IOWA FINANCE AUTHORITY
BOARD MEETING AGENDA

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

Wednesday, June 7, 2023
11:00 a.m.

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

I.	**Board Chair**	*Michel Nelson*
	A. Roll Call and Introductions	
	B. Approval of May 3, 2023 Meeting Minutes	Action
	C. Approval of June 2, 2023 Special Meeting Minutes	Action
II.	**Public Comment Period**	
	A public comment period for the full meeting will be held at this time to accommodate visitors. This period is limited to 5 minutes per person.	
III.	**Consent Agenda**	*Michel Nelson*
	IADD - Authorizing Resolutions	Action on all items
	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 Bond	
	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	
	I. WQ 23-10, SRF Construction Loans	
IV.	**Finance**	
	A. March 2023 Financials	*Jennifer Pulford* – Action
	B. FY 2024 Budget	*Jennifer Pulford* – Action
V.	**Housing Programs**	
	A. HI 23-05, State Housing Trust Fund, Project-Based Award	*Terri Rosonke* – Action
	B. HI 23-06, 2023 4% LIHTC QAP - Single Asset Entity Waiver	*Derek Folden* – Action
	C. HI 23-07, Draft 2024 4% LIHTC QAP	*Derek Folden* – Action

D. HI 23-08, Draft 2024 9% LIHTC QAP — *Derek Folden* – Action

VI. Iowa Title Guaranty

A. Transfer of Funds — *Dillon Malone* - Action

VII. Legal

A. Notice of Intended Action, Amend 265 Chapter 12, Low-Income Housing Tax Credits — *Kristin Hanks-Bents* - Action

VIII. Private Activity Bonds

A. PAB 21-12B-1 and 21-13B-1, CCM-Iowa Portfolio Project (Amending) — *Aaron Smith* – Action
B. PAB 22-19B, Red Oak Partners, LLC Project — *Aaron Smith* – Action

IX. Executive Director's Office

A. Executive Director's Report — *Debi Durham*

X. Other Business

Next IFA Board Meeting – Wednesday, July 5, 2023

XI. Adjournment — Action

BOARD MEETING MINUTES

Helmick Conference Room
1963 Bell Ave. Des Moines, IA
May 3, 2023

Board Members Present

Ashley Aust
Amy Reasner
Gilbert Thomas
John Eisenman
Gretchen McLain
Tracey Ball
Jennifer Cooper
Michel Nelson
Michael Van Milligen
Nate Weaton
Jina Bresson

Board Members Absent

Sen. Webster
Sen. Wahls

Staff Members Present

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
David Morrison, Single Family Accounting Manager
Rachael Hoffman, Compliance Officer
Nichole Hansen, Policy and Partnership Manager
Kristin Hanks-Bents, Legal Counsel
Rita Grimm, Chief Legal Counsel
Deena Klesel, SRF Accounting Manager
Tim Morlan, Asset Management Director
Nicki Howell, Ag Development Program Specialist
Carrie Woerdeman, State Programs Director
Ashten Sinclair, Accounting Manager
Stephanie Volk, Accounting Manager
Alyson Fleming, Section 8 Director
Mark Fairley, Finance and Investment Manager
Michelle Bodie, ITG Accounting Manager
Christine Miller, Compliance Officer
Rhonda Kimble, Homeownership Director

Others Present

David Grossklaus, Dorsey & Whitney
Kelli Excell, NextHome Journey
Holly Engelhart, Eide Bailly
Heather Hackbarth, IDOM

Board Chair
Welcome and Roll Call

Chair Nelson called to order the May 3, 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, Cooper, Eisenman, McLain, Nelson, Reasner, Thomas, Van Milligen and Weaton. The following Board member was absent: Ball.

Approval of April 5, 2023 Meeting Minutes

MOTION: On a motion by Mr. Van Milligen, and a second by Ms. Aust, the Board unanimously approved the April 5, 2023 IFA Board Meeting minutes.

Tracey Ball joined the meeting at 11:01 a.m.

Public Comment Period
Receive Comments from General Public

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

Consent Agenda

Chair Nelson asked if any items needed to be removed from the consent agenda. Item K. WQ 23-07 was removed from the agenda due to board member conflict of interest.

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

IADD - Authorizing Resolutions

A. AG 23-024B, Jacob Larry Anderson
B. AG 23-025B, Slade R. and Sommer Faris
C. AG 23-026B, Lucas G and Nessa S Stika
D. AG 23-027B, Seth M. and Michaela K Berg
E. AG 23-028B, Joshua D Homann

IADD – Amending Resolutions

F. AG 17-074M, Travis Lee and Merilee Ann Hamilton
G. AG 19-067M, Timothy R and Tammy A Klingman

Beginning Farmer Tax Credit Program

H. AG-TC 23-03, Beginning Farmer Tax Credit Program

Private Activity Bonds

I. PAB 23-08A, West Branch RNG Project
J. PAB 23-09A, Westdale Apartments Projects

Water Quality

L. WQ 23-08, SRF Construction Loans

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

MOTION: Ms. Aust made a motion to approve item K. WQ 23-07, SRF Planning & Design Loans. On a second made by Ms. Aust, a roll call vote was taken with the following results: **YES:** Aust, Ball, Cooper, Eisenman, McLain, Nelson, Thomas, Van Milligen and Weaton; **NO:** None; **Abstain:** Reasner. The motion passed.

Finance

March 2023 Financials

Ms. Pulford presented the highlights of the March 2023 financial statement that was included in the board packet.

MOTION: On a motion by Ms. Aust, and a second by Mr. Eisenman, the Board unanimously approved the March 2023 financials.

FY 2024 Draft Budget Presentation

Ms. Pulford presented the highlights of the FY 2024 budget that was included in the board packet. Mr. Peterson presented the board with details and anticipated cost of the front entrance renovation project. Mr. Thomas requested a future update of the project timeline and copies of the cost estimates. Ms. Reasner and staff discussed the general fund liquidity.

FIN 23-10, Single Family 2023 Series CD Bonds

Ms. Harris shared that this is an authorizing resolution in an amount not to exceed $175 million. The expected par size of the bond issue is currently anticipated to be about $130 million. The proceeds will fund Fannie Mae, Freddie Mac, and GNMA mortgage-backed securities from the FirstHome and Homes for Iowans loan programs as well as down payment assistance. There will also be a refunding from the prior 2015 Series B Bonds. Ms. Harris shared that the reservations have been over $10 million per week since the cap was lifted on the 5% second loan in March. Ms. Harris requested board action on FIN 23-10.

MOTION: On a motion by Ms. Aust and a second by Mr. Thomas, the Board unanimously approved FIN 23-10.

FIN 23-11, Change in Master Trustee for the State Revolving Fund

Ms. Harris shared that this resolution is to authorize the removal of the current Master Trustee, Computershare Trust Company, and to allow the Authority to enter into a Successor Trustee Agreement with U.S. Bank Trust Company. The resolution allows the Authority to amend the Master Trust Agreement (MTA) to reflect the change in the Master Trustee, to approve the Supplemental Trust Agreement in order to implement the amendment to the MTA, to approve the Successor Trustee Agreement, and to delegate certain responsibilities to an Authorized Officer to carry out duties in connection with this authorizing resolution, the MTA, Supplemental Trustee Agreement and the Successor Trustee Agreement.

MOTION: On a motion by Mr. Eisenman, and a second by Ms. Aust, the Board unanimously approved FIN 23-11.

Legal

Adopt New Chapter 265.29, Disaster Recovery Housing Assistance

Ms. Hanks-Bents shared that this is a staff recommendation to rescind Chapter 29 Jump-Start Housing Assistance Program and adopt new chapter 265.29, Disaster Recovery Housing Assistance as described in the attached rulemaking. This program was proposed in response to flooding along the Missouri River in 2019 and has to be activated by a state of disaster emergency proclamation. It creates a standing vehicle for distributing disaster recovery housing assistance and establishes an eviction prevention program to prevent the eviction of eligible renters. Staff recommends the rescission of Chapter 29 Jump-Start Housing

Assistance Program because there are no outstanding obligations from the original funding and it makes sense to rescind it and make space for this new chapter. The public comment period ended on January 31st and comments were received from Habitat for Humanity of Iowa. Ms. Hanks-Bents shared a brief overview of the comments, which are included in the meeting packet. No changes were made from the Noticed rule making. Ms. Hanks-Bents requested board action to rescind Chapter 29, Jump-Start Housing Assistance Program and adopt new Chapter 29, Disaster Recovery Housing Assistance.

MOTION: On a motion by Ms. Reasner, and a second by Ms. Ball, the Board unanimously approved the rescission of Chapter 29, Jump-Start Housing Assistance Program and adopt new chapter 265-29, Disaster Recovery Housing Assistance Program as set forth in the rule making.

Private Activity Bonds

PAB 23-04B-2, Lifespace Communities Project (Amending)

Mr. Smith shared that this resolution would amend and restate an authorizing resolution of an issuance of Iowa Finance Authority Subordinate Revenue Bonds for Lifespace Communities, Inc. which the board adopted in January 2023. It has been determined that the prior authorized bonds should be issued as either subordinate to or on parity with certain other outstanding indebtedness of the Borrow.

MOTION: On a motion by Mr. Thomas, and a second by Mr. Eisenman, the Board unanimously voted to approve PAB 23-04B-2.

PAB 23-07B, UnityPoint Health System Project

Mr. Smith shared that this is an authorizing resolution for and not to exceed $275 million of Iowa Finance Authority Revenue Bonds for the Iowa Health System d/b/a Unity Point Health. Proceeds of the bond will be used to refund prior debt from 2014 and used for renovations to several different properties that the Borrower owns.

MOTION: Ms. Aust made a motion to approve PAB 23-07B. On a second made by Mr. Thomas, a roll call vote was taken with the following results: **YES:** Aust, Ball, Cooper, Eisenman, McLain, Nelson, Thomas, Van Milligen, and Weaton; **NO:** None; **Abstain:** Reasner. The motion passed.

Executive Director’s Office

Executive Director’s Report

Director Durham was not present for a report.

Ms. Hanks-Bents gave a brief update on the legislative session.

Presentation – Homeownership Incubator

Ashley Jared introduced Kelli Excell with NextHome Journey. NextHome Journey was the winner of the Homeownership Incubator Competition that IFA and the Iowa Association of Realtors launched in 2022 to inspire those in the lending and real estate fields to find unique ways to help get more Iowans into homes. Ms. Excell shared with the board that NextHome Journey’s goal is to bring rural homeownership to the forefront, and they have partnered with a few other businesses to bring affordable homes to rural towns in Iowa. Ms. Excell has found that a lot of Iowans do not realize that owning their own home is a possibility or know how to begin the process of purchasing a home. NextHome Journey has been working with city council members, economic development committees and businesses with minority employees and/or employees that commute from other towns to bring awareness to the lack of homeowners and housing available for purchase. NextHome Journey also works to collaborate with local banks, lenders, and real estate agents to create housing and assist Iowans with purchasing homes.

Presentation – Thriving Communities

Mr. Folden gave the board a quick preview of a new initiative that IFA staff is working on that is 100% focused on the communities and what they are doing to go above and beyond to enable housing at all levels. IFA will be looking for communities that already have their leadership 100% on board and have strategic plans being activated. Applications will launch this summer for communities to be selected as a preference for scoring in future LIHTC and Workforce Housing tax credit rounds. The communities selected will be recognized at the HousingIowa conference and have the chance to connect with developers to incentivize extra points for scoring in next year's tax credit rounds.

Other Business

The next meeting of the IFA Board of Directors will be held on Wednesday, June 7, 2023.

Adjournment

On a motion by Ms. Aust and a second by Mr. Thomas, the May 3, 2023 meeting of the Iowa Finance Authority Board of Directors adjourned at 12:31 p.m.

Dated this 7th day of June 2023.

Respectfully submitted:	Approved as to form:
Deborah Durham, Executive Director	Michel Nelson, Chair Iowa Finance Authority

To: Iowa Finance Authority Board of Directors

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

Date: May 25, 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 23-029 Cody Alan Roberts
This is a resolution authorizing the issuance of $456,000 for Cody Alan Roberts. The bond will be used: To purchase approximately 80 acres of agricultural land in Adair County. The lender is Rolling Hills Bank & Trust in Adair.

- **Need Board action on Resolution AG 23-029B**

AG 23-030 Matthew and Paige Granzow
This is a resolution authorizing the issuance of $322,500 for Matthew and Paige Granzow. The bond will be used: To purchase approximately 107.14 acres of agricultural land in Hardin County. The lender is Green Belt Bank & Trust in Eldora.

- **Need Board action on Resolution AG 23-030B**

AG 23-031 Carter Thomas and Madisen Rose Williamson
This is a resolution authorizing the issuance of $400,000 for Carter Thomas and Madisen Rose Williamson. The bond will be used: To purchase approximately 99 acres of agricultural land in Palo Alto County. The lender is Iowa State Bank in Ruthven.

- **Need Board action on Resolution AG 23-031B**

Amending Resolutions

04736 Corey Buch, Batavia
This is a resolution amending a $264,000 Beginning Farmer Loan to Corey Buch issued 10/1/2012 to do a partial release of original Mortgage for 201.3 acres dated September 14, 2012, due to the sale of land. Partial release is of 98.95 acres (Farm 1) dated May 17, 2023. All other loan terms will remain the same. The lender is Libertyville Savings Bank in Fairfield.

- **Need Board action on Resolution 04736M**

Beginning Farmer Tax Credit Program

AG-TC 23-04, 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 23-029B

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Passed and approved this 7th day of June 2023.

____
Michel Nelson, Board Chairman

ATTEST:

____
Deborah Durham, Secretary

(Seal)

EXHIBIT A

1.	**Project Number:**	**AG 23-029**
2.	**Beginning Farmer:**	**Cody Alan Roberts** **509 Cedar St, PO Box 72** **Adair, IA 50002-0072**
3.	**Bond Purchaser:**	**Rolling Hills Bank & Trust** **502 Broad St** **Adair, IA 50002**
4.	**Principal Amount:**	**$456,000**
5.	**Initial Approval Date:**	**5/24/2023**
6.	**Public Hearing Date:**	**5/24/2023**
7.	**Bond Resolution Date:**	**6/7/2023**
8.	**Project:**	**To purchase approximately 80 acres of agricultural land**

RESOLUTION
AG 23-030B

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Passed and approved this 7th day of June 2023.

____
Michel Nelson, Board Chairman

ATTEST:

____
Deborah Durham, Secretary

(Seal)

EXHIBIT A

1.	**Project Number:**	**AG 23-030**
2.	**Beginning Farmer:**	**Matthew and Paige Granzow** **2427 Dole Dr** **Eldora, IA 50627-8296**
3.	**Bond Purchaser:**	**Green Belt Bank & Trust** **1509 Edgington Ave** **Eldora, IA 50627-0555**
4.	**Principal Amount:**	**$322,500**
5.	**Initial Approval Date:**	**5/24/2023**
6.	**Public Hearing Date:**	**5/24/2023**
7.	**Bond Resolution Date:**	**6/7/2023**
8.	**Project:**	**To purchase approximately 107.14 acres of agricultural land**

RESOLUTION
AG 23-031B

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Passed and approved this 7th day of June 2023.

____
Michel Nelson, Board Chairman

ATTEST:

____
Deborah Durham, Secretary

(Seal)

EXHIBIT A

1.	**Project Number:**	**AG 23-031**
2.	**Beginning Farmer:**	**Carter Thomas and Madisen Rose Williamson 3866 370th St Ruthven, IA 51358-8621**
3.	**Bond Purchaser:**	**Iowa State Bank 1108 Gowrie St, PO Box 249 Ruthven, IA 51358-0249**
4.	**Principal Amount:**	**$400,000**
5.	**Initial Approval Date:**	**5/24/2023**
6.	**Public Hearing Date:**	**5/24/2023**
7.	**Bond Resolution Date:**	**6/7/2023**
8.	**Project:**	**To purchase approximately 99 acres of agricultural land**

RESOLUTION
04736M

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. 04736 (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 do a partial release of collateral on the Bond.

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

Section 1. The Authority hereby approves doing a partial release of collateral on the Bond. Partial release of original Mortgage for 201.3 acres dated September 14, 2012, due to the sale of land. Partial release is of 98.95 acres (Farm 1) dated May 17, 2023. All other loan terms will remain the same. Eff. 06.07.2023.

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 7th day of June 2023.

____
Michel Nelson, Board Chairman

ATTEST:

____
Deborah Durham, Secretary

(Seal)

June 7, 2023

Drew Johnson
Libertyville Savings Bank
2000 W Jefferson, PO Box 744
Fairfield, IA 52556-4227

Re: Corey Buch – Project No. 04736

Dear Mr. Johnson:

The Iowa Agricultural Development Division (IADD) Board held its monthly meeting on May 24, 2023 and the above project change was recommended for approval to the Iowa Finance Authority (IFA). The IFA Board held its monthly meeting on June 7, 2023, and the above project was approved for the proposed loan changes. The changes approved were as follows:

Partial release of original Mortgage for 201.3 acres dated September 14, 2012, due to the sale of land. Partial release is of 98.95 acres (Farm 1) dated May 17, 2023. All other loan terms will remain the same. Eff. 06.07.2023

Attached is a copy of the official board resolution for the above Beginning Farmer Loan Program project. This resolution was recently approved by the Iowa Finance Authority (IFA) board of directors and prepared by our bond attorney.

If you have any questions, please do not hesitate to contact me at 515.452.0468 or Tammy.Nebola@IowaFinance.com.

Sincerely,
Tammy Nebola
Tammy Nebola
Agricultural Development Program Specialist

Enclosure: Board Resolution
cc: Corey Buch

RESOLUTION
AG-TC 23-04

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

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

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

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

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

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

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

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

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

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

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

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 7th day of June 2023.

____
Michel Nelson, Board Chairman

ATTEST:

____
Deborah Durham, Secretary

(Seal)

Exhibit A

Beginning Farmer Tax Credit (BFTC)

Approval Date: 6/7/2023

Account Number	Owner Name	County	Beginning Farmer	Rental Type	Cash Rent / Acre	Crop Share Percentage	Number Of Lease Years	Total Award
4895	Lowell Kramme, Christopner Kramme - Kramme Family Trust, Maria WIlliams - Kramme Family Trust	Humboldt	Creytan Grimm	Share Crop	$0.00	50.00	2	$43,744.00
4896	Kramland Ltd.	Humboldt	Creytan Grimm	Share Crop	$0.00	50.00	2	$43,920.00
4908	John U Thomson	Cass	John Paul Freund, Adam Freund	Cash Rent	$314.00	0.00	2	$9,934.00
4915	Kevin Loutsch, Tom Loutsch	Plymouth	Eric Loutsch	Share Crop	$0.00	50.00	4	$33,816.00
4917	Jeremy Barnes, Dennis Barnes	Winnebago	Cayson Barnes	Share Crop	$0.00	50.00	5	$47,350.00
4919	Donald Vana	Harrison	Jack Forsen	Cash Rent	$341.00	0.00	2	$9,064.00
4920	Donald Vana, Kathryn Vana	Harrison	Jack Forsen	Cash Rent	$341.00	0.00	2	$4,880.00
4921	Ronald A Hokinson	Webster	Connor Hokinson	Cash Rent	$265.00	0.00	4	$10,628.00
4922	Ronald A Hokinson	Webster, Calhoun	Connor Hokinson	Cash Rent	$265.00	0.00	4	$10,880.00
4923	Ann D Hokinson	Webster	Connor Hokinson	Cash Rent	$265.00	0.00	4	$1,440.00
4927	Richard Herman Halbur	Sac	Josh Halbur, Michael Halbur	Cash Rent	$369.00	0.00	3	$8,004.00
4928	Deanna K Harms, Verla F Suchy	Grundy	Bryce Eberline	Cash Rent	$335.00	0.00	3	$7,038.00
4930	Siegle Ltd.	Louisa	Jared Wagner	Cash Rent	$307.00	0.00	5	$20,755.00
4931	Robert A Siegle	Louisa	Jared Wagner	Cash Rent	$307.00	0.00	5	$13,800.00
4932	John Hackman	Winnesheik	Garrett Hackman, Justin Hackman	Cash Rent	$294.85	0.00	4	$35,625.00
Total								**$300,878.00**

MEMORANDUM

Subject: Consent Agenda for June 2023 IFA Board Meeting

From: Aaron Smith, Chief Bond Programs Director

To: Iowa Finance Authority Board of Directors

Date: June 1, 2023

PRIVATE ACTIVITY BONDS

PAB 23-10A – Keystone and Stonehaven Project

This is an application for $10,000,000 Multifamily Housing Revenue Bonds for AEH Associates, L.P. (the "Borrower"). The project consists of two existing apartment buildings in Ames, constructed under the HUD 202 program. Stonehaven Apartments, located at 421 Stonehaven Drive, was constructed in 1993 and contains 54 units. Keystone Apartments, located at 3115 Roy Key Ave, was constructed in 1984 and contains 56 units.

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

PAB 23-11A – CB Gateway Project

This is an application for $15,000,000 of Multifamily Housing Revenue Bonds for CB2800 Dev, LLC (the Borrower). The proposed project is for an 84-unit development in Council Bluffs. All units will serve residents at or below 60% Area Median Income (AMI). The project will be owned by H.E.L.P. Foundation of Omaha, Inc., a nonprofit based in Omaha, NE.

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

WATER QUALITY

WQ 23-09 – State Revolving Fund Planning & Design Loans

This is a resolution to approve an SRF Planning & Design (P&D) Loan for $130,000 for the following community:

- City of Clarence

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 23-10 – State Revolving Fund Construction Loans

This is a resolution to approve SRF Construction Loans totaling $146,298,000 for the following entities:

- City of Ames

- City of Clinton
- City of Hospers
- Osceola County Rural Water System
- City of Whittemore

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%.

A Note About Interest Rates

In response to recent market trends, and to ensure the SRF Program can meet the future water infrastructure financing needs of future borrowers, Iowa SRF recently announced in the draft Q1 FY 2024 Intended Use Plan ("IUP") that we will implement a change to how interest rates for SRF Construction Loans are calculated beginning in the second quarter of the fiscal year.

Subject to the IUP's approval by the Environmental Protection Commission, beginning October 1, 2023, the Iowa SRF loan programs will utilize fixed Base Interest Rates for Tax-Exempt and Taxable Standard Term SRF Loans (up to a 20-year term) that will be re-calculated and published on the first business day each January, April, July, and October (the "Effective Date").

The Base Interest Rates will be calculated by taking 75 percent of the average Bloomberg BVAL General Obligation Municipal AAA 20-year yield ("BVAL") for the calendar month immediately preceding the Effective Date. For example, the Base Interest Rate effective October 1 will be calculated using the average 20-year BVAL yield for the month of September.

Interest rates for the taxable portions of SRF projects will be calculated by taking 75 percent of the average Bloomberg BVAL Taxable General Obligation Municipal AAA 20-year yield for the calendar month immediately preceding the Effective Date.

The Draft Intended Use Plans are published on iowasrf.com. A public hearing is scheduled for Thursday, June 8, 2023 at 10:00 a.m. to record public comment. Written comments will be accepted through Friday, June 16, 2023.

RESOLUTION PAB 23-10A

Approving an Application for $10,000,000
Iowa Finance Authority Multifamily Housing Revenue Bonds
(Keystone and Stonehaven Project), in one or more series
For AEH Associates, L.P. (the “Borrower”)

And Evidencing the Intent to Proceed with the Issuance of
$10,000,000 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 $10,000,000 (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 7th day of June, 2023.

____
Michel Nelson, Chairperson

ATTEST:

(SEAL)

____
Deborah Durham, Secretary

EXHIBIT A
ATTACH APPLICATION

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 23-10
Application Received 5/23/2023
Application Fee Received? x Yes __ No
Volume Cap? x Yes __ No
Amount of Request $10,000,000

PRIVATE ACTIVITY BOND APPLICATION

Part A - Borrower Information

1. **Project Name:** Keystone and Stonehaven dba AEH Associates, L.P.
2. **Contact Person/Title:** Frank Levy/President of Management Company

   Company: Newbury

   Address: 3408 Woodland Ave.

   City, State, Zip: West Des Moines, IA 50266

   Telephone: 5154909001

   E-mail: apowers@newburyliving.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.**

   AEH GP, LLC (General Partner) Ames Ecumenical Housing, Inc. the sole member of the General Partner.
4. **If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose.**
5. **Is the Borrower currently qualified to transact business within the State of Iowa?** Yes
6. **If project is a Nursing Facility, is state certificate of need required?** No

   If yes, attach copy.
7. **Total current FTE's of Borrower:** 2

   Number of permanent FTE's created by the project: 2

Part B - Project Information

1. **Amount of Bond Request:** $10,000,000.00

   Amount to be used for refunding: $0.00
2. **Location of Project**

   Address: 3115 Roy Key Avenue

   City/State: Ames, IA

   County: STORY

3. **General Project Description:**

The project consists of two existing apartment buildings in Ames, constructed under the HUD 202 program. "Stonehaven Apartments", located at 421 Stonehaven Drive, was constructed in 1993 and contains 54 units. "Keystone Apartments", located at 3115 Roy Key Ave, was constructed in 1984 and contains 56 units. Stonehaven is surrounded by market-rate multifamily complexes, very near a retail district including a supermarket. Keystone is adjacent to a Wal-Mart on one side with a residential neighborhood featuring duplexes and condos on the other side.

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:** AEH Associates, L.P.

b. **Seller (if any) of the Project:** Ames Ecumenical Housing, Inc.

c. **Purchaser (if any) or Owner or Lessee of the Project:** AEH Associates, L.P.

d. **Relationship of Project Seller and Purchaser, if any:** Ames Ecumenical Housing, Inc (Non-Profit) is the Sole Member of the General Partner of AEH Associates, L.P.

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

Source	**Type**	**Amount**
tax exempt bonds	Construction	$10,000,000.00
Federal Credit Equity	Permanent	$4,388,751.00
Soft Seller Note	Permanent	$1,163,892.00
Total		$15,552,643.00

Use	**Amount**
Existing Structures	$6,435,000.00
Rehab	$3,967,857.00
Developer Fee	$930,000.00
Land Price	$715,000.00
Construction Loan Interest	$615,000.00
Operating Reserve	$500,000.00
Construction Contingency	$450,000.00
Architect Fees	$300,000.00
General Requirements	$241,071.00
Furnishings and Equipment	$200,000.00
Temporary Relocation Fees	$165,000.00
Builders Overhead	$160,714.00
Initial Deposit to Replacement Reserves	$110,000.00
Loan Origination Fee	$107,610.00
Builders Profit	$80,357.00
Other Syndication Costs	$55,000.00
Tax Credit Reservation Fee	$52,882.00
Other Financing Fees	$52,250.00
Surface Parking	$50,000.00
Consulting Fee	$50,000.00
Attorney Fees (Financing)	$42,600.00
Title and Recording	$40,000.00
Survey	$32,000.00
Other Professional Fees	$25,592.00

Attorney Fees	$25,000.00
Accountant Fees	$25,000.00
Initial Working Capital	$25,000.00
Environmental, Radon, Phase I, ACM	$20,790.00
Appraisal	$20,000.00
Market Study	$19,000.00
Capital Needs Assessment Report	$15,000.00
Architect Supervision Fees	$10,000.00
8609 Fee	$5,000.00
Tax Credit Compliance Fee	$3,520.00
Tax Credit Application Fees	$3,500.00
IFA Construction Monitoring Fee	$2,900.00
Total	$15,552,643.00

8. **Type of Bond 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

   Address: 801 Grand Avenue Suite 4100

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

   Telephone: 515-699-3279

   E-mail: smith.james@dorsey.com

2. **Counsel to the Borrower:**

   Name: Angela Christy

   Firm Name: Ballard Spahr LLP

   Address: 2000 IDS Center, 80 South 8th Street

   City/State/Zip Code: Minneapolis, MN

   Telephone: 612-371-2454

   E-mail: christya@ballardspahr.com

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

   Name:

   Firm Name:

   Address:

   City/State/Zip Code: ,

   Telephone:

E-mail:

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 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 24th day of May, 2023

Borrower: AEH Associates, L.P.

By: AEH GP, LLC by: Ames Ecumenical Housing, Inc.(Sole

Title: By: Ted Huiatt President of Ames Ecumenical Housi

RESOLUTION PAB 23-11A

Approving an Application for $15,000,000
Iowa Finance Authority Multifamily Housing Revenue Bonds
(CB Gateway Project), in one or more series
For CB2800 Dev, LLC (the "Borrower")

And Evidencing the Intent to Proceed with the Issuance of
$15,000,000 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 $15,000,000 (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 7th day of June, 2023.

____

Michel Nelson, Chairperson

ATTEST:

(SEAL)

____

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 23-11

Application Received 5/26/2023

Application Fee Received? X Yes __ No

Volume Cap? X Yes __ No

Amount of Request $ 15,000,000

PRIVATE ACTIVITY BOND APPLICATION

Part A - Borrower Information

1. **Project Name:** CB Gateway
2. **Contact Person/Title:** Drew Sova/Authorized Representative

   Company: CB2800 Dev, LLC

   Address: 10404 Essex Court, Suite 101

   City, State, Zip: Omaha, NE 68114

   Telephone: 402-346-5550

   E-mail: dsova@whitelotusgroup.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.**

   Board of Directors of HELP Foundation of Omaha (GP of Ownership Entity - CB2800 Dev, LLC): Sudha Agarwal, Andy Alloway, Ethan Bondelid
4. **If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose.**
5. **Is the Borrower currently qualified to transact business within the State of Iowa?** Yes
6. **If project is a Nursing Facility, is state certificate of need required?** No

   If yes, attach copy.
7. **Total current FTE's of Borrower:** 3

   Number of permanent FTE’s created by the project: 2

Part B - Project Information

1. **Amount of Bond Request:** $15,000,000.00

   Amount to be used for refunding: $0.00
2. **Location of Project**

   Address: Northeast Corner of 29th Street & 2nd Avenue

   City/State: Council Bluffs, IA

County: POTTAWATTAMIE

3. **General Project Description:**

   CB Gateway is a proposed 84-unit development situated in 2.54 acres located at the northeastern corner of 29th Street and 2nd Avenue in Council Bluffs. All units will be set to serve a 60% AMI Level. The site is zoned to allow for multifamily use. The project will be owned by a nonprofit based in Omaha, NE, H.E.L.P. Foundation of Omaha, Inc. Upon receipt of the inducement resolution awarded by the IFA Board, the team will submit an application for non-competitive 4% tax credits.

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

   If yes, specify $ amount: $12,500,000.00

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

   a. **Principal User will be:** CB2800 Dev, LLC

   b. **Seller (if any) of the Project:** City of Council Bluffs

   c. **Purchaser (if any) or Owner or Lessee of the Project:** n/a

   d. **Relationship of Project Seller and Purchaser, if any:** n/a

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

Source	Type	Amount
TE Bond	Construction	$15,000,000.00
Perm Loan	Permanent	$7,417,297.00
LIHTC Equity	Permanent	$6,606,652.00
Developer Equity	Permanent	$2,754,720.00
TIF Financing	Permanent	$2,000,000.00
Deferred Developer Fee	Permanent	$1,159,600.00
HOME	Permanent	$500,000.00
Total		$35,438,269.00

Use	Amount
Construction Costs	$15,804,600.00
TE Bond Repayment	$15,000,000.00
Soft Costs	$2,943,100.00
Financing Costs	$1,085,109.00
Reserves	$605,460.00
Total	$35,438,269.00

8. **Type of Bond Sale:** Private Placement

Part C - Professionals Participating in the Financing

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

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

   Name: David Levy

   Firm Name: Baird Holm LLP

   Address: 1700 Farnam Street, Suite 1500

   City/State/Zip Code: Omaha, NE 68102

   Telephone: 402-636-8310

   E-mail: dlevy@bairdholm.com

2. **Counsel to the Borrower:**

   Name: David Levy

   Firm Name: Baird Holm LLP

   Address: 1700 Farnam Street, Suite 1500

City/State/Zip Code: Omaha, NE 68102

Telephone: 402-636-8310

E-mail: dlevy@bairdholm.com

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

Name: Ted Witt

Firm Name: KeyBank

Address: 127 Public Square

City/State/Zip Code: Cleveland, OH 44114

Telephone: 402-332-7456

E-mail: Ted_Witt@KeyBank.com

4. **Counsel to the Underwriter:**

Name: S. Shawn Whitney

Firm Name: Polsinelli PC

Address: 201 E. Las Olas Blvd, Suite 2250B

City/State/Zip Code: Fort Lauderdale, FL 33301

Telephone: 754-285-3703

E-mail: swhitney@polsinelli.com

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

Name: n/a

Firm Name:

Address:

City/State/Zip Code: ,

Telephone:

E-mail:

Part D - Fees and Charges

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

   Submit application to the Authority at the following address:

   Aaron Smith

   Chief Bond Programs Director

   Iowa Finance Authority

   1963 Bell Avenue, Suite 200

   Des Moines, IA 50315

2. An Issuer's fee will be due at the time of closing. The fee is 10 basis points for the first $10 million and declines after that. Please contact Aaron Smith at 515-452-0461 or Aaron.Smith@IowaFinance.com for more information.

3. Borrower is required to pay the fees and expenses of Dorsey & Whitney, who serve as Issuer's Counsel. Bond documents should be sent to David Grossklaus (Grossklaus.David@dorsey.com) at Dorsey & Whitney and the Authority's Chief Bond Programs Director (Aaron.Smith@IowaFinance.com).

Dated this 26th day of May, 2023

Borrower: CB2800 Dev, LLC

By: Drew Sova

Title: Authorized Representative

RESOLUTION
WQ 23-09

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 7th day of June, 2023.

____
Michel Nelson, Chairperson

ATTEST:

(SEAL)

____
Deborah Durham, Secretary

EXHIBIT A
SRF Planning & Design Loans

Borrower	County	Pop.	Amount	CW/DW	Description
Clarence	Cedar	975	$130,000	DW	Treatment Improvements

$130,000

RESOLUTION
WQ 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 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 7th day of June, 2023.

____
Michel Nelson, Chairperson

ATTEST:

______________________________ (SEAL)
Deborah Durham, Secretary

EXHIBIT A
SRF Construction Loans

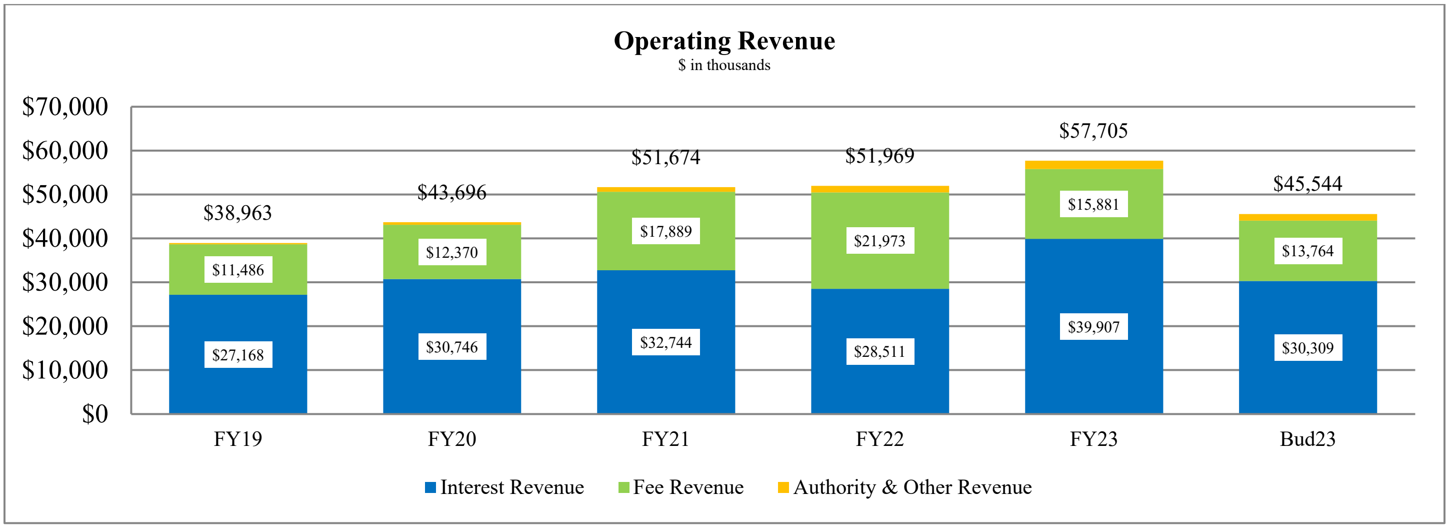
Borrower	County	Population	Amount	CW/ DW	Description
Ames	Story	66,427	$12,161,000	DW	Source Improvements
Clinton	Clinton	24,469	$130,035,000	CW	Treatment Improvements
Hospers	Sioux	718	$1,288,000	CW	Transmission Improvements
Osceola County RWS	Osceola	2,158	$2,249,000	DW	Treatment Improvements
Whittemore	Kossuth	497	$565,000	CW	Transmission Improvements

$146,298,000

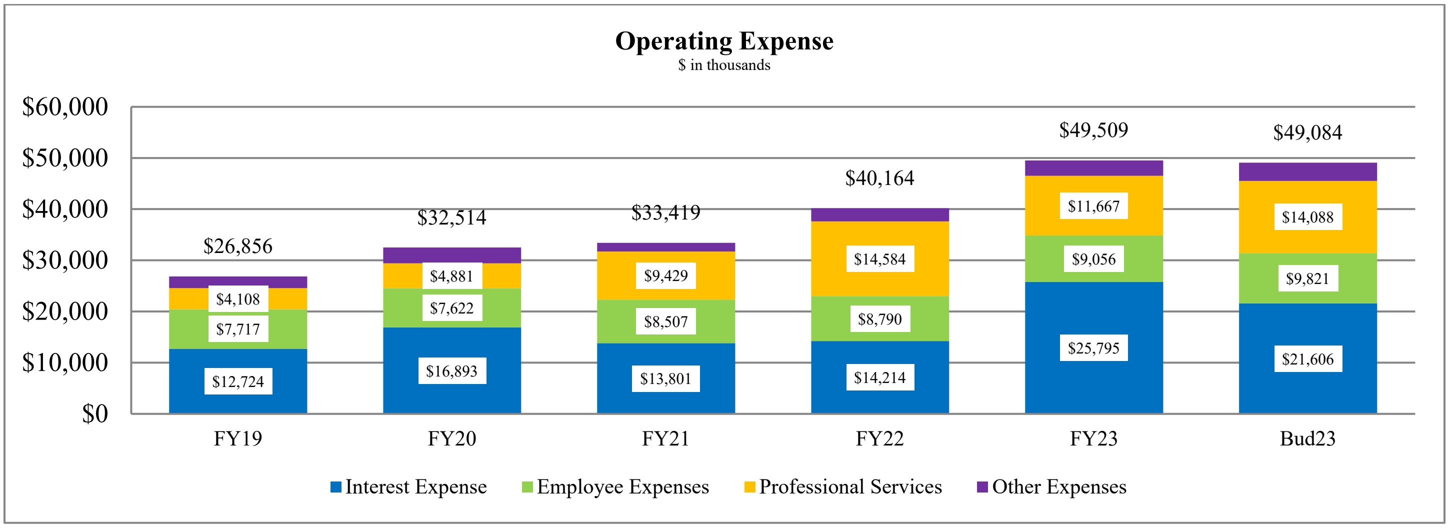
IOWA FINANCE AUTHORITY

To: IFA Board of Directors
From: Jen Pulford
Date: May 12, 2023
Re: April 2023 Financial Results

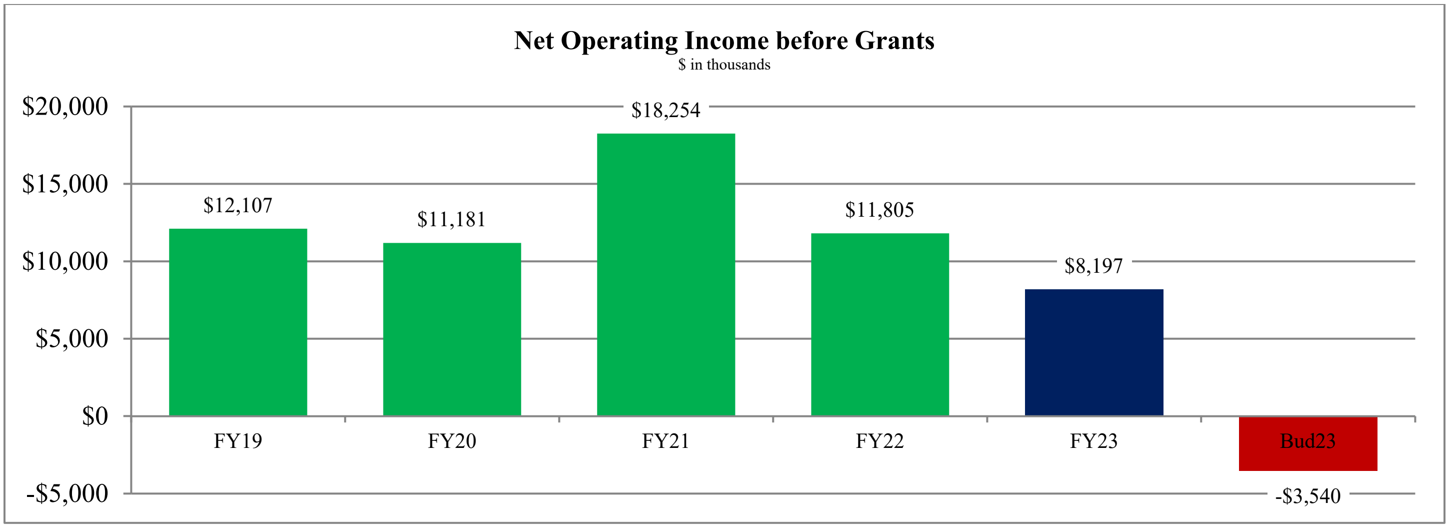
The Housing Authority operated favorably to budget through April 2023; operating revenues continue to be favorable to plan while operating expenses are slightly unfavorable to plan.



