)  
 PARKING REQUIRED: 1 STALL PER 1 BEDROOM TO MINIMUM  
 2 STALLS PER 2 BEDROOMS OR UNITS  
 3 STALLS PER 3 BEDROOMS OR UNITS  
 4 STALLS PER 4 BEDROOMS OR UNITS

PARKING PROVIDED: 80 SURFACE STALLS (3 H.C. ACCESSIBLE)  
 80 SURFACE STALLS (3 H.C. ACCESSIBLE)

**BUILDING UNITS BREAKDOWN**

FLOOR LEVEL	REAR PORCH UNITS				TOWERS				TOTAL
	1 BR	2 BR	3 BR	4 BR	1 BR	2 BR	3 BR	4 BR	
1st Floor	0	0	0	0	0	0	0	0	0
2nd Floor	0	0	0	0	0	0	0	0	0
3rd Floor	0	0	0	0	0	0	0	0	0
4th Floor	0	0	0	0	0	0	0	0	0
5th Floor	0	0	0	0	0	0	0	0	0
6th Floor	0	0	0	0	0	0	0	0	0
7th Floor	0	0	0	0	0	0	0	0	0
8th Floor	0	0	0	0	0	0	0	0	0
9th Floor	0	0	0	0	0	0	0	0	0
10th Floor	0	0	0	0	0	0	0	0	0
11th Floor	0	0	0	0	0	0	0	0	0
12th Floor	0	0	0	0	0	0	0	0	0
13th Floor	0	0	0	0	0	0	0	0	0
14th Floor	0	0	0	0	0	0	0	0	0
15th Floor	0	0	0	0	0	0	0	0	0
16th Floor	0	0	0	0	0	0	0	0	0
17th Floor	0	0	0	0	0	0	0	0	0
18th Floor	0	0	0	0	0	0	0	0	0
19th Floor	0	0	0	0	0	0	0	0	0
20th Floor	0	0	0	0	0	0	0	0	0
21st Floor	0	0	0	0	0	0	0	0	0
22nd Floor	0	0	0	0	0	0	0	0	0
23rd Floor	0	0	0	0	0	0	0	0	0
24th Floor	0	0	0	0	0	0	0	0	0
25th Floor	0	0	0	0	0	0	0	0	0
26th Floor	0	0	0	0	0	0	0	0	0
27th Floor	0	0	0	0	0	0	0	0	0
28th Floor	0	0	0	0	0	0	0	0	0
29th Floor	0	0	0	0	0	0	0	0	0
30th Floor	0	0	0	0	0	0	0	0	0
31st Floor	0	0	0	0	0	0	0	0	0
32nd Floor	0	0	0	0	0	0	0	0	0
33rd Floor	0	0	0	0	0	0	0	0	0
34th Floor	0	0	0	0	0	0	0	0	0
35th Floor	0	0	0	0	0	0	0	0	0
36th Floor	0	0	0	0	0	0	0	0	0
37th Floor	0	0	0	0	0	0	0	0	0
38th Floor	0	0	0	0	0	0	0	0	0
39th Floor	0	0	0	0	0	0	0	0	0
40th Floor	0	0	0	0	0	0	0	0	0
41st Floor	0	0	0	0	0	0	0	0	0
42nd Floor	0	0	0	0	0	0	0	0	0
43rd Floor	0	0	0	0	0	0	0	0	0
44th Floor	0	0	0	0	0	0	0	0	0
45th Floor	0	0	0	0	0	0	0	0	0
46th Floor	0	0	0	0	0	0	0	0	0
47th Floor	0	0	0	0	0	0	0	0	0
48th Floor	0	0	0	0	0	0	0	0	0
49th Floor	0	0	0	0	0	0	0	0	0
50th Floor	0	0	0	0	0	0	0	0	0
51st Floor	0	0	0	0	0	0	0	0	0
52nd Floor	0	0	0	0	0	0	0	0	0
53rd Floor	0	0	0	0	0	0	0	0	0
54th Floor	0	0	0	0	0	0	0	0	0
55th Floor	0	0	0	0	0	0	0	0	0
56th Floor	0	0	0	0	0	0	0	0	0
57th Floor	0	0	0	0	0	0	0	0	0
58th Floor	0	0	0	0	0	0	0	0	0
59th Floor	0	0	0	0	0	0	0	0	0
60th Floor	0	0	0	0	0	0	0	0	0
61st Floor	0	0	0	0	0	0	0	0	0
62nd Floor	0	0	0	0	0	0	0	0	0
63rd Floor	0	0	0	0	0	0	0	0	0
64th Floor	0	0	0	0	0	0	0	0	0
65th Floor	0	0	0	0	0	0	0	0	0
66th Floor	0	0	0	0	0	0	0	0	0
67th Floor	0	0	0	0	0	0	0	0	0
68th Floor	0	0	0	0	0	0	0	0	0
69th Floor	0	0	0	0	0	0	0	0	0
70th Floor	0	0	0	0	0	0	0	0	0
71st Floor	0	0	0	0	0	0	0	0	0
72nd Floor	0	0	0	0	0	0	0	0	0
73rd Floor	0	0	0	0	0	0	0	0	0
74th Floor	0	0	0	0	0	0	0	0	0
75th Floor	0	0	0	0	0	0	0	0	0
76th Floor	0	0	0	0	0	0	0	0	0
77th Floor	0	0	0	0	0	0	0	0	0
78th Floor	0	0	0	0	0	0	0	0	0
79th Floor	0	0	0	0	0	0	0	0	0
80th Floor	0	0	0	0	0	0	0	0	0
81st Floor	0	0	0	0	0	0	0	0	0
82nd Floor	0	0	0	0	0	0	0	0	0
83rd Floor	0	0	0	0	0	0	0	0	0
84th Floor	0	0	0	0	0	0	0	0	0
85th Floor	0	0	0	0	0	0	0	0	0
86th Floor	0	0	0	0	0	0	0	0	0
87th Floor	0	0	0	0	0	0	0	0	0
88th Floor	0	0	0	0	0	0	0	0	0
89th Floor	0	0	0	0	0	0	0	0	0
90th Floor	0	0	0	0	0	0	0	0	0
91st Floor	0	0	0	0	0	0	0	0	0
92nd Floor	0	0	0	0	0	0	0	0	0
93rd Floor	0	0	0	0	0	0	0	0	0
94th Floor	0	0	0	0	0	0	0	0	0
95th Floor	0	0	0	0	0	0	0	0	0
96th Floor	0	0	0	0	0	0	0	0	0
97th Floor	0	0	0	0	0	0	0	0	0
98th Floor	0	0	0	0	0	0	0	0	0
99th Floor	0	0	0	0	0	0	0	0	0
100th Floor	0	0	0	0	0	0	0	0	0

**UNIT TYPES REQUESTED**

UNIT TYPE	REQUESTED BY ALL PERMITTED UNITS	PERMITTED UNITS	UNIT TYPES REQUESTED
NUMBER OF UNITS REQUESTED	80	80	80
NUMBER OF UNITS PERMITTED	80	80	80
NUMBER OF UNITS REQUESTED	80	80	80
NUMBER OF UNITS PERMITTED	80	80	80

NOTE: THE TOTAL NUMBER OF UNITS REQUESTED IS 80 UNITS. THE TOTAL NUMBER OF UNITS PERMITTED IS 80 UNITS. THE TOTAL NUMBER OF UNITS REQUESTED IS 80 UNITS. THE TOTAL NUMBER OF UNITS PERMITTED IS 80 UNITS.

**BUILDING #1 SITE (300000 SQ FT)**

FRONT FLOOR	1248 SQ FT
REAR FLOOR	1248 SQ FT
TOTAL AREA	2496 SQ FT

**BUILDING #2 SITE (300000 SQ FT)**

FRONT FLOOR	1248 SQ FT
REAR FLOOR	1248 SQ FT
TOTAL AREA	2496 SQ FT

**BUILDING #3 SITE (300000 SQ FT)**

FRONT FLOOR	1248 SQ FT
REAR FLOOR	1248 SQ FT
TOTAL AREA	2496 SQ FT

**BUILDING #4 SITE (300000 SQ FT)**

FRONT FLOOR	1248 SQ FT
REAR FLOOR	1248 SQ FT
TOTAL AREA	2496 SQ FT

**UNIT BREAKDOWN**

1-BEDROOM UNITS	0
2-BEDROOM UNITS	0
3-BEDROOM UNITS	0
TOTAL UNITS	0



PRELIMINARY SITE PLAN



To: Iowa Finance Authority Board of Directors

From: Samantha Askland, Underwriter

Date: July 5, 2023

Re: NEX Senior

**Background:** This proposed new construction family project was approved for 9% LIHTC during the 2022 round. It will be located at 670 Nex Avenue in Iowa City, IA. There will be 40 2-bedroom units. There will be four market rate units, ten 40% AMI units, eighteen 50% AMI units and eight 60% AMI units. Amenities will include: video security, in unit washer/dryer, community room with kitchenette, patio/balcony area with each unit, high speed internet access, storage locker with each unit, and an onsite leasing office.

**Recommendation:** Staff recommends providing the project with a 1<sup>st</sup> mortgage permanent loan that will be funded by IFA sources under the Multifamily Loan Program. The loan will not be funded until the project has stabilized with a 92% occupancy and a 1.15 to 1.00 debt service coverage for an average of three months. Replacement and operating reserves will be held at IFA.

<b>Borrower:</b>	IC Housing Group II, LLC
<b>Co-Developer(s):</b>	St. Michael Development Group, LLC Belisle Development, LLC Ember Lake, LLC
<b>Management Company:</b>	Sand Property Management, LLC
<b>Syndicator:</b>	Wells Fargo Community Investment Holding, LLC
<b>Construction Lender:</b>	Wells Fargo Bank

**1<sup>st</sup> Permanent Loan**

<b>Proposed Loan Amount:</b>	\$1,850,000
<b>Term &amp; Amortization:</b>	15-year term / 35-year amortization
<b>Rate:</b>	Fixed rate set at construction loan closing; currently 5.35% with a two-year lock
<b>Debt Service Coverage Ratio:</b>	1.58:1 (1.15:1 overall)
<b>Operating Reserve Amount:</b>	\$212,387
<b>Loan-to-Value:</b>	61%
<b>IFA Fees:</b>	1% of permanent loan



## RESOLUTION

### FIN 23-16

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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 create, protect and preserve affordable housing for low and moderate income families in the State of Iowa; and

WHEREAS, the Board approved a 9% LIHTC Award for IC Housing Group II, LLC (the “Borrower”) for the purpose of financing a 40 unit apartment complex in Iowa City, Iowa known as NEX Senior (the “Project”); and

WHEREAS, the Authority has received an application under its Multifamily Loan Program from the Borrower, also for the purpose of financing the Project; and

WHEREAS, the Authority has reviewed the Borrower’s request and desires to approve a first mortgage loan to the Borrower on the terms and conditions described herein.