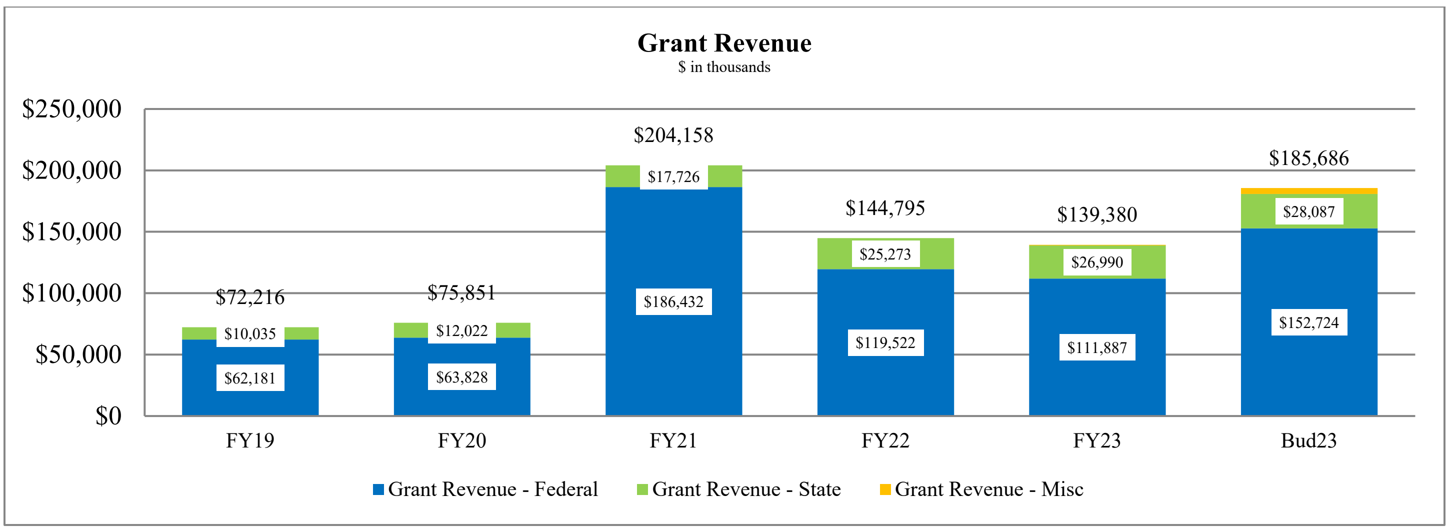
Operating revenue exceeded budget by $12,161 or 27% and exceeded last year. Interest revenue earned from cash on hand related to the Emergency Rental Assistance federal programs accounts for the majority of this favorable variance.

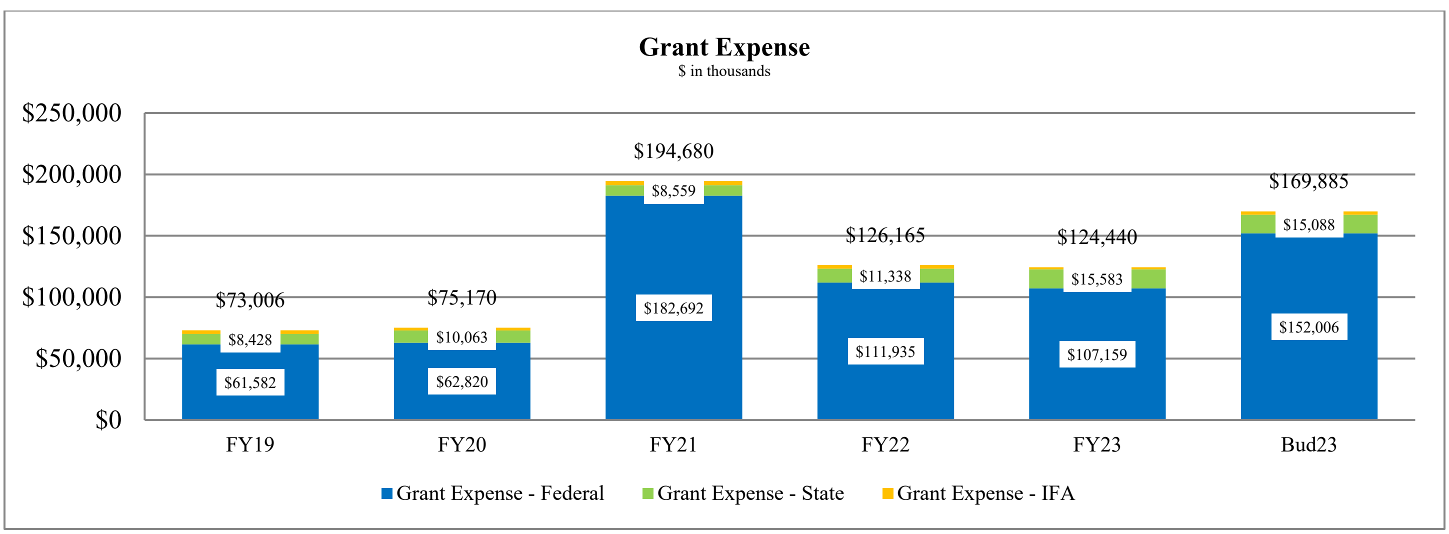


Operating Expenses were on target with budget. Due to changes in the market, interest expense is unfavorable to budget. Most other expense categories are favorable.

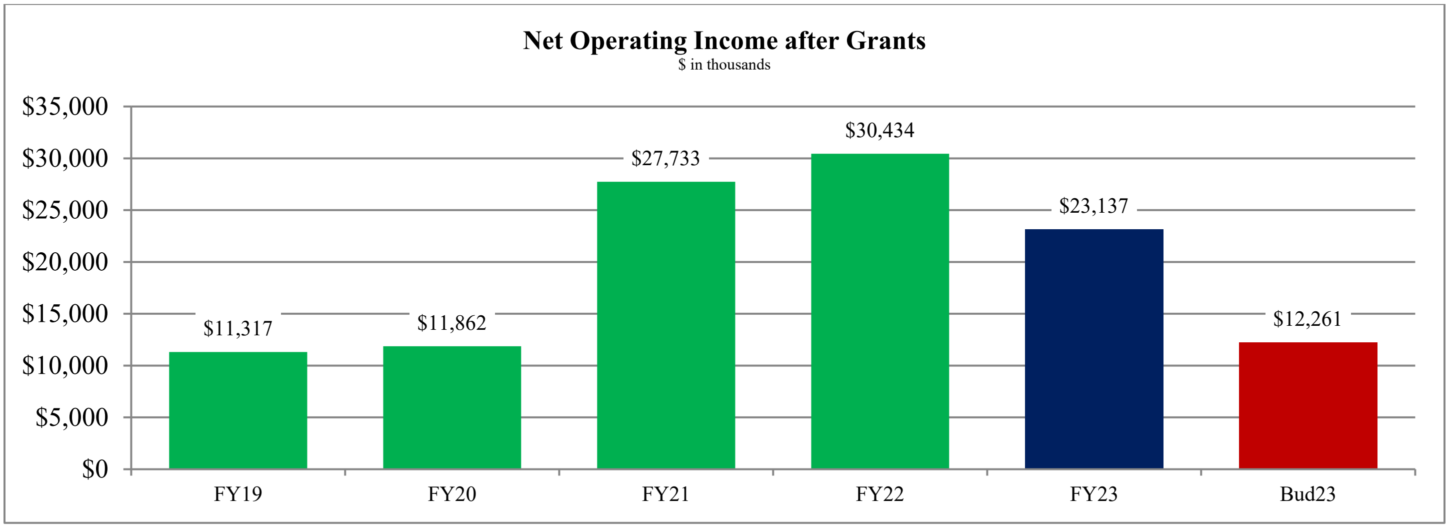


As a result, NOIBG was $11,737 or 332% favorable to budget.

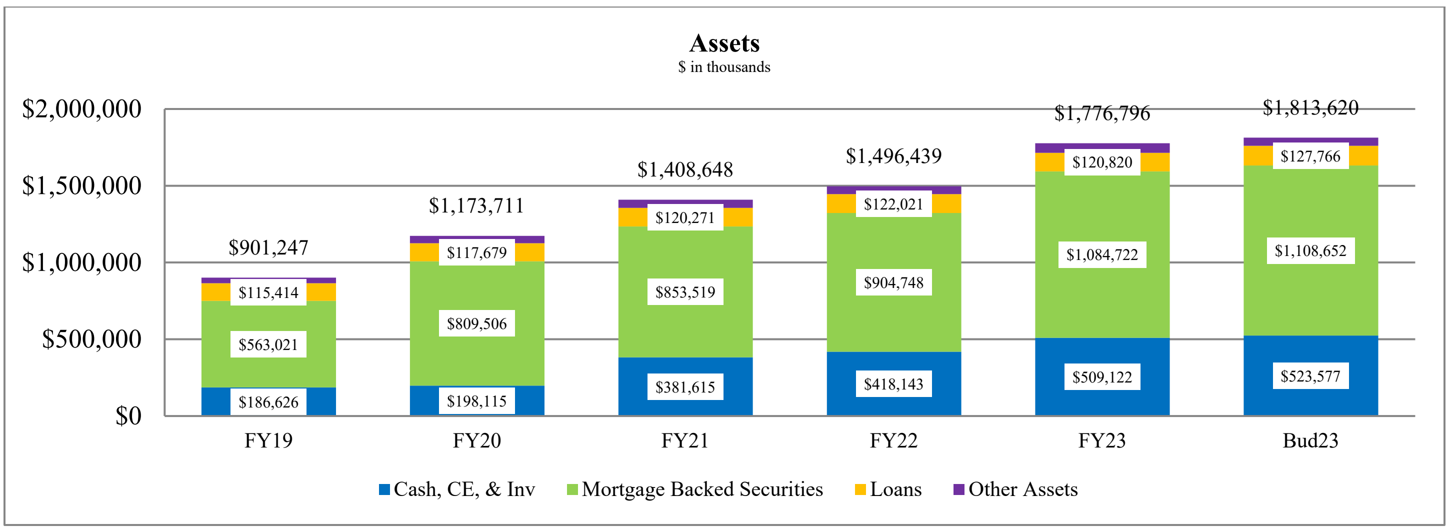




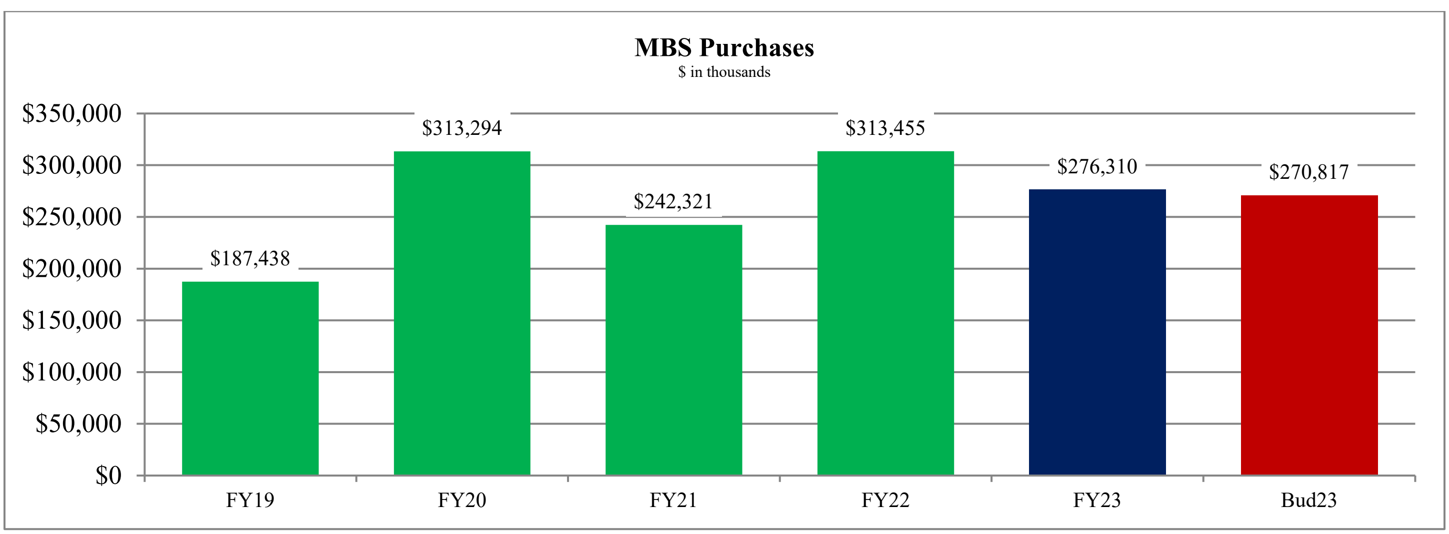
Net grant income was $861 unfavorable to budget.



As a result, NOIAG was $10,876 or 89% favorable to budget.

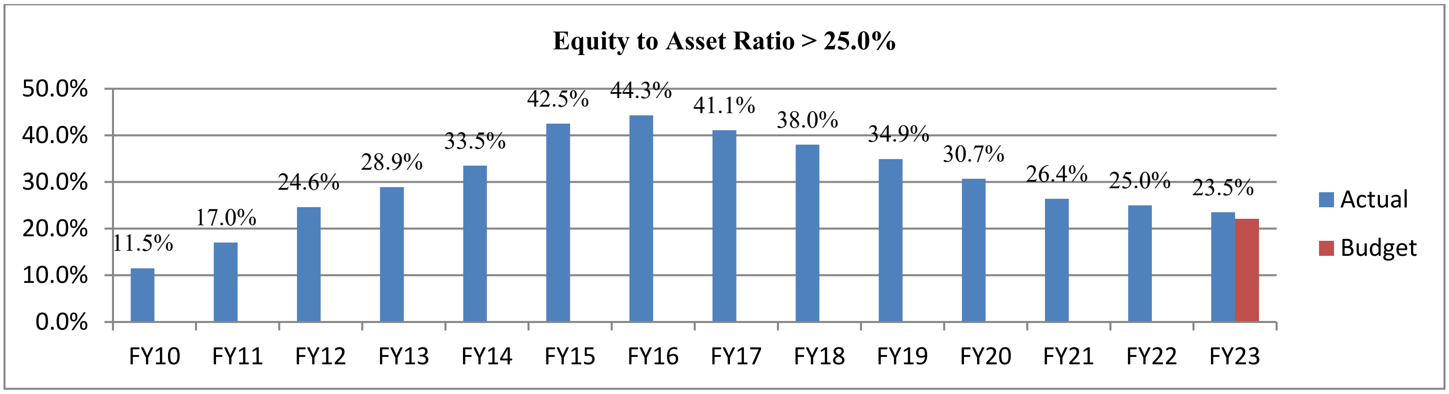


Total Assets have increased $280,357 since last year.

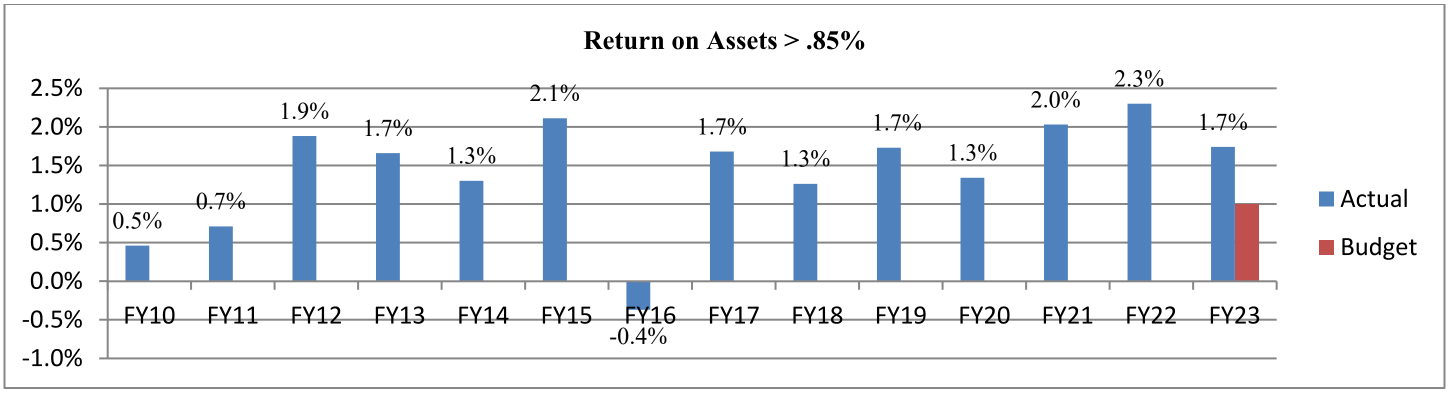


MBS purchases exceed budget by $5,493.

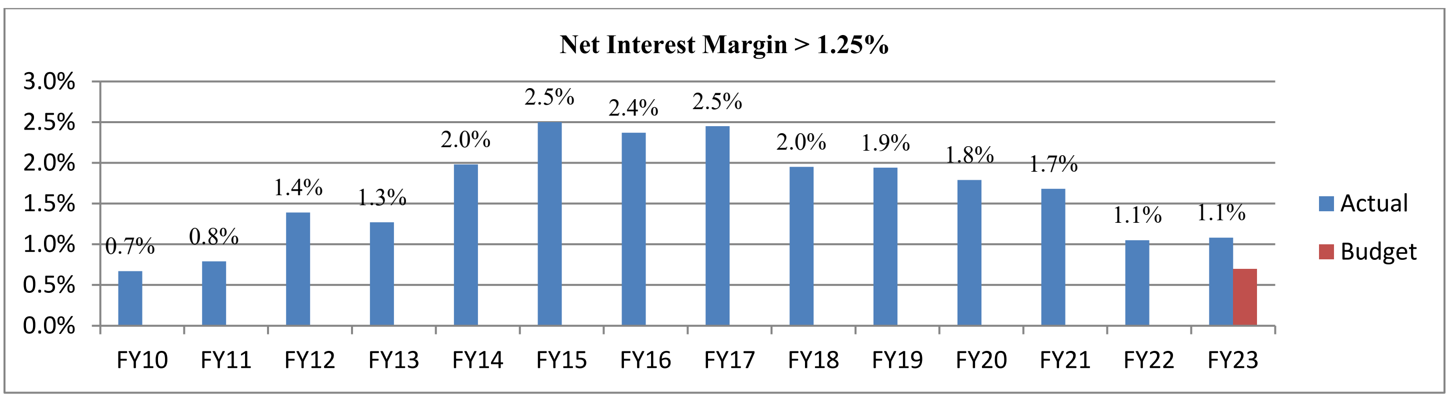
Housing Authority Long-Term Measures



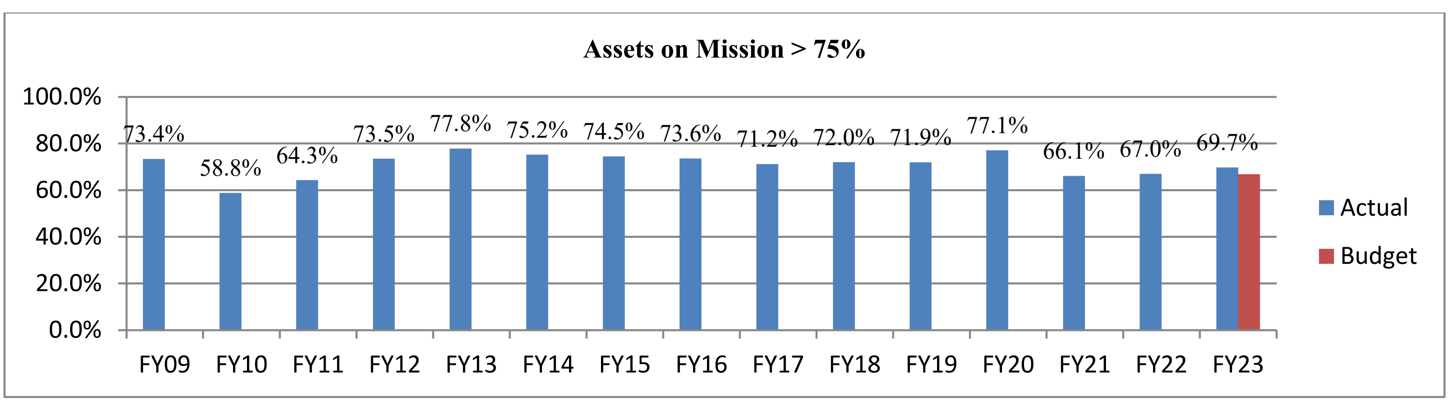
This ratio is an indicator of the Housing Authority's financial strength and ability to increase debt to acquire assets.



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.

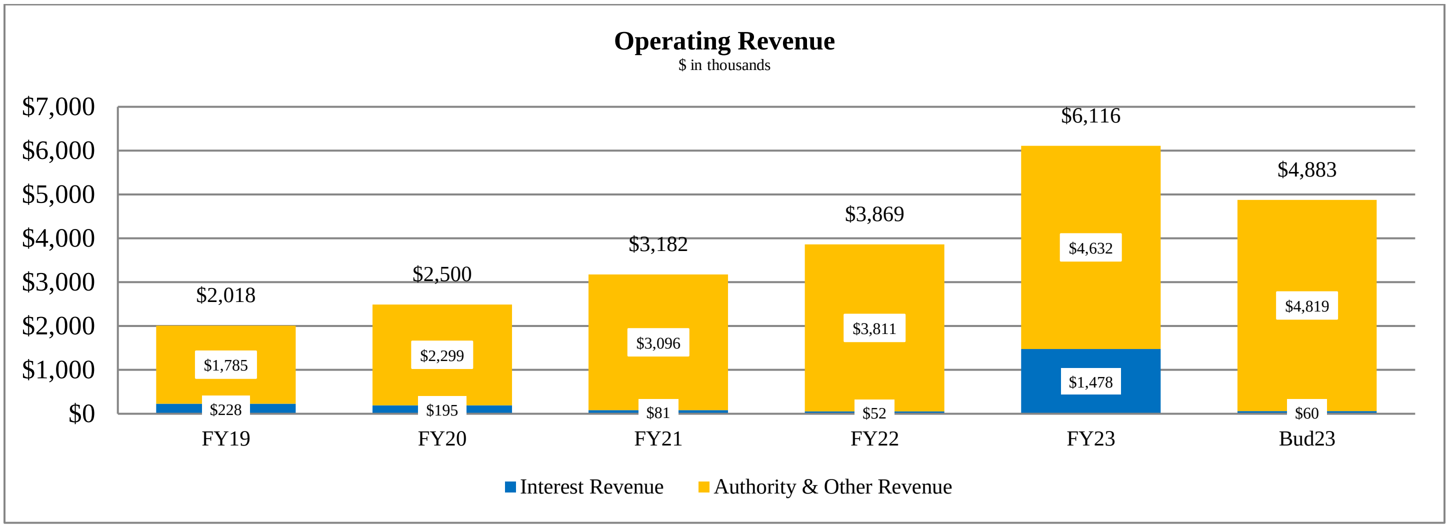
Balance Sheet	Housing Authority (Rollup)						
	Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivelents	509,121,712	520,906,153	(11,784,441)	-2.3	415,476,519	93,645,193	22.5
Investments	-	2,670,423	(2,670,423)	-100.0	2,666,675	(2,666,675)	-100.0
Mortgage Backed Securities	1,060,267,042	1,092,024,611	(31,757,569)	-2.9	876,425,535	183,841,507	21.0
Line of Credit	24,455,047	16,626,959	7,828,089	47.1	28,322,562	(3,867,515)	-13.7
Loans - net of reserve for losses	120,820,009	127,765,630	(6,945,622)	-5.4	122,020,748	(1,200,740)	-1.0
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	45,347,424	31,230,285	14,117,139	45.2	28,357,835	16,989,589	59.9
Deferred Outflows	3,523,234	8,947,314	(5,424,080)	-60.6	9,002,212	(5,478,978)	-60.9
Total Assets and Deferred Outflows	1,776,796,154	1,813,619,612	(36,823,459)	-2.0	1,496,439,035	280,357,119	18.7
Liabilities, Deferred Inflows, and Equity							
Debt	1,216,732,079	1,211,453,682	5,278,398	0.4	907,984,343	308,747,736	34.0
Interest Payable	9,245,319	29,465,091	(20,219,772)	-68.6	5,482,274	3,763,045	68.6
Unearned Revenue	162,926,723	115,166,487	47,760,236	41.5	198,400,241	(35,473,518)	-17.9
Escrow Deposits	12,119,694	11,250,896	868,797	7.7	10,281,613	1,838,081	17.9
Reserves for Claims	1,683,846	2,323,267	(639,421)	-27.5	2,083,186	(399,340)	-19.2
Accounts Payable & Accrued Liabilities	4,493,658	5,162,242	(668,584)	-13.0	5,933,478	(1,439,820)	-24.3
Other liabilities	1,483,046	12,496,044	(11,012,998)	-88.1	11,813,565	(10,330,519)	-87.4
Deferred Inflows	17,478,072	1,524,551	15,953,521	1046.4	2,609,146	14,868,926	569.9
Total Liabilities and Deferred Inflows	1,426,162,437	1,388,842,260	37,320,177	2.7	1,144,587,847	281,574,590	24.6
Equity							
YTD Earnings(Loss)	4,938,642	12,261,295	(7,322,653)	-59.7	(62,060,421)	66,999,063	-108.0
Prior Years Earnings	345,663,223	412,516,058	(66,852,835)	-16.2	413,911,609	(68,248,387)	-16.5
Transfers	31,852	-	31,852	0.0	0	31,852	100.0
Total Equity	350,633,717	424,777,353	(74,143,636)	-17.5	351,851,188	(1,217,471)	-0.3
Total Liabilities, Deferred Inflows, and Equity	1,776,796,154	1,813,619,612	(36,823,459)	-2.0	1,496,439,035	280,357,119	18.7

Income Statement	Housing Authority (Rollup)													
	Apr-2023							YTD as of Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	4,669,025	3,199,718	1,469,308	45.9	2,747,938	1,921,087	69.9	39,906,840	30,308,606	9,598,234	31.7	28,511,214	11,395,626	40.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	63,722	(63,722)	-100.0
Fee Revenue	1,108,814	1,194,004	(85,190)	-7.1	1,535,298	(426,484)	-27.8	15,880,646	13,764,296	2,116,350	15.4	21,973,151	(6,092,504)	-27.7
Other Revenue	396,578	125,943	270,635	214.9	117,509	279,069	237.5	1,917,644	1,471,197	446,447	30.3	1,420,704	496,940	35.0
Total Operating Revenue	6,174,417	4,519,665	1,654,752	36.6	4,400,745	1,773,672	40.3	57,705,131	45,544,099	12,161,031	26.7	51,968,792	5,736,339	11.0
Operating Expense														
Interest Expense	3,668,335	2,113,287	1,555,048	73.6	1,473,681	2,194,653	148.9	25,795,411	21,605,508	4,189,903	19.4	14,213,851	11,581,560	81.5
Authority Expense	-	-	-	0.0	-	-	0.0	(0)	-	(0)	0.0	63,722	(63,722)	-100.0
Employee Expenses	848,636	908,633	(59,997)	-6.6	883,521	(34,885)	-3.9	9,055,825	9,820,519	(764,695)	-7.8	8,790,015	265,810	3.0
Shared Expenses	238,768	245,434	(6,666)	-2.7	208,723	30,045	14.4	2,553,291	2,885,030	(331,738)	-11.5	2,533,170	20,121	0.8
Marketing Expense	6,190	85,243	(79,053)	-92.7	16,034	(9,844)	-61.4	464,597	1,203,614	(739,017)	-61.4	425,106	39,491	9.3
Professional Services	337,396	1,137,619	(800,223)	-70.3	1,059,756	(722,359)	-68.2	11,667,005	14,088,418	(2,421,413)	-17.2	14,584,088	(2,917,083)	-20.0
Claim and Loss Expenses	(188,329)	(1,055)	(187,274)	17757.4	(19,713)	(168,616)	855.3	402,088	(15,379)	417,467	-2714.6	(197,316)	599,404	-303.8
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	(13,278)	(37,643)	24,365	-64.7	(27,625)	14,347	-51.9	(246,517)	(364,480)	117,964	-32.4	(132,967)	(113,550)	85.4
Overhead Allocation	(17,510)	(12,081)	(5,429)	44.9	(11,512)	(5,998)	52.1	(183,129)	(139,367)	(43,762)	31.4	(115,479)	(67,650)	58.6
Total Operating Expense	4,880,207	4,439,437	440,771	9.9	3,582,866	1,297,342	36.2	49,508,571	49,083,862	424,709	0.9	40,164,190	9,344,381	23.3
Net Operating Income (Loss) Before Grants	1,294,210	80,228	1,213,982	1513.2	817,880	476,330	58.2	8,196,559	(3,539,763)	11,736,322	-331.6	11,804,601	(3,608,042)	-30.6
Net Grant (Income) Expense														
Grant Revenue	(10,522,451)	(14,206,081)	3,683,630	-25.9	(13,184,432)	2,661,981	-20.2	(139,379,548)	(185,685,806)	46,306,258	-24.9	(144,794,816)	5,415,269	-3.7
Grant Expense	15,240,648	13,797,313	1,443,336	10.5	12,856,554	2,384,094	18.5	124,439,508	169,884,748	(45,445,240)	-26.8	126,165,370	(1,725,861)	-1.4
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	4,718,198	(408,768)	5,126,966	-1254.2	(327,877)	5,046,075	-1539.0	(14,940,039)	(15,801,058)	861,019	-5.4	(18,629,447)	3,689,407	-19.8
Net Operating Income (Loss) After Grants	(3,423,988)	488,997	(3,912,985)	-800.2	1,145,757	(4,569,745)	-398.8	23,136,599	12,261,295	10,875,304	88.7	30,434,048	(7,297,449)	-24.0
Other Non-Operating (Income) Expense	(3,189,162)	-	(3,189,162)	0.0	32,316,178	(35,505,340)	-109.9	18,197,957	-	18,197,957	0.0	92,494,469	(74,296,512)	-80.3
Net Income (Loss)	(234,826)	488,997	(723,823)	-148.0	(31,170,421)	30,935,595	-99.2	4,938,642	12,261,295	(7,322,653)	-59.7	(62,060,421)	66,999,063	-108.0
IFA Home Dept Staff Count	87	105	(18)	-17.3	82	5	6.1	84	105	(21)	-20.2	84	0	0.4
FTE Staff Count	85	97	(12)	-12.3	84	1	1.6	84	97	(13)	-13.8	84	0	0.1

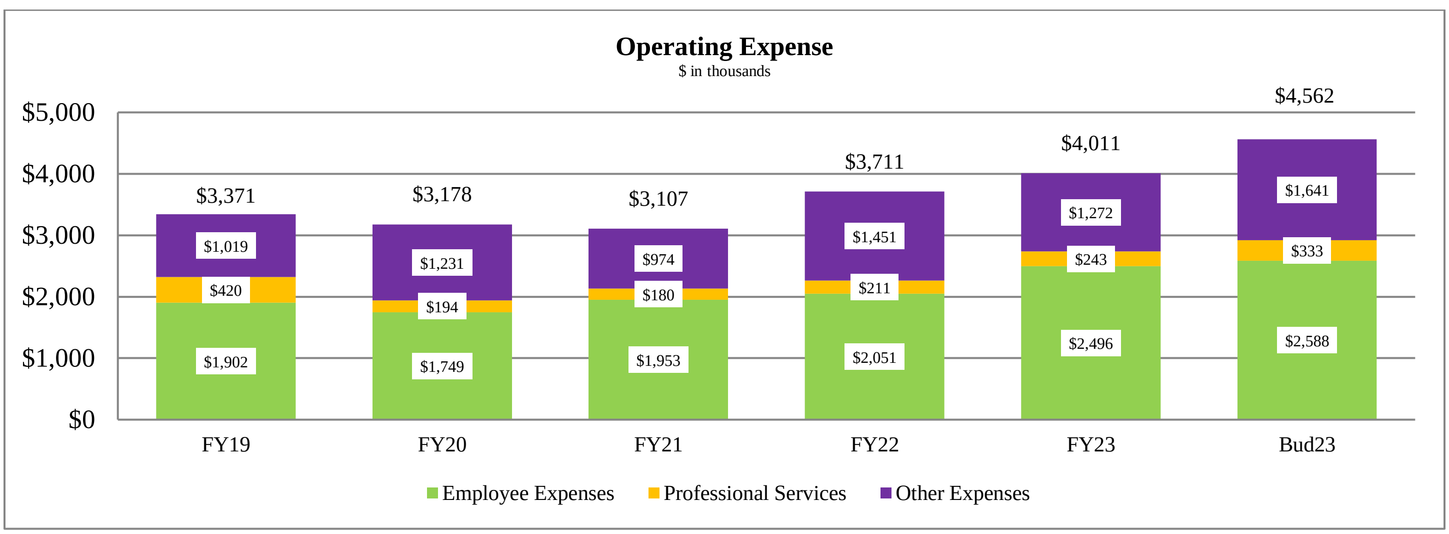
To: IFA Board of Directors
From: Dan Stout
Date May 12,2023
Re: YTD Apr 2023 Financial Results

Overhead Departments ($ in thousands)

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

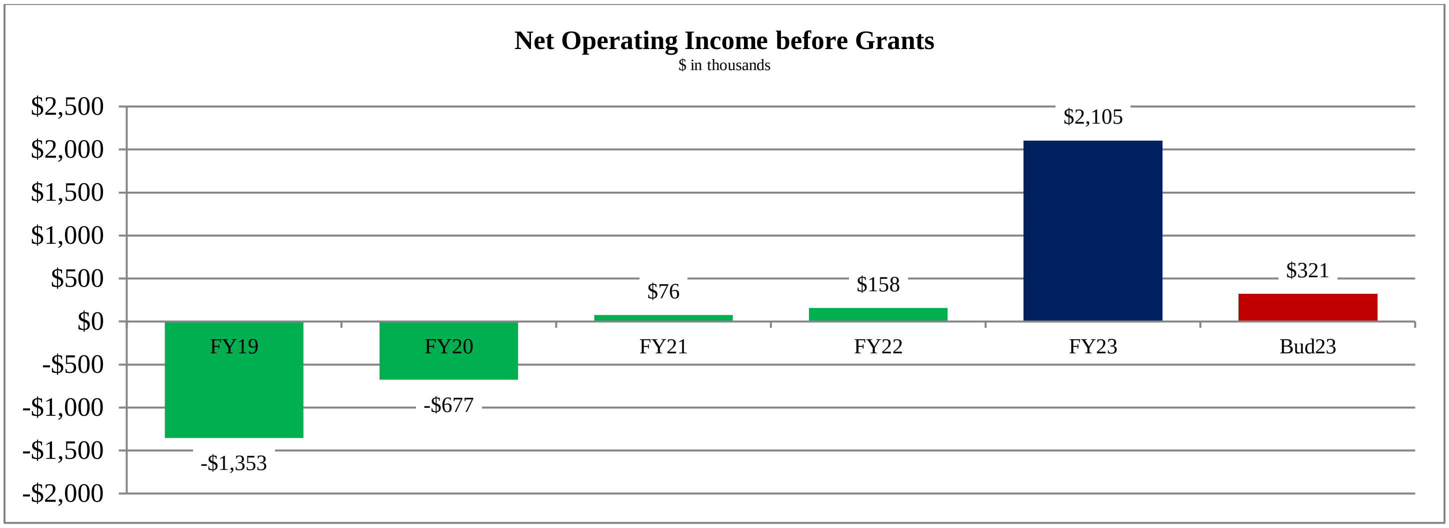


Operating Revenue was $1,233 or 25.3% favorable to budget and $2,247 or 58.1% favorable to last year. Authority & Other Revenue were $187 or 3.9% unfavorable to budget but $821 or 21.5% favorable to last year. Interest revenue earned from cash on hand related to the Emergency Rental Assistance federal programs accounts for the majority of this favorable variance.



Operating Expense was $551 or 12.1% favorable to budget but $300 or 8.1% unfavorable to last year.

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



As a result, NOIBG was $1,784 or 555% favorable to budget and $1,947 or 1,230% favorable to last year.

<u>General Fund Liquidity</u>

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 April 2023 was $3.87MM.

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 April 2023 was $15.47 MM.