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

SECTION 1. The Authority staff, in its discretion, is authorized to commit to and fund a permanent loan to the borrower in an amount not to exceed \$1,850,000.00, to mature in 15 years, amortized over 35 years, and bearing a fixed interest rate to be set at construction loan closing (the “Loan”)

SECTION 2. The Loan shall be secured by a first mortgage on the Project and such other security as the Executive Director, working with Authority staff, deems necessary and appropriate.

SECTION 3. The Board authorizes the Executive Director, working with Authority staff, to finalize the terms of the Loan, subject to the parameters described herein; to fund said Loan from the Program; and to execute all loan, security, regulatory and other agreements and documents she deems necessary to effect the Loan. The execution and delivery of such agreements and documents by the Executive Director or her designee shall constitute approval of the terms thereof by the Authority.

SECTION 4. 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 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 its adoption.

PASSED AND APPROVED this 5th day of July, 2023.

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Michel Nelson, Board Chair

(Seal)

ATTEST:

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Deborah Durham, Secretary

**15 YEAR CASH FLOW PROFORMA**

Name: **NEX Senior**  
 Address: 670 Nex Avenue, Iowa City, IA 52245  
 County: Johnson

Escalators: Income: 2.00%  
 Expenses: 3.00%  
 Reserves: 2.00%

Vacancy Rate: 7.00%  
 Management Fee: 7.00%  
 Replacement Reserves PUPA: \$300

market 40% units rent reduced 60% units  
 Bedroom type: 2 bedroom 2 bedroom 2 bedroom 2 bedroom  
 Projected Rent: \$ 1,300 \$ 916 \$ 937 \$ 1,200  
 No. of Units: 4 10 18 8

1st Mtge: \$1,850,000    **Rate** 5.350%    **Amort** 35.00    **Term** 15.00

	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028	Year 6 2029	Year 7 2030	Year 8 2031	Year 9 2032	Year 10 2033	Year 11 2034	Year 12 2035	Year 13 2036	Year 14 2037	Year 15 2038
Income:															
Gross Rent Revenue - 100%	<b>489,912</b>	499,710	509,704	519,899	530,297	540,902	551,720	562,755	574,010	585,490	597,200	609,144	621,327	633,753	646,428
Cable, Laundry, Misc.	<b>0</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Vacancies (with bad debts)	<b>(34,294)</b>	(34,980)	(35,679)	(36,393)	(37,121)	(37,863)	(38,620)	(39,393)	(40,181)	(40,984)	(41,804)	(42,640)	(43,493)	(44,363)	(45,250)
Net Rental Revenue (NRR)	<b>455,618</b>	464,731	474,025	483,506	493,176	503,039	513,100	523,362	533,829	544,506	555,396	566,504	577,834	589,391	601,178
Operating Expenses:															
Advertising	<b>500</b>	515	530	546	563	580	597	615	633	652	672	692	713	734	756
Office Expenses	<b>5,100</b>	5,253	5,411	5,573	5,740	5,912	6,090	6,272	6,461	6,654	6,854	7,060	7,271	7,490	7,714
Property Management Fee	<b>33,600</b>	34,272	34,957	35,657	36,370	37,097	37,839	38,596	39,368	40,155	40,958	41,777	42,613	43,465	44,334
Onsite Manager Salary	<b>52,000</b>	53,560	55,167	56,822	58,526	60,282	62,091	63,953	65,872	67,848	69,884	71,980	74,140	76,364	78,655
Legal Expenses	<b>6,000</b>	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076
Auditing Expenses	<b>1,000</b>	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513
Electricity & Gas	<b>15,000</b>	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764	21,386	22,028	22,689
Water & Sewer	<b>14,000</b>	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	18,815	19,379	19,961	20,559	21,176
Trash	<b>5,500</b>	5,665	5,835	6,010	6,190	6,376	6,567	6,764	6,967	7,176	7,392	7,613	7,842	8,077	8,319
Maintenance Payroll	<b>20,000</b>	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252
Maintenance Supplies	<b>6,000</b>	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076
Snow Removal	<b>8,000</b>	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438	10,751	11,074	11,406	11,748	12,101
Decorating	<b>1,000</b>	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513
Insurance	<b>16,000</b>	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201
Real Estate Taxes	<b>40,000</b>	40,400	40,804	41,212	41,624	42,040	42,461	42,885	43,314	43,747	44,185	44,627	45,073	45,524	45,979
Security System Expense	<b>1,000</b>	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513
IFA Compliance Fee	<b>1,280</b>	1,318	1,358	1,399	1,441	1,484	1,528	1,574	1,621	1,670	1,720	1,772	1,825	1,880	1,936
Investor Fee	<b>5,500</b>	5,665	5,835	6,010	6,190	6,376	6,567	6,764	6,967	7,176	7,392	7,613	7,842	8,077	8,319
Other Expenses	<b>26,900</b>	27,707	28,538	29,394	30,276	31,184	32,120	33,084	34,076	35,098	36,151	37,236	38,353	39,504	40,689
Total Operating Expenses	<b>258,380</b>	264,995	271,795	278,783	285,965	293,348	300,937	308,737	316,756	324,999	333,472	342,183	351,138	360,345	369,810
Net Operating Income	<b>197,238</b>	199,735	202,231	204,723	207,210	209,691	212,163	214,625	217,073	219,507	221,924	224,321	226,696	229,046	231,369
Reserve Replacement Funds	<b>12,000</b>	12,216	12,436	12,660	12,888	13,120	13,356	13,596	13,841	14,090	14,344	14,602	14,865	15,132	15,405
Adjusted N.O.I.	<b>185,238</b>	187,519	189,795	192,063	194,323	196,571	198,807	201,029	203,233	205,417	207,580	209,719	211,831	213,914	215,964
<b>1st Mortgage Debt Service</b>	<b>117,044</b>	117,044	117,044	117,044	117,044	117,044	117,044	117,044	117,044	117,044	117,044	117,044	117,044	117,044	117,044
<b>2nd loan - Housing Trust Fund of Johnston Co.</b>	<b>31935.00</b>	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935	31,935
<b>3rd Loan - City of Iowa City</b>	<b>12,667</b>	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667
Debt Service Ratio - 1st Mortgage	<b>1.58</b>	1.60	1.62	1.64	1.66	1.68	1.70	1.72	1.74	1.76	1.77	1.79	1.81	1.83	1.85
Debt Service Ratio - Overall	<b>1.15</b>	1.16	1.17	1.19	1.20	1.22	1.23	1.24	1.26	1.27	1.28	1.30	1.31	1.32	1.34
<b>Net Cash Flow</b>	<b>23,592</b>	25,873	28,149	30,417	32,677	34,926	37,161	39,383	41,587	43,771	45,934	48,073	50,185	52,268	54,318

**NEX Senior**

**Source of Funds**

1st Mortgage	\$1,850,000.00
2nd Loan - Housing Trust Fund of Jo. Co.	\$720,000.00
3rd Loan - City of IA City	\$380,000.00
Deferred Developer Fee	\$274,839.00
Limited Partner Equity -LIHTC	\$8,344,187.00
GP equity	\$100.00
GAP	\$0.00
<b>Total Source of Funds</b>	<b>\$11,569,126.00</b>