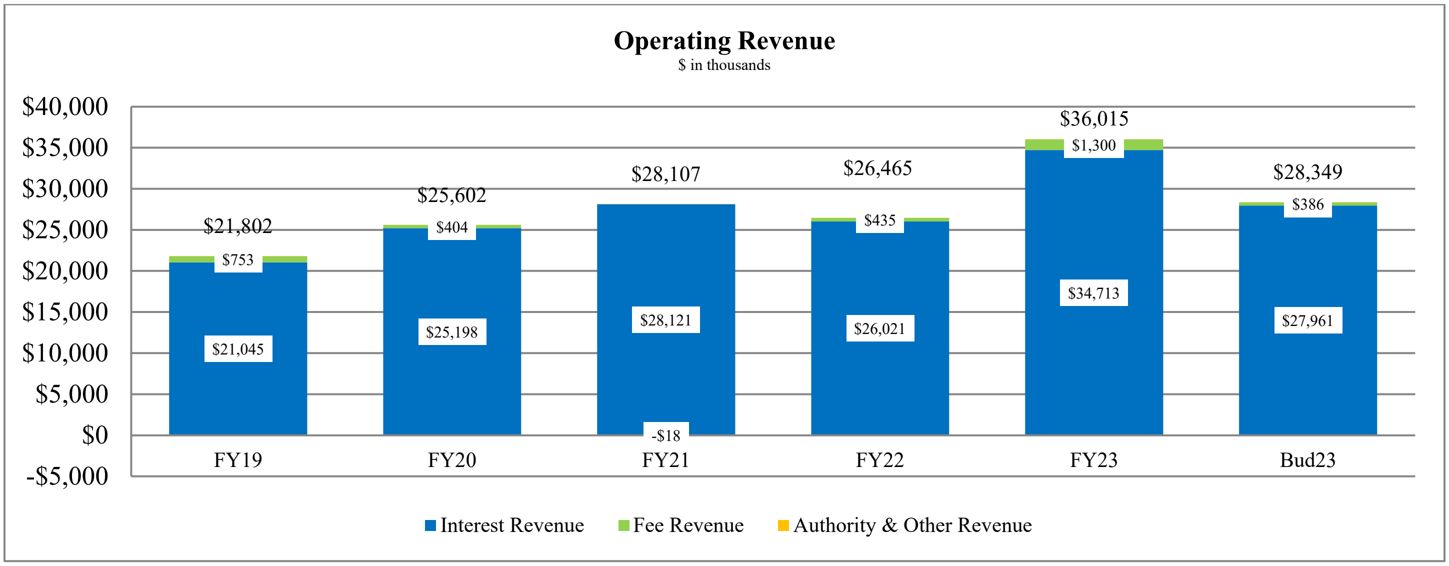
Balance Sheet	Overhead (Rollup)						
	Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivelents	14,716,225	12,821,324	1,894,901	14.8	11,494,009	3,222,216	28.0
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	837,409	874,095	(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
Total Assets and Deferred Outflows	32,509,557	29,610,183	2,899,373	9.8	29,520,807	2,988,749	10.1
Liabilities, Deferred Inflows, and Equity							
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
Total Liabilities and Deferred Inflows	7,589,362	6,745,030	844,332	12.5	8,395,535	(806,173)	-9.6
Equity							
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
Total Equity	24,920,195	22,865,153	2,055,042	9.0	21,125,273	3,794,922	18.0
Total Liabilities, Deferred Inflows, and Equity	32,509,557	29,610,183	2,899,373	9.8	29,520,807	2,988,749	10.1

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

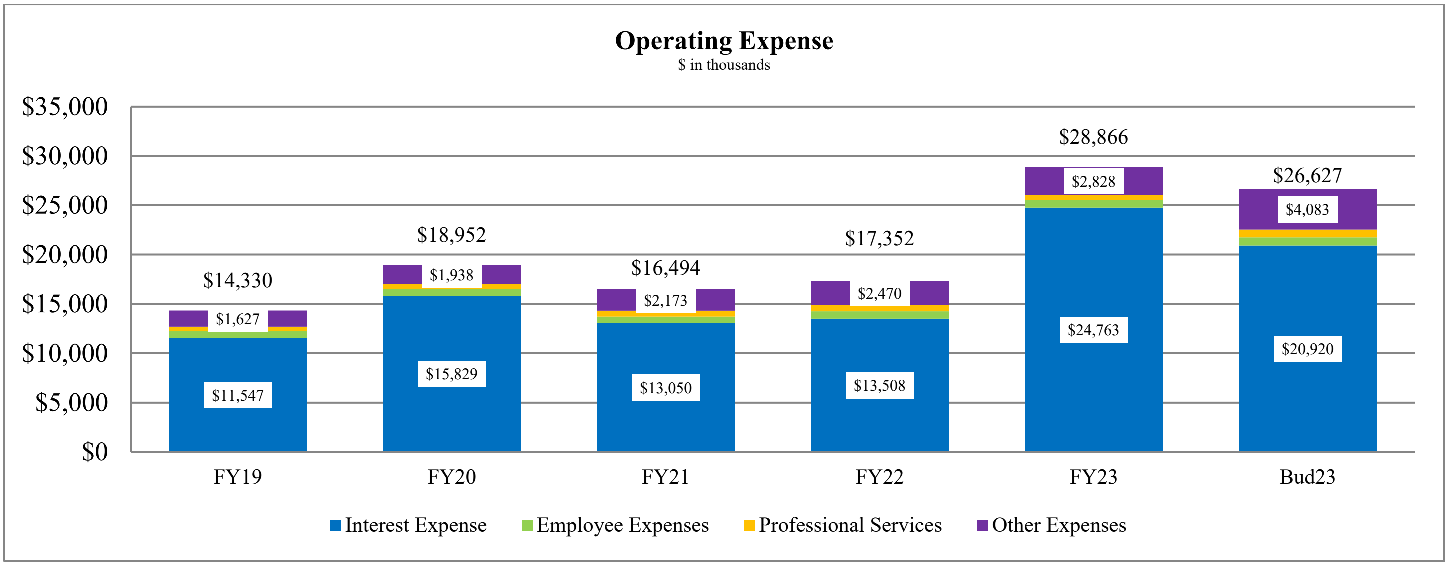
To: IFA Board of Directors
From: David Morrison
Date May 12, 2023
Re: April 2023 YTD Single Family Financial Results

Single Family Results ($ in thousands)

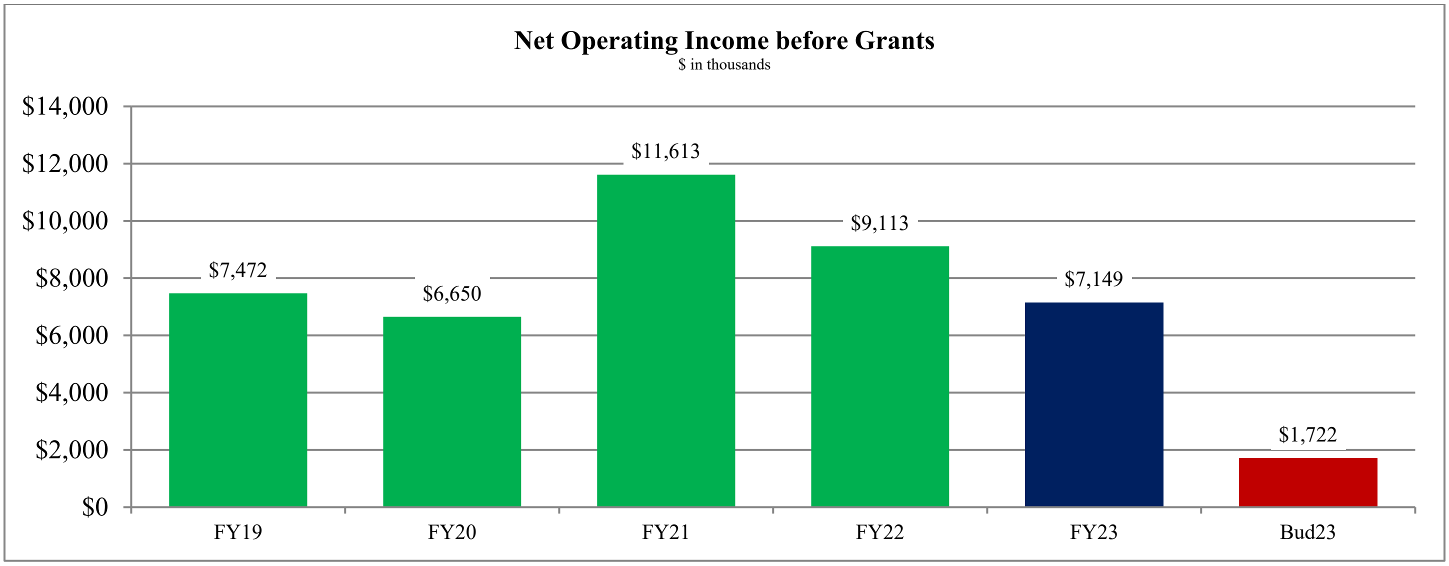
Single-Family program operated favorably to budget through the first ten months of FY2023. Note: Single Family had a bond issued in April for $84,998,472.



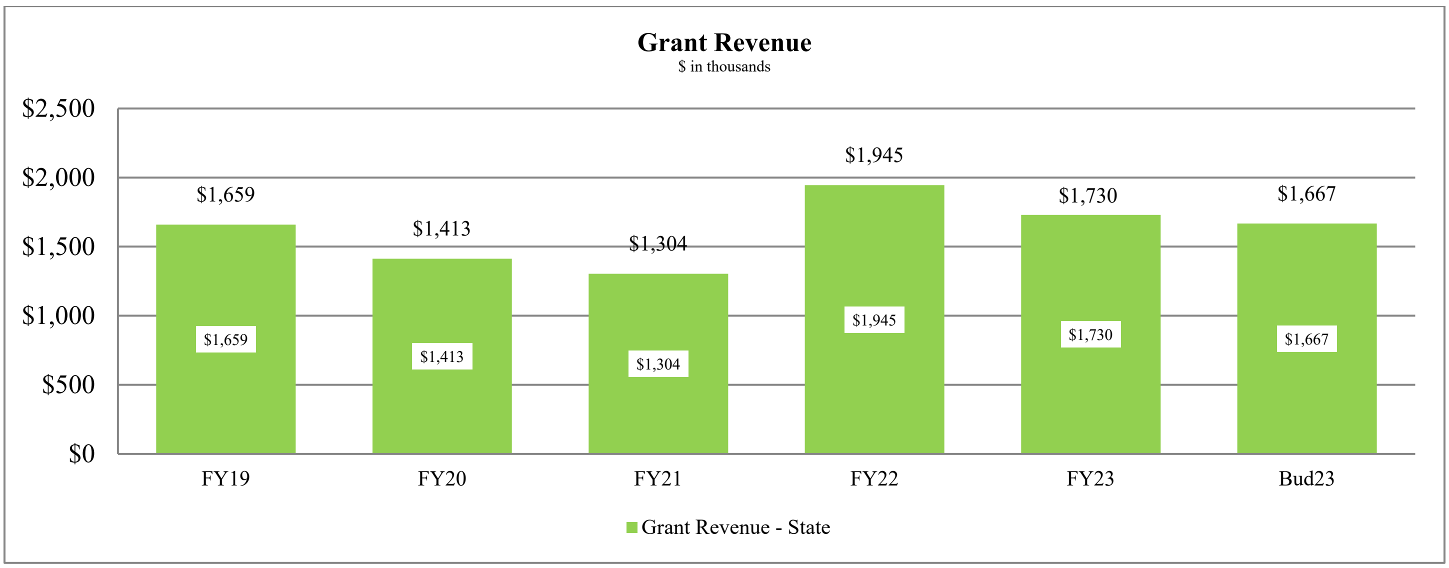
Operating Revenue was $7,666 or 27.0% favorable to budget and $9,550 or 36.1% favorable to last year. Interest Revenue was $6,752 or 24.1% favorable to budget primarily due to higher earnings on Investments. Fee Revenue was $914 favorable to budget which is related to higher Service Acquisition revenues.



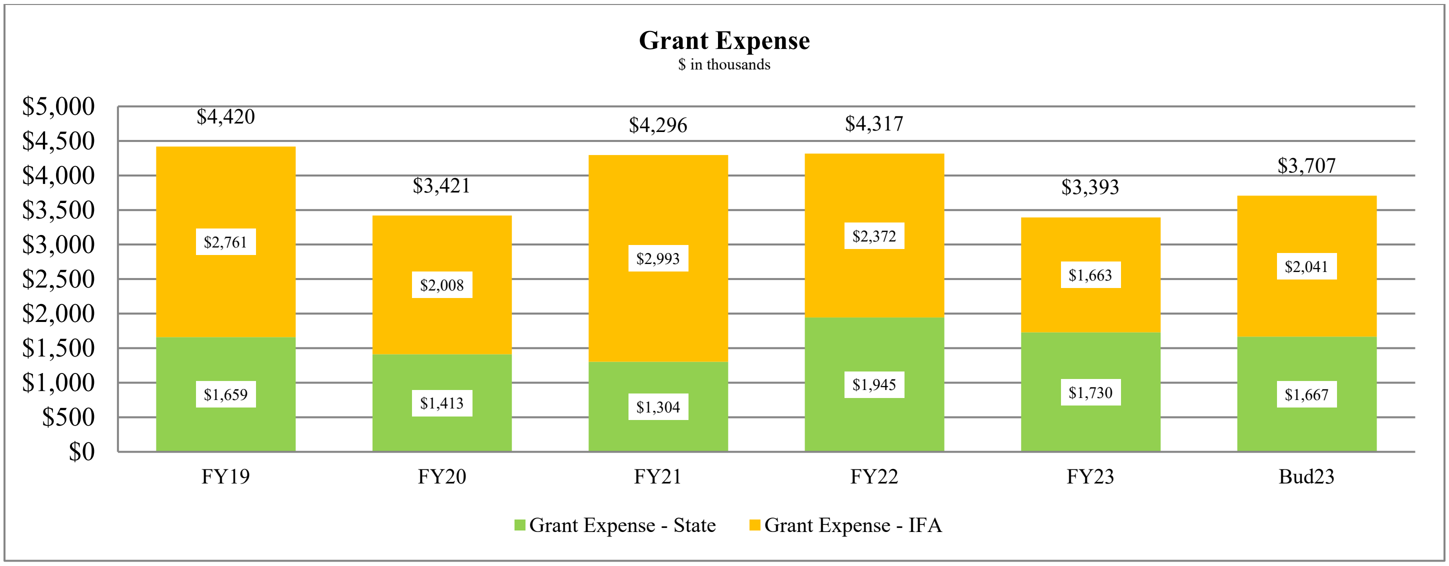
Operating Expense was unfavorable to budget by $2,239 or 8.4% and unfavorable to last year by $11,514 or 66.4%. Interest Expense was unfavorable ($3,843) due to higher rates partially offset by favorable Marketing Expense accounts of $621. Market conditions have delayed budgeted homebuyer ads reducing marketing expense. Most other expense categories were favorable to budget.



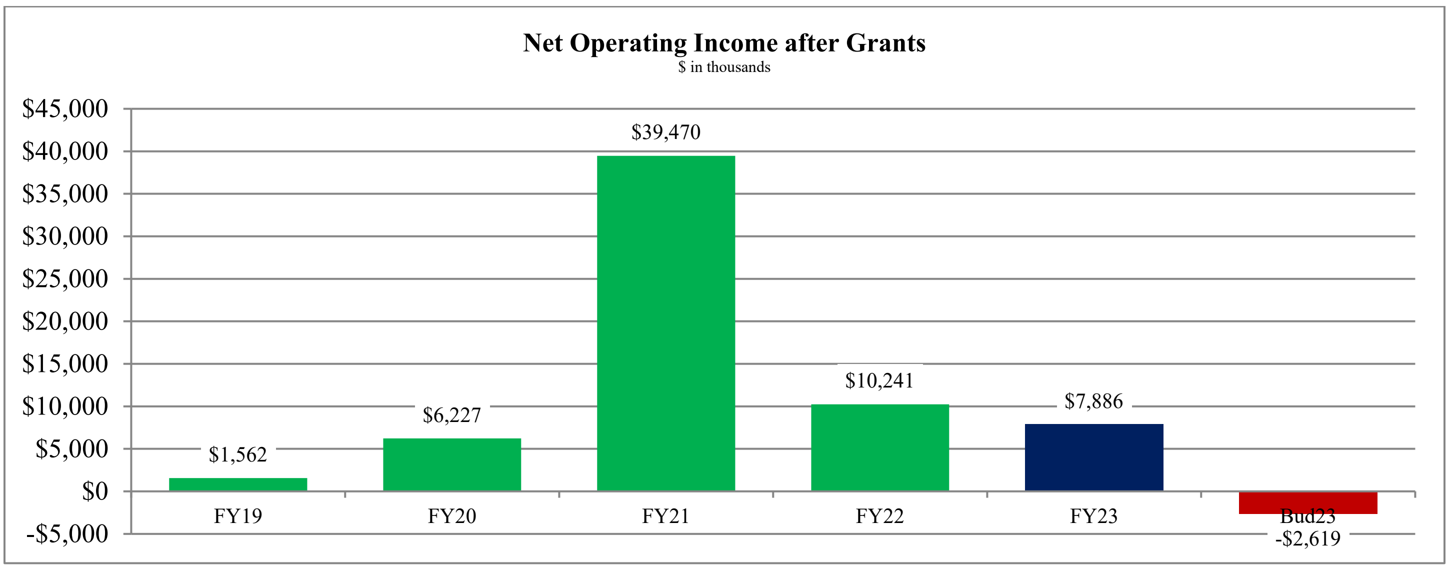
NOIBG was favorable to budget by $5,427 but unfavorable to last year $1,964.



Grant Revenue was $63 or 3.8% favorable to budget and $215 unfavorable to last year. Grant Revenue is solely made up of military DPA.



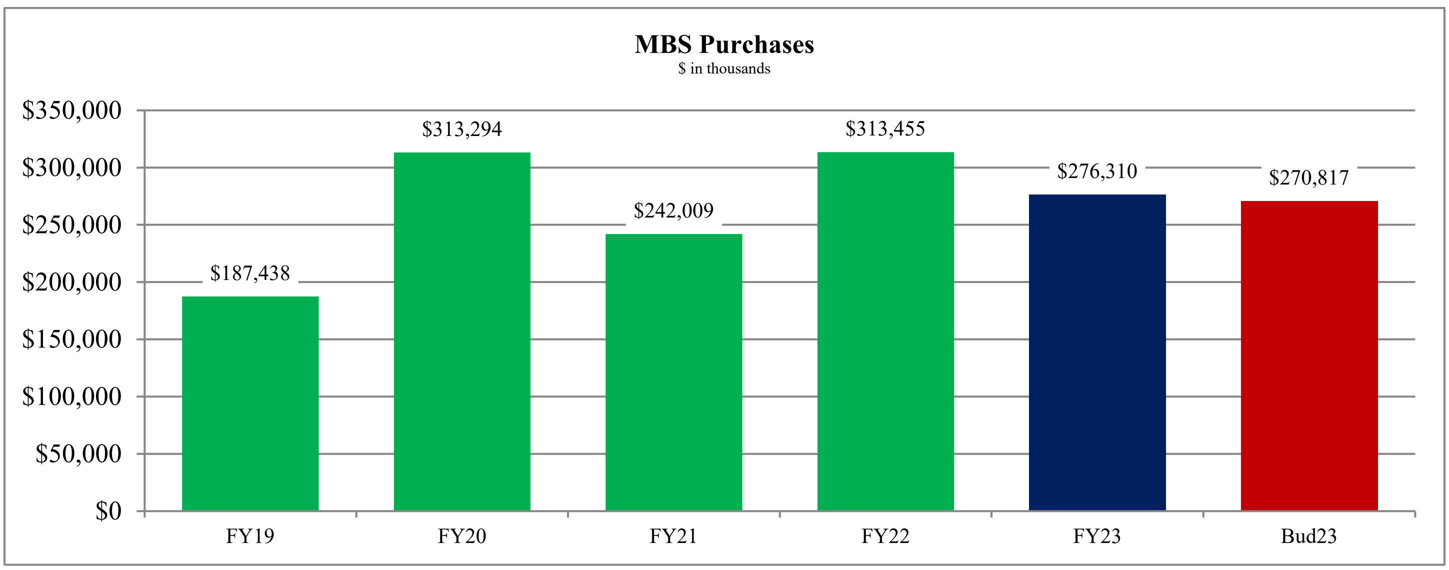
Grant Expense was favorable to budget by $314 or 8.5% and favorable to last year by $924 or 21.4%. Grant Expense IFA is favorable to budget due to fewer MBS Sale in this current market environment. DPA grants are fully expensed when the MBS is sold.



Net Operating Income After Grants was favorable to budget by $10,505 but unfavorable to last year by $2,355.

MBS Activity ($ in thousands)

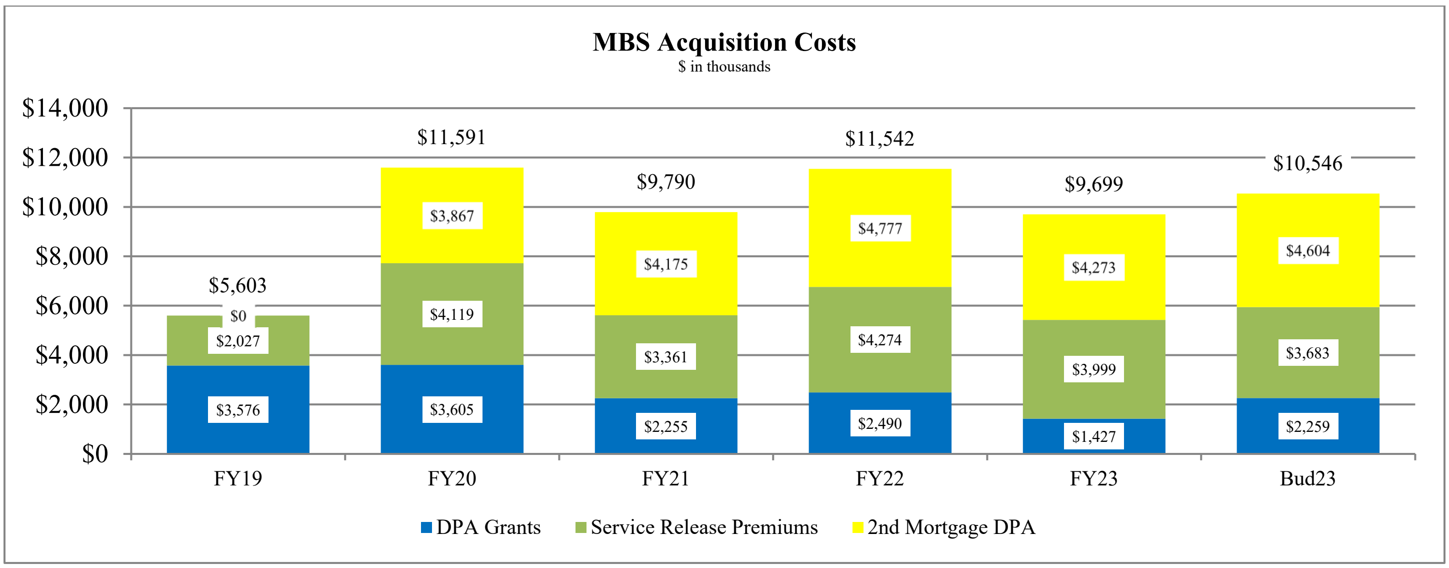
Series	Purchased	Sold	Net	DPA Grant	Funds Available
RHF Security (034)	-	-	-	-	10,151
RHF Program (053)	-	-	-	125	4,849
Retired MBS (058)	-	-	-	-	12,641
2015 ABC - 2021 BC (059 thru 071)	12,778		12,778	10	51,804
2021 DEF (072)	-		-	-	4,033
2022 AB (073)	189		189	-	1,812
2022 C (074)	-		-	-	94
2022 DEF (075)	62,663		62,663	365	1,841
2022 GHI (076)	76,857		76,857	458	4,661
2022 JK (077)	43,994		43,994	393	2,709
2023 AB (078)	874		874	100	78,144
SF Warehouse Acct (054)	78,955	(23,857)	55,098	-	38,548
Total Single Family	276,310	(23,857)	252,453	1,450	211,287



MBS Purchases were $5,493 or 2.0% favorable to budget.

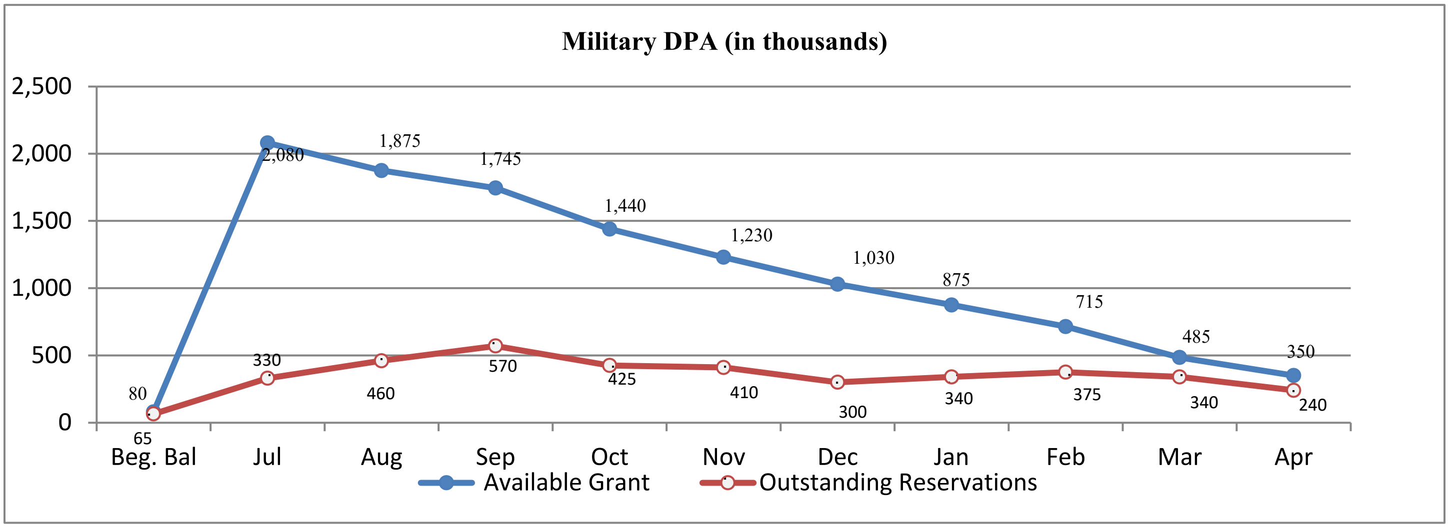
SF Portfolio Analysis ($ in thousands)

Description	6/30/22 Balance	Additions	Reduction	YTD FY23 Balance	YTD FY23 Chg
Mortgage Backed Sec - Cost	947,250	252,453	(68,600)	1,131,103	19%
Other SF Loans (net of reserve)	1,248		(715)	533	-57%
SF Second Mortgage DPA	15,603	4,333	(75)	19,861	27%
Warehouse Loans - LOC	23,882		573	24,455	2%
Subtotal	987,983	256,786	(68,816)	1,175,953	19%
MBS - FMVA	(53,302)	-	(18,372)	(71,674)	-34%
Total Portfolio	934,681	256,786	(87,188)	1,104,279	18%

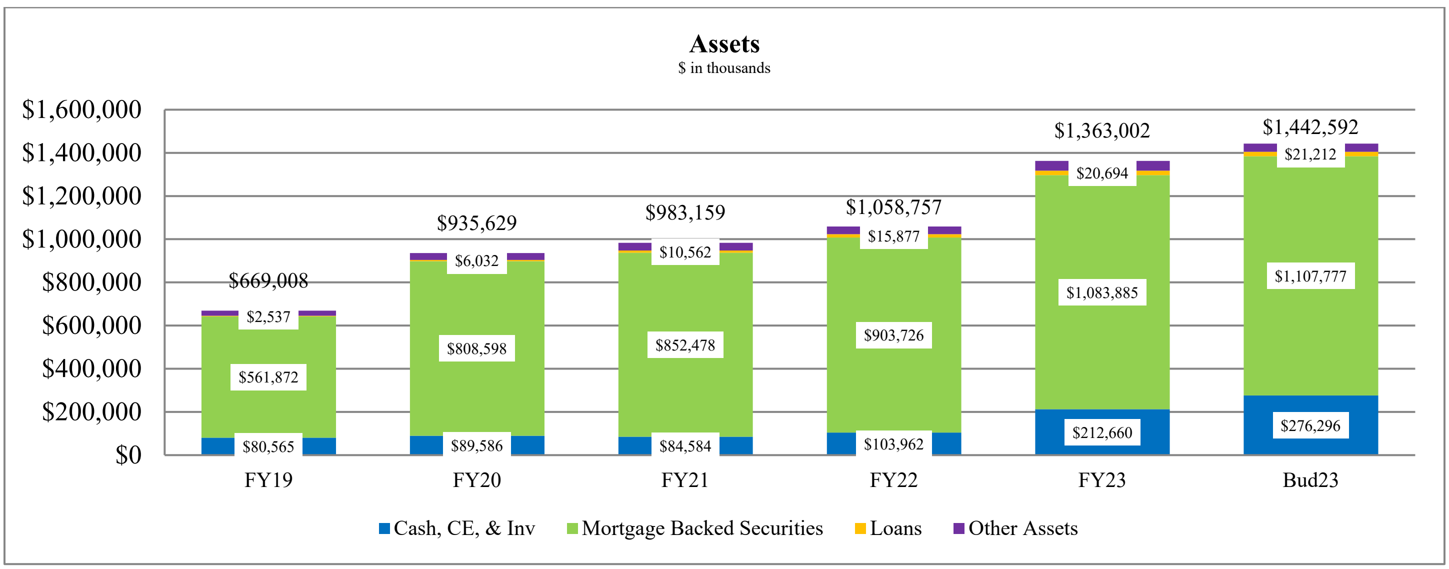


MBS Acquisition Costs are 8.0% below budget with DPA grants and second mortgage DPA leading the favorability.

Other Activity



Total disbursements to date $1,730 which includes prior year carry-over reservations, available grants $350 and outstanding reservations $240.



Total assets and deferred outflows were 5.5% unfavorable to budget.

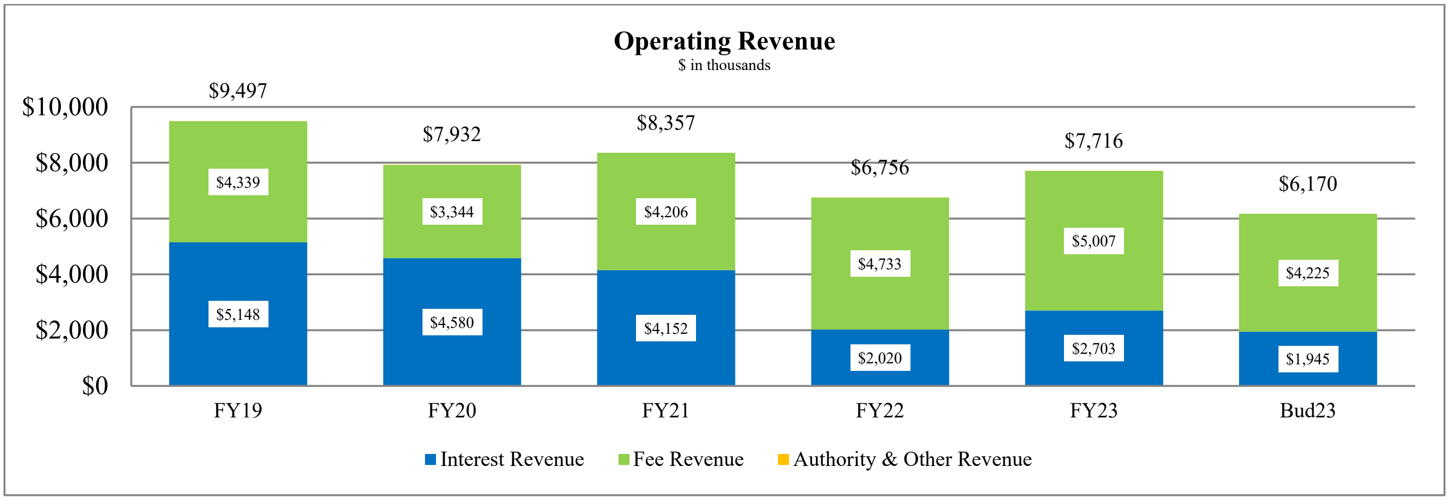
Balance Sheet	Single Family (Rollup)						
	Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivelents	212,659,554	276,296,438	(63,636,884)	-23.0	103,961,607	108,697,947	104.6
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	1,059,429,633	1,091,150,516	(31,720,883)	-2.9	875,403,628	184,026,005	21.0
Line of Credit	24,455,047	16,626,959	7,828,089	47.1	28,322,562	(3,867,515)	-13.7
Loans - net of reserve for losses	20,694,411	21,212,393	(517,982)	-2.4	15,877,373	4,817,038	30.3
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	43,574,134	30,152,405	13,421,729	44.5	27,984,186	15,589,948	55.7
Deferred Outflows	2,189,206	7,152,942	(4,963,736)	-69.4	7,207,840	(5,018,634)	-69.6
Total Assets and Deferred Outflows	1,363,001,985	1,442,591,653	(79,589,668)	-5.5	1,058,757,195	304,244,790	28.7
Liabilities, Deferred Inflows, and Equity							
Debt	1,184,992,371	1,178,917,118	6,075,253	0.5	875,171,334	309,821,037	35.4
Interest Payable	9,107,470	28,841,695	(19,734,225)	-68.4	5,389,152	3,718,318	69.0
Unearned Revenue	349,714	(1,488,787)	1,838,501	-123.5	429,546	(79,832)	-18.6
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	372,660	928,153	(555,493)	-59.8	396,409	(23,749)	-6.0
Other liabilities	299,975	5,003,190	(4,703,215)	-94.0	5,003,190	(4,703,215)	-94.0
Deferred Inflows	12,480,228	1,137,094	11,343,134	997.6	1,785,614	10,694,613	598.9
Total Liabilities and Deferred Inflows	1,207,602,418	1,213,338,463	(5,736,044)	-0.5	888,175,245	319,427,173	36.0
Equity							
YTD Earnings(Loss)	(10,288,349)	(2,618,506)	(7,669,843)	292.9	(82,143,175)	71,854,825	-87.5
Prior Years Earnings	164,707,820	230,092,273	(65,384,453)	-28.4	251,778,209	(87,070,388)	-34.6
Transfers	980,096	1,779,424	(799,328)	-44.9	946,916	33,180	3.5
Total Equity	155,399,567	229,253,190	(73,853,624)	-32.2	170,581,950	(15,182,383)	-8.9
Total Liabilities, Deferred Inflows, and Equity	1,363,001,985	1,442,591,653	(79,589,668)	-5.5	1,058,757,195	304,244,790	28.7

Income Statement	Single Family (Rollup)													
	Apr-2023							YTD as of Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	4,155,712	2,966,141	1,189,571	40.1	2,481,232	1,674,480	67.5	34,712,509	27,961,252	6,751,257	24.1	26,020,725	8,691,785	33.4
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	182,337	68,319	114,018	166.9	82,578	99,758	120.8	1,300,399	386,214	914,185	236.7	434,690	865,709	199.2
Other Revenue	-	-	-	0.0	-	-	0.0	2,000	2,000	-	0.0	9,761	(7,761)	-79.5
Total Operating Revenue	4,338,049	3,034,460	1,303,589	43.0	2,563,811	1,774,239	69.2	36,014,909	28,349,466	7,665,442	27.0	26,465,176	9,549,733	36.1
Operating Expense														
Interest Expense	3,575,069	2,045,199	1,529,870	74.8	1,397,688	2,177,380	155.8	24,762,836	20,919,854	3,842,982	18.4	13,507,592	11,255,243	83.3
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	72,698	75,724	(3,026)	-4.0	76,911	(4,213)	-5.5	794,574	817,694	(23,119)	-2.8	751,994	42,580	5.7
Shared Expenses	3,100	3,105	(5)	-0.2	850	2,250	264.7	90,343	93,500	(3,157)	-3.4	84,815	5,528	6.5
Marketing Expense	-	62,500	(62,500)	-100.0	-	-	0.0	6,815	628,050	(621,235)	-98.9	78,897	(72,082)	-91.4
Professional Services	57,344	110,645	(53,301)	-48.2	91,730	(34,386)	-37.5	480,047	807,032	(326,985)	-40.5	622,685	(142,638)	-22.9
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	-	100	(100)	-100.0	107	(107)	-100.0
Overhead Allocation	10,647	4,144	6,504	156.9	4,860	5,788	119.1	53,119	56,580	(3,461)	-6.1	45,619	7,500	16.4
Total Operating Expense	3,718,859	2,301,327	1,417,532	61.6	1,572,049	2,146,809	136.6	28,865,707	26,627,152	2,238,555	8.4	17,351,920	11,513,787	66.4
Net Operating Income (Loss) Before Grants	619,191	733,134	(113,943)	-15.5	991,761	(372,571)	-37.6	7,149,202	1,722,315	5,426,887	315.1	9,113,256	(1,964,054)	-21.6
Net Grant (Income) Expense														
Grant Revenue	(135,000)	(166,667)	31,667	-19.0	(165,000)	30,000	-18.2	(1,729,832)	(1,666,667)	(63,165)	3.8	(1,944,668)	214,836	-11.0
Grant Expense	305,164	370,749	(65,584)	-17.7	357,779	(52,615)	-14.7	3,393,232	3,707,487	(314,256)	-8.5	4,316,651	(923,419)	-21.4
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
Total Net Grant (Income) Expense	170,164	204,082	(33,918)	-16.6	192,779	(22,615)	-11.7	(736,600)	4,340,821	(5,077,421)	-117.0	(1,128,017)	391,417	-34.7
Net Operating Income (Loss) After Grants	449,026	529,052	(80,025)	-15.1	798,982	(349,956)	-43.8	7,885,802	(2,618,506)	10,504,308	-401.2	10,241,273	(2,355,471)	-23.0
Other Non-Operating (Income) Expense	(3,186,208)	-	(3,186,208)	0.0	32,285,123	(35,471,331)	-109.9	18,174,151	-	18,174,151	0.0	92,384,448	(74,210,297)	-80.3
Net Income (Loss)	3,635,234	529,052	3,106,183	587.1	(31,486,141)	35,121,375	-111.5	(10,288,349)	(2,618,506)	(7,669,843)	292.9	(82,143,175)	71,854,825	-87.5
IFA Home Dept Staff Count	6	6	-	0.0	6	-	0.0	6	6	-	0.0	6	1	9.1
FTE Staff Count	8	8	(0)	-4.8	8	(0)	-3.0	8	8	(0)	-1.9	7	1	8.1

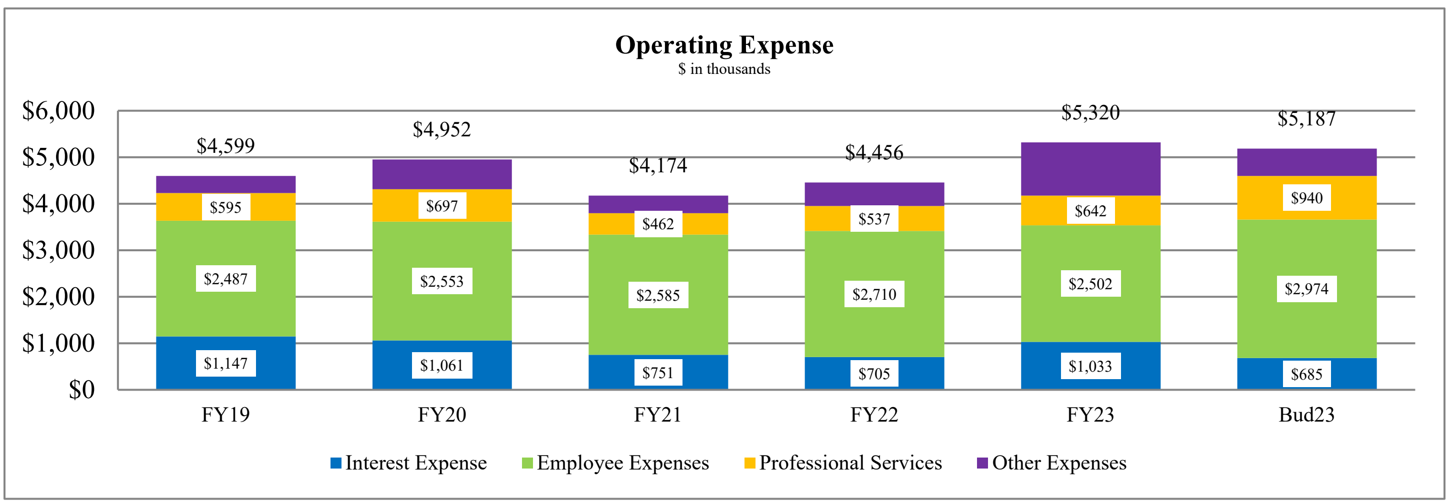
To: IFA Board Members
From: Ashten Sinclair
Date May 11, 2023
Re: April 2023 YTD Multi-Family Financial Results

Multi-Family Results ($ in thousands)

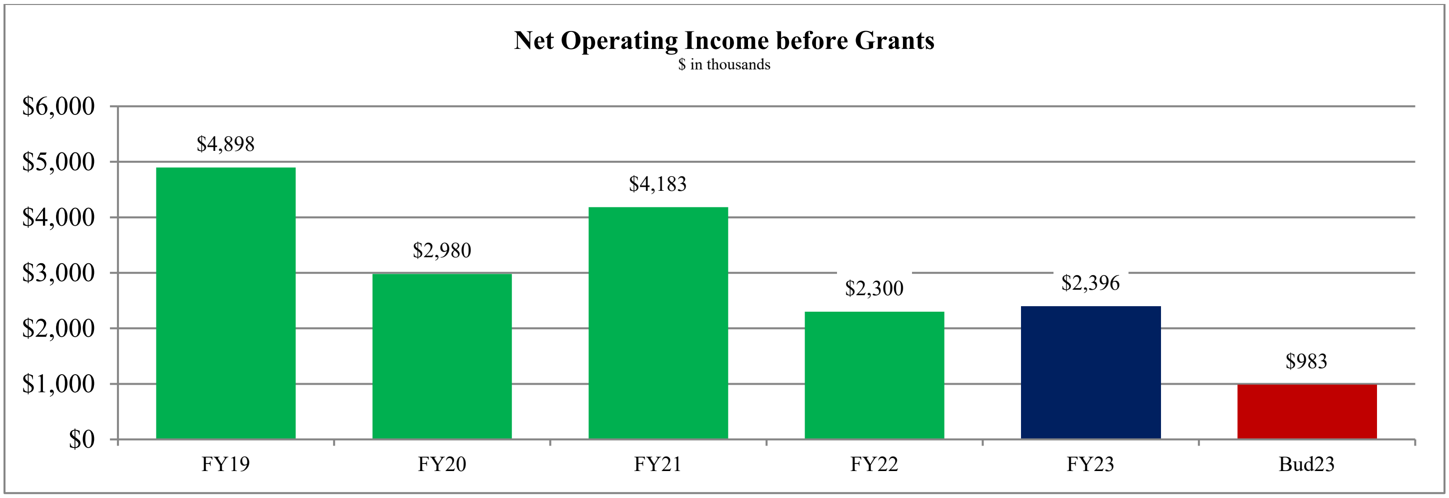
Multi-Family programs are operating favorable to budget through the end of April FY23.