**Use of Funds**

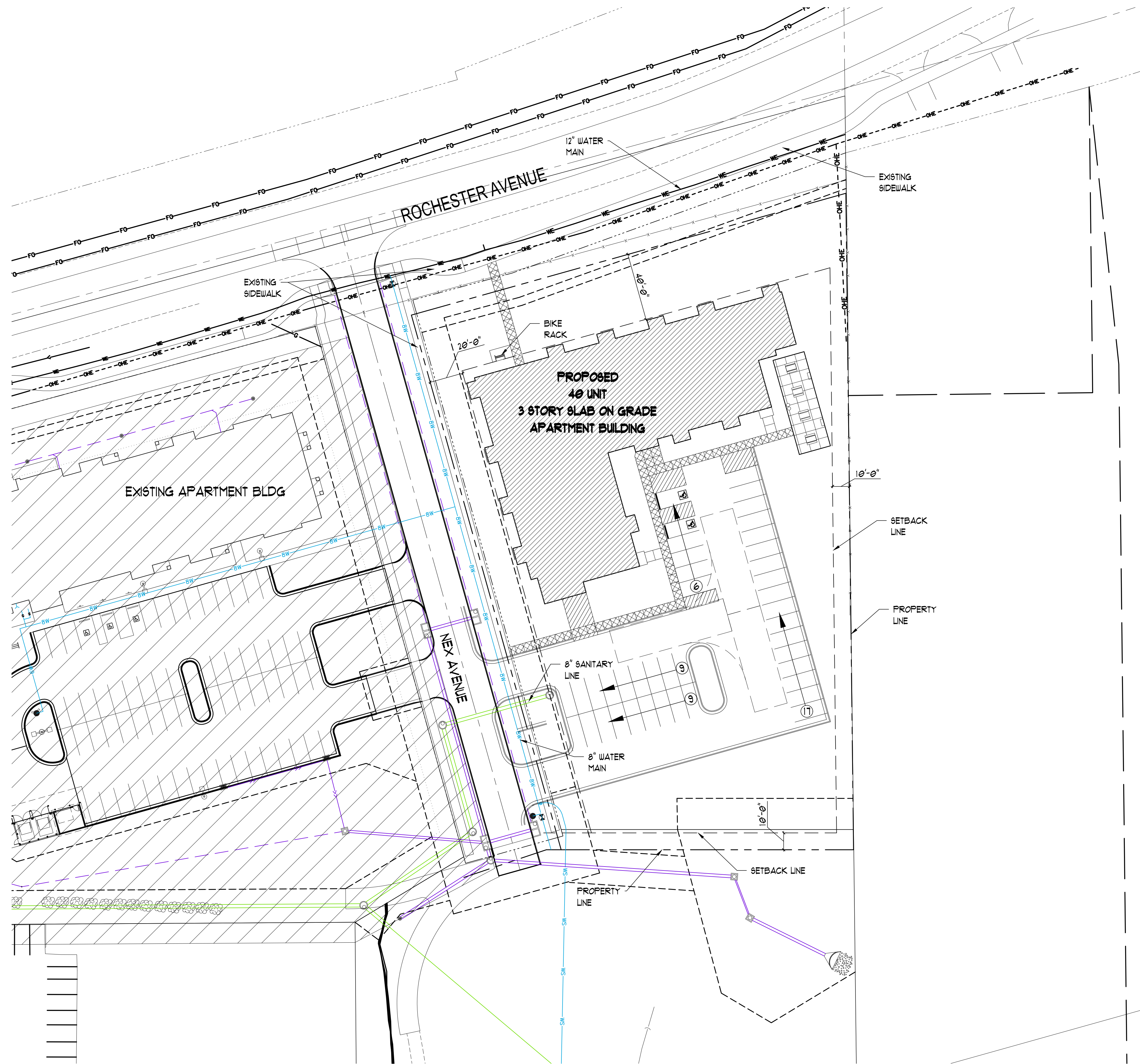
Purchase Land/buildings	\$600,000.00
Total Site Work	\$340,000.00
Total Constuction Costs	\$7,758,994.00
Construction Contingency	\$420,951.00
Const. Interest/Origination Fee/Taxes During Const.	\$502,000.00
Architectural and Engineering fees	\$340,000.00
Rent-up/Marketing	\$43,000.00
Title and Recording Fees	\$50,000.00
Perm Loan Origination Fees	\$30,000.00
Accounting/Cost Certification	\$18,000.00
Market Study/Appraisal	\$42,000.00
Borrower Legal/Real Estate fees	\$100,000.00
IFA Compliance/Construction Monitoring Fees	\$4,180.00
Tax Credit Fees	\$116,251.00
Environmental Studies/Consultant/Energy audit	\$11,000.00
Furnishings/Equipment	\$24,000.00
Soft Cost Contingency	\$6,363.00
Predevelopment Loan Fees and Interest	\$200,000.00
Developer's Fee	\$750,000.00
Operating Reserve	\$212,387.00
<b>Total Use of Funds</b>	<b>\$11,569,126.00</b>





THE FOLLOWING SHALL BE INCLUDED IN THE BUILDING DESIGN

- VIDEO SECURITY SYSTEM. THE SECURITY SYSTEM THAT SHALL RECORD ACTIVITY AT THE SITE SUCH THAT NO PART OF THE SITE CAN BE ACCESSED WITHOUT THAT ACTIVITY BEING RECORDED. PARTS OF THE SITE TO BE COVERED INCLUDE PARKING AREAS, ALL LEVELS OF STAIRWAYS, ELEVATORS, HALLWAYS, AND ENTRANCES TO ALL NON-TENANT SPACES. 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.
- STORAGE UNITS - ALL UNIT ARE TO HAVE A DEDICATED, LOCKABLE, STRUCTURALLY STRONG AND SECURE, FLOOR TO CEILING ROOM THAT IS AT LEAST 20 SQUARE FEET. THE STORAGE UNIT SHALL BE IN ADDITION TO AND EXCESS OF THE REQUIRED BEDROOM, LINEN AND COAT CLOSETS. STORAGE ROOMS SHALL BE MAINTAINED IN COMPLIANCE WITH THE REQUIREMENTS FOR FIRE SAFETY AND UNIFORM FIRE CODE, WHICH LIMITS FLAMMABLE AND COMBUSTIBLE MATERIALS.
- BEDROOM CLOSET DOORS ARE TO BE OF SWING TYPE, NOT BI-FOLD
- CLOSET RODS AND SHELVES IN EACH BEDROOM CLOSET IN EACH UNIT. ONCE INSTALLED, THE CLOSET SHELVES AND HANGER BARS SHALL BE EASY TO ADJUST TO DIFFERENT HEIGHTS WITH NO TOOLS REQUIRED. THEY SHALL HAVE 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
- LARGE ADA COMPLIANT KITCHEN CABINET AND DRAWER PULLS
- BUILT-IN DISHWASHER IN ALL UNITS
- TWO CEILING FAN/LIGHT COMBINATION WITH WALL SWITCHES IN ALL UNITS.
- IN-UNIT LAUNDRY SPACE WITH WASHER AND DRYER. (DRYER SHALL VENT TO EXTERIOR.)
- SHOWER HEAD AND HAND-HELD SHOWER COMBINATION OR AN ADJUSTABLE HEIGHT MOVABLE HAND-HELD SHOWER HEAD WITH A SHOWER HEAD IN ALL UNITS
- MOTION-SENSING LIGHT SWITCH IN EACH BATHROOM
- ADA COMPLIANT SINGLE LEVER FAUCET CONTROLS
- 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
- COMMUNITY ROOM OF 800 SQUARE FEET.
- STEEL DOOR FRAMES AT UNIT ENTRIES LEADING TO BUILDING CORRIDORS OR INTERIOR SPACES, METAL CLAD WOOD FRAMES ACCEPTABLE AT UNIT ENTRIES LEADING TO THE EXTERIOR
- MAIN ENTRANCE AREAS: UNIT MAIN ENTRANCE TO INTERIOR - SHALL BE DESIGNED WITH A FOYER AND EQUIPPED WITH A REMOTE SECURITY AND INTERCOM SYSTEM TO EACH UNIT TO CONTROL ENTRY TO COMMON AREAS. UNIT MAIN ENTRANCE TO EXTERIOR
- IMPLEMENT AND ENFORCE A "NO SMOKING" POLICY IN ALL COMMON AND INDIVIDUAL LIVING AREAS OF ALL BUILDINGS.
- PROJECT SHALL PROVIDE AND MAINTAIN TRASH AND/OR RECYCLING DISPOSAL CHUTES
- PASSIVE (NEW CONSTRUCTION) OR ACTIVE (REHAB/REUSE) RADON SYSTEM RADON-REDUCING FEATURES (INCLUDING A DRAIN TILE LOOP FOR NEW CONSTRUCTION), BELOW THE BUILDING SLAB ALONG WITH VERTICAL VENT PIPE(S) AND JUNCTION BOX(ES) FOLLOWING REQUIREMENTS AS SHOWN IN APPENDIX F - "RADON CONTROL METHODS" IN THE 2012 INTERNATIONAL RESIDENTIAL CODE.
- CENTRAL WATER HEATERS (SERVING ENTIRE BUILDING) - WITH A NINETY (90%) THERMAL EFFICIENCY RATING OR MINIMUM NINETY FIVE PERCENT (95%) EFFICIENT THERMAL WATER STORAGE TANKS COUPLED TO A BETTER THAN 90 AFUE BOILER.
- HOME ENERGY RATING SYSTEMS (HERS) INDEX OF 62 OR LESS
- MINIMUM OF FORTY PERCENT (40%) OF THE GROSS EXTERIOR (EXCLUDING WINDOW AND DOOR AREAS), OF 4" NOMINAL BRICK, 4" NOMINAL STONE, STUCCO OVER MASONRY, ARCHITECTURAL CMU BLOCK OR PRE-CAST CONCRETE WALL PANELS. THE REMAINING FIFTY PERCENT (60%) SHALL BE CONSTRUCTED OF ONE HUNDRED PERCENT (100%) FIBER CEMENT BOARD SIDING OR ENGINEERED WOOD SIDING BY SMARTSIDE, TRUWOOD OR KATAWBA. THE BUILDINGS SOFFIT AND FASCIA SHALL BE PRE-FINISHED ALUMINUM OR ENGINEERED WOOD SIDING BY SMARTSIDE, TRUWOOD OR KATAWBA. SOFFITS SHALL BE VENTED.
- MINIMUM OF TWO PICNIC TABLES AND ONE GRILL FOR EVERY 25 UNITS SHALL BE PROVIDED AND MAINTAINED



1 SITE PLAN  
SCALE: 1/32" = 1'-0"

1.79 ACRES (RM-20)

UNIT TYPE LEGEND			
FULLY ACCESSIBLE UNIT	FA	2	5%
ACCESSIBLE TYPE A UNITS	A	10	25%
TYPE B UNIT	B	28	70%
TOTAL		40	100%
ACCESSIBLE COMMUNICATION FEATURED UNIT	AC	1/40	2%

BUILDING SQ. FT.	
FIRST FLOOR PLAN	16,004 SQ. FT.
SECOND FLOOR PLAN	15,600 SQ. FT.
THIRD FLOOR PLAN	15,600 SQ. FT.
TOTAL	47,204 SQ. FT.

- PROPERTY LINE
- UTILITY EASEMENT
- PARKING  
PARKING TOTAL: 41  
SURFACE PARKING: 41
- EXTERIOR LIGHTING
- ACCESSIBLE PATH

PRELIMINARY  
NOT FOR  
CONSTRUCTION

05-17-2022

**Sand**  
Architects, LLC

366 South Tenth Avenue  
PO Box 727  
Waite Park, MN 56387-0727  
Office: (320) 202-3100  
Fax: (320) 202-3139  
Website: www.SandCompanies.com  
E-Mail: Sand@SandCompanies.com

**NEX Senior  
Apartments**

Iowa City, IA

**A-0**

THESE DRAWINGS AND SPECIFICATIONS ARE THE SOLE PROPERTY OF SAND ARCHITECTS, LLC. ANY REPRODUCTION OR REUSE OF THESE DOCUMENTS IS FORBIDDEN WITHOUT WRITTEN PERMISSION FROM SAND ARCHITECTS, LLC. 2022



## MEMORANDUM

Subject: Private Activity Bonds for July 2023 IFA Board Meeting  
From: Aaron Smith, Chief Bond Programs Director  
To: Iowa Finance Authority Board of Directors  
Date: June 27, 2023

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### PRIVATE ACTIVITY BOND PROGRAM

#### PAB 22-21 – AHEPA 192-IV Apartments LP Project

This is a resolution authorizing the issuance of not to exceed \$13,000,000 of Multifamily Housing Revenue Bonds for AHEPA 192-IV Apartments LP (the “Borrower”). Proceeds from the Bonds will finance the construction of a new 90-unit multistory senior living facility (62+) in Des Moines.