Operating Revenue was $1,546 or 25.1% above budget and $960 or 14.2% above last year. Fee revenue was $782 or 18.5% above budget due to LIHTC reservation and application fees. Interest Revenue was $758 or 39% above budget due to rise in interest rates.



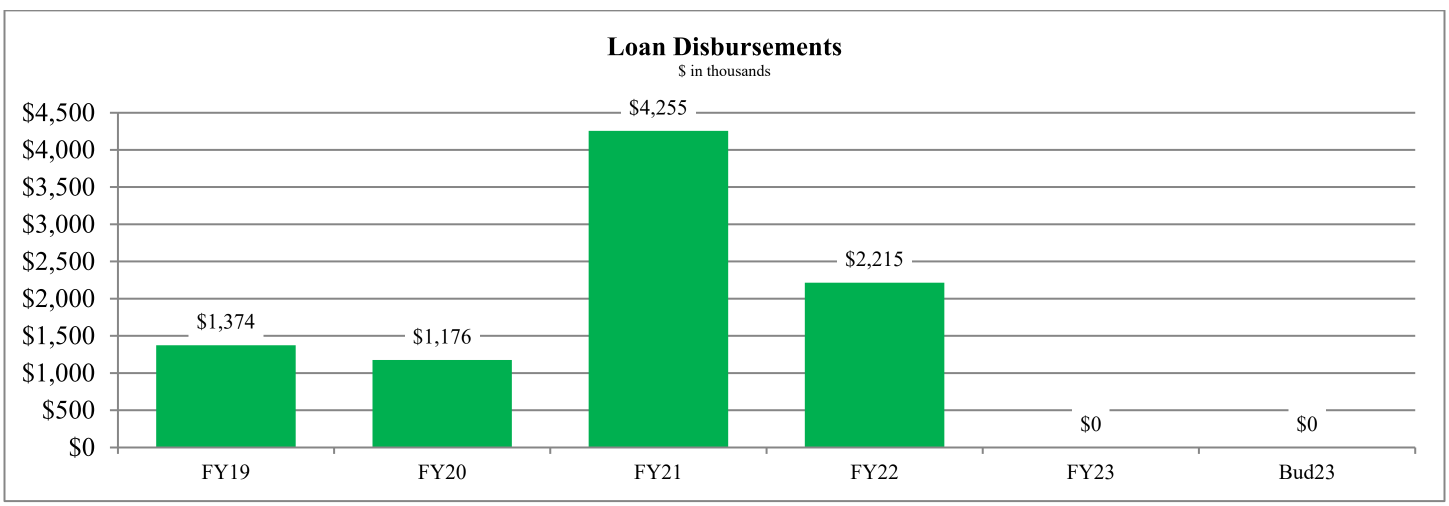
Operating Expense was $133 or 2.6 above budget and $864 or 19.4% above last year. Interest Expense increase is due to the rapid rise in interest rates. The variance in Other Expenses is due to an increase in loan reserves



NOIBG was $1,413 above budget and $96 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	(784,092)	27,603,735	3%	36
Multifamily Loans	6	33,022,659	0	(1,463,195)	(560,110)	30,999,354	-6%	5
	44	59,947,290	0	0	(1,344,202)	58,603,089		41
Loan Reserves		(1,312,000)	(537,000)	0	9,000	(1,840,000)	40%	
Capitalized Interest Reserves		0	0	0	0	0	0%	
Total Portfolio		58,635,290	(537,000)	0	(1,335,202)	56,763,089	-3%	



MF Commitments ($ in whole dollars)

	Commitment Date	Original Commitment	03/31/2023 Balance	Monthly Activity	04/30/2023 Balance	Remaining Commitment
Grants						
Mobile Response Team - FY23 Extension	5/4/2022	100,000	0	0	0	100,000
Total Grants		100,000	0	0	0	100,000
Construction Loans						
					0	0
Total Construction		0	0	0	0	0
Permanent Loans						
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
Total Permanent		1,900,000	0	0	0	1,900,000
Totals		2,000,000	0	0	0	2,000,000
xxx = no loan agreement signed						

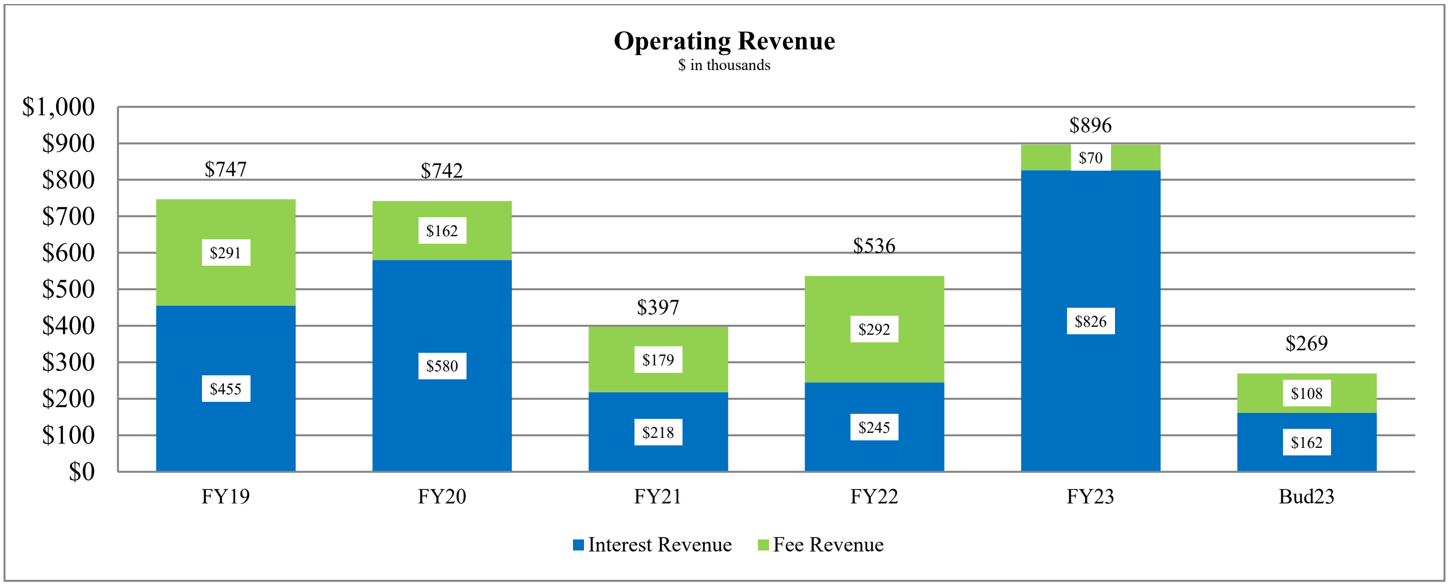
Balance Sheet	Multi Family (Rollup)						
	Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivelents	29,652,581	27,462,441	2,190,139	8.0	24,896,386	4,756,195	19.1
Investments	-	2,670,423	(2,670,423)	-100.0	2,666,675	(2,666,675)	-100.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	56,763,088	57,464,238	(701,149)	-1.2	59,157,775	(2,394,687)	-4.0
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	109,531	91,865	17,666	19.2	(764,573)	874,104	-114.3
Deferred Outflows	89,379	332,311	(242,933)	-73.1	332,311	(242,933)	-73.1
Total Assets and Deferred Outflows	86,614,579	88,021,278	(1,406,699)	-1.6	86,288,575	326,004	0.4
Liabilities, Deferred Inflows, and Equity							
Debt	31,739,708	32,536,563	(796,855)	-2.4	32,813,010	(1,073,302)	-3.3
Interest Payable	137,849	622,980	(485,131)	-77.9	93,122	44,727	48.0
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	9,675,708	10,224,055	(548,347)	-5.4	9,342,135	333,573	3.6
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	25,913	32,902	(6,989)	-21.2	36,886	(10,973)	-29.7
Other liabilities	89,379	332,311	(242,933)	-73.1	332,311	(242,933)	-73.1
Deferred Inflows	51,258	7,094	44,165	622.6	7,094	44,165	622.6
Total Liabilities and Deferred Inflows	41,719,815	43,755,905	(2,036,090)	-4.7	42,624,558	(904,742)	-2.1
Equity							
YTD Earnings(Loss)	2,399,070	233,209	2,165,860	928.7	1,776,823	622,247	35.0
Prior Years Earnings	43,943,612	43,909,164	34,448	0.1	43,014,735	928,877	2.2
Transfers	(1,447,918)	123,000	(1,570,918)	-1277.2	(1,127,541)	(320,377)	28.4
Total Equity	44,894,763	44,265,373	629,391	1.4	43,664,017	1,230,746	2.8
Total Liabilities, Deferred Inflows, and Equity	86,614,579	88,021,278	(1,406,699)	-1.6	86,288,575	326,004	0.4

Income Statement	Multi Family (Rollup)													
	Apr-2023							YTD as of Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	302,454	192,403	110,051	57.2	210,282	92,172	43.8	2,703,087	1,944,604	758,483	39.0	2,020,343	682,743	33.8
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	392,884	345,721	47,163	13.6	264,208	128,676	48.7	5,006,840	4,225,142	781,698	18.5	4,732,762	274,078	5.8
Other Revenue	2,000	-	2,000	0.0	-	2,000	0.0	6,000	-	6,000	0.0	2,500	3,500	140.0
Total Operating Revenue	697,338	538,124	159,214	29.6	474,489	222,849	47.0	7,715,926	6,169,746	1,546,180	25.1	6,755,605	960,321	14.2
Operating Expense														
Interest Expense	93,266	68,047	25,219	37.1	75,993	17,273	22.7	1,032,575	685,237	347,338	50.7	705,199	327,376	46.4
Authority Expense	-	-	-	0.0	-	-	0.0	125,535	125,363	172	0.1	128,057	(2,522)	-2.0
Employee Expenses	234,314	277,905	(43,591)	-15.7	246,855	(12,541)	-5.1	2,501,674	2,973,908	(472,234)	-15.9	2,709,548	(207,874)	-7.7
Shared Expenses	295	16,110	(15,815)	-98.2	615	(320)	-52.0	144,613	148,620	(4,007)	-2.7	122,862	21,751	17.7
Marketing Expense	-	10	(10)	-100.0	-	-	0.0	3,811	150	3,661	2440.5	549	3,262	594.1
Professional Services	54,090	92,847	(38,757)	-41.7	60,046	(5,955)	-9.9	641,565	939,894	(298,329)	-31.7	536,859	104,706	19.5
Claim and Loss Expenses	(2,000)	-	(2,000)	0.0	(1,000)	(1,000)	100.0	528,000	-	528,000	0.0	(11,000)	539,000	-4900.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	(295)	-	(295)	0.0	-	(295)	0.0	(1,400)	180	(1,580)	-877.8	172	(1,572)	-914.0
Overhead Allocation	46,442	25,183	21,260	84.4	27,362	19,080	69.7	343,139	313,184	29,955	9.6	263,728	79,410	30.1
Total Operating Expense	426,112	480,101	(53,989)	-11.2	409,870	16,243	4.0	5,319,512	5,186,536	132,976	2.6	4,455,974	863,538	19.4
Net Operating Income (Loss) Before Grants	271,226	58,023	213,202	367.4	64,620	206,606	319.7	2,396,414	983,209	1,413,205	143.7	2,299,631	96,783	4.2
Net Grant (Income) Expense														
Grant Revenue	(5,891,896)	(5,700,000)	(191,896)	3.4	(5,924,181)	32,285	-0.5	(59,477,894)	(61,875,000)	2,397,106	-3.9	(57,234,712)	(2,243,182)	3.9
Grant Expense	5,891,896	5,700,000	191,896	3.4	5,924,181	(32,285)	-0.5	59,478,130	62,625,000	(3,146,870)	-5.0	57,754,712	1,723,419	3.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	237	750,000	(749,763)	-100.0	520,000	(519,763)	-100.0
Net Operating Income (Loss) After Grants	271,226	58,023	213,202	367.4	64,620	206,606	319.7	2,396,177	233,209	2,162,968	927.5	1,779,631	616,547	34.6
Other Non-Operating (Income) Expense	-	-	-	0.0	677	(677)	-100.0	(2,893)	-	(2,893)	0.0	2,808	(5,700)	-203.0
Net Income (Loss)	271,226	58,023	213,202	367.4	63,943	207,283	324.2	2,399,070	233,209	2,165,860	928.7	1,776,823	622,247	35.0
IFA Home Dept Staff Count	24	30	(6)	-18.6	25	(1)	-4.0	26	30	(4)	-12.9	26	0	0.8
FTE Staff Count	23	28	(5)	-18.3	23	0	1.4	22	28	(6)	-21.1	24	(2)	-6.4

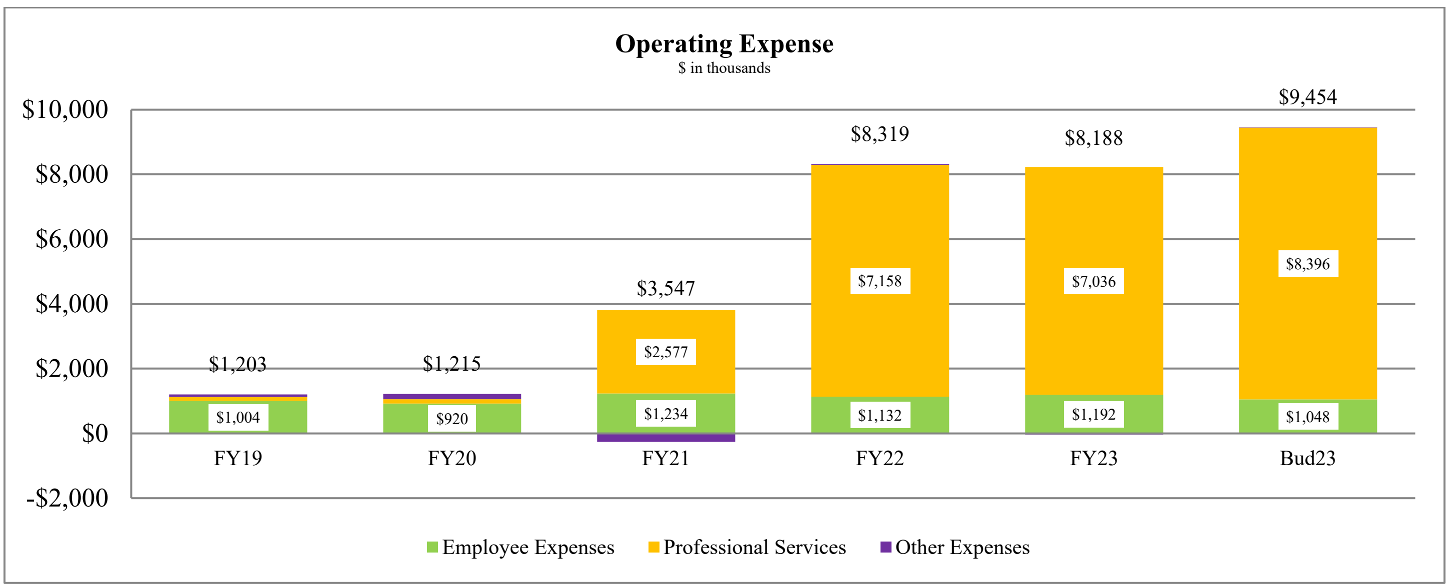
To:	IFA Board Members
From:	Stephanie Volk
Date	May 9, 2023
Re:	April 2023 YTD Financial Results

Federal and State Programs ($ in thousands)

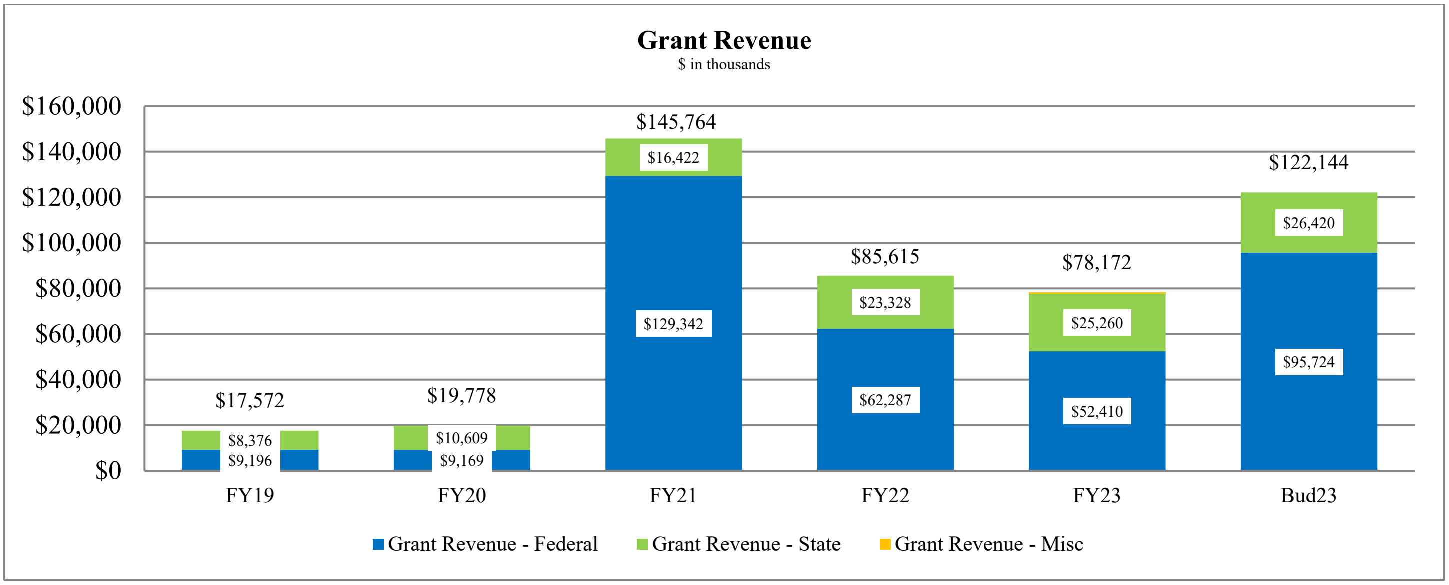
Federal and State programs are operating comparable to budget at the beginning of the fourth quarter for FY23.



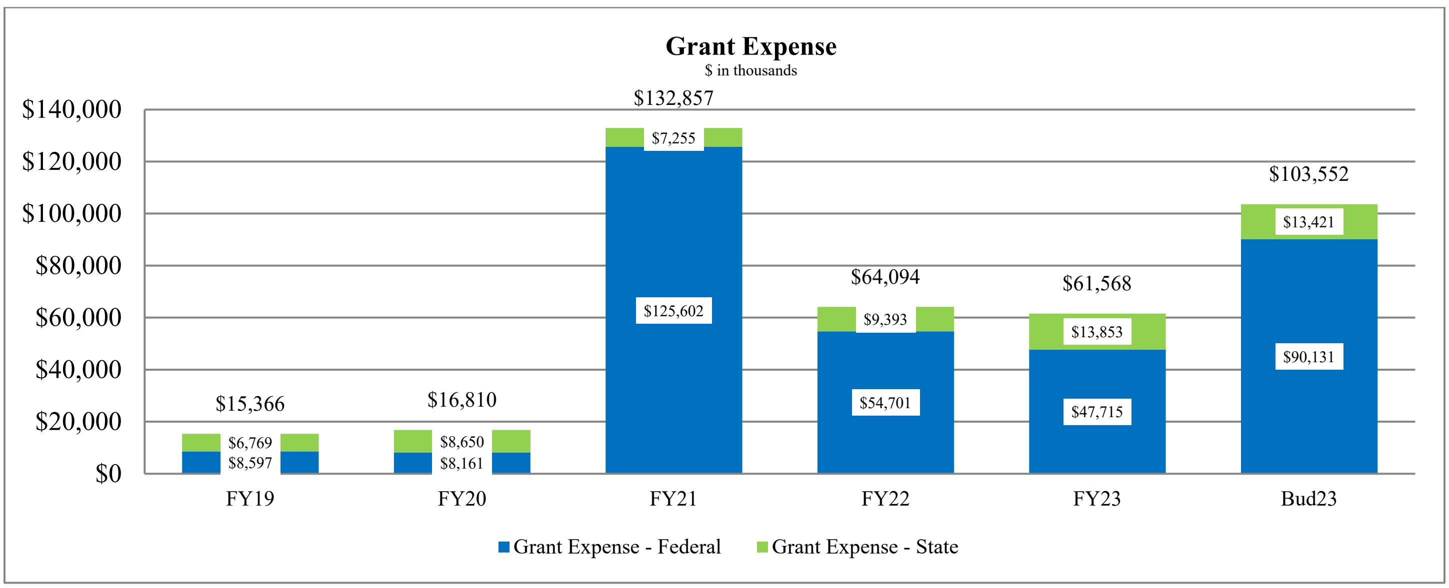
Operating Revenue was favorable to budget and prior year by $627 and $360, respectively. Interest revenue was $664 above budget, which was largely due to the interest from the State Housing Trust Fund. All interest revenue from the Emergency Rental Assistance Program fund is transferred to the IFA General Fund monthly.



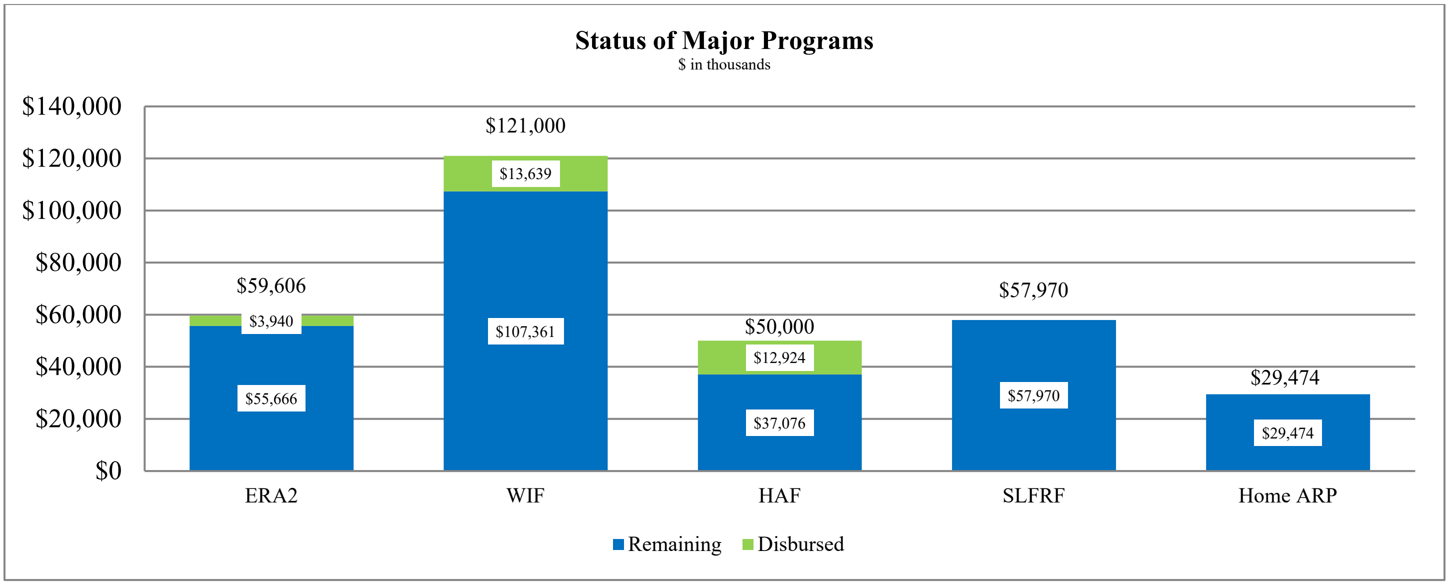
Operating Expense was $1,266 or 13.4% favorable to budget and $131 favorable to prior year. Professional Services expenses were below budget by $1,360, resulting from less activity in Homeowners Assistance Fund Program.



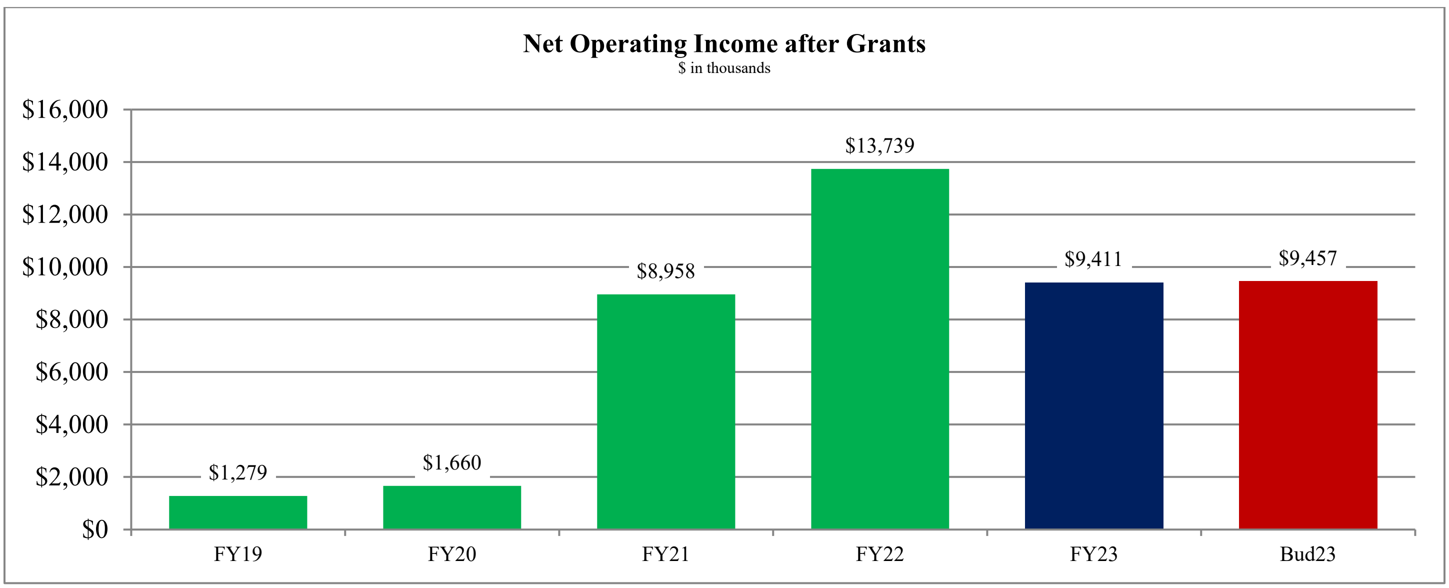
Grant Revenue was less than budgeted by $43,972 or 36.0%, which is largely due to the below-mentioned programs disbursing less than expected. Grant Revenue was less than prior year by $7,443 or 8.7%.



Grant Expense was less than budgeted by $41,984 or 40.5%. The federal difference of $42,416 from current year to budget is largely due to the below programs disbursing less than expected. The following are variances between budgeted and current year: Water Infrastructure Funds (WIF) $34,811 Refugee Resettlement Assistance (RRA) $10,551, and Rapid Rehousing (RRH) $2,615. Grant expense is 3.9% lower than prior year.

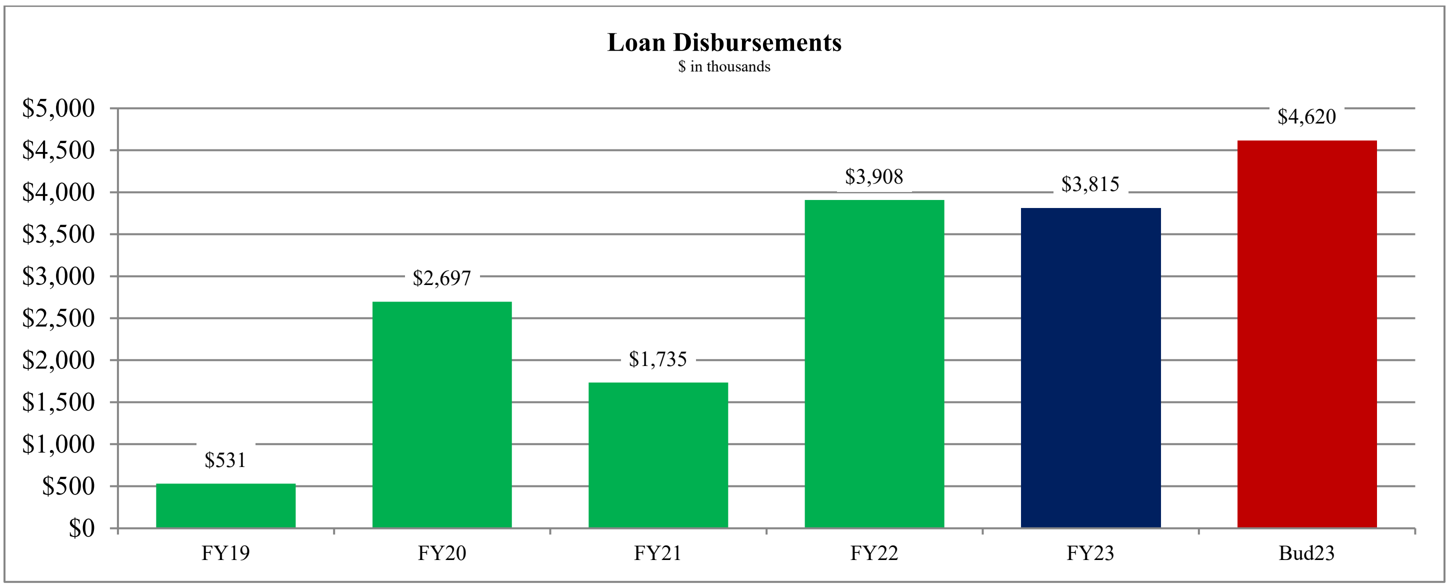


ERA2 consists of Rapid Rehousing Project (RRH), Refugee Resettlement Assistance (RRA), and Coordinated Entry (CE). WIF received an additional $45MM. All of the below-mentioned programs are still in the planning phase. SLFRF, which consists of the Home Rehab Block Grant, ARPA LIHTC, and Iowa Home Grant.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



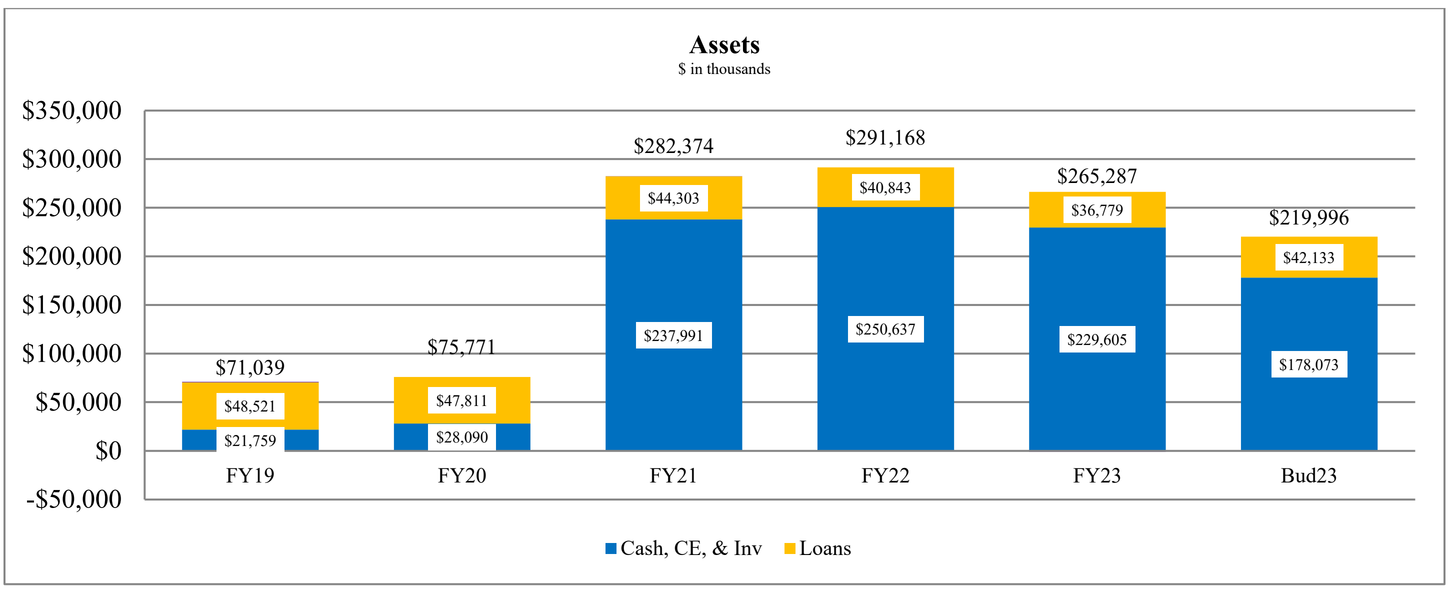
NOIAG was comparable to budget by $46 and less than prior year by 31.5% due to over $4,245 in water grants being disbursed in FY23.

FSP Loan Portfolio by Series	June 30, 2022				Ending Balance		
	#	Balance	Additions	Payments	Balance	Chg	#
500-047 SHTF - Loans	10	1,858,869	-	(101,744)	1,757,125	-5.5%	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	592,785	(190,541)	6,440,493	6.7%	14
500-050 Home & Comm Tr Lns	7	1,437,662	-	(117,515)	1,320,146	-8.2%	7
500-051 Transitional Housing Lns	2	762,259	-	(38,835)	723,423	-5.1%	2
500-057 TCAP Loans	12	17,890,957	-	(125,638)	17,765,319	-0.7%	12
500-058 HOME Loans	208	119,013,017	3,222,145	(7,249,180)	114,985,983	-3.4%	204
500-062 CHS Loans	7	620,818	-	(14,722)	606,095	-2.4%	7
Total Portfolio before Cap Int & Reserves		147,898,492	3,814,930	(7,896,929)	143,816,494	-2.8%	
Loan Capitalized Interest Reserve		(8,955,000)	-	1,190,000	(7,765,000)	-13.3%	
Loan Reserves		(100,978,000)	-	1,706,000	(99,272,000)	-1.7%	
Total Portfolio	261	37,965,492	3,814,930	(5,000,929)	36,779,494	-3.1%	257



Loan disbursements were unfavorable to budget by $805 and unfavorable to prior year by $93.

Revolving Loan Fund Commitments ($ in whole dollars)							
Cash, Cash Equiv & Investments							State Loan Funds
	SLT 049						951,142
	HCBS 050						1,022,752
	THF 051						2,557,057
	CHS 062						2,172,067
							6,703,019
		Commitment Date	Original Commitment	3/31/2023 Balance	Monthly Activity	4/30/2023 Balance	Remaining Commitment
Loan Commitments							
	Chandler Pointe	8/5/2020	1,000,000	-	-	-	1,000,000
	Graceview Courtyard Phase II	9/8/2021	1,000,000	-	-	-	1,000,000
	Vive	9/8/2021	1,000,000	-	-	-	1,000,000
	Shenandoah Senior Villas	9/8/2021	1,000,000	-	-	-	1,000,000
	Grace Creek Senior Apts	9/8/2021	1,000,000	592,786		592,786	407,214
	NISHNA	2/28/2023	1,242,000	-	-	-	1,242,000
Total Commitments			6,242,000	592,786	-	592,786	5,649,214
Net Funds Available							1,053,805



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 $55,666, Water Infrastructure Fund at $12,899, and Homeowner Assistance Fund at $37,076.