- **Action: Resolution PAB 22-21B**

RESOLUTION PAB 22-21B

Authorizing the Issuance of not to exceed \$13,000,000  
Iowa Finance Authority Multifamily Housing Bonds  
(AHEPA 192-IV Apartments LP Project), in one or more series

Resolution authorizing the issuance of not to exceed \$13,000,000 Iowa Finance Authority Multifamily Housing Bonds (AHEPA 192-IV Apartments LP Project), in one or more series for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee; and related matters.

WHEREAS, the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa (the “State”) duly organized and existing under and by virtue of the Constitution and laws of the State (the “Authority”) is authorized and empowered by Chapter 16 of the Code of Iowa, (the “Act”) to issue revenue bonds to be used to finance in whole or in part the acquisition of a qualified residential rental project by construction or purchase pursuant to the Act; and

WHEREAS, the Authority has been requested by AHEPA 192-IV Apartments LP (the “Borrower”) to issue not to exceed \$12,000,000 Iowa Finance Authority Multifamily Housing Bonds (AHEPA 192-IV Apartments LP Project), in one or more series (the “Bonds”) for the purpose of loaning the proceeds thereof to the Borrower to finance the costs of the acquisition, construction, equipping and improving of privately owned real and personal property into a multifamily housing complex containing approximately 90 affordable living units for low to moderate income seniors, located at 1111 E. Army Post Road, Des Moines, Iowa and to pay for certain costs of issuance of the Bonds (the “Project”); and

WHEREAS, the Authority on the 5<sup>th</sup> day of October, 2022 has heretofore approved an application, attached hereto as Exhibit A, of the Borrower requesting the approval of the Project; and

WHEREAS, the Borrower anticipates that it will incur additional costs in acquiring, developing and constructing the Project; and

WHEREAS, the Borrower is requesting the Authority to amend its resolution approving its application to issue the Bonds to increase the maximum principal amount of the Bonds to an amount not to exceed \$13,000,000; and

WHEREAS, pursuant to published notice of hearing (a copy of which notice is attached hereto as Exhibit B) the Authority has conducted a public hearing on the 5<sup>th</sup> day of July, 2023 at 8:30 a.m. on a proposal to issue the Bonds in an amount not to exceed \$13,000,000 to finance the Project as required by Section 147 of the Internal Revenue Code of 1986, as amended (the “Code”)



and this Board has deemed it to be in the best interests of the Authority that the Bonds be issued as proposed; and

WHEREAS, it is necessary and advisable that provisions be made for the issuance of Bonds in the aggregate principal amount of not to exceed \$13,000,000 as authorized and permitted by the Act to finance the funding of the Project and the costs incurred in connection with the foregoing; and

WHEREAS, the Bonds are to be issued pursuant to the provisions of a Trust Indenture (the "Indenture") between the Authority and The Huntington National Bank or another trustee selected by the Borrower and approved by an Authorized Officer (defined herein) (the "Trustee"); and

WHEREAS, the Authority will loan the proceeds of the Bonds to the Borrower pursuant to the provisions of a Loan Agreement (the "Loan Agreement") between the Authority and the Borrower; and

WHEREAS, the Borrower has arranged for the sale of the Bonds to The Sturges Company (the "Underwriter") pursuant to a Bond Purchase Agreement among the Borrower, the Authority and the Underwriter (the "Bond Purchase Agreement");

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

Section 1. Qualified Project. It is hereby determined that the financing of the Project and the payment of costs related thereto, all as described in the initial approved application, Exhibit A, as modified by the changes described in the revised source and uses of funds, Exhibit C, qualifies under the Act for financing with the proceeds of the Bonds and will promote those public purposes outlined in the Act.

Section 2. Costs. The Authority shall proceed with the sale and issuance of the Bonds and the Authority shall defray all or a portion of the cost of the Project by issuing the Bonds and loaning the proceeds of the sale of the Bonds to the Borrower.

Section 3. Public Hearing. At the public hearing conducted by the Authority in accordance with the provisions of Section 147(f) of the Code, pursuant to published notice, all persons who appeared were given an opportunity to express their views for or against the proposal to issue the Bonds and the Authority has determined to proceed with the necessary proceedings relating to the issuance of the Bonds.

Section 4. Trustee. The Huntington National Bank or another trustee selected by the Borrower and approved by the Executive Director, the Chief Financial Officer, the Chief Operating Officer or the Chief Bond Programs Director (each, an "Authorized Officer") is hereby appointed Trustee under the Indenture and the form and content of the Indenture, the provisions of which are incorporated herein by reference, and the assignment of the Authority's rights and interest in and to the Loan Agreement (with certain exceptions as stated in the Indenture), be and the same hereby are in all respects authorized, approved and confirmed, and any Authorized Officer is authorized, empowered and directed to execute and deliver the Indenture for and on behalf of the Authority to

the Trustee for the security of the Bonds and the interest thereon, including necessary counterparts in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as shall be approved by counsel to the Authority, and that from and after the execution and delivery of the Indenture, any Authorized Officer is authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Indenture as executed.

Section 5. Bonds Authorized. In order to acquire, construct, improve and equip the Project, the Bonds shall be and the same are hereby authorized and ordered to be issued by the Authority pursuant to the Indenture in substantially the form as has been presented to and considered at this meeting and containing substantially the terms and provisions set forth therein, the Bonds actually issued to be in a principal amount not exceeding \$13,000,000 and to bear interest at rates as determined by the Borrower and the Underwriter which rate shall initially be a variable rate not to exceed 7.00% and which may be converted to a different rate pursuant to the terms of the Indenture and may be converted to a fixed rate not to exceed a maximum of 7.00% per annum on or prior to the date of issuance and delivery of such Bonds, and the execution and delivery thereof by the Chairperson and Secretary shall constitute approval thereof by the Authority. The Chairperson and Secretary are hereby authorized and directed to approve such principal amount and interest rates for the Bonds, within the foregoing limits, by and on behalf of the Authority, and to execute by facsimile signature, seal and deliver the Bonds to the Trustee for authentication.

Section 6. Loan Agreement. The Authority shall loan the proceeds of the Bonds to the Borrower pursuant to the Loan Agreement and the form and content of the Loan Agreement, the provisions of which are incorporated herein by reference, be authorized, approved and confirmed. Any Authorized Officer is authorized and directed to execute and deliver the Loan Agreement, but with such changes, modifications, additions or deletions therein as shall be approved by counsel to the Authority and that from and after the execution and delivery of the Loan Agreement, any Authorized Officer is hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Loan Agreement as executed.

Section 7. Tax Exemption Agreement. The Authority and the Borrower shall set forth in the Tax Exemption Agreement certain representations and certifications with respect to the Bonds as required by the Code, the form and content of the Tax Exemption Agreement, the provisions of which are incorporated herein by reference, be authorized, approved and confirmed. Any Authorized Officer is hereby authorized and directed to execute and deliver the Tax Exemption Agreement but with such changes, modifications, additions or deletions therein as shall be approved by counsel to the Authority.

Section 8. Regulatory Agreement. Provisions relating to the use of the Project as required by the Code will be contained in a Regulatory Agreement among the Authority, the Borrower and The Huntington National Bank or another entity selected by the Borrower and not objected to by the Authority. The form and content of the Regulatory Agreement, the provisions of which are incorporated herein by reference, be authorized, approved and confirmed. Any

Authorized Officer is hereby authorized and directed to execute and deliver the Regulatory Agreement but with such changes, modifications, additions or deletions therein as shall be approved by counsel to the Authority.

Section 9. Purchase of Bonds. The sale of the Bonds to the Underwriter subject to the terms and conditions set forth in the Bond Purchase Agreement, is authorized, approved and confirmed, and that the form and content of the Bond Purchase Agreement is authorized, approved and confirmed. Any Authorized Officer is authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form before this meeting, in all respects, but with appropriate insertions and revisions to reflect marketing of the Bonds and revisions approved by counsel to the Authority.

Section 10. Execution of Documents. Any Authorized Officer is authorized to execute and deliver for and on behalf of the Authority any and all additional agreements, certificates, documents, opinions or other papers and perform all other acts (including without limitation the filing of any financing statements or any other documents to create and maintain a security interest on the properties and revenues pledged or assigned under the Loan Agreement, and the execution of all closing documents as may be required by bond counsel and approved by counsel to the Authority, and the acceptance of any documentation evidencing indemnification of the Authority by Borrower in connection with the transactions contemplated hereby) as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

Section 11. Use of Official Statement. The use by the Underwriter of a document used to market the Bonds (the "Official Statement"), in connection with the sale of the 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 Official Statement 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 Underwriter and the Borrower from including such information as they reasonably deem appropriate. The Official Statement as of its date will be, by approval thereof by an Authorized Officer, deemed final by the Authority within the meaning of Rule 15c2-12(b)(1) of the Securities and Exchange Commission and any Authorized Officer is authorized to execute and deliver such certificates as required to indicated such approval and to comply with SEC Rule 15c2-12 in connection with the offer, sale and issuance of the Bonds.

Section 12. Payments Under the Loan Agreement. The Loan Agreement requires the Borrower in each year to pay amounts as loan payments sufficient to pay the principal of, premium, if any, and interest on the Bonds when and as due, and the payment of such amounts by the Borrower to the Trustee pursuant to the Loan Agreement is hereby authorized, approved and confirmed.

Section 13. Limited Obligations. The Bonds shall be limited obligations of the Authority, payable solely out of the loan payments required to be paid by the Borrower pursuant to and in accordance with provisions of the Loan Agreement and as provided in the Indenture, and are secured pursuant to and in accordance with provisions of the Loan Agreement. 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 or any political subdivision of the State 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 nor any political subdivision of the State 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 or any political subdivision of the State 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 14. Severability. 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 15. Repealer. 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 5<sup>th</sup> day of July, 2023.

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Michel Nelson, Chairperson

ATTEST:

(SEAL)

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Deborah Durham, Secretary

## EXHIBIT A

### Initial Approved Application

A copy of the Application will also be available at the Board meeting or may be obtained by fax by calling Aaron Smith of the Iowa Finance Authority at (515) 452-0461.