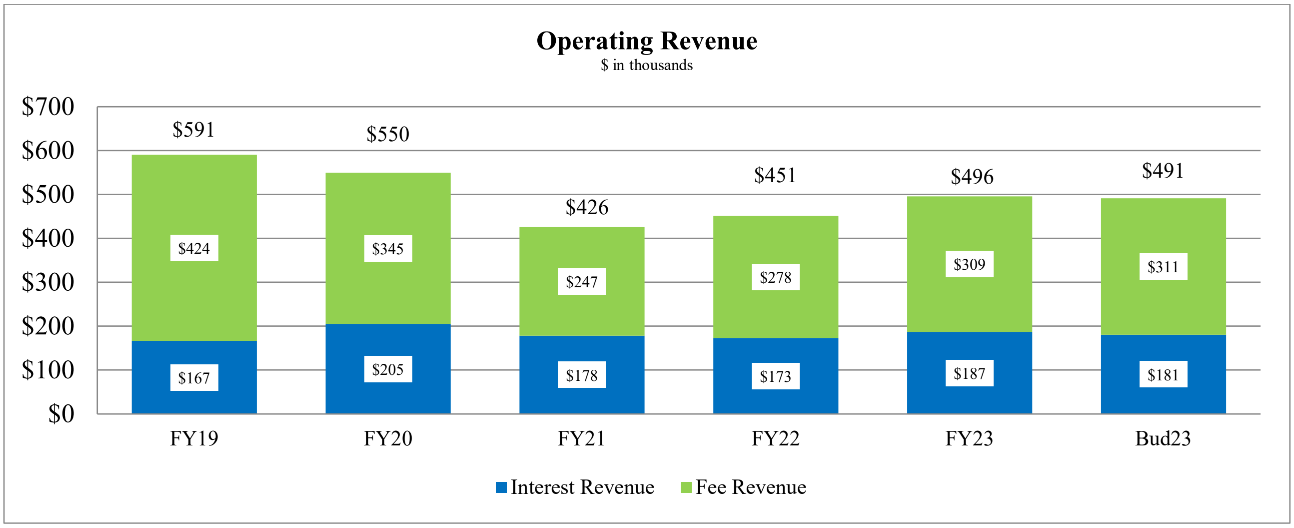
Balance Sheet	Federal and State Grant Programs (Rollup)						
	Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivelents	229,605,405	178,072,944	51,532,461	28.9	250,637,192	(21,031,787)	-8.4
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	36,779,494	42,132,592	(5,353,098)	-12.7	40,842,798	(4,063,304)	-9.9
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	(1,098,127)	(209,961)	(888,166)	423.0	(312,371)	(785,756)	251.5
Deferred Outflows	-	-	-	0.0	-	-	0.0
Total Assets and Deferred Outflows	265,286,773	219,995,575	45,291,197	20.6	291,167,619	(25,880,846)	-8.9
Liabilities, Deferred Inflows, and Equity							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	162,292,766	116,572,754	45,720,011	39.2	197,510,616	(35,217,850)	-17.8
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	19,679	200,321	1017.9	12,400	207,600	1674.2
Other liabilities	-	-	-	0.0	-	-	0.0
Deferred Inflows	-	-	-	0.0	-	-	0.0
Total Liabilities and Deferred Inflows	162,512,766	117,056,257	45,456,508	38.8	197,986,839	(35,474,073)	-17.9
Equity							
YTD Earnings(Loss)	9,411,460	9,456,789	(45,329)	-0.5	13,739,257	(4,327,797)	-31.5
Prior Years Earnings	93,364,299	93,515,558	(151,259)	-0.2	79,659,419	13,704,881	17.2
Transfers	(1,753)	(33,029)	31,277	-94.7	(217,896)	216,143	-99.2
Total Equity	102,774,007	102,939,318	(165,311)	-0.2	93,180,780	9,593,227	10.3
Total Liabilities, Deferred Inflows, and Equity	265,286,773	219,995,575	45,291,197	20.6	291,167,619	(25,880,846)	-8.9

Income Statement	Federal and State Grant Programs (Rollup)													
	Apr-2023							YTD as of Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	149,870	16,929	132,941	785.3	34,685	115,185	332.1	826,172	161,660	664,512	411.1	244,675	581,497	237.7
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	2,500	10,750	(8,250)	-76.7	16,500	(14,000)	-84.8	70,082	107,500	(37,418)	-34.8	291,799	(221,717)	-76.0
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	152,370	27,679	124,691	450.5	51,185	101,185	197.7	896,254	269,160	627,094	233.0	536,474	359,780	67.1
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	2,000	(2,000)	-100.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	101,751	91,943	9,808	10.7	112,171	(10,420)	-9.3	1,192,496	1,048,448	144,048	13.7	1,131,528	60,968	5.4
Shared Expenses	685	693	(8)	-1.2	1,181	(496)	-42.0	11,164	2,250	8,914	396.2	13,722	(2,558)	-18.6
Marketing Expense	-	-	-	0.0	-	-	0.0	4,386	-	4,386	0.0	25	4,361	17442.1
Professional Services	25,237	594,180	(568,943)	-95.8	459,641	(434,404)	-94.5	7,035,545	8,396,297	(1,360,752)	-16.2	7,158,424	(122,879)	-1.7
Claim and Loss Expenses	(178,000)	(12,000)	(166,000)	1383.3	(19,000)	(159,000)	836.8	(199,000)	(120,000)	(79,000)	65.8	(112,049)	(86,951)	77.6
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	25	(25)	-100.0	-	-	0.0	-	250	(250)	-100.0	341	(341)	-100.0
Overhead Allocation	16,015	10,455	5,560	53.2	12,300	3,714	30.2	143,879	127,004	16,875	13.3	124,656	19,223	15.4
Total Operating Expense	(34,312)	685,296	(719,608)	-105.0	566,293	(600,606)	-106.1	8,188,470	9,454,249	(1,265,779)	-13.4	8,318,647	(130,177)	-1.6
Net Operating Income (Loss) Before Grants	186,682	(657,617)	844,299	-128.4	(515,108)	701,790	-136.2	(7,292,216)	(9,185,089)	1,892,874	-20.6	(7,782,173)	489,957	-6.3
Net Grant (Income) Expense														
Grant Revenue	(4,495,554)	(8,339,414)	3,843,860	-46.1	(7,095,250)	2,599,696	-36.6	(78,171,822)	(122,144,139)	43,972,317	-36.0	(85,615,437)	7,443,615	-8.7
Grant Expense	9,043,588	7,726,564	1,317,024	17.0	6,574,594	2,468,994	37.6	61,568,146	103,552,261	(41,984,115)	-40.5	64,094,007	(2,525,861)	-3.9
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	(100,000)	(50,000)	(50,000)	100.0	-	(100,000)	0.0
Total Net Grant (Income) Expense	4,548,034	(612,850)	5,160,884	-842.1	(520,657)	5,068,691	-973.5	(16,703,676)	(18,641,878)	1,938,203	-10.4	(21,521,429)	4,817,754	-22.4
Net Operating Income (Loss) After Grants	(4,361,352)	(44,767)	(4,316,585)	9642.4	5,549	(4,366,900)	-78703.3	9,411,460	9,456,789	(45,329)	-0.5	13,739,257	(4,327,797)	-31.5
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	(4,361,352)	(44,767)	(4,316,585)	9642.4	5,549	(4,366,900)	-78703.3	9,411,460	9,456,789	(45,329)	-0.5	13,739,257	(4,327,797)	-31.5
IFA Home Dept Staff Count	8	14	(6)	-42.9	7	1	14.3	7	14	(7)	-47.9	8	(1)	-7.6
FTE Staff Count	10	10	(0)	-2.5	11	(1)	-9.5	11	10	1	12.0	11	0	3.0

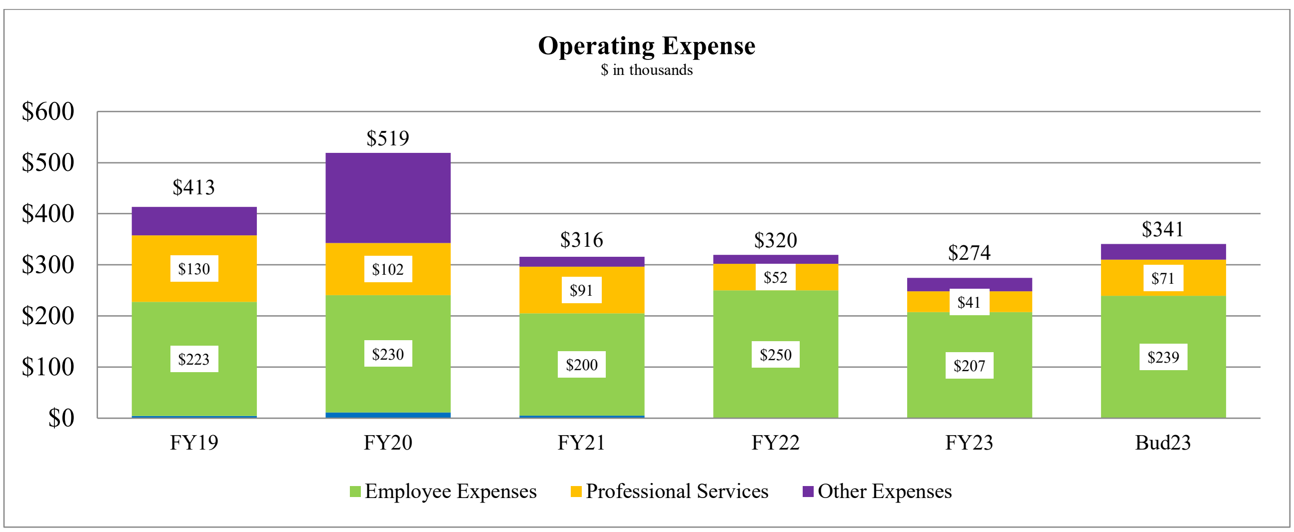
To: IFA and IADD Board Members
From: Becky Wu
Date: May 9, 2023
Re: April 2023 YTD IADD Financial Results

Iowa Agricultural Development Division Results ($ in thousands)

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



Operating Revenue was $5 or 1% favorable to budget and $45 or 10.0% favorable to last year. Fee Revenue was comparable budget, and Interest Revenue was $6 or 3.3% favorable to budget.

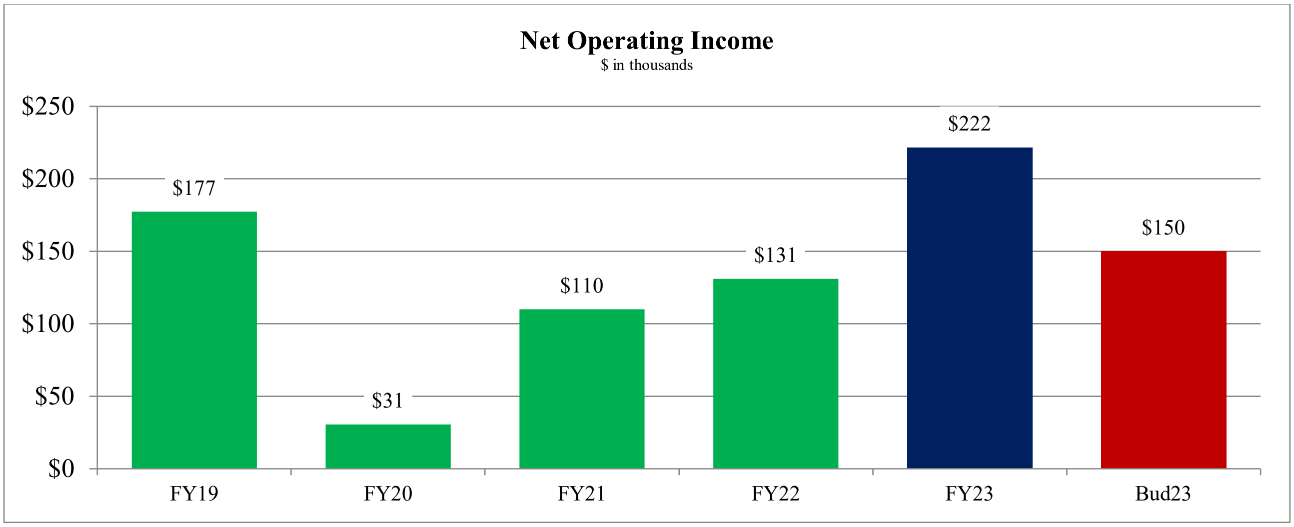


Operating Expense was $67 or 19.6% favorable to budget and $46 or 14.2% favorable to last year.

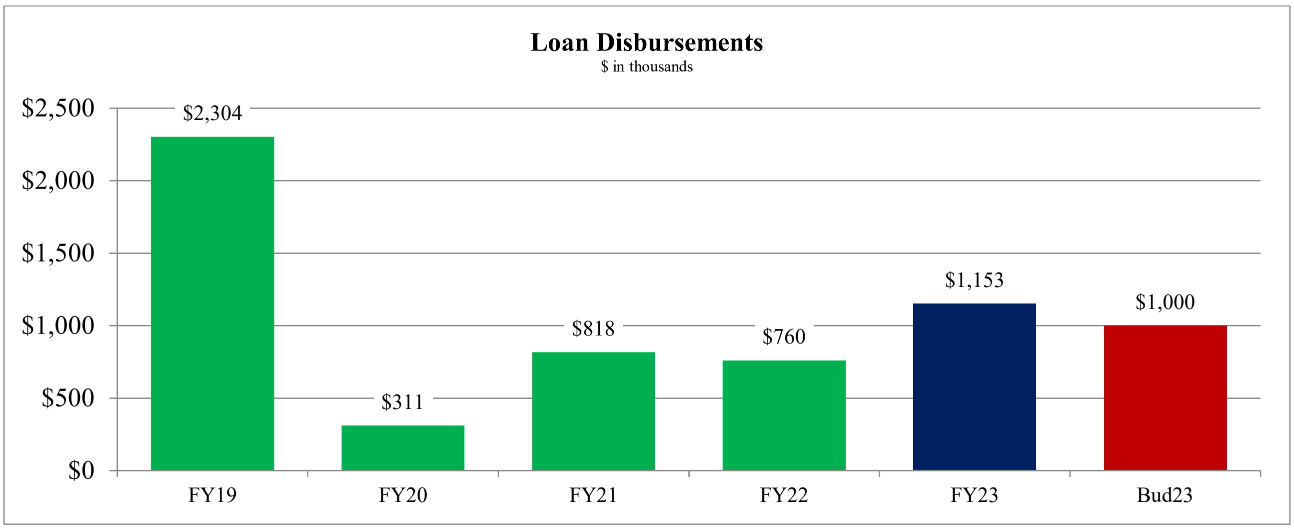
Employee Expense was $32 or 13.2% favorable to budget, due to lower staff employee expenses.

Professional Services Expense was $30 or 42.3% favorable to budget.

Shared Expenses and Marketing Expense were also favorable to budget.



Net Income was $72 or 47.6% favorable to budget and $91 or 69.2% favorable to last year.



Notes:

- There was $615 available for administrative expenses.
- Restricted Rural Rehab Trust funds (LPP loan funds, includes cash and LPP loan repayments) balance was $315.
- There were six LPP loans closed in year-to-date FY23.
- The LPP loan balance was $6,301. Loan balance net of reserves was $6,238 and reserve was $63.

LPP Loan Commitments

IADD currently doesn't have any outstanding LPP's, all approved projects have been closed.

Income Statement	Agriculture Development Division (Rollup)													
	Apr-2023							YTD as of Apr-2023						
	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%
Operating Income														
Interest Revenue - Loans	17,672	18,586	(914)	-4.9%	15,694	1,978	13%	168,631	180,777	(12,146)	-7%	172,046	(3,415)	-2%
Interest Revenue - CE & Inv	2,943	-	2,943	0.0%	238	2,705	1138%	18,181	-	18,181	0%	1,047	17,134	1637%
Fee Inc - BFLP	36,879	18,750	18,129	96.7%	17,339	19,540	113%	223,847	187,500	36,347	19%	155,786	68,061	44%
Fee Inc - LPP	3,000	1,500	1,500	100.0%	200	2,800	1400%	12,439	15,000	(2,561)	-17%	9,275	3,164	34%
Fee Inc - BFTC	6,900	21,000	(14,100)	-67.1%	20,300	(13,400)	-66%	72,950	108,000	(35,050)	-32%	112,784	(39,834)	-35%
Fee Inc - BFCH TC	-	-	-	0.0%	-	-	0%	-	-	-	0%	-	-	0%
Total Operating Income	67,393	59,836	7,557	12.6%	53,770	13,623	25%	496,048	491,277	4,771	1%	450,937	45,111	10%
Operating Expense														
Employee Expenses	17,750	22,344	(4,594)	-20.6%	23,005	(5,255)	-23%	207,433	238,978	(31,545)	-13%	250,101	(42,668)	-17%
Shared Expenses	475	200	275	137.5%	688	(213)	-31%	2,085	2,450	(365)	-15%	2,790	(705)	-25%
Marketing Expense	-	700	(700)	-100.0%	-	-	0%	3,100	7,000	(3,900)	-56%	2,603	497	19%
Professional Services	5,089	7,075	(1,986)	-28.1%	3,673	1,416	39%	40,832	70,750	(29,918)	-42%	51,804	(10,972)	-21%
Claim and Loss Expenses	2,000	945	1,055	111.6%	(1,000)	3,000	-300%	5,128	4,621	507	11%	(2,000)	7,128	-356%
Operating Expense	28,470	32,541	(4,072)	-12.5%	27,919	550	2%	274,317	341,084	(66,768)	-20%	319,870	(45,553)	-14%
Net Grant (Income) Expense	-	-	-	0.0%	-	-	0%	-	-	-	0%	-	-	0%
Net Income (Loss)	38,924	27,295	11,629	42.6%	25,851	13,073	51%	221,732	150,193	71,539	48%	131,068	90,664	69%

Balance Sheet	Admin	RRTF	Total
Assets			
Cash & Cash Equivelents	611,161	243,178	854,339
Investments	-	-	-
Loans - net of reserves	131,446	6,106,688	6,238,134
Other Assets	(20,944)	93,683	72,740
Total Assets	721,663	6,443,550	7,165,212
Liabilities and Equity			
A/P - STATE	-	-	-
A/P - IFA	-	-	-
A/P - MISC	4,805	-	4,805
Total Liabilities	4,805	-	4,805
Current Years Earnings	55,928	165,803	221,732
Prior Years Earnings	660,929	6,277,746	6,938,676
Equity	716,858	6,443,550	7,160,407
Total Liabilities and Equity	721,663	6,443,550	7,165,212

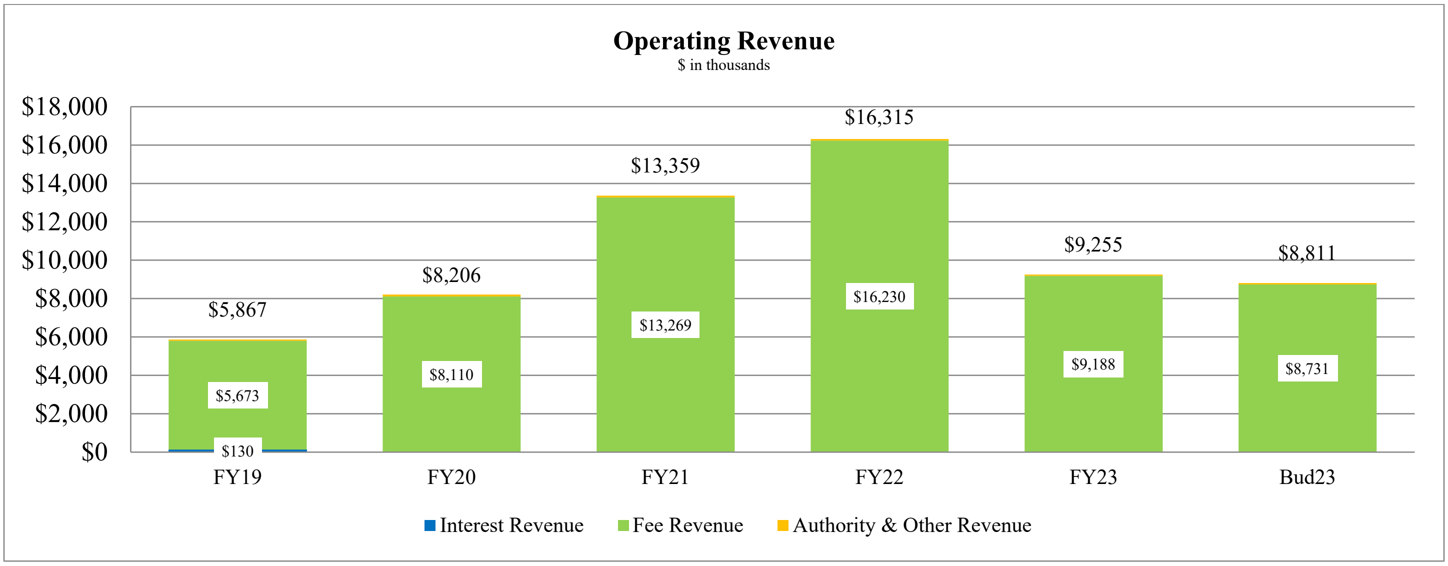
Income Statement	Agriculture Development Division (Rollup)													
	Apr-2023							YTD as of Apr-2023						
	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	20,615	18,586	2,029	10.9	15,932	4,683	29.4	186,812	180,777	6,035	3.3	173,093	13,719	7.9
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	46,779	41,250	5,529	13.4	37,839	8,940	23.6	309,236	310,500	(1,264)	-0.4	277,845	31,392	11.3
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	67,393	59,836	7,557	12.6	53,770	13,623	25.3	496,048	491,277	4,771	1.0	450,937	45,111	10.0
Operating Expense														
Interest Expense	-	42	(42)	-100.0	-	-	0.0	-	417	(417)	-100.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	17,750	22,344	(4,594)	-20.6	23,005	(5,255)	-22.8	207,433	238,978	(31,545)	-13.2	250,101	(42,668)	-17.1
Shared Expenses	475	200	275	137.5	688	(213)	-31.0	2,085	2,450	(365)	-14.9	2,790	(705)	-25.3
Marketing Expense	-	700	(700)	-100.0	-	-	0.0	3,100	7,000	(3,900)	-55.7	2,603	497	19.1
Professional Services	5,089	7,075	(1,986)	-28.1	3,673	1,416	38.6	40,832	70,750	(29,918)	-42.3	51,804	(10,972)	-21.2
Claim and Loss Expenses	2,000	945	1,055	111.6	(1,000)	3,000	-300.0	5,128	4,621	507	11.0	(2,000)	7,128	-356.4
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	3,155	1,235	1,919	155.4	1,552	1,602	103.2	15,739	16,869	(1,130)	-6.7	14,573	1,166	8.0
Total Operating Expense	28,470	32,541	(4,072)	-12.5	27,919	550	2.0	274,317	341,084	(66,768)	-19.6	319,870	(45,553)	-14.2
Net Operating Income (Loss) Before Grants	38,924	27,295	11,629	42.6	25,851	13,073	50.6	221,732	150,193	71,539	47.6	131,068	90,664	69.2
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	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Operating Income (Loss) After Grants	38,924	27,295	11,629	42.6	25,851	13,073	50.6	221,732	150,193	71,539	47.6	131,068	90,664	69.2
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	38,924	27,295	11,629	42.6	25,851	13,073	50.6	221,732	150,193	71,539	47.6	131,068	90,664	69.2
IFA Home Dept Staff Count	2	2	-	0.0	2	-	0.0	1	2	(1)	-40.0	2	(1)	-40.0
FTE Staff Count	2	2	(0)	-7.5	2	(0)	-5.5	2	2	(0)	-3.1	2	(0)	-3.0

Balance Sheet	Agriculture Development Division (Rollup)						
	Apr-2023						
	Actuals	Bud24	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivelents	854,339	953,586	(99,247)	-10.4	1,140,780	(286,442)	-25.1
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	6,238,134	6,197,345	40,789	0.7	5,770,689	467,445	8.1
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	72,740	50,891	21,848	42.9	58,447	14,293	24.5
Deferred Outflows	-	-	-	0.0	-	-	0.0
Total Assets and Deferred Outflows	7,165,212	7,201,823	(36,610)	-0.5	6,969,916	195,297	2.8
Liabilities, Deferred Inflows, and Equity							
Debt	-	50,000	(50,000)	-100.0	-	-	0.0
Interest Payable	-	42	(42)	-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	4,805	3,658	1,147	31.4	3,673	1,132	30.8
Other liabilities	-	-	-	0.0	-	-	0.0
Deferred Inflows	-	-	-	0.0	-	-	0.0
Total Liabilities and Deferred Inflows	4,805	53,700	(48,895)	-91.1	3,673	1,132	30.8
Equity							
YTD Earnings(Loss)	221,732	209,448	12,284	5.9	131,068	90,664	69.2
Prior Years Earnings	6,938,676	6,938,676	-	0.0	6,835,175	103,500	1.5
Transfers	-	-	-	0.0	-	-	0.0
Total Equity	7,160,407	7,148,123	12,284	0.2	6,966,243	194,165	2.8
Total Liabilities, Deferred Inflows, and Equity	7,165,212	7,201,823	(36,610)	-0.5	6,969,916	195,297	2.8

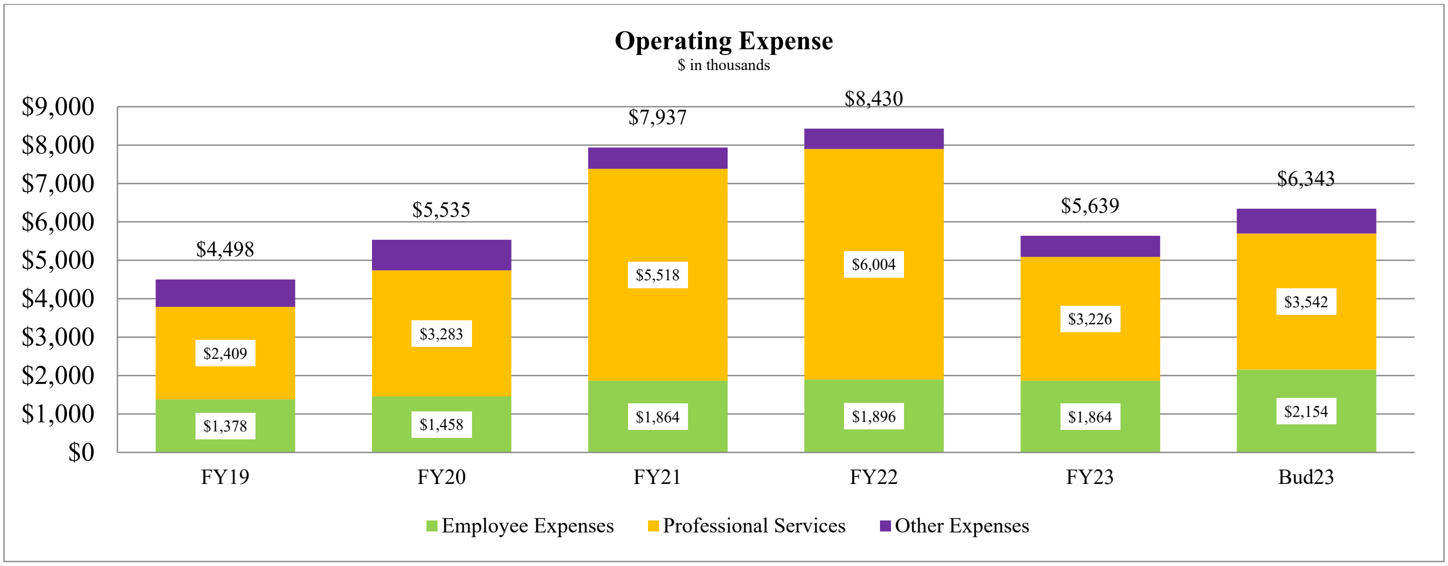
To: IFA & ITG Board Members
From: David Morrison & Michelle Bodie
Date: May 12, 2023
RE: April 2023 YTD Financial Results

Iowa Title Guaranty Financial Results ($ in thousands)

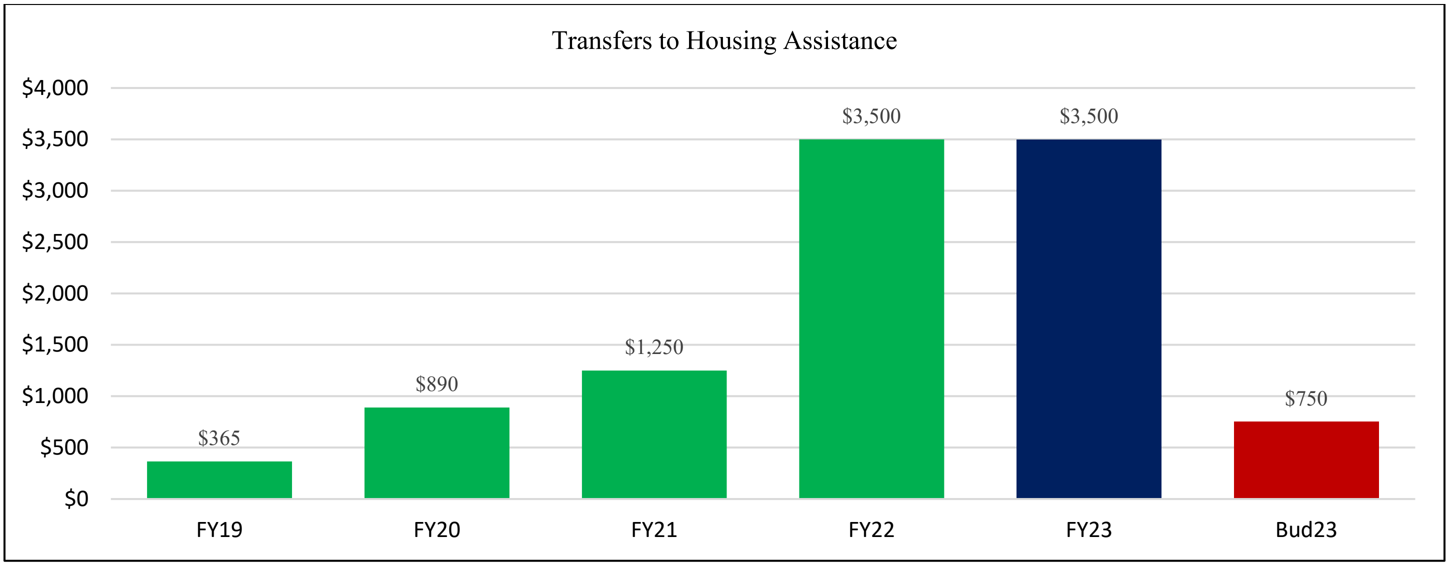
ITG operated unfavorably to budget through April of FY2023.



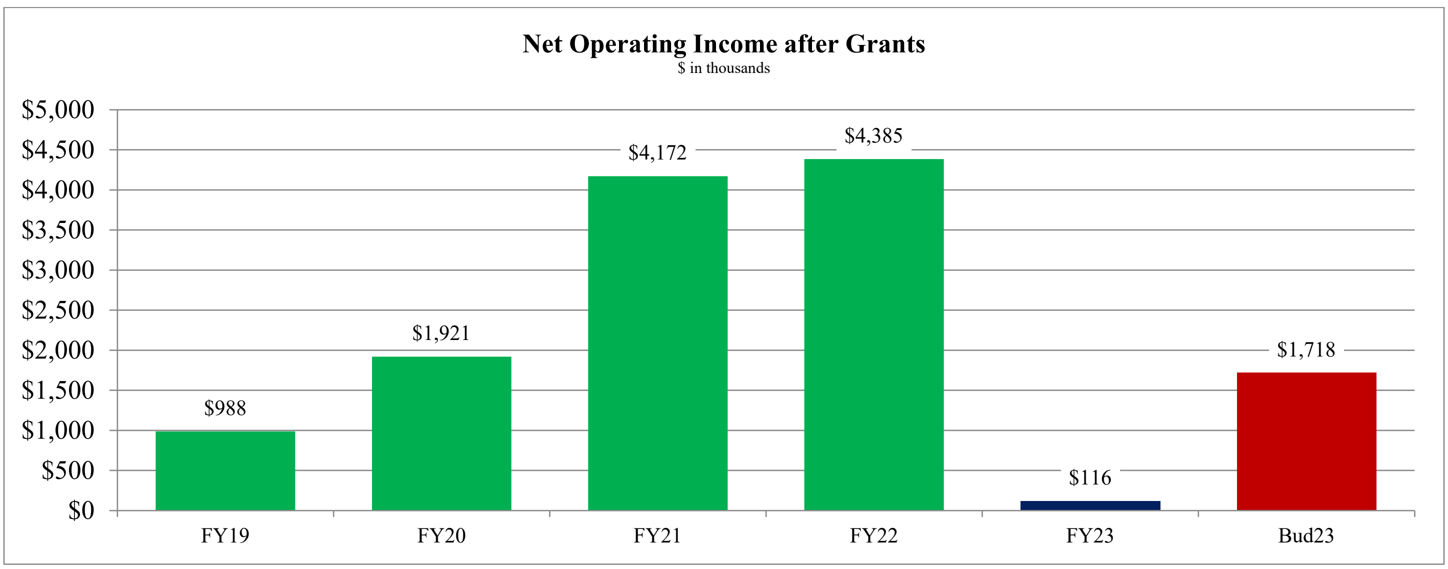
Operating revenue was $444 or 5% above budget and 43.3% behind last year. The effect of rising interest rates on the housing market was the primary reason for the reduction in revenue from the prior year.



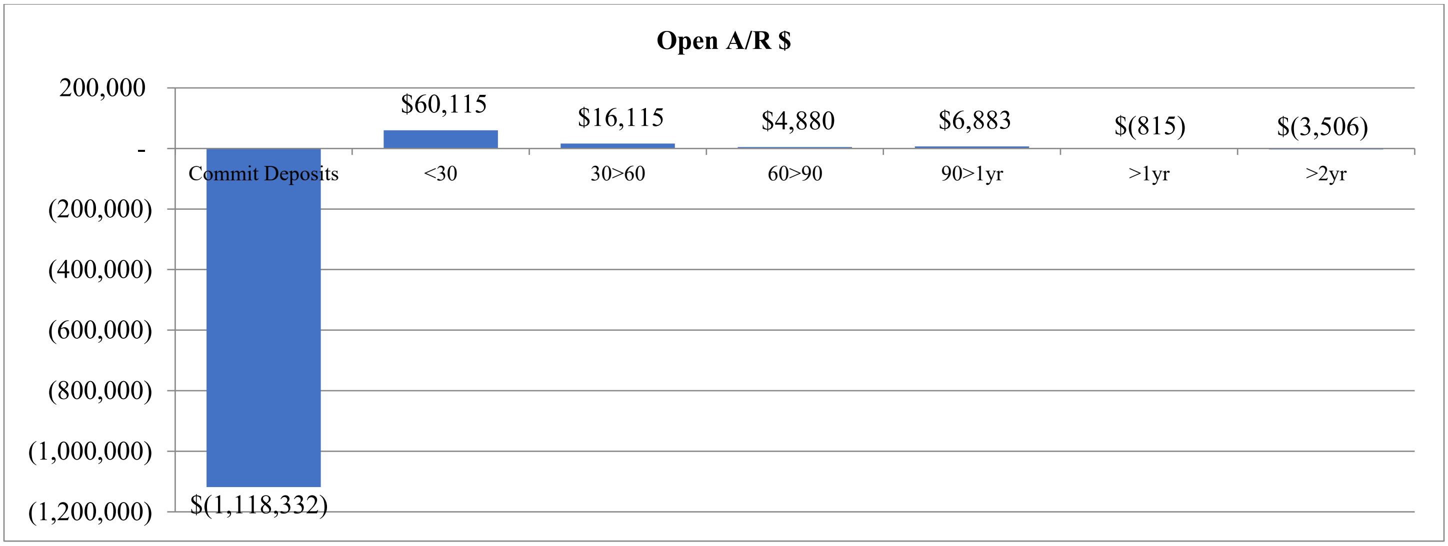
Operating expense was $704 or 11.1% favorable to budget and 33.1% favorable to last year. All expense categories were favorable to budget; in particular, Professional Services and Employee Expenses were below budget by $315 and $290 respectively.



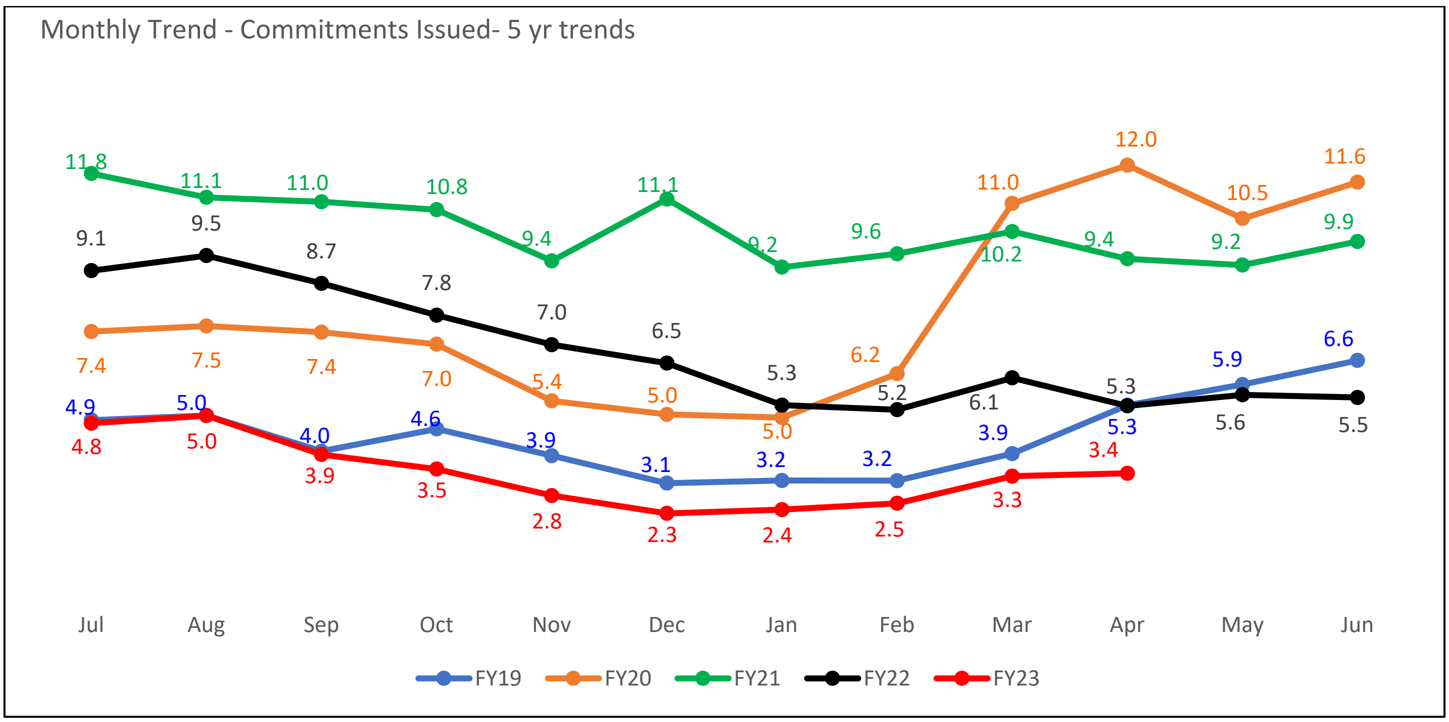
Transfers to the Housing Assistance Fund from Title Guaranty occur quarterly. Transfers are $2,750 ahead of budget and on par with last year.

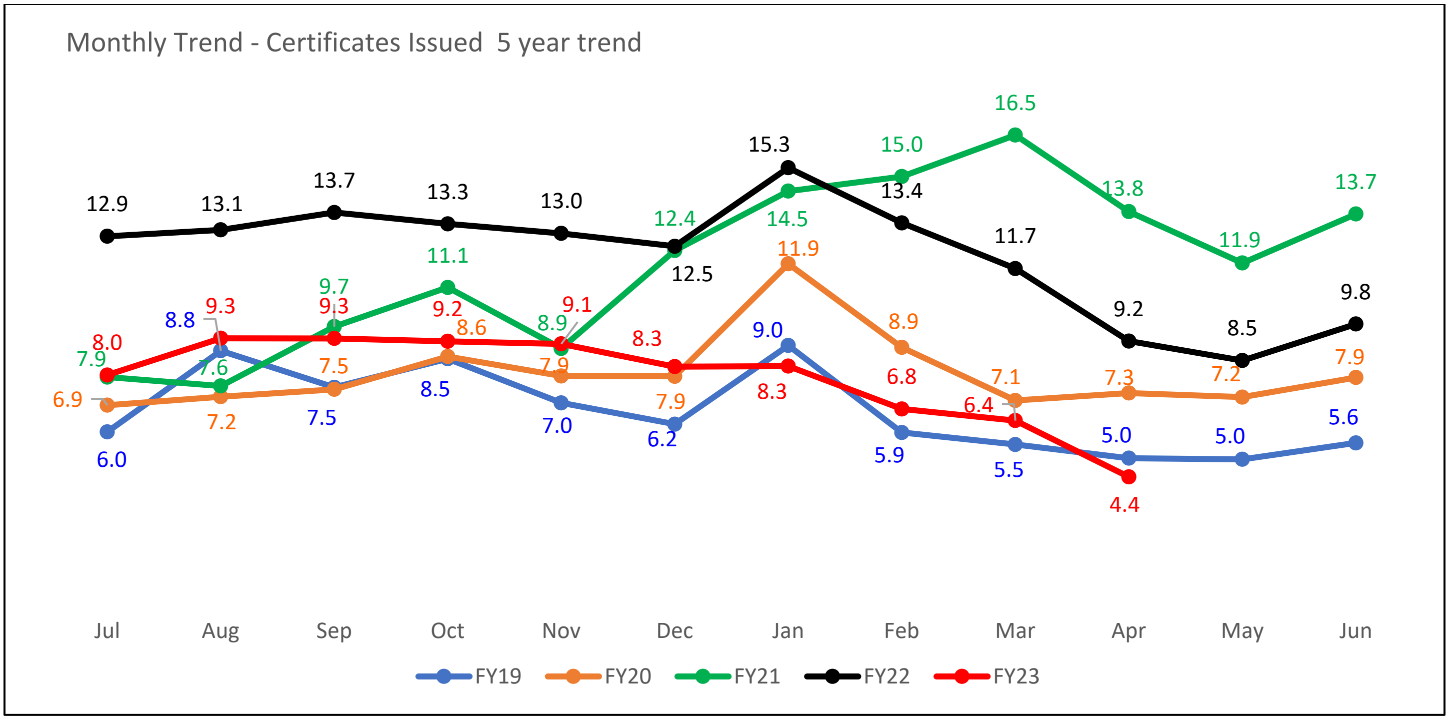


As a result, NOIAG is $1,602 unfavorable to budget primarily due to the $3.5M transfer to the Housing Assistance Fund. NOIAG is $4,268 unfavorable to prior year primarily due to the $7,060 decrease in Fee Revenue from housing market changes.



Commitments increased 0.4% compared to March ($1.118M vs $1.114M), while outstanding receivables increased 5.2% in April ($84.7k vs $79.6k with $9.6k increase in >30 over prior month).