IOWA FINANCE  
AUTHORITY

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 22-21  
Application Received \_\_\_\_\_  
Application Fee Received? \_\_ Yes \_\_ No  
Volume Cap? \_\_ Yes \_\_ No  
Amount of Request \$ \_\_\_\_\_

**PRIVATE ACTIVITY BOND APPLICATION**

**Part A - Borrower Information**

- Project Name:** AHEPA 192-IV Apartments LP
- Contact Person/Title:** Doug Klingensmith/Development Consultant  
**Company:** AHEPA Affordable Housing Management Company Inc.  
**Address:** 10706 Sky Prairie Street  
**City, State, Zip:** Fishers, IN 460938  
**Telephone:** 614-314-2591  
**E-mail:** dklingensmith@ahepahousing.org
- Principals: (If a partnership, list partners; if a corporation, list officers/directors and state of incorporation; if a nursing facility, list directors and principal staff.) Attach separate list if necessary.**  
AHEPA Affordable Housing Management Company, Inc. (51%), AHEPA 192, Inc. (49%). A to be determined affiliate of either or both entities may be substituted if required.
- If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose.**
- Is the Borrower currently qualified to transact business within the State of Iowa? Yes**
- If project is a Nursing Facility, is state certificate of need required? No**  
**If yes, attach copy.**
- Total current FTE's of Borrower: 0**  
**Number of permanent FTE's created by the project: 4**

**Part B - Project Information**

- Amount of Bond Request:** \$12,000,000.00  
**Amount to be used for refunding:** \$0.00
- Location of Project**  
**Address:** 1111 E. Army Post Road  
**City/State:** Des Moines, IA

County: POLK

3. **General Project Description:**

New construction of a single multistory elevator building designated for seniors 62+ financed primarily with HUD 202 PRAC, LIHTC equity supported by tax exempt bonds. To be owned by an experienced nonprofit senior housing manager & owner.

4. **Does the Borrower expect to use bond proceeds to reimburse capital expenditures already made? No**

**If yes, specify \$ amount: \$0.00**

5. **Parties related to the Project:**

- a. **Principal User will be:** AHEPA 192-IV Apartments, LLC
- b. **Seller (if any) of the Project:** Machrich Southridge Mall, LLC
- c. **Purchaser (if any) or Owner or Lessee of the Project:** AHEPA 192-IV Apartments, LLC
- d. **Relationship of Project Seller and Purchaser, if any:** None, arms length sale

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

Source	Type	Amount
tax exempt bonds	Construction	\$12,000,000.00
HUD Section 202 Capital Advance	Permanent	\$8,313,200.00
FHA 221(d)(4 Mortgage (Bellwhether)	Permanent	\$1,842,463.00
<b>Total</b>		\$22,155,663.00

Use	Amount
Construction	\$13,191,459.00
Developer Fee	\$2,150,000.00
Land	\$750,000.00
General Requirements	\$694,287.00
Contractor Profit	\$694,287.00
Hard Cost Contingency	\$694,287.00
Site Work	\$694,286.00
Architect & Inspection	\$540,000.00
Bond Issuance Costs	\$350,000.00
Operating Reserve	\$328,000.00
Contractor Overhead	\$231,429.00
Legal Costs	\$225,000.00
Furnitures/Fixtures/Equipment	\$202,500.00
Performance & Payment Bond	\$135,000.00
Real Estate Taxes & Impact Fees	\$131,400.00
Lender Loan Costs	\$129,647.00
Tap Fees & Permits	\$126,000.00
Soft Cost Contingency	\$112,500.00
Organizational	\$110,000.00
Construction Loan Interest	\$95,307.00
Working Capital Reserve (FHA required)	\$95,000.00
Syndication Costs (including legal)	\$85,000.00
Insurance During Construction	\$72,000.00
Initial Operating Deficit Reserve (FHA required)	\$71,250.00

Lender Legal	\$50,000.00
FHA Loan Costs	\$48,156.00
Title & Recording	\$45,000.00
Owners Representative	\$45,000.00
Cost Certification	\$30,000.00
IFA Other Fees	\$15,550.00
IFA Tax Credit Reservation Fees	\$10,568.00
IFA Application Fee	\$2,750.00
<b>Total</b>	<b>\$22,155,663.00</b>

8. **Type of Bond Sale:** Public Sale

**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:** Philip C Genetos

**Firm Name:** Ice Miller LLP

**Address:** 135 North Pennsylvania Avenue, Suite 2400

**City/State/Zip Code:** Indianapolis, IN 46282

**Telephone:** 3172362307

**E-mail:** Philip.Genetos@icemiller.com

2. **Counsel to the Borrower:**

**Name:** Courtney S. Lynch

**Firm Name:** Quarles & Brady LLP

**Address:** 135 North Pennsylvania Avenue, Suite 2400

**City/State/Zip Code:** Indianapolis, IA 46204

**Telephone:** 3173992859

**E-mail:** Courtney.Lynch@quarles.com

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

**Name:** Michael R. Sturges

**Firm Name:** The Sturges Company

**Address:** 8787 Bay Colony Drive

**City/State/Zip Code:** Naples, FL 34108

**Telephone:** 239-302-2967

**E-mail:** michael@thesturgescompany.com

4. **Counsel to the Underwriter:**

**Name:** Robert Labes

**Firm Name:** Squire Patton Boggs (US) LLP

**Address:** 2550 M Street, NW



**City/State/Zip Code:** Washington, DC 20037

**Telephone:** 216-246-9065

**E-mail:** robert.labes@squirepb.com

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

**Name:** John D. Alexander

**Firm Name:** The Huntington National Bank

**Address:** 45 N Pennsylvania Street

**City/State/Zip Code:** Indianapolis, IN 46204

**Telephone:** 317-686-5321

**E-mail:** John.D.Alexander@huntington.com

**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.**

Applications will expire if the bonds are not issued within 18 months.

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 23rd day of September, 2022

Borrower: AHEPA 192-IV Apartments LPP

By: Steve Beck

Title: President/CEO

EXHIBIT B

Notification of Hearing as Published on the Authority's Website

Notice of Hearing on Iowa Finance Authority Revenue Bonds  
for AHEPA 192-IV Apartments LP  
for a Project located in Polk County, Des Moines, Iowa  
*Posted to IFA Website on June 27, 2023*

A public hearing will be held on the 5<sup>th</sup> day of July, 2023, at the Iowa Finance Authority, 1963 Bell Avenue, Suite 200, Des Moines, Iowa, at 8:30 o'clock a.m. on the proposal for the Iowa Finance Authority (the "Authority") to issue its Multifamily Housing Revenue Bonds (AHEPA 192-IV Apartments LP Project) in an aggregate principal amount not to exceed \$13,000,000 (the "Bonds"), in one or more series pursuant to a plan of finance, to be issued as exempt facility bonds for qualified residential rental projects as described in Section 142(a)(7) of the Internal Revenue Code of 1986, as amended (the "Code"), and to loan the proceeds thereof to AHEPA 192-IV Apartments LP (the "Borrower") for the purpose of financing the acquisition, construction, equipping and improving of privately owned real and personal property into a multifamily housing complex containing approximately 90 affordable living units for low to moderate income seniors, located at 1111 E. Army Post Road, Des Moines, Iowa, and paying for costs associated with the issuance of the Bonds (collectively the "Project").

The hearing will be held telephonically, which will be accessible through the following toll-free number: 1-800-532-1215; Conference ID: 401 690 921#. Written comments can be submitted to the Authority at its offices at 1963 Bell Avenue, Suite 200, Des Moines, Iowa 50315 for receipt prior to the hearing date.

The Bonds, when issued, will be limited obligations of the Authority and will not constitute a general obligation or indebtedness of the State of Iowa or any political subdivision thereof, including the Authority, nor will they be payable in any amount by taxation, but the Bonds will be payable solely and only from amounts received from the Borrower, the obligations of which will be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when they shall become due.

At the time and place fixed for the hearing, all individuals who appear will be given an opportunity to express their views for or against the proposal to issue the Bonds for the purpose of financing the Project, and all written comments previously filed with the Authority as described above will be considered.

Aaron Smith  
Chief Bond Programs Director  
Iowa Finance Authority

EXHIBIT C

Any Amendment to Initial Application and Final Sources and Uses of Funds

Final Sources and Uses of Funds

<u>Source</u>	<u>Type</u>	<u>Amount</u>	<u>Use</u>	<u>Amount</u>
Tax Exempt Bonds	Construction	\$13,000,000.00	Construction	\$14,191,459.00
HUD Section 202 Capital Advance	Permanent	\$8,313,200.00	Developer Fee	\$2,150,000.00
FHA 221(d)(4) Mortgage (Bellwhether)	Permanent	\$1,842,463.00	Land	\$750,000.00
<b>Total</b>		<b>\$23,155,663.00</b>	General Requirements	\$694,287.00
			Contractor Profit	\$694,287.00
			Hard Cost Contingency	\$694,287.00
			Site Work	\$694,286.00
			Architect & Inspection	\$540,000.00
			Bond Issuance Costs	\$350,000.00
			Operating Reserve	\$328,000.00
			Contractor Overhead	\$231,429.00
			Legal Costs	\$225,000.00
			Furniture/Fixtures/Equipment	\$202,500.00
			Performance & Payment Bond	\$135,000.00
			Real Estate Taxes & Impact Fees	\$131,400.00
			Lender Loan Costs	\$129,647.00
			Tap Fees & Permits	\$126,000.00
			Soft Cost Contingency	\$112,500.00
			Organizational	\$110,000.00
			Construction Loan Interest	\$95,307.00
			Working Capital Reserve (FHA required)	\$95,000.00
			Syndication Costs (including legal)	\$85,000.00
			Insurance During Construction	\$72,000.00
			Initial Operating Deficit Reserve (FHA required)	\$71,250.00
			Lender Legal	\$50,000.00
			FHA Loan Costs	\$48,156.00
			Title & Recording	\$45,000.00
			Owners Representative	\$45,000.00
			Cost Certification	\$30,000.00
			IFA Other Fees	\$15,550.00
			IFA Tax Credit Reservation Fees	\$10,568.00
			IFA Application Fee	\$2,750.00
			<b>Total:</b>	<b>\$23,155,663.00</b>

**RESOLUTION  
GEN 23-03**

WHEREAS, Iowa Code chapter 16 created the Iowa Finance Authority (the “Authority”) and defined the Executive Director of the Authority; and

WHEREAS, Division V of 2023 Iowa Acts, Senate File 514 amended Iowa Code chapter 16 to change the Executive Director’s title to the Director of the Authority (the “amendment”); and

WHEREAS, the effective date of this amendment was July 1, 2023; and

WHEREAS, the Board of the Authority adopted Resolution GEN 19-08A in December 2019 to authorize the Executive Director, among other officers, to sign documents, instruments, and agreements on behalf of the Authority; and

WHEREAS, the Board of the Authority desires that the Director of the Authority retain authorization to sign documents, instruments, and agreements on behalf of the Authority;

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

SECTION 1. The Director is hereby authorized to execute and deliver on behalf of the Authority any agreement, document or instrument as the Director may deem necessary or appropriate in order to implement and carry out the intent and purpose of (a) any statute or administrative rule by which the Authority is bound (other than those statutes or administrative rules requiring a person holding a specified office to sign), or (b) any resolutions adopted by the Authority prior to or after the adoption of this Resolution. Any resolutions adopted by the Authority prior to or after the adoption of this Resolution authorizing the Executive Director to act shall be deemed to also authorize the Director to act.

SECTION 2. The Chief Financial Officer, the Chief Programs Officer, and the Chief Bond Programs Director retain the same authorization to execute and deliver on behalf of the Authority any agreement, document, or instrument, as described in Section 1 of Resolution GEN 19-08A.

SECTION 3. The provisions of this Resolution are declared to be separable, and if any section, phrase, line item, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, line items, and provisions.

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

PASSED AND APPROVED this 5<sup>th</sup> day of July, 2023.

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Michael Nelson, Board Chairman

ATTEST:

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Deborah Durham, Secretary

**RESOLUTION**  
**HI 23-09**

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

WHEREAS, the Authority has received applications for 2023 low-income housing tax credits pursuant to the Low-Income Housing Tax Credit Program 2023 9% Qualified Allocation Plan (“2023 QAP”); and

WHEREAS, the Authority has reviewed the applications and desires to award 2023 tax Credits (the “Tax Credits”) under the 2023 QAP as set forth on the 2023 Combined Rankmaster attached to this Resolution as Exhibit A; and

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

SECTION 1. Subject to Section 3 hereof, the Board hereby awards 2023 Tax Credits to the projects listed on Exhibit A as set forth therein.

SECTION 2. Subject to Section 3 hereof, the Board authorizes the Authority to commit to and fund HOME Program loans to the projects identified as receiving a State HOME Award on Exhibit A, as set forth therein, in amounts not to exceed the amounts listed on Exhibit A and for terms not to exceed twenty years, with such loans to be secured by mortgages on the building being constructed and the land on which it sits, together with such other security as the Executive Director, working with Authority staff, deem necessary and appropriate.

SECTION 3. The provisions of this Resolution are declared to be separable, and if any section, phrase, line item, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, line items, and provisions.

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

PASSED AND APPROVED this 5<sup>th</sup> day of July, 2023.

---

Michael Nelson, Board Chairman

ATTEST:

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Deborah Durham, Secretary



EXHIBIT A

2023 9% LIHTC COMBINED RANKMASTER

TAX CREDITS AVAILABLE \$10,338,656

HOME AVAILABLE \$7,572,000

NONPROFIT SET-ASIDE		\$1,033,866												
#	Project Name	City	County	Set-Asides Requested	Project Type	Occupancy Type	Total & LIHTC Units	Total Score	Tax Credit Award	Tax Credit/Unit	Tax Credits Available	State HOME Award	Comments	Developer
23-14	Columbia Station	Burlington	Des Moines	Nonprofit, Rural	New	Family	30	49	\$865,583	\$28,853	\$9,473,073	\$0		Anawim
23-05	Frank Smith Center	Des Moines	Polk	Nonprofit	Acq/Rehab	Older Persons 62	44	49	\$545,971	\$12,408	\$8,927,102	\$500,000	CHDO	Community Housing Initiatives, Inc.
<b>Sub Total</b>							<b>74</b>	<b>-</b>	<b>\$1,411,554</b>	<b>\$41,261</b>	<b>\$8,927,102</b>			

RURAL SET-ASIDE		\$1,200,000												
#	Project Name	City	County	Set-Asides Requested	Project Type	Occupancy Type	Total & LIHTC Units	Total Score	Tax Credit Award	Tax Credit/Unit	Tax Credits Available	State HOME Award	Comments	Developer
23-16	Alice Place West Burlington	West Burlington	Des Moines	Rural	New	Older Persons 55+	47	49	\$1,163,148	\$24,748	\$7,763,954	\$500,000		Iceberg Development Group, LLC
<b>Sub Total</b>							<b>47</b>	<b>-</b>	<b>\$1,163,148</b>	<b>-</b>	<b>\$7,763,954</b>	<b>\$500,000</b>		

GENERAL		\$7,763,954												
#	Project Name	City	County	Set-Asides Requested	Project Type	Occupancy Type	Total & LIHTC Units	Total Score	Tax Credit Award	Tax Credit/Unit	Tax Credits Available	State HOME Award	Comments	Developer
23-04	The Asher	Sioux City	Woodbury	-	New	Family	30	51	\$799,746	\$26,658	\$6,964,208	\$0	permanent supportive housing units	Arch Icon Development Corporation
23-09	East High Lofts	Sioux City	Woodbury	-	Adaptive Reuse	Family	41	51	\$1,127,500	\$27,500	\$5,836,708	\$0		Commonwealth Development Corporation of America
23-26	JB Lofts	Dubuque	Dubuque	-	Adaptive Reuse	Family	30	50	\$501,296	\$16,710	\$5,335,412	\$500,000	permanent supportive housing units	Horizon Development Group, Inc.
23-11	Emri Apartments	Dubuque	Dubuque	-	New	Family	48	49	\$1,185,430	\$24,696	\$4,149,982	\$500,000		St. Michael Development Group, LLC
23-18	Carol's Village Gardens	Davenport	Scott	Nonprofit	New	Family	30	49	\$843,750	\$28,125	\$3,306,232	\$1,000,000	CHDO, permanent supportive housing units	Vera French Community Mental Health Center
23-03	Cottonwood Trail	Mount Vernon	Linn	Nonprofit	New	Older Persons 55+	30	48	\$675,000	\$22,500	\$2,631,232	\$1,100,000	CHDO	Community Housing Initiatives, Inc.
23-10	Townhomes at Creekside	Ames	Story	-	New	Family	38	48	\$1,149,500	\$30,250	\$1,481,732	\$500,000		Hatch Development Group LLC & Hatch, Kiernan, Galloway, Development LLC
23-22	Keokuk Family Flats	Keokuk	Lee	Rural	New	Family	42	47	\$1,200,000	\$28,571	\$281,732	\$500,000		Pivotal Development LLC
<b>Sub Total</b>							<b>289</b>	<b>-</b>	<b>\$7,482,222</b>	<b>-</b>	<b>-</b>	<b>\$4,100,000</b>		
<b>TOTAL AWARDED</b>							<b>410</b>	<b>-</b>	<b>\$10,056,924</b>	<b>-</b>	<b>-</b>	<b>\$5,100,000</b>		



#	Project Name	City	County	Set-Asides Requested	Project Type	Occupancy Type	Total & LIHTC Units	Total Score	Tax Credit Award	Tax Credit/Unit	Tax Credits Available	State HOME Award	Comments	Developer
<b>NO OFFER - NO TAX CREDIT AWARD</b>														
#	Project Name	City	County	Set-Asides Requested	Project Type	Occupancy Type	Total & LIHTC Units	Total Score	Tax Credit Request	Tax Credit/Unit	Tax Credits Available	Comments	Developer	
23-27	River City Flats	Burlington	Des Moines	Nonprofit, Rural	New	Family	40	49	\$1,200,000	\$30,000	\$281,732	Community Cap	Pivotal Development LLC & St. Mary Development Corporation	
23-06	The Apollo	Burlington	Des Moines	Nonprofit, Rural	Adaptive Reuse	Older Persons 55+	46	51	\$1,200,000	\$26,087	\$281,732	Community Cap	Ales Foundation & Phoenix Real Estate Services, LLC	
23-08	The Enclave at Sheridan	Davenport	Scott	-	New	Family	40	49	\$1,100,000	\$27,500	\$281,732	Developer Cap	Commonwealth Development Corporation of America	
23-13	Alley Landing	Des Moines	Polk	-	New	Family	40	47	\$1,150,000	\$28,750	\$281,732	Insufficient Credit	Woda Cooper Development, Inc.	
23-19	Vera French Manor II	Davenport	Scott	Nonprofit	Rehab, New	Family	16	47	\$356,500	\$22,281	\$281,732	Insufficient Credit	Vera French Community Mental Health Center	
23-17	Prairie Rose	Waukee	Dallas	-	New	Family	46	46	\$1,200,000	\$28,750	\$281,732	Insufficient Credit	Northpointe Development II Corporation	
23-12	Henry Stout Senior Apartments	Dubuque	Dubuque		Acq/Rehab	Older Persons 55+	33	45	\$499,380	\$28,750	\$281,732	Community Cap	Gronen Development, Inc.	
<b>Sub Total</b>							<b>261</b>	<b>-</b>	<b>\$6,705,880</b>	<b>-</b>	<b>\$281,732</b>			