Monthly Trend - Certificates Issued 5 year trend
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY19
FY20
FY21
FY22
FY23

Balance Sheet	Iowa Title Guaranty Division (Rollup)						
	Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivelents	21,630,721	25,681,598	(4,050,878)	-15.8	23,346,546	(1,715,826)	-7.3
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	316,312	246,450	69,863	28.3	70,512	245,800	348.6
Deferred Outflows	268,126	317,864	(49,738)	-15.6	317,864	(49,738)	-15.6
Total Assets and Deferred Outflows	22,215,159	26,245,912	(4,030,753)	-15.4	23,734,923	(1,519,764)	-6.4
Liabilities, Deferred Inflows, and Equity							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	2,443,986	1,026,841	1,417,145	138.0	939,478	1,504,508	160.1
Reserves for Claims	1,683,846	1,859,444	(175,598)	-9.4	1,619,363	64,483	4.0
Accounts Payable & Accrued Liabilities	1,291,587	3,692,304	(2,400,717)	-65.0	3,249,276	(1,957,690)	-60.3
Other liabilities	250,557	1,279,687	(1,029,130)	-80.4	1,418,775	(1,168,218)	-82.3
Deferred Inflows	1,060,406	81,785	978,621	1196.6	175,105	885,301	505.6
Total Liabilities and Deferred Inflows	6,730,381	7,940,060	(1,209,679)	-15.2	7,401,997	(671,615)	-9.1
Equity							
YTD Earnings(Loss)	116,042	1,718,245	(1,602,204)	-93.2	4,384,545	(4,268,504)	-97.4
Prior Years Earnings	15,368,736	16,587,606	(1,218,870)	-7.3	11,948,381	3,420,355	28.6
Transfers	-	-	-	0.0	-	-	0.0
Total Equity	15,484,778	18,305,851	(2,821,074)	-15.4	16,332,926	(848,148)	-5.2
Total Liabilities, Deferred Inflows, and Equity	22,215,159	26,245,912	(4,030,753)	-15.4	23,734,923	(1,519,764)	-6.4

Income Statement	Iowa Title Guaranty Division (Rollup)													
	Apr-2023							YTD as of Apr-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	484,315	727,564	(243,249)	-33.4	1,133,605	(649,290)	-57.3	9,187,891	8,730,940	456,951	5.2	16,229,923	(7,042,032)	-43.4
Other Revenue	6,244	8,000	(1,756)	-22.0	1,633	4,611	282.4	66,676	80,000	(13,324)	-16.7	84,763	(18,087)	-21.3
Total Operating Revenue	490,559	735,564	(245,005)	-33.3	1,135,237	(644,679)	-56.8	9,254,568	8,810,940	443,628	5.0	16,314,686	(7,060,119)	-43.3
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	181,450	199,705	(18,255)	-9.1	198,464	(17,014)	-8.6	1,863,737	2,153,872	(290,134)	-13.5	1,896,060	(32,323)	-1.7
Shared Expenses	18,985	19,933	(949)	-4.8	15,476	3,509	22.7	238,113	253,899	(15,786)	-6.2	233,922	4,191	1.8
Marketing Expense	3,571	1,033	2,538	245.7	323	3,248	1004.1	39,088	58,414	(19,326)	-33.1	27,671	11,417	41.3
Professional Services	178,953	300,984	(122,031)	-40.5	438,990	(260,037)	-59.2	3,226,325	3,541,694	(315,369)	-8.9	6,003,611	(2,777,286)	-46.3
Claim and Loss Expenses	(10,329)	10,000	(20,329)	-203.3	1,287	(11,616)	-902.6	53,360	100,000	(46,640)	-46.6	26,733	26,627	99.6
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	6,314	7,600	(1,286)	-16.9	2,473	3,841	155.4	70,348	76,000	(5,652)	-7.4	97,050	(26,701)	-27.5
Overhead Allocation	29,576	11,505	18,071	157.1	15,457	14,119	91.3	147,554	158,815	(11,262)	-7.1	145,093	2,460	1.7
Total Operating Expense	408,520	550,761	(142,241)	-25.8	672,469	(263,950)	-39.3	5,638,526	6,342,695	(704,169)	-11.1	8,430,141	(2,791,615)	-33.1
Net Operating Income (Loss) Before Grants	82,039	184,803	(102,764)	-55.6	462,768	(380,729)	-82.3	3,616,042	2,468,245	1,147,796	46.5	7,884,545	(4,268,504)	-54.1
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	3,500,000	750,000	2,750,000	366.7	3,500,000	-	0.0
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	3,500,000	750,000	2,750,000	366.7	3,500,000	-	0.0
Net Operating Income (Loss) After Grants	82,039	184,803	(102,764)	-55.6	462,768	(380,729)	-82.3	116,042	1,718,245	(1,602,204)	-93.2	4,384,545	(4,268,504)	-97.4
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	82,039	184,803	(102,764)	-55.6	462,768	(380,729)	-82.3	116,042	1,718,245	(1,602,204)	-93.2	4,384,545	(4,268,504)	-97.4
IFA Home Dept Staff Count	21	21	-	0.0	19	2	10.5	21	21	(1)	-2.4	20	1	4.5
FTE Staff Count	21	22	(1)	-5.4	21	(0)	0.0	21	23	(1)	-6.2	21	(0)	-0.5

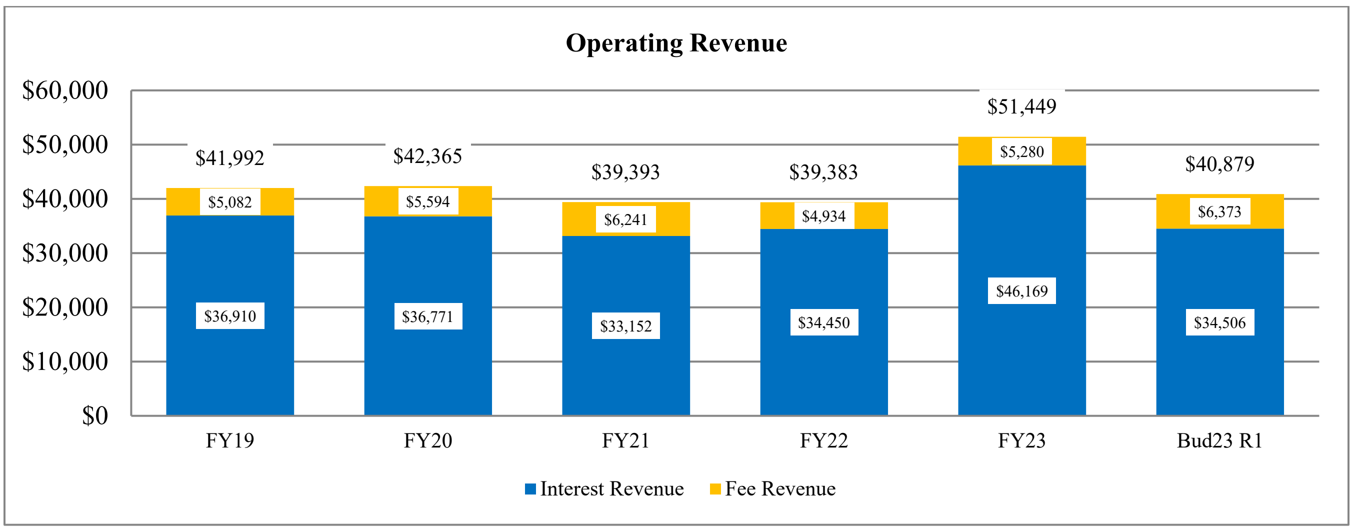
Income Statement	800-020 Residential													
	Apr-2023							YTD as of Apr-2023						
	Actuals	Bud23	Difference	%	Last Year	Difference	%	Actuals	Bud23	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	459,870	666,775	(206,905)	-31.0	1,073,899	(614,029)	-57.2	8,348,191	8,123,050	225,141	2.8	15,469,915	(7,121,724)	-46.0
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	459,870	666,775	(206,905)	-31.0	1,073,899	(614,029)	-57.2	8,348,191	8,123,050	225,141	2.8	15,469,915	(7,121,724)	-46.0
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	144,146	165,989	(21,843)	-13.2	163,921	(19,775)	-12.1	1,493,444	1,778,438	(284,994)	-16.0	1,544,643	(51,199)	-3.3
Shared Expenses	18,610	19,334	(724)	-3.7	15,273	3,338	21.9	223,404	242,892	(19,488)	-8.0	226,499	(3,095)	-1.4
Marketing Expense	3,571	933	2,638	282.8	323	3,248	1004.1	32,338	48,419	(16,081)	-33.2	23,171	9,167	39.6
Professional Services	178,953	300,634	(121,681)	-40.5	438,674	(259,721)	-59.2	3,224,238	3,538,194	(313,956)	-8.9	6,000,443	(2,776,205)	-46.3
Claim and Loss Expenses	(10,329)	10,000	(20,329)	-203.3	1,287	(11,616)	-902.6	53,360	100,000	(46,640)	-46.6	26,733	26,627	99.6
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	220	350	(130)	-37.1	840	(620)	-73.8	4,742	3,500	1,242	35.5	6,565	(1,823)	-27.8
Overhead Allocation	24,581	9,600	14,981	156.0	12,892	11,689	90.7	122,634	131,946	(9,313)	-7.1	121,017	1,617	1.3
Total Operating Expense	359,752	506,841	(147,088)	-29.0	633,210	(273,458)	-43.2	5,154,159	5,843,390	(689,230)	-11.8	7,949,072	(2,794,912)	-35.2
Net Operating Income (Loss) Before Grants	100,118	159,934	(59,817)	-37.4	440,689	(340,571)	-77.3	3,194,032	2,279,660	914,371	40.1	7,520,843	(4,326,811)	-57.5
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
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	3,500,000	750,000	2,750,000	366.7	3,500,000	-	0.0
Net Operating Income (Loss) After Grants	100,118	159,934	(59,817)	-37.4	440,689	(340,571)	-77.3	(305,968)	1,529,660	(1,835,629)	-120.0	4,020,843	(4,326,811)	-107.6
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	100,118	159,934	(59,817)	-37.4	440,689	(340,571)	-77.3	(305,968)	1,529,660	(1,835,629)	-120.0	4,020,843	(4,326,811)	-107.6
IFA Home Dept Staff Count	17	17	-	0.0	15	2	13.3	17	17	(0)	-1.7	16	1	7.0
FTE Staff Count	17	19	(2)	-8.9	17	(0)	-2.6	17	19	(2)	-8.7	17	(0)	-2.0

Income Statement	800-030 Commercial													
	Apr-2023							YTD as of Apr-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	24,445	60,789	(36,344)	-59.8	59,706	(35,261)	-59.1	839,700	607,890	231,810	38.1	760,008	79,692	10.5
Other Revenue	6,244	8,000	(1,756)	-22.0	1,633	4,611	282.4	66,676	80,000	(13,324)	-16.7	84,763	(18,087)	-21.3
Total Operating Revenue	30,689	68,789	(38,100)	-55.4	61,338	(30,650)	-50.0	906,377	687,890	218,487	31.8	844,772	61,605	7.3
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	37,304	33,716	3,588	10.6	34,543	2,761	8.0	370,293	375,433	(5,140)	-1.4	351,417	18,876	5.4
Shared Expenses	374	599	(225)	-37.5	203	171	84.3	14,710	11,008	3,702	33.6	7,423	7,286	98.2
Marketing Expense	-	100	(100)	-100.0	-	-	0.0	6,750	9,995	(3,245)	-32.5	4,500	2,250	50.0
Professional Services	-	350	(350)	-100.0	316	(316)	-100.0	2,087	3,500	(1,413)	-40.4	3,168	(1,081)	-34.1
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	6,094	7,250	(1,156)	-15.9	1,633	4,461	273.3	65,606	72,500	(6,894)	-9.5	90,485	(24,878)	-27.5
Overhead Allocation	4,995	1,905	3,090	162.3	2,565	2,430	94.8	24,920	26,869	(1,949)	-7.3	24,077	844	3.5
Total Operating Expense	48,767	43,920	4,847	11.0	39,259	9,508	24.2	484,367	499,305	(14,938)	-3.0	481,069	3,297	0.7
Net Operating Income (Loss) Before Grants	(18,078)	24,869	(42,948)	-172.7	22,079	(40,158)	-181.9	422,010	188,585	233,425	123.8	363,702	58,308	16.0
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	(18,078)	24,869	(42,948)	-172.7	22,079	(40,158)	-181.9	422,010	188,585	233,425	123.8	363,702	58,308	16.0
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	(18,078)	24,869	(42,948)	-172.7	22,079	(40,158)	-181.9	422,010	188,585	233,425	123.8	363,702	58,308	16.0
IFA Home Dept Staff Count	4	4	-	0.0	4	-	0.0	4	4	(0)	-5.0	4	(0)	-5.0
FTE Staff Count	4	4	0	12.4	4	0	12.1	4	4	0	5.7	4	0	6.2

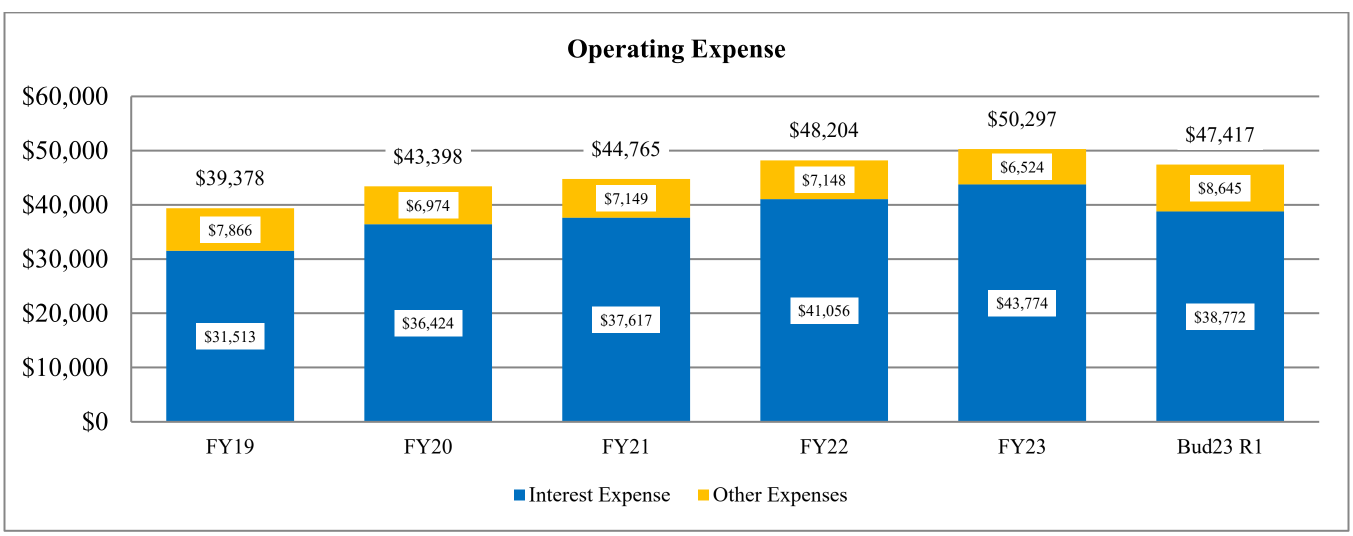
To: IFA Board Members
From: Deena Klesel
Date May 11, 2023
Re: April 2023 YTD Financial Results

State Revolving Fund Results ($ in thousands)

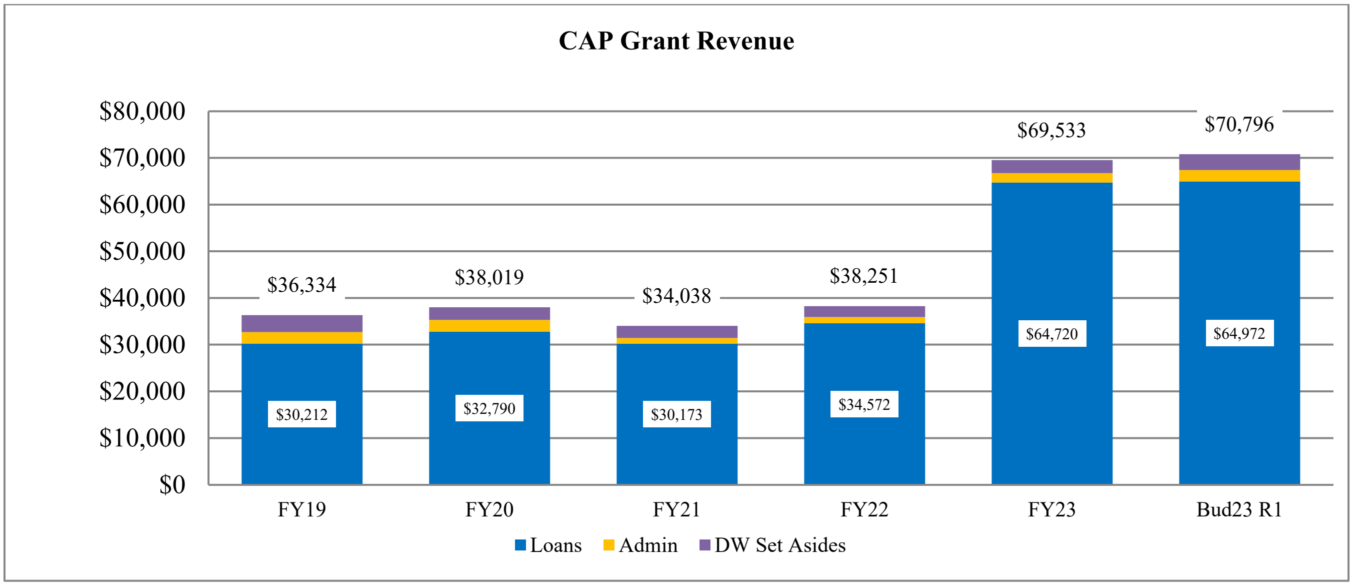
With the fourth quarter of FY23 underway, SRF is operating favorably to budget.



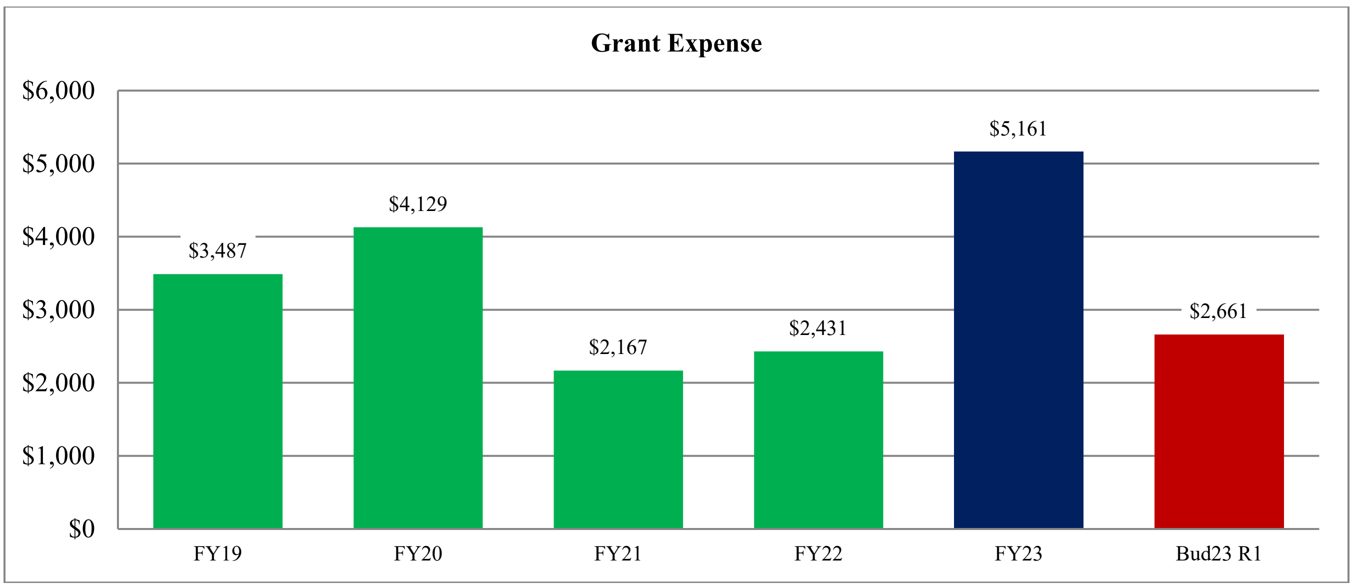
Operating Revenue was $10,570 or 25.9% above budget and $12,066 or 30.6% above last year. The SRF program is no longer charging initiation fees on disadvantaged communities receiving loan forgiveness. This change contributed to Fee Revenue coming in 17.2% below budget. Interest revenue from investments was 33.8% ahead of budget which offset the reduction in fee revenue.



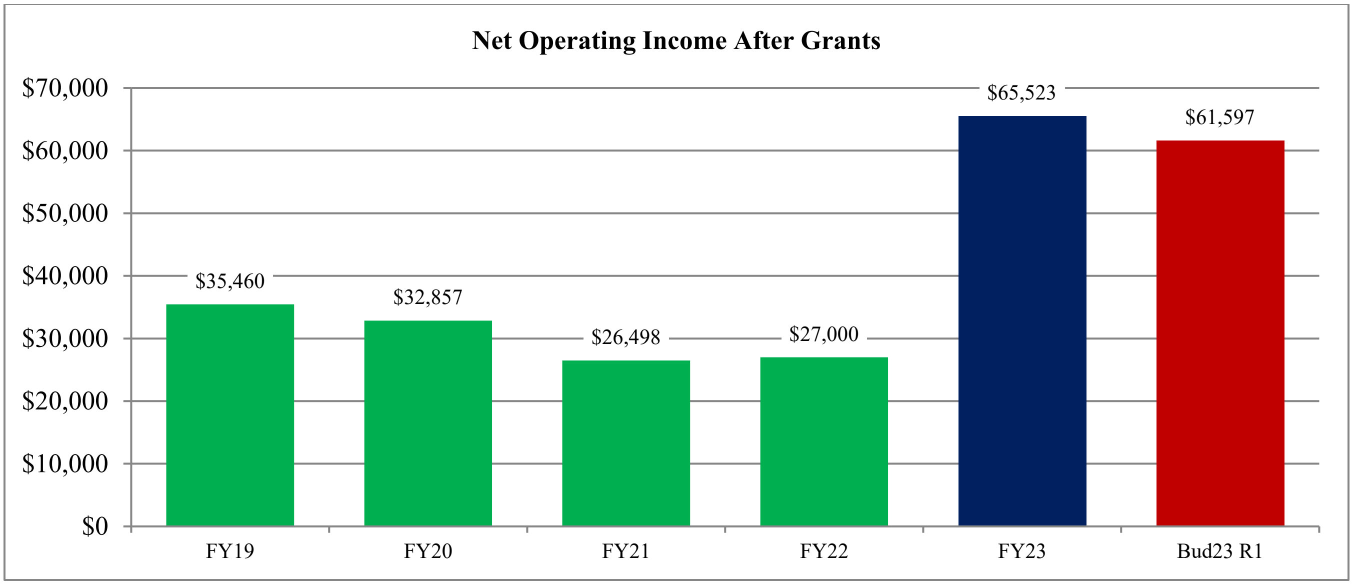
Operating Expense was $2,880 or 6.1% unfavorable to budget and $2,093 or 4.3% unfavorable to last year. Interest expense, at 12.9% above budget, is the primary driver of the variance. Other expenses were 24.5% favorable to budget, partially due to the release of the Xenia Rural Water District reserve.



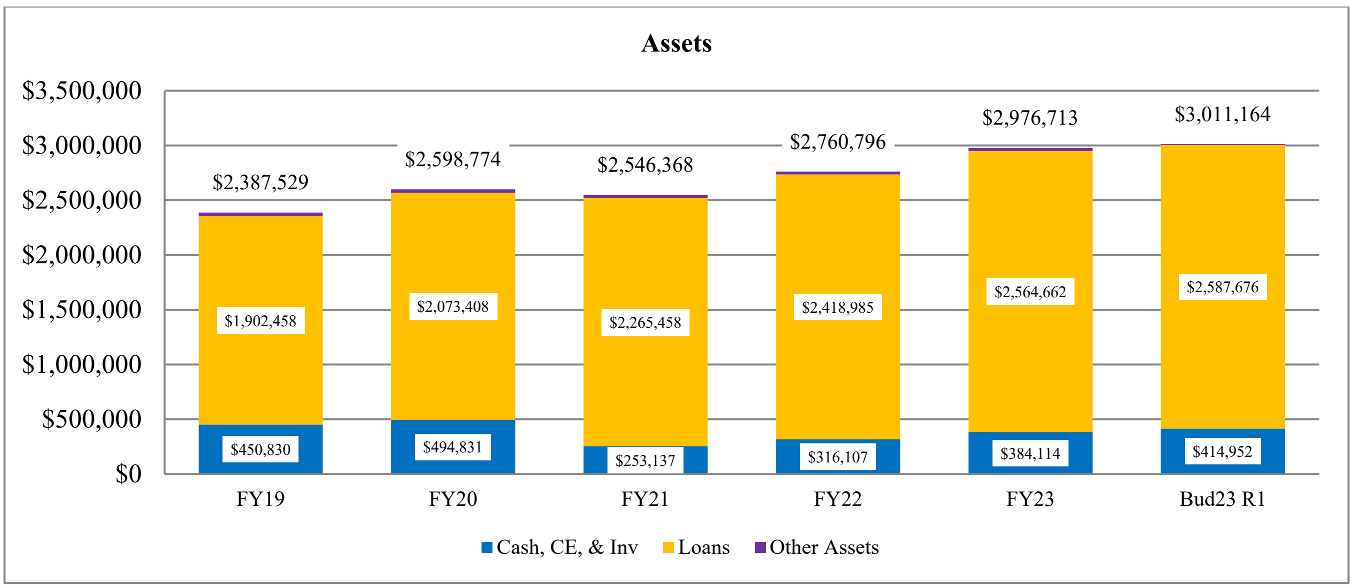
CAP Grant Revenue was $1,263 or 1.8% unfavorable to budget but $31,282 or 81.8% above last year. This favorability to prior year was due to the funding made available in the Bipartisan Infrastructure Law. The 2022 CWSRF Base, CWSRF General Supplemental, and DWSRF Base funds available for loans have been fully disbursed. The 2022 DWSRF General Supplemental funds are currently being drawn and disbursed.



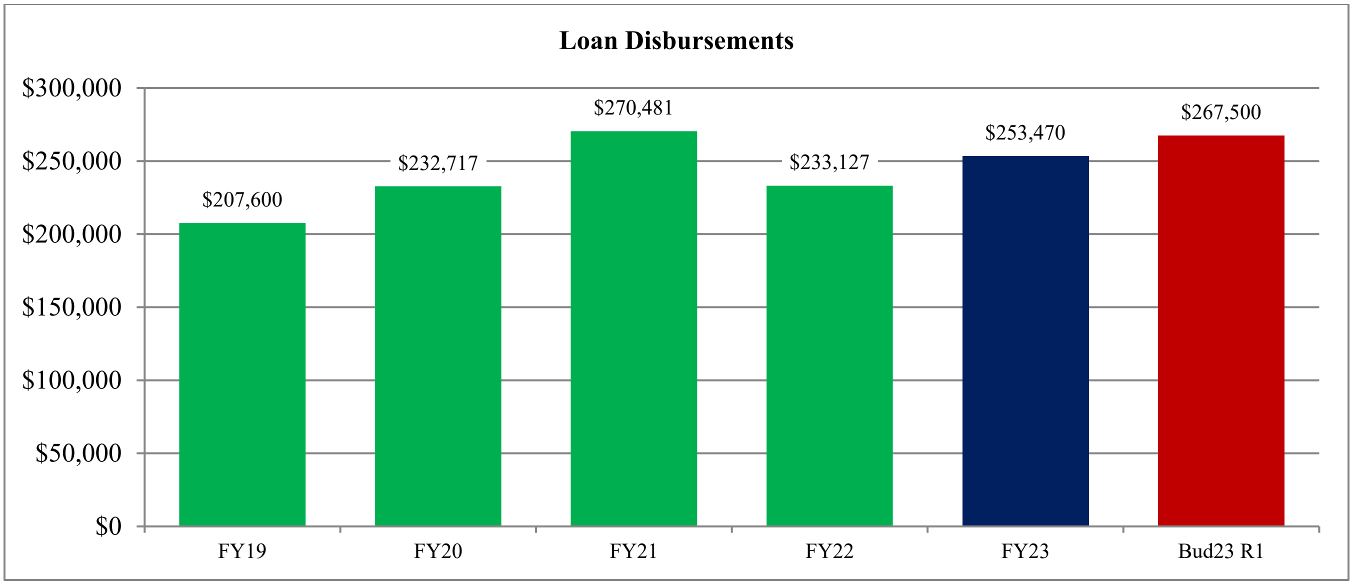
Grant Expense was $2,500 or 94% above budget and $2,730 or 112.3% above last year. Grant Expense relates to the forgivable portion of specific SRF loans which is applied upon project completion. In March, 11 projects accepted offers of principal forgiveness which significantly increased the associated reserve and impacted grant expense. This has been the first year with the new BIL funded programs, so project pacing (and associated additional subsidization) has been difficult to forecast.



NOIAG was $3,926 or 6.4% favorable to budget and $38,523 or 142.7% favorable to last year.



Assets were $34,451 or 1.1% below budget and $215,917 or 7.8% above last year.



In April, $14,353 was disbursed which, YTD, was $14,030 or 5.2% unfavorable to budget and $20,343 or 8.7% above last year. Total loan commitments were $376,238.

Equity/Program/Admin Fund Balances					
			Balance at	Net Cash	Balance at
Program	Uses	Account	3/31/2023	Inflows (Outflows)	4/30/2023
Equity Fund	Construction Loans				
Clean Water		12069250/1	113,489	(11,736)	101,753
Drinking Water		12069253/4	148,154	20	148,174
Leveraged		82644014/82410107	0	0	0
			261,643	(11,716)	249,927
Program Fund	P&D, CW GNPS, DW SWP				
Clean Water		22546000	51,072	1,789	52,861
Drinking Water		22546001	16,193	(185)	16,008
			67,265	1,604	68,869
Administration Fund	Administrative Expenses				
Clean Water		22546002	16,243	(103)	16,140
Drinking Water		22546003	21,019	95	21,114
			37,262	(8)	37,254

Federal Capitalization Grants

As of 4/30/23

	Clean Water		Drinking Water		Total SRF	
Grant Award Year	EPA Awards	Remaining	EPA Awards	Remaining	EPA Awards	Remaining
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	11,881	79,278	11,881
Total	698,167	-	418,449	11,881	1,116,616	11,881

Total federal capitalization grants received to date: $ 1,104,735

Available for Loan Draws	Clean Water	Drinking Water	Total
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	8,694	8,694
	-	8,694	8,694

Available for Set-asides	
Clean Water	-
Drinking Water	3,187
	3,187

SRF Loan Portfolio	6/30/2020	6/30/2021	6/30/2022	4/30/2023	YTD Increase
Clean Water	1,527,898	1,684,234	1,815,279	2,002,959	10.3%
Drinking Water	497,130	526,655	528,104	571,291	8.2%
Total SRF Loan Portfolio	2,025,028	2,210,889	2,343,383	2,574,250	9.9%

Balance Sheet	State Revolving Fund (Rollup)						
	Apr-2023						
	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivelents	321,066,689	375,187,029	(54,120,340)	-14.4	289,391,693	31,674,996	10.9
Investments	63,046,984	39,764,849	23,282,135	58.5	26,715,236	36,331,748	136.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	2,564,662,208	2,587,676,383	(23,014,175)	-0.9	2,418,985,273	145,676,935	6.0
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	21,928,237	4,510,277	17,417,960	386.2	19,715,650	2,212,586	11.2
Deferred Outflows	6,009,113	4,025,775	1,983,338	49.3	5,988,171	20,942	0.3
Total Assets and Deferred Outflows	2,976,713,231	3,011,164,314	(34,451,082)	-1.1	2,760,796,023	215,917,208	7.8
Liabilities, Deferred Inflows, and Equity							
Debt	1,847,972,384	1,819,664,722	28,307,662	1.6	1,701,726,877	146,245,507	8.6
Interest Payable	19,735,791	79,681,196	(59,945,405)	-75.2	17,229,952	2,505,839	14.5
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	(646,798)	1,255,932	(1,902,730)	-151.5	273,327	(920,126)	-336.6
Other liabilities	50,658	643,102	(592,444)	-92.1	456,560	(405,902)	-88.9
Deferred Inflows	341,965	31,947	310,018	970.4	58,199	283,766	487.6
Total Liabilities and Deferred Inflows	1,867,454,000	1,901,276,900	(33,822,900)	-1.8	1,719,744,916	147,709,084	8.6
Equity							
YTD Earnings(Loss)	65,541,245	61,597,421	3,943,824	6.4	25,635,392	39,905,854	155.7
Prior Years Earnings	1,044,699,084	1,048,289,992	(3,590,908)	-0.3	1,019,595,408	25,103,676	2.5
Transfers	(981,098)	-	(981,098)	0.0	(4,179,692)	3,198,594	-76.5
Total Equity	1,109,259,231	1,109,887,414	(628,183)	-0.1	1,041,051,108	68,208,124	6.6
Total Liabilities, Deferred Inflows, and Equity	2,976,713,231	3,011,164,314	(34,451,082)	-1.1	2,760,796,023	215,917,208	7.8

Income Statement	State Revolving Fund (Rollup)													
	Apr-2023							YTD as of Apr-2023						
	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%	Actuals	Bud23 R1	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	4,786,021	3,608,038	1,177,983	32.6	3,232,077	1,553,944	48.1	46,169,192	34,505,590	11,663,602	33.8	34,449,573	11,719,619	34.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	719,538	660,057	59,481	9.0	540,848	178,690	33.0	5,280,147	6,373,499	(1,093,351)	-17.2	4,933,513	346,634	7.0
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	2	(2)	-100.0
Total Operating Revenue	5,505,559	4,268,096	1,237,464	29.0	3,772,925	1,732,635	45.9	51,449,339	40,879,088	10,570,251	25.9	39,383,088	12,066,251	30.6
Operating Expense														
Interest Expense	4,353,330	3,861,152	492,179	12.7	4,011,425	341,905	8.5	43,773,538	38,772,158	5,001,380	12.9	41,055,883	2,717,655	6.6
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	69,024	61,940	7,084	11.4	58,086	10,938	18.8	675,405	664,952	10,454	1.6	606,243	69,162	11.4
Shared Expenses	1,259	917	342	37.3	341	918	269.0	8,161	9,167	(1,006)	-11.0	10,402	(2,241)	-21.5
Marketing Expense	-	3,333	(3,333)	-100.0	389	(389)	-100.0	9,730	33,333	(23,603)	-70.8	11,118	(1,388)	-12.5
Professional Services	37,801	48,649	(10,848)	-22.3	51,826	(14,025)	-27.1	535,179	489,656	45,523	9.3	498,295	36,885	7.4
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	678,579	730,833	(52,254)	-7.1	674,110	4,469	0.7	6,375,506	7,308,333	(932,827)	-12.8	5,906,927	468,580	7.9
Overhead Allocation	17,510	12,081	5,429	44.9	11,512	5,998	52.1	183,129	139,367	43,762	31.4	115,479	67,650	58.6
Total Operating Expense	5,157,504	4,718,905	438,599	9.3	4,807,690	349,814	7.3	50,297,481	47,416,967	2,880,514	6.1	48,204,346	2,093,134	4.3
Net Operating Income (Loss) Before Grants	348,055	(450,809)	798,865	-177.2	(1,034,765)	1,382,821	-133.6	1,151,859	(6,537,879)	7,689,737	-117.6	(8,821,258)	9,973,117	-113.1
Net Grant (Income) Expense														
Grant Revenue	(1,634,304)	(2,585,667)	951,363	-36.8	(1,982,433)	348,129	-17.6	(69,532,935)	(70,796,110)	1,263,175	-1.8	(38,251,442)	(31,281,494)	81.8
Grant Expense	622,902	266,081	356,821	134.1	(28,944)	651,846	-2252.1	5,161,330	2,660,810	2,500,520	94.0	2,430,515	2,730,815	112.4
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	(1,011,402)	(2,319,586)	1,308,183	-56.4	(2,011,377)	999,975	-49.7	(64,371,605)	(68,135,300)	3,763,695	-5.5	(35,820,926)	(28,550,678)	79.7
Net Operating Income (Loss) After Grants	1,359,458	1,868,776	(509,319)	-27.3	976,612	382,846	39.2	65,523,464	61,597,421	3,926,042	6.4	26,999,669	38,523,795	142.7
Other Non-Operating (Income) Expense	(33,304)	-	(33,304)	0.0	267,844	(301,148)	-112.4	(17,782)	-	(17,782)	0.0	1,364,277	(1,382,059)	-101.3
Net Income (Loss)	1,392,762	1,868,776	(476,015)	-25.5	708,768	683,993	96.5	65,541,245	61,597,421	3,943,824	6.4	25,635,392	39,905,854	155.7
IFA Home Dept Staff Count	5	6	(1)	-16.7	5	-	0.0	5	6	(1)	-16.7	5	0	6.4
FTE Staff Count	7	6	0	3.8	5	1	22.5	6	6	(0)	-5.6	5	1	10.1

To: Iowa Finance Authority Board of Directors
From: Jennifer Pulford, Cindy Harris, Linda Day, Deena Klesel, David Morrison, Ashten Sinclair, Dan Stout, Stephanie Willis, Becky Wu
Date: April 20, 2023
Subject: FY24 Budget

FY23 Forecast – Housing Authority

A forecast for the remainder of FY23 has been prepared in conjunction with the FY24 Budget. It considers the first nine months of actual results and three months of projections using current trends and input from program leaders. This creates the starting point for the FY24 Budget and is used for all FY23 to FY24 comparisons.

The Housing Authority is forecast to meet/exceed the FY23 Budget.

- **Total Operating Revenue** of $68.0MM (million) is forecast to exceed FY23 Budget by $13.1MM or 24%. Higher interest rates resulting in increased interest revenue, along with ITG fees account for the majority of this favorable variance.
- **Total Operating Expense** of $60.8MM is forecast to be $2.4MM or 4% above the FY23 Budget. Employee expenses and professional services expenses are below budget, however, the largest driver of this unfavorable variance is an increase in interest expense, resulting from current market conditions.
- **Net Grant Income** of $20.3MM is forecast to be $5.0MM or 33% above FY23 Budget.
- As a result, **Net Income** of $27.1MM exceeds FY23 Budget by $15.8MM.
- **General Fund Liquidity** required one transfer of $1MM in September 2022, with no need for additional transfers for the remainder of FY23. This is $2.0MM less than the FY23 budget anticipated.
- **Capital Spend**

Item	Forecast	FY23 Budget
1963 Bell front steps renovation	$ 60 k	$ 500 k
Miscellaneous - Fire panel upgrade, elevator pump, etc.	$ 165 k	$ 250 k
Total	$ 225 k	$ 750 k

FY24 Budget - Housing Authority

Summary

We continue to see new fiscal recovery programs providing funding through FY24 and beyond. Interest rates are expected to continue the upward trend through the first half of the fiscal year, at which time we anticipate seeing a gradual reduction in rates through the end of the fiscal year.

- **Total Operating Revenue** of $75.9M is $8.2MM or 12% above FY23. Continued higher interest rates account for this increase, which is netted slightly by the budgeted decrease in ITG fee revenues based on an anticipated market slowdown.
- **Total Operating Expense** of $71.4MM is $10.5MM or 17% above FY23.
  - Interest expense increases $13.8MM or 42% in connection with new debt issuance and projected sustained higher interest rates.
  - Employee expenses increase $1.3MM or 12%. This includes assumptions of a 3% cost of living increase on July 1, 2024 and 3.0% in-grade step increases throughout the fiscal year.
  - Shared expenses increase $0.4M or 12% to account for rising costs being experienced globally across all sectors of the economy.
  - Professional Services decrease $4.5MM or 33% due to the closeout of the IRUAP program.
- **Net Grant Income** of $12.1MM is made up of grant administration funds, the Water Quality Program funded through the state, and the normal timing differences between grant receipts and disbursements.
- As a result, **Net Income** of $16.7MM is $10.5MM lower than FY23 but in line with net income trends in pre-COVID fiscal years.
- **Total Assets** of $2.1 billion are 18% above FY23.
- **Debt** will increase $286MM with Single Family bond issuances totaling $320.5MM, netted against scheduled payments on existing debt.
- **General Fund Liquidity** target of $15.3MM requires a transfer of $3.0MM from single family.
- **Capital Spend** planned for FY24:

Item	FY24 Budget
1963 Bell front steps renovation	$ 1,540 k
Miscellaneous - Conference room/interior renovations, etc.	$ 145 k
Total	$ 1,685 k

Major Program Summaries

Below is an overview of the assumptions and changes for each reporting group which explains in more detail the changes in the FY24 Budget from the FY23 Forecast.

Overhead

The Overhead rollup reflects the indirect costs of the Authority; those not allocated to a specific program. IFA administration, accounting & finance, marketing, IT, legal, and human resources are included.

Overhead revenue of $6.6MM, decreased $0.2MM or 3% due to authority revenue, which is the allowable transfer from bond resolutions, decreasing due to the availability of funds within the Single Family bond accounts to be transferred from.

Overhead expenses of $5.7MM, increased $0.9MM, or 18%, a result of increases in all categories due to economic factors and a trend in rising costs.

This group requires an additional $3.0MM in transfers to meet General Fund liquidity requirements of $15.3MM.

Single Family

The FY24 SF production target is $330.0MM. The plan is to issue $320.5MM of bonds and sell $9.5MM of MBS into the secondary market. Our MBS portfolio is planned to increase $231.2MM or 20%.

Two down payment assistance (DPA) programs will be available to homebuyers; the second mortgage program providing up to 5% of the purchase price of the home at 0% interest and our traditional $2,500 DPA grant program. The budget assumes $10.4MM of DPA loans and $1.2MM of grants.