<b>DID NOT MEET THRESHOLD - NO TAX CREDIT AWARD</b>														
#	Project Name	City	County	Set-Asides Requested	Project Type	Occupancy Type	Total & LIHTC Units	Total Score	Tax Credit Request	Tax Credit/Unit	Comments	Developer		
23-07	The Reserves at Fox Meadows	Fairfield	Jefferson	Rural	New	Family	40	N/A	\$1,200,000	\$30,000	Market	Overland Property Group, LLC		
23-15	St. Katherine's Senior Apartments	Davenport	Scott		Acq/Rehab	Older Persons 55+	38	N/A	\$567,162	\$14,925	Incomplete Application	MCC Development of Iowa, LLC & Fireson Development Group, LLC		
23-20	Priester Building	Davenport	Scott	Nonprofit	Adaptive Reuse	Older Persons 55+	23	N/A	\$569,221	\$24,749	Financial Feasibility	Newbury Management Company d/b/a Newbury Living & Ecumenical Housing Development Corporation		
23-21	Diamond Family Development	Sioux City	Woodbury	-	Acq/Rehab	Family	102	N/A	\$897,966	\$8,804	Community Cap, Financial Feasibility	3 Diamond Development		
23-24	Portrait of Maquoketa	Maquoketa	Jackson	Rural	New	Older Persons 55+	48	N/A	\$1,187,999	\$24,750	Market	Cottage Hill Development, LLC dba North Arrow Development		
23-28	The Hatchery	Newton	Jasper	Rural	New	Family	42	N/A	\$1,154,989	\$27,500	Incomplete Application	Pivotal Development LLC & Discover Hope 517 Inc.		
<b>Sub Total</b>							<b>90</b>	<b>-</b>	<b>\$2,342,988</b>	<b>-</b>				



IOWA FINANCE  
AUTHORITY

# 2023 9% HOUSING TAX CREDIT AWARDS

July 5, 2023

**24**

**APPLICANTS**

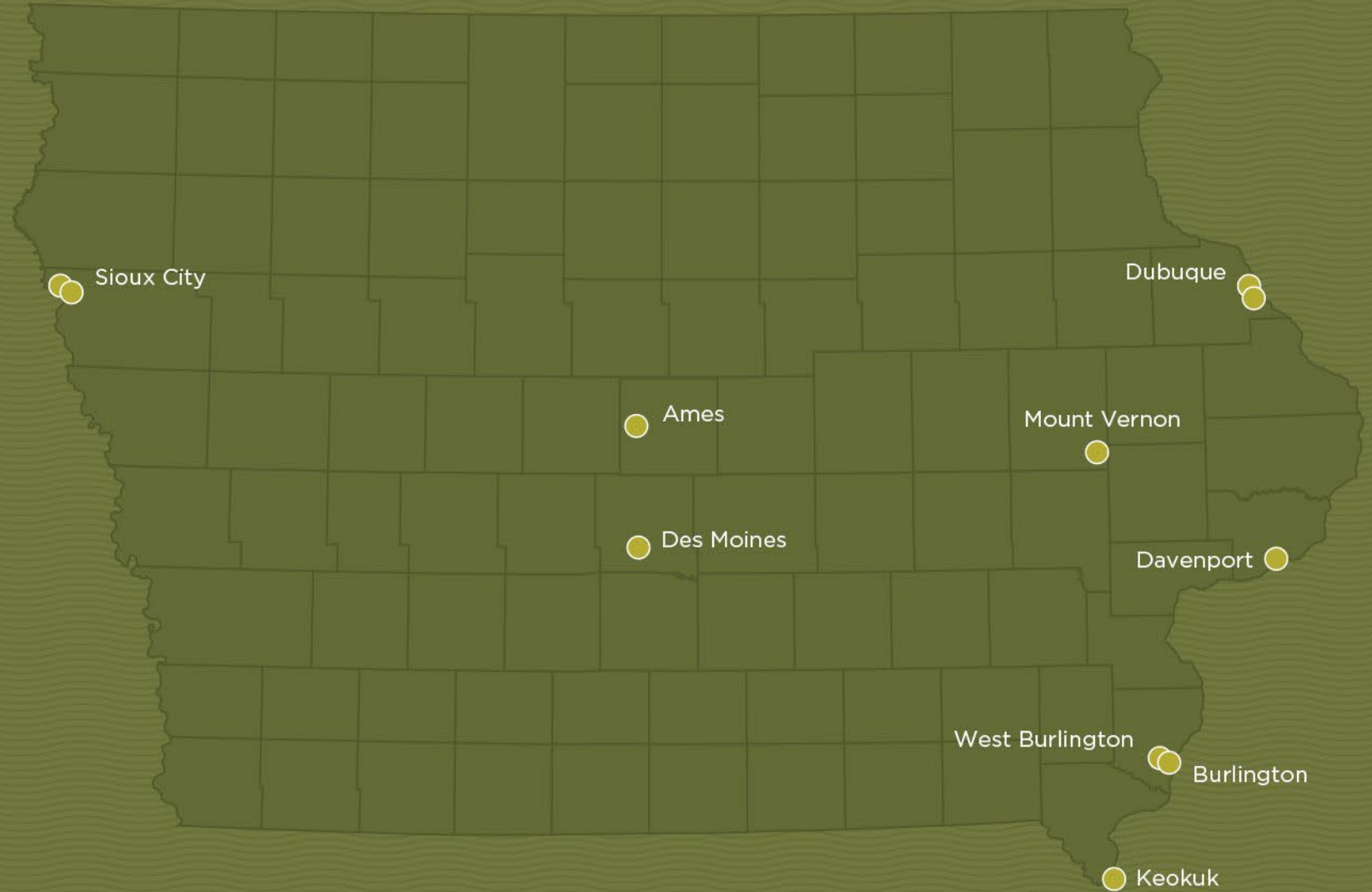
**\$22,432,985**  
Requested

**11**

**AWARDS**

**\$10,056,924**  
Awarded

**410 LIHTC Units**





# Columbia Station

## Burlington

*Nonprofit Set-Aside  
New Construction  
Family*

## 30 LIHTC Units

Developer:  
**Anawim**

- Total Development Costs: **\$8,533,452**
- Tax Credits: **\$865,583**



# Frank Smith Center

## Des Moines

*Nonprofit Set-Aside  
Acquisition/Rehabilitation  
Older Persons 62*

## 44 LIHTC Units

Developer:  
**Community Housing Initiatives, Inc.**

- Total Development Costs: **\$6,366,755**
- Tax Credits: **\$545,971**
- CHDO HOME Award: **\$500,000**





# Alice Place West Burlington

## West Burlington

*Rural Set-Aside*

*New Construction*

*Older Persons 55+*

**47 LIHTC Units**

Developer:

**Iceberg Development Group, LLC**

- Total Development Costs: **\$12,755,135**
- Tax Credits: **\$1,163,148**
- HOME Award: **\$500,000**



# The Asher

## Sioux City

*Permanent Supportive Housing  
New Construction  
Family*

## 30 LIHTC Units

Developer:  
**Arch Icon Development Corporation**

- Total Development Costs: **\$8,171,267**
- Tax Credits: **\$799,746**





# East High Lofts

## Sioux City

*Adaptive Reuse  
Family*

**41 LIHTC Units**

Developer:  
**Commonwealth Development  
Corporation of America**

- Total Development Costs: **\$19,030,515**
- Tax Credits: **\$1,127,500**





# JB Lofts

## Dubuque

*Permanent Supportive Housing  
Adaptive Reuse  
Family*

## 30 LIHTC Units

Developer:  
**Horizon Development Group, Inc.**

- Total Development Costs: **\$7,753,240**
- Tax Credits: **\$501,296**
- HOME Award: **\$500,000**



# Emri Apartments

## Dubuque

*New Construction  
Family*

**48 LIHTC Units**

Developer:  
**St. Michael Development Group, LLC**

- Total Development Costs: **\$14,237,088**
- Tax Credits: **\$1,185,430**
- HOME Award: **\$500,000**





# Cottonwood Trail

## Mount Vernon

*New Construction*

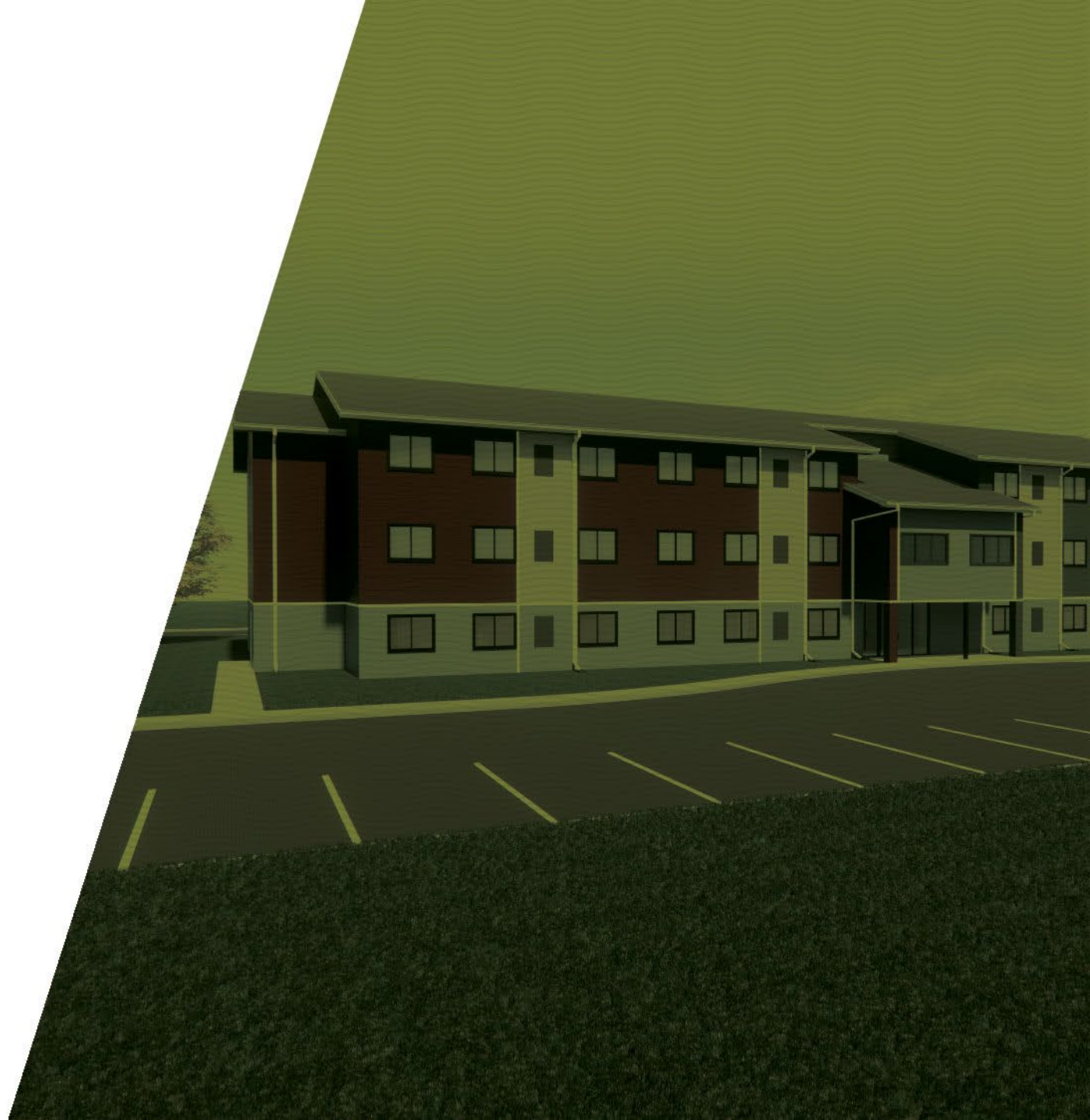
*Older Persons 55+*

**30 LIHTC Units**

Developer:

**Community Housing Initiatives, Inc.**

- Total Development Costs: **\$8,499,925**
- Tax Credits: **\$675,000**
- CHDO HOME Award: **\$1,100,000**



# Townhomes at Creekside, LLLP

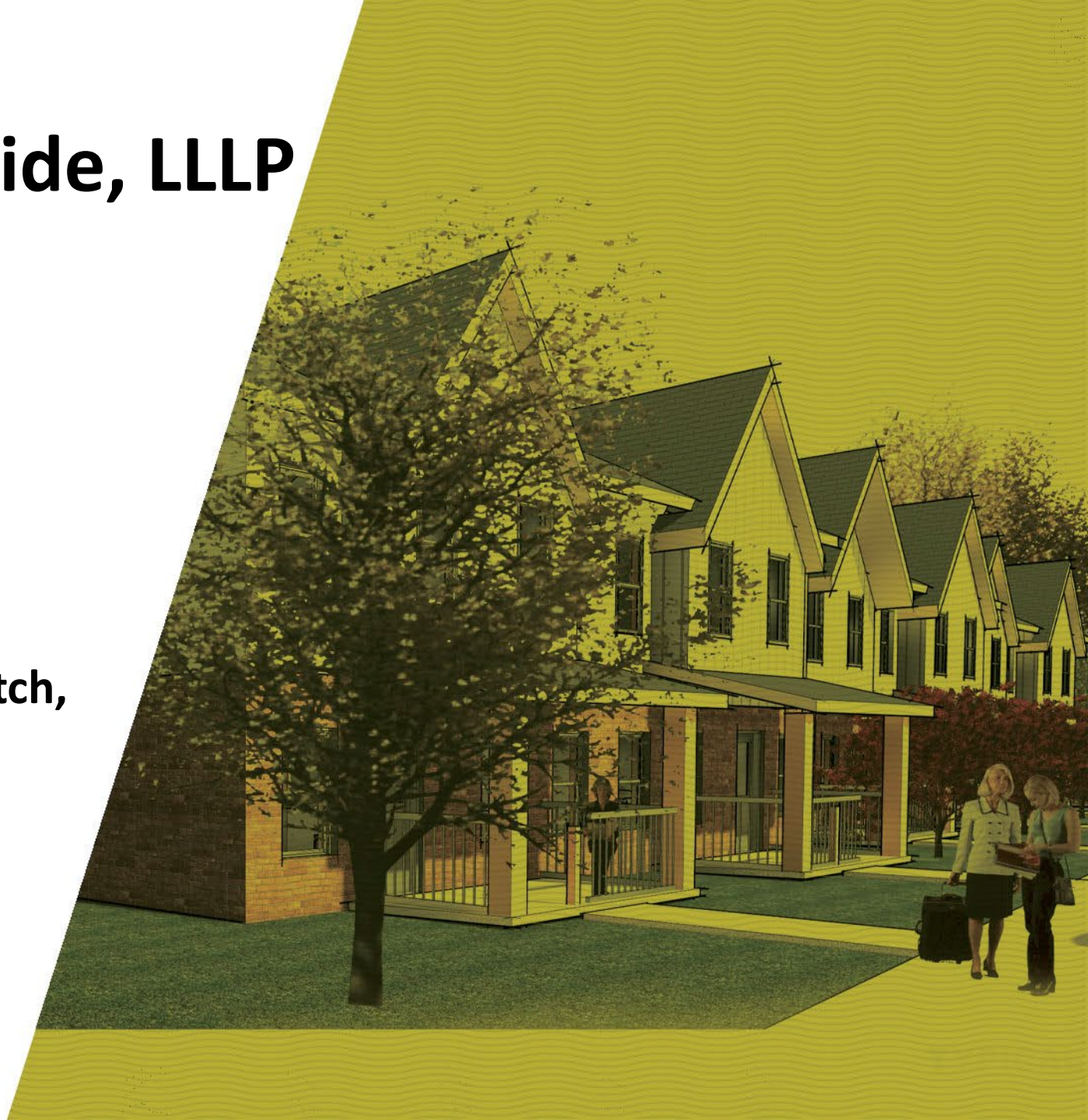
## Ames

*New Construction  
Family*

**38 LIHTC Units**

Developer:  
**Hatch Development Group LLC & Hatch,  
Kiernan, Galloway Development LLC**

- Total Development Costs: **\$12,537,199**
- Tax Credits: **\$1,149,500**
- HOME Award: **\$500,000**





# Carol's Village Gardens

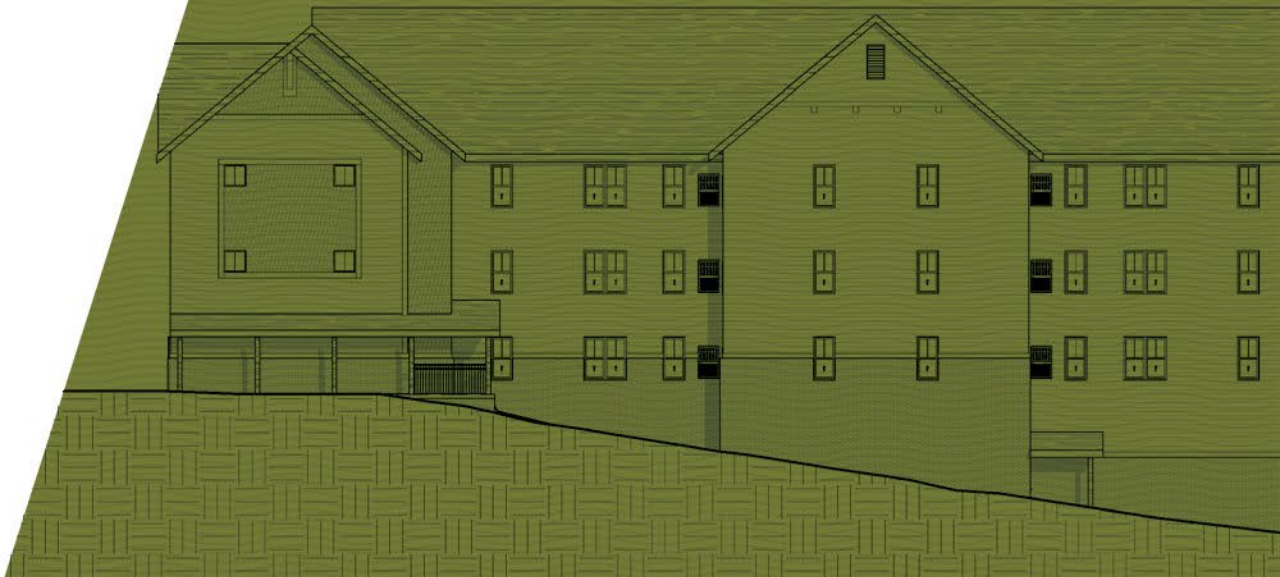
## Davenport

*Permanent Supportive Housing  
New Construction  
Family*

**30 LIHTC Units**

Developer:  
**Vera French Community  
Mental Health Center**

- Total Development Costs: **\$9,628,236**
- Tax Credits: **\$843,750**
- CHDO HOME Award: **\$1,000,000**



# Keokuk Family Flats

## Keokuk

*New Construction  
Family*

**42 LIHTC Units**

Developer:  
**Pivotal Development, LLC**

- Total Development Costs: **\$12,224,845**
- Tax Credits: **\$1,200,000**
- CHDO HOME Award: **\$500,000**



# THANK YOU

**Derek Folden**

Tax Credit Director

derek.folden@iowafinance.com

515.452.0437



IOWA FINANCE  
AUTHORITY

To: Iowa Finance Authority Board of Directors

From: Derek Folden, LIHTC Manager

Date: July 5, 2023

Re: 22-09 Villas at Fox Pointe Audubon - Waiver of Nonrefundable Fee

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**Background:** Villas at Fox Pointe Audubon was awarded a reservation of housing tax credits in 2022 and paid the \$101,200 reservation fee. The developer is unable to proceed with the project and has returned the 9% credits.

Section 3.8 of the 2022 9% QAP states that all fees are nonrefundable.

**Recommendation:** Staff recommends waiving the nonrefundable fee requirement and refunding the \$101,200 reservation fee.



**RESOLUTION  
HI 23-10**

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 create, protect and preserve affordable housing for low and moderate income families in the State of Iowa; and

WHEREAS, in 2022, the Authority awarded 9% low-income housing tax credits to Audubon Family, LP (the “Owner”) for the new construction of affordable housing in Audubon, Iowa known as Villas at Fox Pointe Audubon (22-09) (the “Project”); and

WHEREAS, the Owner has agreed to return the 9% low income housing tax credits due to issues related to development of the site; and

WHEREAS, the 2022 Low Income Housing Tax Credit Qualified Allocation Plan for nine percent tax credits states that all fees are nonrefundable; and

WHEREAS, The Owner desires to have its reservation fee of \$101,200.00 returned.

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

SECTION 1. The Board authorizes the Authority to return the reservation fee of \$101,200.00 to the Owner.

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 5<sup>th</sup> day of July 2023.

\_\_\_\_\_  
Michel Nelson, Board Chair

(Seal)

ATTEST:

\_\_\_\_\_  
Deborah Durham, Secretary