Operating revenue is budgeted to increase $11.1MM or 26% due to a rise in interest revenue. Interest rates are expected to rise, leading to higher Interest Revenue on MBS but a decline in MBS sales.

Operating expenses are planned to increase $13.6MM or 38% due to an anticipated rise in debt interest expense. Authority Fee Expense, the amount allowed to be taken out of bond indentures to fund operating expenses, is anticipated to decrease compared to FY23.

Grant Revenue of $2.0MM is the Military Homeownership Assistance (MHOA) received from the State; Grant Expense of $3.7MM includes $1.7MM of Authority funded DPA and $2.0MM of MHOA.

Intra-Agency transfers of $2.0MM are a net of $1.0MM from the Housing Assistance Fund and $3.0MM going to the General Fund to meet liquidity requirements.

Multifamily

FY24 Budget assumes $1.9MM in multi-family loan disbursements and $1.7MM of loan repayments resulting in an increase in the loan portfolio.

Operating revenue declines $0.7MM or 8%, related to an anticipated decrease in fees.

Operating expenses increase by $0.2MM or 3% due in part to employee expenses and planned step and cost of living increases.

Net Operating Income before Grants of $1.5MM is $0.9MM or 38% below FY23.

Federal and State Programs

This grouping of departments administers a variety of programs: Homelessness, State Loan Funds, State Housing Trust Fund, HOME, Rent Subsidy, Water Quality Programs, Private Activity Bond Program, and various Covid relief and state and local fiscal recovery programs. Operating Revenue is derived from fees, loan interest, and deposit interest. The FY24 Budget assumes $1.5MM revenue, an increase from FY23 due to the variability of private activity bond program revenue.

Federal and State Programs usually generate minimal net income because their primary purpose is to administer state and federal programs that serve low income populations. These programs and the individuals they serve are important to the Authority's mission. For FY24 Net Operating Income after Grants is budgeted for $11.4MM.

Iowa Agricultural Development Division (IADD)

The IADD administers several programs to assist beginning farmers in buying or leasing land, equipment, and breeding livestock which generates application and closing fees. Net Income will remain stable at $0.2MM. The FY24 IADD budget assumes the department will borrow $0.6MM from the available line of credit with the IFA General Fund to assist in funding additional loans under the Agricultural loan participation program.

Iowa Title Guaranty Division (ITG)

ITG operating revenue is planned to decrease 25% to $8.2MM due to an expected slowdown in market activity.

Operating expenses remain consistent with prior year at $6.9MM with professional services decreasing by $0.5MM or 11% related to the anticipated decline in revenues. However, employee expense is planned to increase by $0.3MM or 15%, due to cost of living and merit increase assumptions.

Operating Income after Grants is $1.3MM of which $1.0MM is planned to be transferred to the Housing Assistance Fund.

General Fund Liquidity Policy

Purpose:

The Iowa Finance Authority (IFA) desires to maintain a prudent level of financial resources to guard its stakeholders against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted expenditures. GF assets are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

This policy establishes the amount of assets IFA will strive to maintain in its GF and how the GF will be funded.

General Fund (GF) definition:

The GF is a group of administrative departments where revenues and expenses are accumulated for management review, control, and accountability. The departments are:

010 – Administration
011 – Accounting/Finance
013 – Single Family Administration
014 – Information Technology
016 – Multi Family Administration
017 – Multi Family Compliance
018 – Low Income Housing Tax Credit
019 – Marketing
020 – Section 8
021 – Homeless Administration
022 – HCBS Rent Subsidy
023 – Aftercare Rent Subsidy
024 – Private Activity Bond Program

General Fund Revenue Sources:

The GF receives interest income from:

- mortgage-backed securities,
- investments, and
- main street loans.

The GF receives fee income for services provided such as:

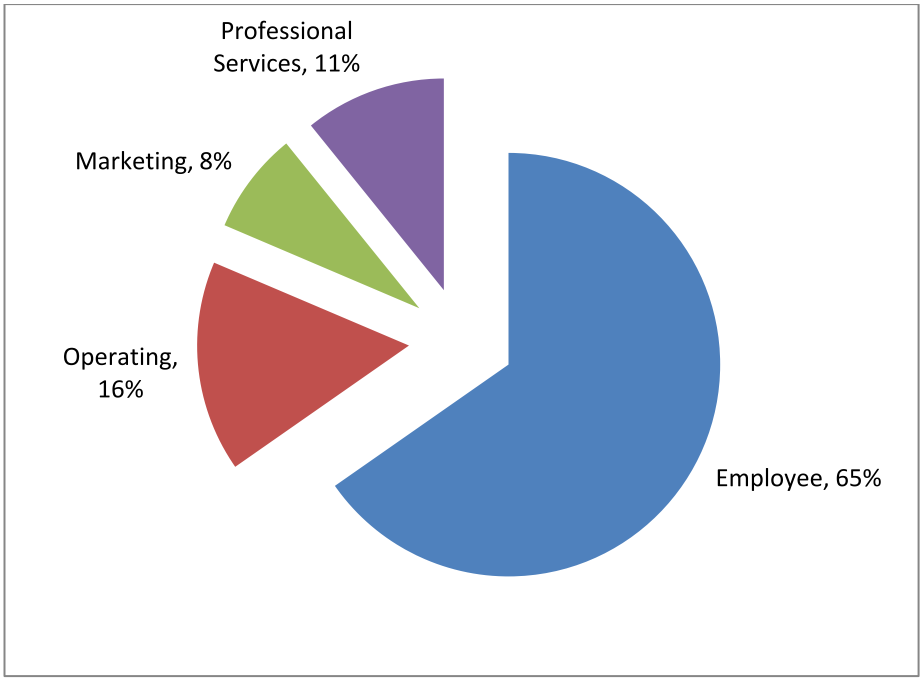
- Section 8 tenant based rental assistance program administration
- Low Income Housing Tax credit program administration
- Private activity bond application and origination
- Multi Family loan application and origination
- Conference registrations

The GF also receives authority fee income which is funds transferred from Single Family and Multi Family bond series on a semi-annual basis to cover administrative costs of those programs that are included in GF expenses. Each bond series resolution authorizes the transfer of a specific percentage of funds collected.

General Fund Liquidity Policy

General Fund Expenses:

The GF expense budget for FY24 is $11,827,891 and consists of:



Liquidity Policy:

IFA will maintain a minimum of 3 months of budgeted expenses in the form of cash and cash equivalents in the GF. For FY24 this would be $2,956,973.

IFA will maintain a minimum of 12 months of budgeted expenses in the form of cash and cash equivalents, investments, and mortgage-backed securities, plus $3.5 million in additional liquidity to further reduce liquidity risk and ensure liquidity targets are sufficient to meet potential adverse market changes. For FY24 this would be $15,327,891.

Funding Plan

Each month end, the Chief Financial Officer (CFO) will monitor the GF balances mentioned above.

In the event asset levels fall below those addressed in this policy, the CFO will take action to remedy the situation by, but not limited to, the following actions:

1. Rebalancing the funds within the GF
2. Authorizing a transfer of funds from the 100-053 SF Program Account or the 200-005 MF Program Account based on availability of funds and at the sole discretion of the CFO.

In the event asset levels exceed the required amounts, the CFO may take action to delay or defer the transfer of Authority Fees from the SF and/or MF programs.

Annual Updates

Each year, liquidity targets will be established in conjunction with the annual budget and updated if the budget is amended.

Balance Sheet	Bud24 Housing Authority (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivelents	182,944,643	208,305,706	239,957,924	220,371,945	439,500,636	474,022,984	477,015,298	529,396,450	52,381,153	11%
Investments	21,215,956	11,349,116	5,764,478	1,888,539	160,000	12,661,575	-	-	-	0%
Mortgage Backed Securities	426,258,838	484,396,838	576,233,333	789,221,658	848,614,881	904,934,918	1,092,985,182	1,323,513,977	230,528,794	21%
Line of Credit	12,698,335	15,030,335	23,196,543	16,173,595	29,228,712	23,881,627	28,076,304	28,076,304	-	0%
Loans - net of reserve for losses	121,179,782	117,799,702	118,381,226	116,757,670	115,257,181	119,483,494	130,892,541	158,628,668	27,736,128	21%
Capital Assets (net)	2,431,049	2,331,721	4,663,610	13,568,065	13,955,882	14,012,386	13,220,442	13,803,202	582,760	4%
Other Assets	16,349,113	20,559,469	23,149,960	29,856,845	29,555,818	41,482,238	34,754,489	36,472,222	1,717,732	5%
Deferred Outflows	7,048,017	6,421,020	9,122,985	12,911,763	9,269,662	5,020,814	3,508,825	3,327,205	(181,620)	-5%
Total Assets and Deferred Outflows	790,125,732	866,193,908	1,000,470,060	1,200,750,081	1,485,542,773	1,595,500,036	1,780,453,081	2,093,218,029	312,764,947	18%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	465,578,174	545,936,179	651,459,062	805,635,518	1,071,631,163	1,249,833,179	1,428,965,904	1,724,973,770	296,007,866	21%
Equity	324,547,558	320,257,729	349,010,999	395,114,563	413,911,609	345,666,857	351,487,177	368,244,258	16,757,081	5%
Total Liabilities, Deferred Inflows, and Equity	790,125,732	866,193,908	1,000,470,060	1,200,750,081	1,485,542,773	1,595,500,036	1,780,453,081	2,093,218,029	312,764,947	18%

Income Statement	Bud24 Housing Authority (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Operating Revenue										
Interest Revenue	29,149,595	28,742,192	32,781,922	37,840,711	38,156,227	34,318,290	47,784,342	58,927,519	11,143,177	23%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	13,984,044	13,944,692	13,139,141	14,722,705	22,244,742	25,354,485	18,214,000	15,283,489	(2,930,511)	-16%
Other Revenue	353,296	290,401	396,712	1,037,088	1,273,230	1,706,386	1,709,003	1,723,083	14,081	1%
Total Operating Revenue	43,486,935	42,977,284	46,317,775	53,600,504	61,674,198	61,379,162	67,707,345	75,934,091	8,226,747	12%
Operating Expense										
Interest Expense	12,390,798	13,829,840	16,142,529	19,772,541	17,490,868	18,883,517	32,537,812	46,364,142	13,826,330	42%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expenses	10,746,873	10,403,509	9,326,735	9,417,113	10,444,370	9,522,496	10,948,657	12,290,240	1,341,583	12%
Shared Expenses	1,393,180	1,690,892	2,284,291	2,704,458	3,108,765	3,001,449	2,978,707	3,341,369	362,662	12%
Marketing Expense	575,768	843,866	672,920	715,089	237,127	441,349	718,836	1,007,615	288,779	40%
Professional Services	5,078,341	5,072,993	4,765,872	6,091,314	12,128,872	18,920,107	13,527,934	9,007,274	(4,520,660)	-33%
Claim and Loss Expenses	240,154	393,788	(3,562,054)	308,965	(455,336)	(499,504)	684,290	80,321	(603,969)	-88%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	168,483	117,871	117,357	13,502	(335,099)	(138,229)	(344,276)	(548,429)	(204,153)	59%
Overhead Allocation	(85,703)	(89,031)	(104,556)	(172,868)	(148,523)	(138,221)	(203,497)	(162,025)	41,472	-20%
Total Operating Expense	30,507,895	32,263,729	29,643,094	38,850,113	42,471,045	49,992,964	60,848,463	71,380,506	10,532,043	17%
Net Operating Income (Loss) Before Grants	12,979,040	10,713,555	16,674,680	14,750,391	19,203,154	11,386,197	6,858,882	4,553,585	(2,305,297)	-34%
Net Grant (Income) Expense										
Grant Revenue	(85,103,112)	(81,534,947)	(85,967,580)	(91,511,776)	(228,234,637)	(180,490,830)	(166,995,788)	(168,844,846)	(1,849,058)	1%
Grant Expense	86,312,736	82,315,930	87,324,242	93,041,447	222,163,987	159,082,857	146,709,073	156,700,089	9,991,016	7%
Intra-Agency Transfers	-	-	-	-	-	-	-	-	-	0%
Total Net Grant (Income) Expense	1,209,624	780,983	1,356,662	1,529,671	(6,070,650)	(21,407,973)	(20,286,715)	(12,144,757)	8,141,958	-40%
Net Operating Income (Loss) After Grants	11,769,416	9,932,572	15,318,019	13,220,720	25,273,804	32,794,171	27,145,597	16,698,342	(10,447,255)	-38%
Non-Operating (Income) Expense	13,331,730	13,524,481	(13,435,251)	(32,882,844)	6,476,757	101,038,923	21,387,119	-	(21,387,119)	-100%
Net Income (Loss)	(1,562,313)	(3,591,909)	28,753,270	46,103,564	18,797,047	(68,244,752)	5,758,478	16,698,342	10,939,864	190%
IFA Staff Count by Home Dept	86.2	85.5	78.8	75.6	83.1	83.4	85.6	92.0	6.4	7%
Contractor Staff Count by Home Dept	3.4	2.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	90.1	87.7	79.8	75.9	82.4	83.3	85.1	92.0	6.9	8%

To: IFA Board Members
From: Dan Stout
Date April 25, 2023
Re: FY24 Budget – Overhead Departments

FY23 Forecast – Overhead Departments

A forecast for the remainder of FY23 has been prepared in conjunction with the FY24 Budget. It considers the first nine months of actual results and three months of projections using current trends and input from program leaders. This creates the starting point for the FY24 Budget and is used for all FY23 to FY24 comparisons.

Total Operating Revenue is forecasted to be $1.63MM (millions) or 32% higher than budget due to an increase in Interest Revenue from the Emergency Rental Assistance Federal Programs.

Total Operating Expense is forecasted to be $0.53MM or 10% lower than budget.

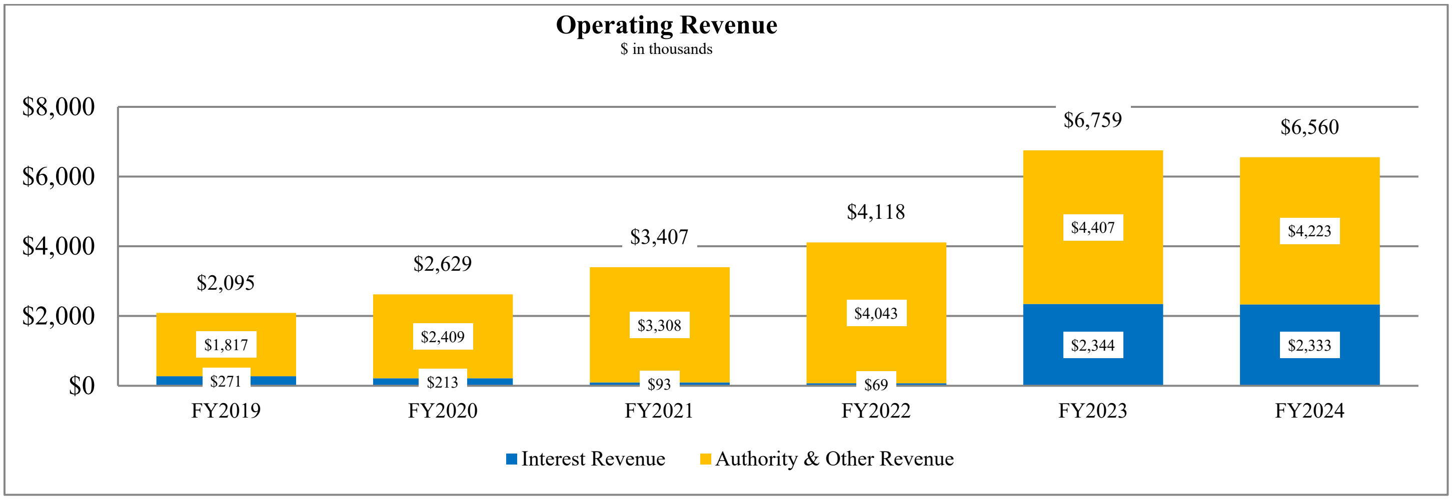
As a result, **Net Operating Income Before Grants** is forecast to be $2.2MM or 909% higher than budget.

Total Assets are forecasted to be $3.17MM or 11% higher than budget due to higher interest rates and investment activity.

FY24 - Budget Assumptions

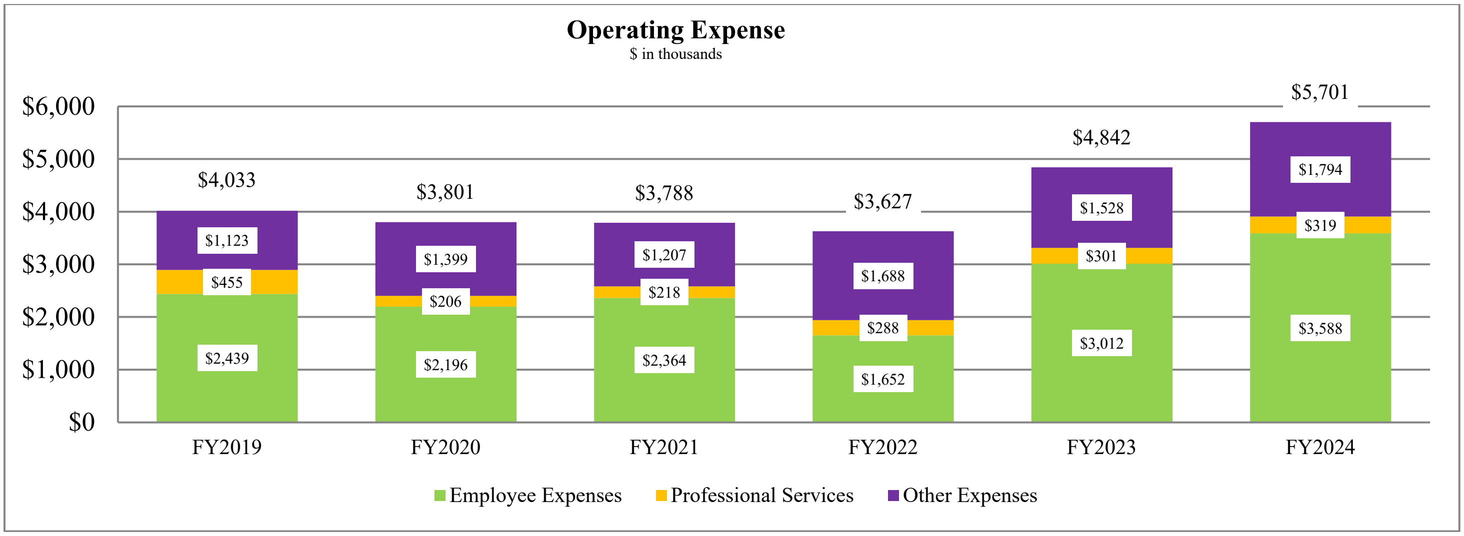
- All open positions projected to be filled
- $3MM in Intra-Agency Transfers

FY24 Budget



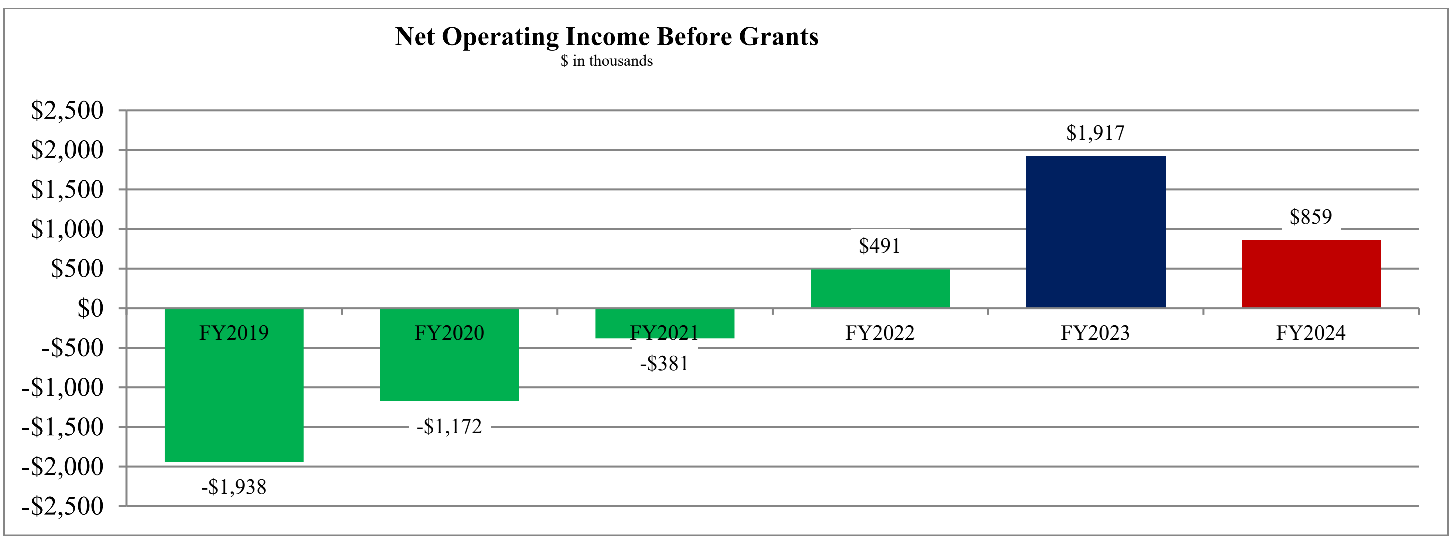
Total Operating Revenue of $6.56MM is budgeted to decrease $0.20MM or 3%.

- Interest Revenue decreased slightly due to a declining Emergency Rental Assistance cash balance as program disbursements continue throughout the fiscal year.
- Authority Revenue is budgeted to decrease $0.19MM or 7%, due to lower Single Family fees.
- Other Revenue is budgeted to increase slightly due to a 1% base rent increase and a 2% CAM increase for Tenant Rent.



Operating Expense of $5.70MM is budgeted to increase $0.86MM or 18%.

- Employee expenses budgeted to increase $0.58MM or 19% due to planned 3% cost of living and 3% step increases.
- Shared expenses budgeted to increase $0.33MM or 14% due to higher planned expenses in all categories.



As a result, Net Operating Income Before Grants of $0.86MM is budgeted to decrease $1.06MM or 55%.

Intra-Agency Transfers of $3.0MM is budgeted to increase $2.0MM or 200%.

Liquidity Policy:

IFA will maintain a minimum of 3 months of budgeted expenses in the form of cash and cash equivalents in the GF. For FY24 this would be $2,956,973.

IFA will maintain a minimum of 12 months of budgeted expenses in the form of cash and cash equivalents, investments, and mortgage-backed securities, plus $3.5 million in additional liquidity to further reduce liquidity risk and ensure liquidity targets are sufficient to meet potential adverse market changes. For FY24 this would be $15,327,891.

Balance Sheet	Bud24 Overhead (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivelents	6,928,282	8,592,554	10,495,260	10,701,772	11,355,092	11,608,123	14,178,899	15,520,571	1,341,672	9%
Investments	1,117,187	1,108,573	365,372	-	-	-	-	-	-	0%
Mortgage Backed Securities	2,142,906	1,400,269	1,060,764	887,489	1,330,238	987,143	799,077	633,744	(165,332)	-21%
Line of Credit	-	135,000	1,434,700	799,700	-	-	50,000	600,000	550,000	1100%
Loans - net of reserve for losses	623,245	544,620	397,606	600,370	392,762	367,419	343,251	325,168	(18,084)	-5%
Capital Assets (net)	2,428,404	2,329,411	4,663,610	13,568,065	13,955,882	14,012,386	13,220,442	13,803,202	582,760	4%
Other Assets	1,279,859	1,295,136	1,463,877	1,390,373	1,268,655	873,625	1,977,532	1,977,532	-	0%
Deferred Outflows	1,257,973	1,542,331	1,368,390	1,092,499	1,144,197	1,942,580	976,523	976,523	-	0%
Total Assets and Deferred Outflows	15,777,856	16,947,893	21,249,579	29,040,268	29,446,826	29,791,275	31,545,724	33,836,741	2,291,017	7%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	9,431,024	9,269,987	8,750,894	8,731,012	8,771,135	8,451,195	7,268,135	6,916,751	(351,384)	-5%
Equity	6,346,832	7,677,906	12,498,685	20,309,257	20,675,691	21,340,080	24,277,588	26,919,989	2,642,401	11%
Total Liabilities, Deferred Inflows, and Equity	15,777,856	16,947,893	21,249,579	29,040,268	29,446,826	29,791,275	31,545,724	33,836,741	2,291,017	7%

Income Statement	Bud24 Overhead (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Operating Revenue										
Interest Revenue	224,880	232,757	271,451	212,922	92,960	69,457	2,343,626	2,332,734	(10,892)	0%
Authority Revenue	2,640,995	2,923,476	1,553,030	1,825,214	2,149,506	2,487,267	2,788,907	2,597,479	(191,429)	-7%
Fee Revenue	6,267	4,568	6,399	7,394	5,955	6,292	7,398	4,800	(2,598)	-35%
Other Revenue	178,870	165,513	264,001	583,648	1,158,755	1,555,433	1,618,570	1,625,083	6,513	0%
Total Operating Revenue	3,051,013	3,326,313	2,094,881	2,629,178	3,407,175	4,118,450	6,758,501	6,560,096	(198,406)	-3%
Operating Expense										
Interest Expense	-	215	15,474	-	-	(940)	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expenses	2,629,480	2,596,325	2,439,082	2,195,897	2,363,815	1,651,769	3,012,353	3,587,621	575,267	19%
Shared Expenses	531,413	644,109	997,836	2,232,177	2,609,216	2,493,953	2,443,731	2,773,829	330,097	14%
Marketing Expense	330,081	467,812	419,083	557,002	173,280	326,876	467,778	594,250	126,472	27%
Professional Services	229,516	330,453	455,207	206,090	218,011	288,113	301,237	319,278	18,041	6%
Claim and Loss Expenses	58,000	57,000	(2,000)	(2,000)	(111,000)	-	-	-	-	0%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	60	(35)	19,868	(88,357)	(447,735)	(287,969)	(430,081)	(640,109)	(210,028)	49%
Overhead Allocation	(334,401)	(301,430)	(311,380)	(1,299,676)	(1,017,098)	(844,398)	(953,378)	(933,590)	19,788	-2%
Total Operating Expense	3,444,150	3,794,448	4,033,170	3,801,133	3,788,489	3,627,404	4,841,641	5,701,278	859,637	18%
Net Operating Income (Loss) Before Grants	(393,137)	(468,135)	(1,938,290)	(1,171,956)	(381,314)	491,046	1,916,860	858,817	(1,058,043)	-55%
Net Grant (Income) Expense										
Grant Revenue	-	-	-	-	-	-	-	-	-	0%
Grant Expense	-	-	-	-	-	-	-	-	-	0%
Intra-Agency Transfers	(1,148,404)	(3,000,000)	(11,150,000)	(10,500,000)	(1,000,000)	-	(1,000,000)	(3,000,000)	(2,000,000)	200%
Total Net Grant (Income) Expense	(1,148,404)	(3,000,000)	(11,150,000)	(10,500,000)	(1,000,000)	-	(1,000,000)	(3,000,000)	(2,000,000)	200%
Net Operating Income (Loss) After Grants	755,267	2,531,865	9,211,710	9,328,044	618,686	491,046	2,916,860	3,858,817	941,957	32%
Non-Operating (Income) Expense	65,570	63,179	4,176,022	(7,669)	7,579	116,685	29,652	-	(29,652)	-100%
Net Income (Loss)	689,698	2,468,686	5,035,688	9,335,713	611,107	374,361	2,887,208	3,858,817	971,609	34%
IFA Staff Count by Home Dept	24.7	25.0	22.1	22.5	25.0	23.1	24.4	34.7	10.3	42%
Contractor Staff Count by Home Dept	3.3	2.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	21.7	22.5	18.8	17.0	17.9	17.9	19.7	28.6	8.9	45%

To:	IFA Board of Directors
From:	David Morrison
Date:	April 25, 2023
Re:	FY24 Single Family Budget

FY23 Forecast – Single Family

For the remainder of FY23, a forecast has been prepared in conjunction with the FY24 Budget. It incorporates the first nine months of actual results and three months of projections using current trends. This is the starting point for the FY24 Budget and all FY23 to FY24 comparisons.

Single Family is forecast to exceed the FY23 Budget as indicated below.

- **Total Operating Revenue** of $42.4MM is forecast to exceed FY23 Budget by $7.8MM or 22.7%. Interest on MBS accounts for much of this favorable variance.
- **Total Operating Expense** of $35.7MM is forecast at $3.6MM or 11.2% above the FY23 Budget. Interest Expense (debt and Bond Premium Amortization) account for this unfavorable forecast.
- As a result, **Net Operating Income before Grants** of $6.6MM is forecast to exceed the FY23 Budget by $4.2MM.
- **Net Grant Expense** of ($0.6MM) is forecast to be $5.0MM below FY23 Budget. Grant Revenue is only made up of Military DPA. This also includes Intra-Agency transfers of $2.65MM from F&S and authority fees to GF.
- This resulted in **Net Income** of $7.2MM which exceeds FY23 Budget by $9.3MM.

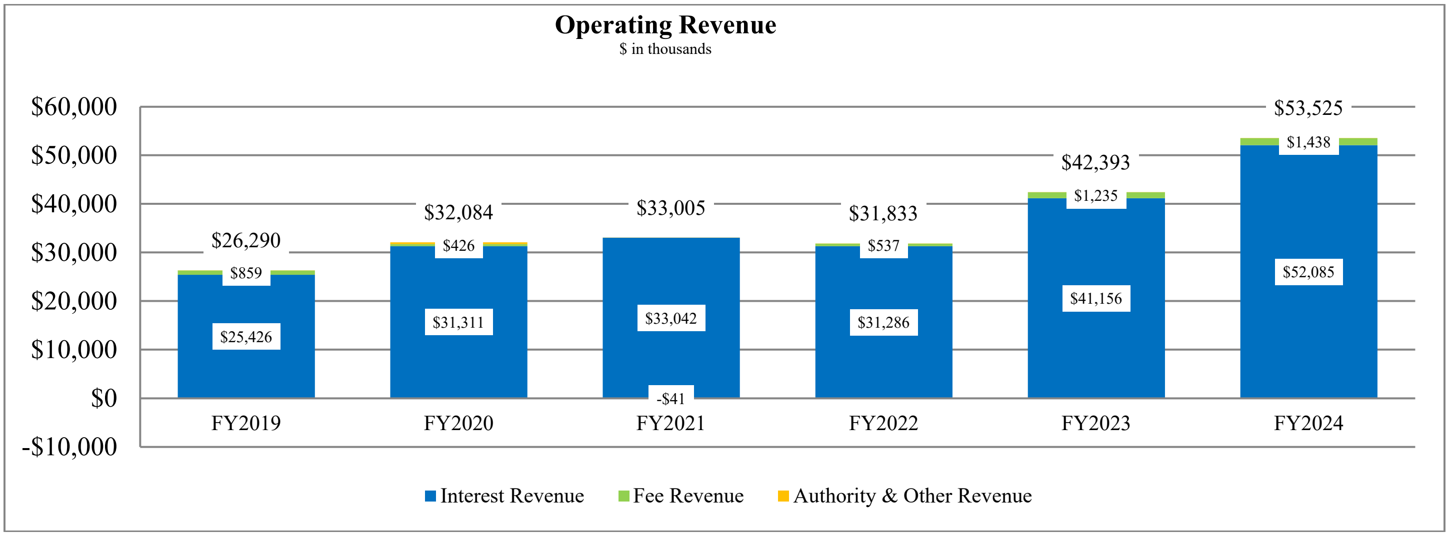
FY24 Single Family Budget

Assumption Summary

The FY24 production target is $330.0MM and 13% below the FY23 forecast. The plan is to fund the production by issuing $320.5MM of bonds and selling $9.5MM of MBS into the secondary market. Our MBS portfolio is planned to increase by $231.2MM or 20%.

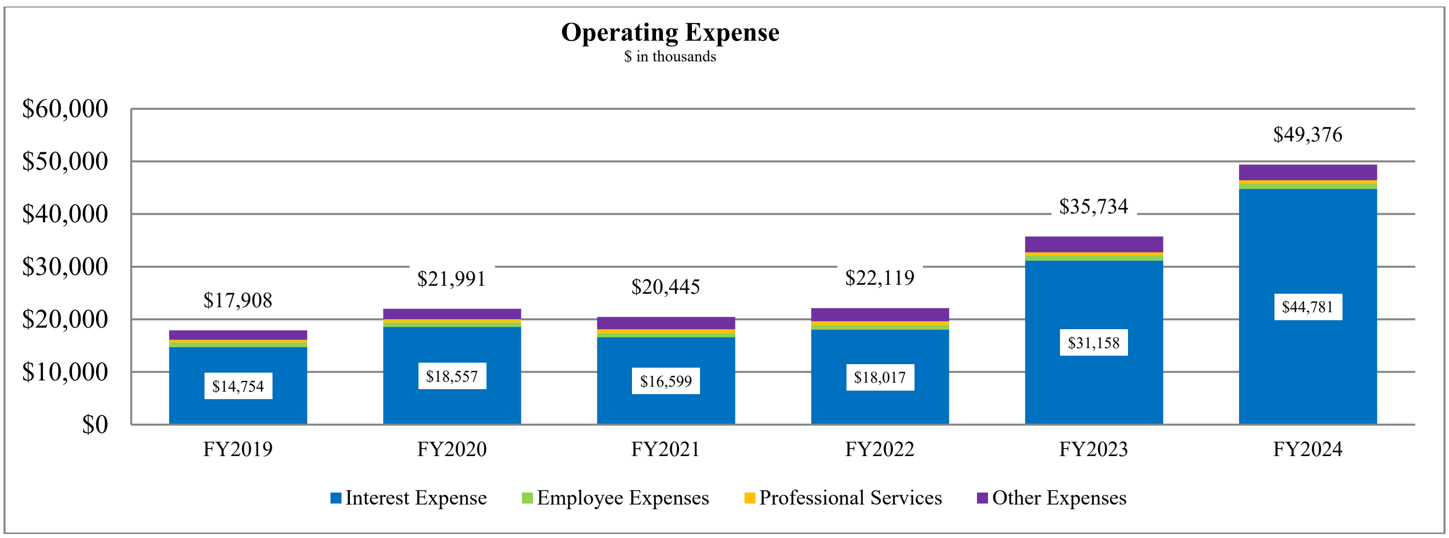
Two down payment assistance (DPA) programs will be available to homebuyers; the second mortgage program providing up to 5% interest free and the traditional $2,500 DPA grant program. The budget assumes $10.4MM of DPA loans and $1.2MM of grants.

FY24 - Financial Statement Highlights (FY24 Budget compared to FY23 Forecast)



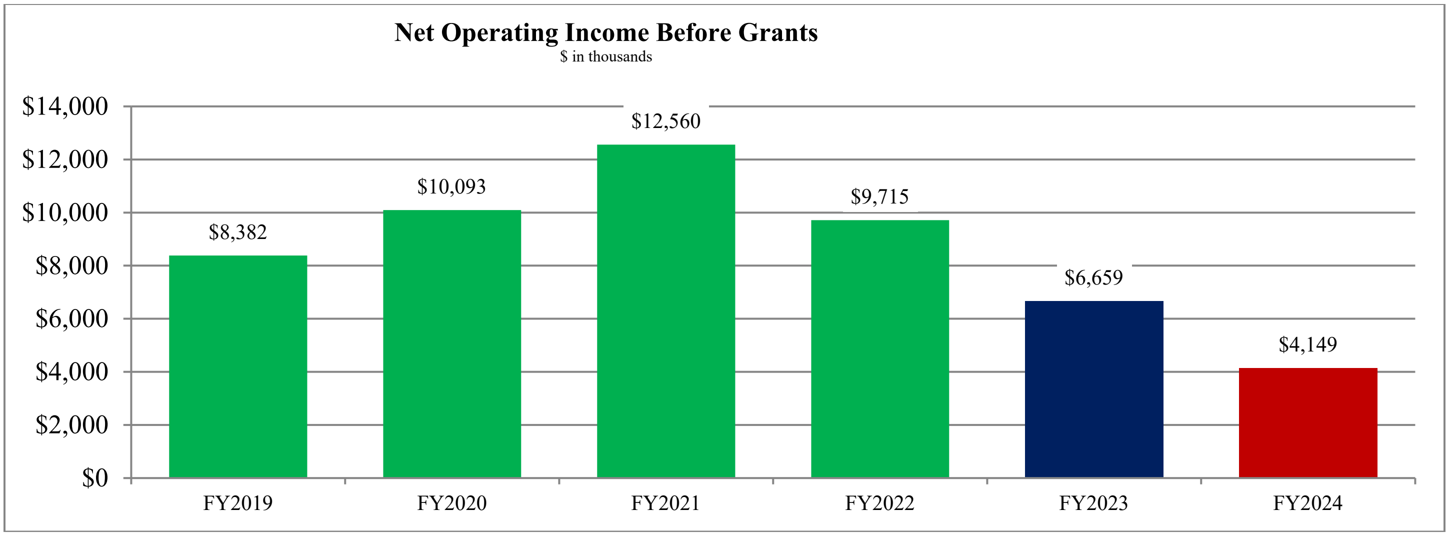
Total Operating Revenue is budgeted at $11.1MM or 26.3% above FY23 Forecast. This is mainly due to a rise in Interest Revenue.

- Interest rates are expected to rise, leading to high Interest Revenue on MBS but a decline in MBS sales.
- Fee Revenue is projected to increase by $0.2MM or 16.4% primarily due net receipts on FNMA and FMAC Risk Base Pricing.

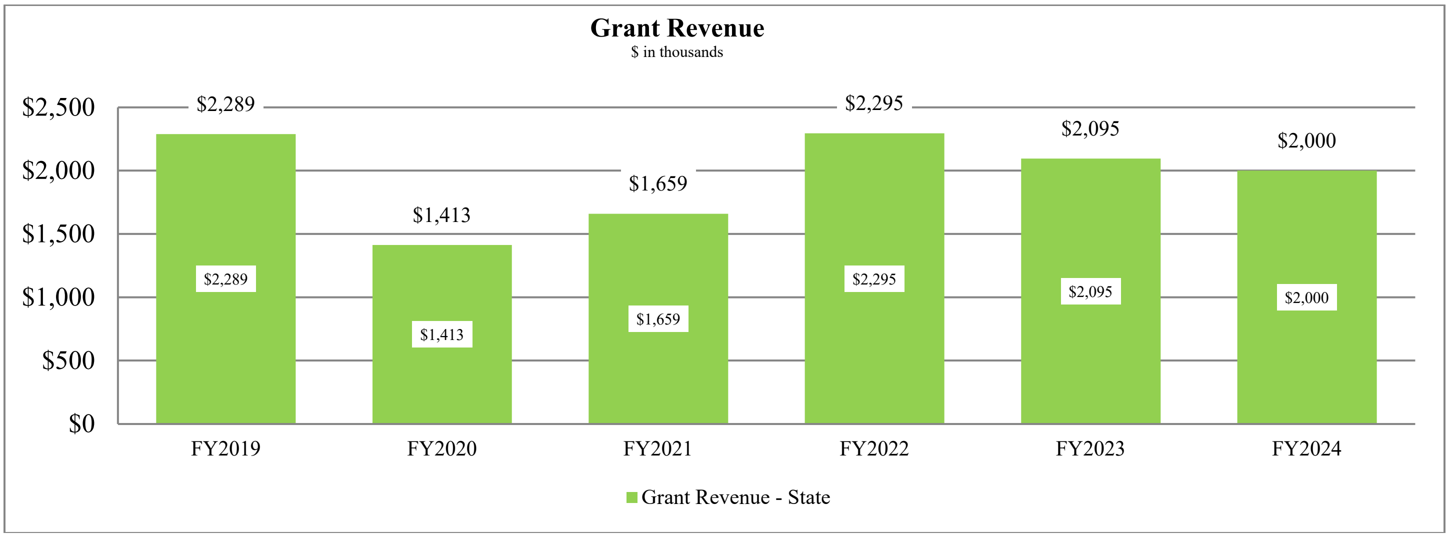


Planned Total Operating Expense is $13.6MM or 38.2% above FY23 forecast.

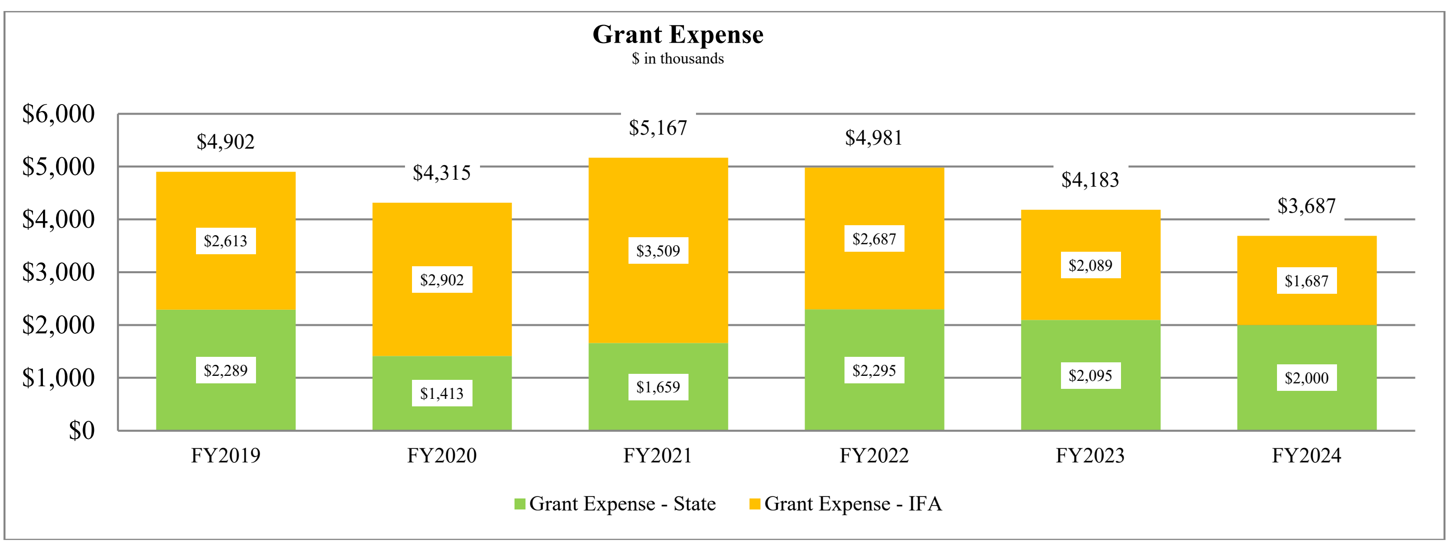
- Interest expense is budgeted to increase by $13.6MM or 43.7% in FY24 due to anticipated rise in debt interest.
- Increase in Employee Expense is due to Step and Cost of Living increases.
- Decrease in Other Expenses is due to lower planned Authority Expense.



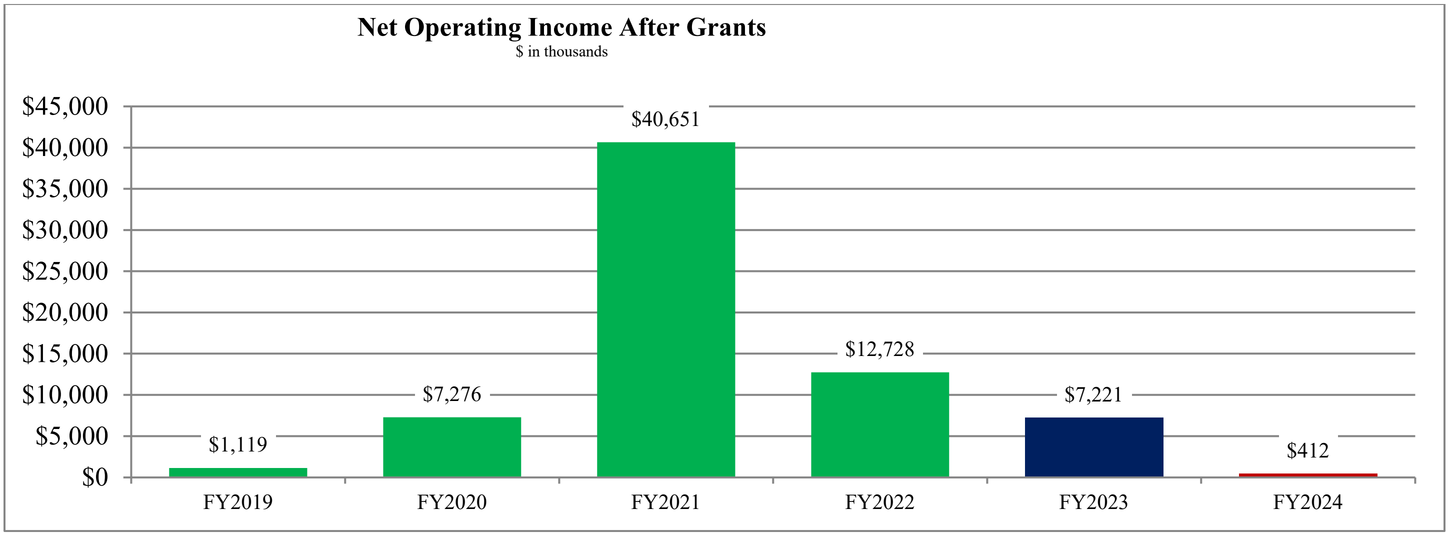
Consequently, Net Operating Income Before Grants is $2.5MM or 38% below FY23 forecast.

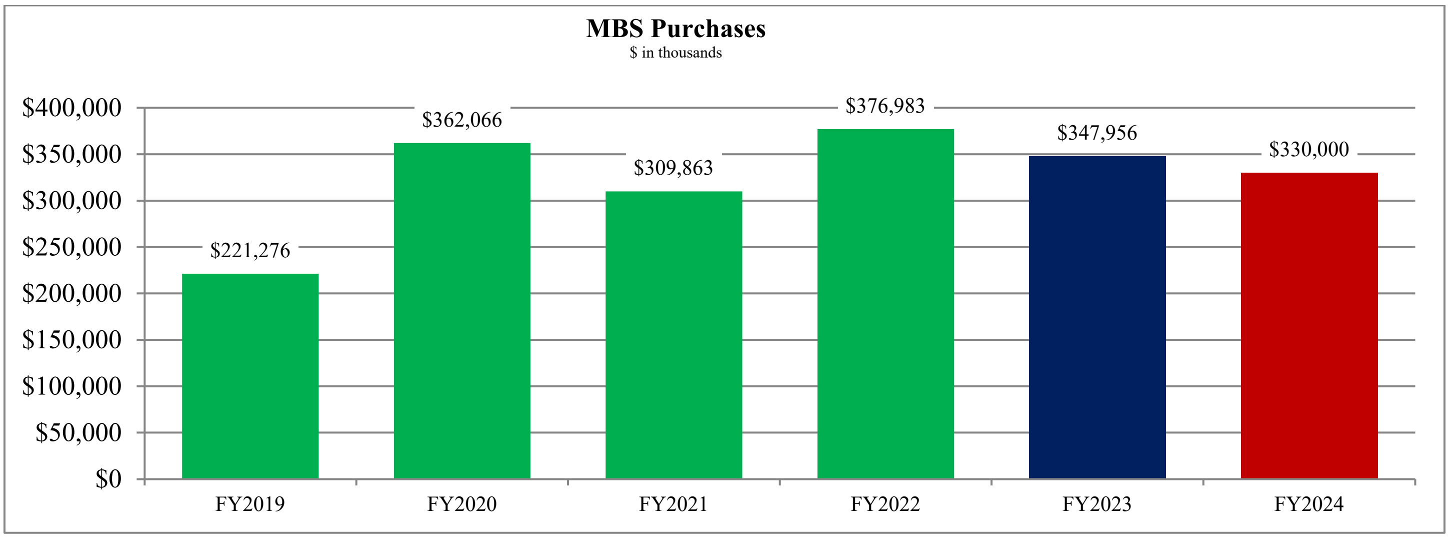


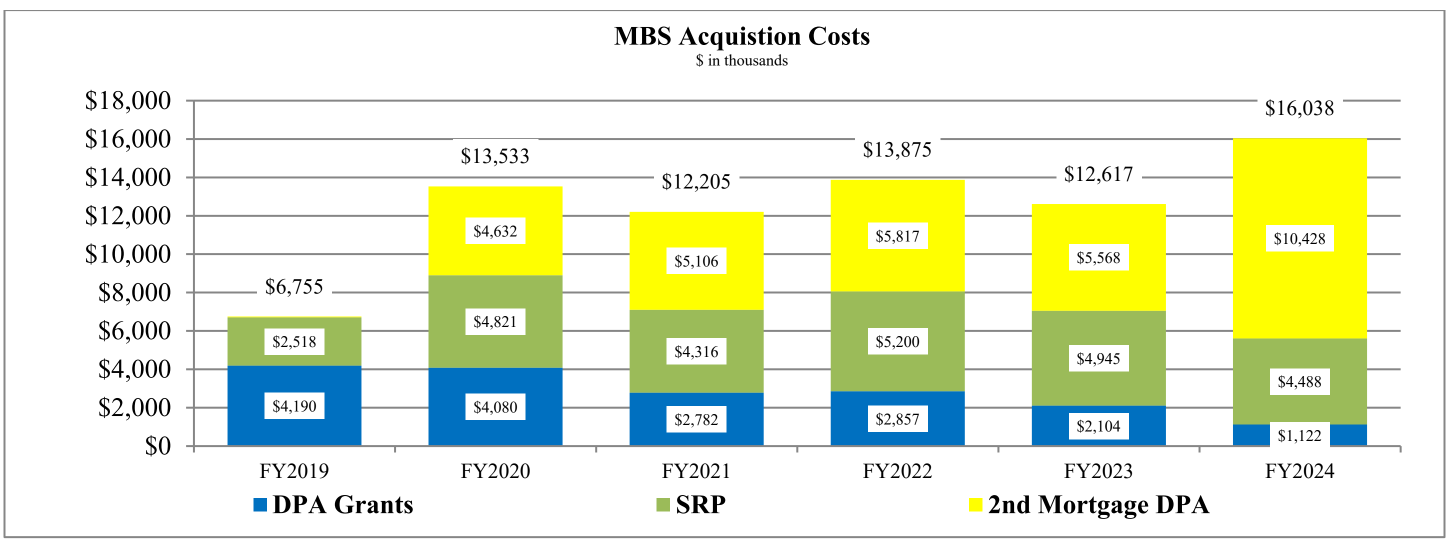
Military DPA of $2.0MM is expected from the State and any undisbursed allocation from FY23 will be carried over to FY24.

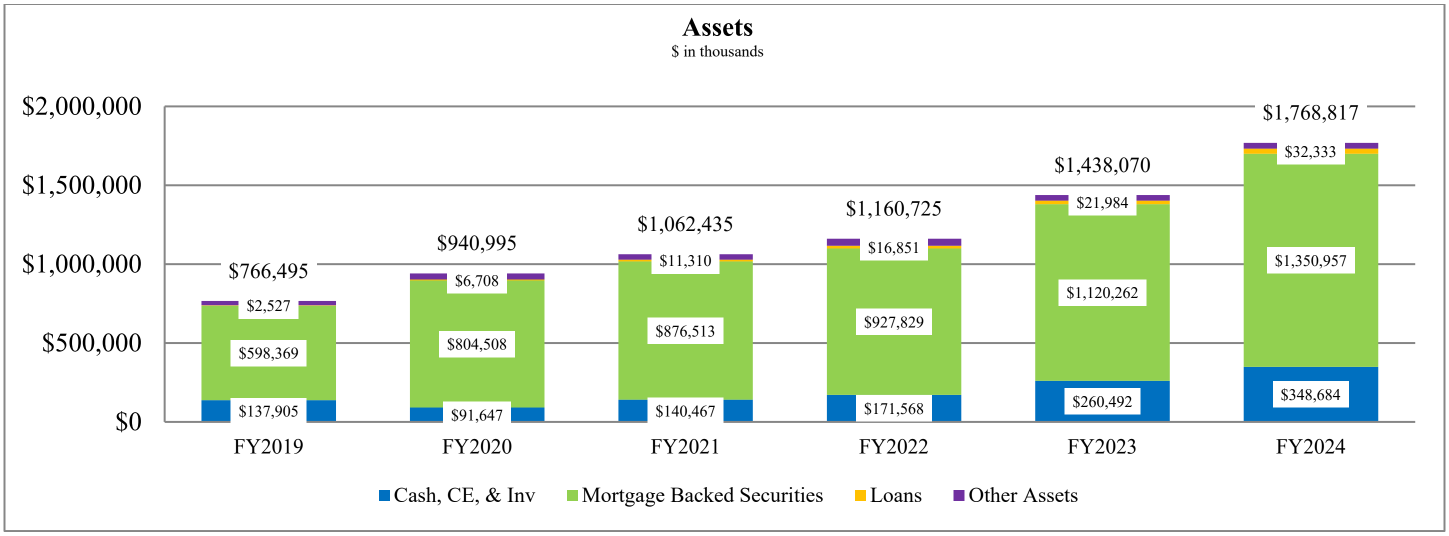


Grant Expense is budgeted at $0.5MM or 12% below FY23 because of a drop in DPA on MBS Sales.
Intra-Agency Transfers of $1.0MM from F&S for IFA DPA Grants and $3.0MM to GF for liquidity.


Net Operating Income After Grants
$ in thousands
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
$1,119
$7,276
$40,651
$12,728
$7,221
$412
FY2019
FY2020
FY2021
FY2022
FY2023
FY2024


MBS Purchases
$ in thousands
$400,000
$350,000
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$0
$221,276
$362,066
$309,863
$376,983
$347,956
$330,000
FY2019
FY2020
FY2021
FY2022
FY2023
FY2024


MBS Acquistion Costs
$ in thousands
$18,000
$16,000
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
$6,755
$2,518
$4,190
$13,533
$4,632
$4,821
$4,080
$12,205
$5,106
$4,316
$2,782
$13,875
$5,817
$5,200
$2,857
$12,617
$5,568
$4,945
$2,104
$16,038
$10,428
$4,488
$1,122
FY2019
FY2020
FY2021
FY2022
FY2023
FY2024
DPA Grants
SRP
2nd Mortgage DPA



Total Assets and Deferred Outflows are planned to increase by $327.4MM or 23.1% above FY23 forecast.

- MBS projected at $230.7MM or 21% above FY23 forecast due to planned purchases and drop in MBS Sales.
- Cash and Cash Equivalents projected at $88.2MM or 34% above FY23 forecast due to higher planned issuance in 2024.

Balance Sheet	Bud24 Single Family (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivelents	95,466,568	112,731,857	134,896,671	90,643,251	140,467,120	161,601,056	260,491,831	348,683,867	88,192,036	34%
Investments	10,568,240	4,481,095	3,008,805	1,003,950	-	9,967,050	-	-	-	0%
Mortgage Backed Securities	424,115,932	482,996,570	575,172,569	788,334,168	847,284,642	903,947,775	1,092,186,106	1,322,880,232	230,694,127	21%
Line of Credit	12,698,335	15,030,335	23,196,543	16,173,595	29,228,712	23,881,627	28,076,304	28,076,304	-	0%
Loans - net of reserve for losses	3,305,116	2,876,723	2,527,223	6,707,504	11,309,908	16,851,455	21,984,023	32,333,458	10,349,435	47%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	14,161,826	18,178,904	20,664,248	27,050,286	26,668,929	42,019,783	33,156,775	34,849,659	1,692,885	5%
Deferred Outflows	5,016,533	4,153,351	7,028,659	11,082,397	7,475,290	2,456,656	2,174,797	1,993,177	(181,620)	-8%
Total Assets and Deferred Outflows	565,332,550	640,448,835	766,494,718	940,995,152	1,062,434,602	1,160,725,403	1,438,069,836	1,768,816,699	330,746,862	23%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	399,651,632	484,908,689	591,144,954	724,488,701	810,656,393	996,013,948	1,286,164,314	1,614,953,485	328,789,171	26%
Equity	165,680,918	155,540,146	175,349,764	216,506,452	251,778,209	164,711,454	151,905,522	153,863,214	1,957,691	1%
Total Liabilities, Deferred Inflows, and Equity	565,332,550	640,448,835	766,494,718	940,995,152	1,062,434,602	1,160,725,403	1,438,069,836	1,768,816,699	330,746,862	23%

Income Statement	Bud24 Single Family (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Operating Revenue										
Interest Revenue	22,527,003	21,878,740	25,425,655	31,311,453	33,041,560	31,286,436	41,156,311	52,084,818	10,928,507	27%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	539,597	669,169	859,416	426,230	(40,874)	537,203	1,235,031	1,437,876	202,845	16.4%
Other Revenue	1,500	4,356	5,183	346,676	4,000	9,761	2,000	2,000	-	0%
Total Operating Revenue	23,068,100	22,552,264	26,290,255	32,084,359	33,004,686	31,833,400	42,393,343	53,524,694	11,131,352	26.3%
Operating Expense										
Interest Expense	10,811,423	12,456,947	14,754,446	18,556,540	16,598,796	18,017,091	31,158,415	44,781,474	13,623,059	43.7%
Authority Expense	2,097,436	2,381,374	1,418,208	1,692,512	2,019,067	2,359,210	2,663,372	2,474,811	(188,561)	-7%
Employee Expenses	950,540	875,216	856,958	858,723	821,853	912,874	972,584	1,026,712	54,128	6%
Shared Expenses	142,809	151,901	178,183	81,234	82,093	93,265	96,738	100,430	3,692	4%
Marketing Expense	160,001	285,897	197,515	62,574	44,564	78,897	194,315	325,050	130,735	67%
Professional Services	412,694	494,094	485,031	614,413	696,180	703,479	577,776	602,453	24,677	4%
Claim and Loss Expenses	-	-	17,674	(1,000)	97,000	(100,000)	14,600	-	(14,600)	-100%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	40	60	322	60	40	127	-	-	-	0%
Overhead Allocation	-	-	-	126,048	85,143	53,805	56,168	65,035	8,867	16%
Total Operating Expense	14,574,943	16,645,489	17,908,336	21,991,104	20,444,736	22,118,749	35,733,968	49,375,964	13,641,996	38.2%
Net Operating Income (Loss) Before Grants	8,493,157	5,906,775	8,381,919	10,093,255	12,559,949	9,714,651	6,659,375	4,148,730	(2,510,645)	-37.7%
Net Grant (Income) Expense										
Grant Revenue	(3,197,780)	(2,357,032)	(2,288,899)	(1,412,887)	(1,658,702)	(2,294,668)	(2,094,832)	(2,000,000)	94,832	-5%
Grant Expense	6,573,263	5,091,548	4,901,591	4,314,718	5,167,493	4,981,266	4,183,408	3,686,865	(496,543)	-12%
Intra-Agency Transfers	1,101,934	1,300,000	4,650,000	(85,000)	(31,600,000)	(5,700,000)	(2,650,000)	2,050,000	4,700,000	-177%
Total Net Grant (Income) Expense	4,477,417	4,034,516	7,262,692	2,816,831	(28,091,209)	(3,013,402)	(561,424)	3,736,865	4,298,289	-766%
Net Operating Income (Loss) After Grants	4,015,740	1,872,260	1,119,227	7,276,424	40,651,159	12,728,053	7,220,799	411,865	(6,808,934)	-94%
Non-Operating (Income) Expense	12,942,673	13,265,658	(17,653,247)	(32,891,741)	6,459,883	100,919,346	21,360,359	-	(21,360,359)	-100%
Net Income (Loss)	(8,926,933)	(11,393,398)	18,772,475	40,168,164	34,191,276	(88,191,293)	(14,139,561)	411,865	14,551,426	-103%
IFA Staff Count by Home Dept	5.8	5.4	6.5	6.6	4.6	5.6	6.0	6.0	0.0	0%
Contractor Staff Count by Home Dept	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	8.0	7.1	7.9	8.2	6.3	7.4	8.0	8.3	0.2	3%

To:	IFA Board of Directors
From:	Ashten Sinclair
Date:	April 25, 2023
Re:	**FY24 Multi Family Budget Overview**

A forecast for the remainder of FY23 has been prepared in conjunction with the FY24 Budget. It considers the first nine months of actual results and three months of projections using current trends and input from program leaders. This creates a starting point for the FY24 Budget and is used for all FY23 to FY24 comparisons.

The Multi Family (MF) FY23 Forecast compared to FY23 Budget and FY23 Forecast compared to FY24 Budget are summarized below (presented in millions, MM):

FY23 - Financial Statement Highlights (FY23 Forecast compared to FY23 Budget)

Total Assets of $86.2MM - $1.8MM less than budget of $88MM

- $1.7MM above budget in cash, due to the sale of Federal Home Loan Bank CD
- $2.6MM below budget in long term investments due to the maturity of investments
- $0.5MM above budget in reserve losses due to unanticipated increase of loan loss reserve rating on a loan
- $0.37MM below budget in Escrow due to disbursing more in replacement reserves than anticipated

Total Liabilities of $41.6MM - $2.2MM less than budget of $43.8MM

- Bonds Payable were $0.8MM below budget
- Escrow Deposits are trailing budget by $0.7MM
- Accrued Interest Payables are $0.5MM below budget

Total Operating Income is above budget at $8.7MM, $1.6MM greater than budget of $7.1MM

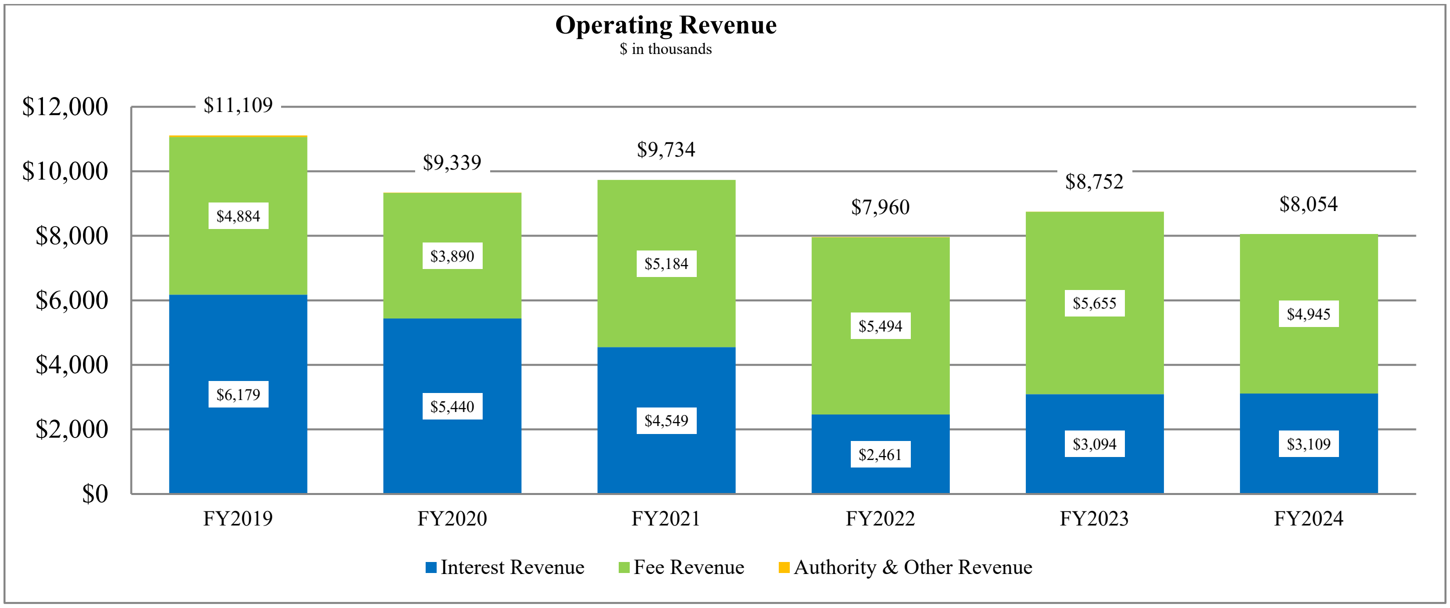
Operating Expenses of $6.4MM are slightly above budget of $6.2MM

Net Operating Income Before Grants of $2.4MM is forecasted to be above budget by $1MM or 145%.

FY24 - Budget Assumptions

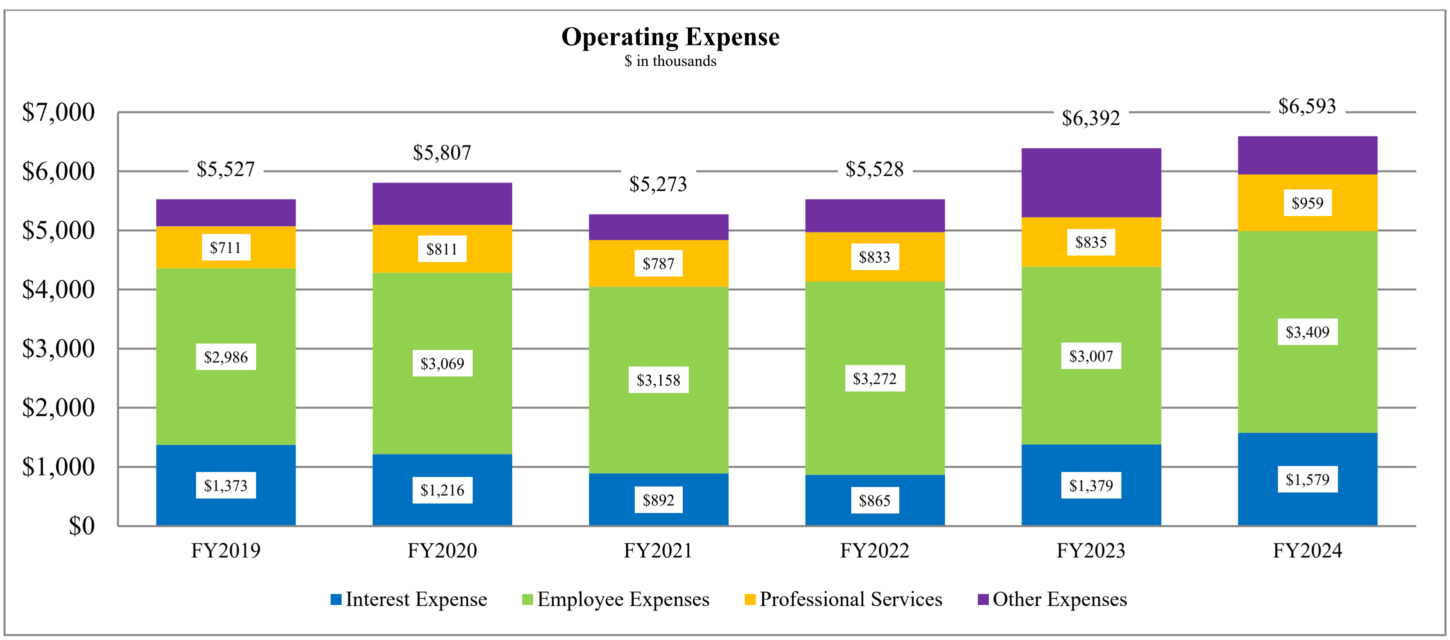
- Loan disbursements of $1.9MM:
    - $500,000 to be distributed for Grace Creek by January 2024
    - $1,400,000 to be distributed for Westown Crossing Senior Apartments by June 2024
- Loan repayments are estimated to be $1.7MM
- Compliance Annual Billing of $338,000
- Estimated LIHTC fee revenues of $1.4MM

FY24 - Financial Statement Highlights (FY24 Budget compared to FY23 Forecast)



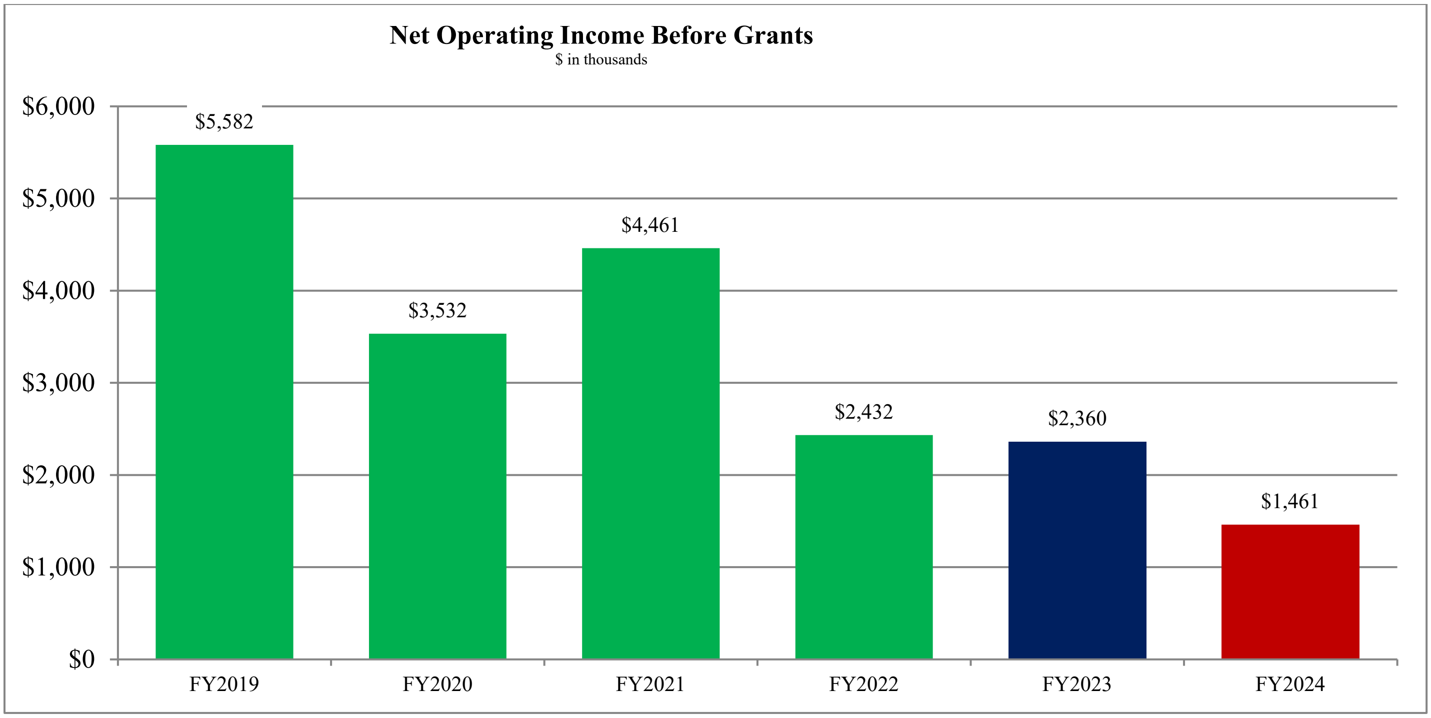
Budgeted total Operating Income of $8.1MM - $0.7MM or 8% decrease

- Decrease in Fee Income of $0.62MM due to the end of additional Disaster Relief Tax Credits awarded during covid
- Decrease in Fee Income of $0.05MM due to commitment fees decreasing for FY24. All projects expected to close and disburse in FY24, paid the commitment fees in FY23.
- Interest Revenue remains consistent year over year.

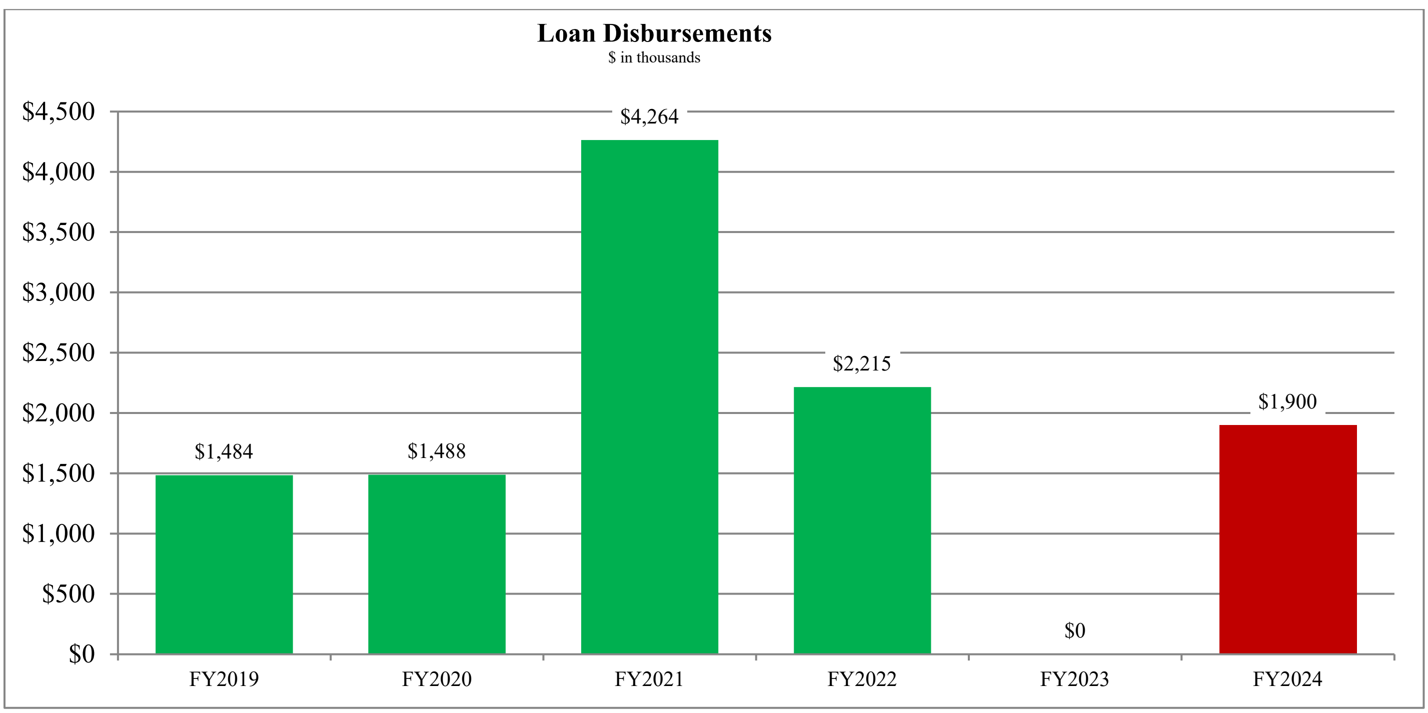


Budgeted total Operating Expenses of $6.6MM - $0.2M or 3% increase

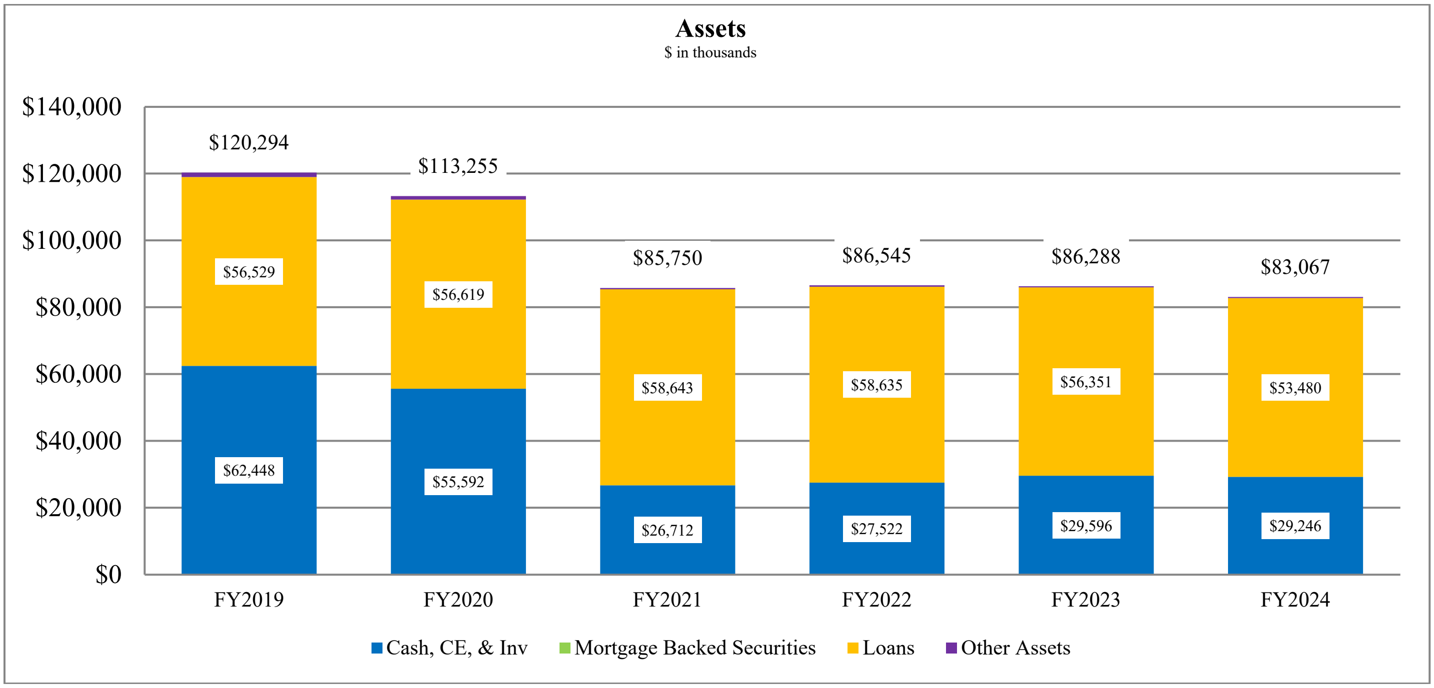
- Increase in interest expense of $0.2MM due to rise in interest rates
- Employee expenses increase of $0.4MM due to planned step (3%) and cost of living (3%) pay increases



Budgeted Net Operating Income Before Grants of $1.5MM - $0.9MM or 38% decrease



Budgeted loan disbursements of $1.9MM - $1.9MM increase compared to FY23 forecasted loan disbursements



Budgeted Total Assets of $83.1MM
Budgeted Total Liabilities of $38MM

- There is a $3.2MM or 4% decrease in assets and a $3.2MM or 9% decrease in liabilities. Both decreases are a result of a bond maturity in June 2024. The associated loan will be paid off, IFA will use those funds to pay off the bond.

Balance Sheet	Bud24 Multi Family (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivelents	51,149,763	57,663,574	60,057,471	54,707,399	26,552,338	24,827,640	29,595,819	29,246,126	(349,693)	-1%
Investments	9,298,307	5,523,283	2,390,301	884,589	160,000	2,694,525	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	61,217,067	58,009,732	56,528,957	56,618,635	58,642,794	58,635,290	56,350,836	53,480,000	(2,870,836)	-5%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	996,840	922,505	899,171	577,739	62,382	298,639	251,854	251,854	-	0%
Deferred Outflows	490,408	332,158	418,267	466,677	332,311	89,379	89,379	89,379	-	0%
Total Assets and Deferred Outflows	123,152,385	122,451,251	120,294,167	113,255,040	85,749,825	86,545,472	86,287,887	83,067,358	(3,220,529)	-4%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	50,845,652	46,487,586	45,377,217	43,546,636	42,735,090	42,601,860	41,601,637	38,003,792	(3,597,844)	-9%
Equity	72,306,733	75,963,666	74,916,950	69,708,403	43,014,735	43,943,612	44,686,250	45,063,566	377,315	1%
Total Liabilities, Deferred Inflows, and Equity	123,152,385	122,451,251	120,294,167	113,255,040	85,749,825	86,545,472	86,287,887	83,067,358	(3,220,529)	-4%

Income Statement	Bud24 Multi Family (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Operating Revenue										
Interest Revenue	5,866,695	5,958,826	6,178,554	5,439,838	4,549,153	2,460,882	3,093,607	3,109,063	15,456	0%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	4,433,235	4,708,262	4,884,200	3,890,478	5,184,452	5,493,623	5,654,619	4,945,020	(709,599)	-13%
Other Revenue	8,430	4,000	46,722	8,500	-	5,500	4,000	-	(4,000)	-100%
Total Operating Revenue	10,308,360	10,671,087	11,109,477	9,338,816	9,733,604	7,960,005	8,752,226	8,054,082	(698,144)	-8%
Operating Expense										
Interest Expense	1,579,375	1,372,678	1,372,609	1,216,001	892,072	865,366	1,379,273	1,579,418	200,145	15%
Authority Expense	543,559	542,102	134,822	132,702	130,439	128,057	125,535	122,668	(2,867)	-2%
Employee Expenses	3,348,992	3,156,820	2,985,823	3,068,916	3,157,759	3,271,694	3,007,013	3,409,395	402,382	13%
Shared Expenses	330,684	366,276	450,841	132,623	149,765	124,345	147,473	157,625	10,152	7%
Marketing Expense	6,320	500	395	4,802	815	549	3,841	145	(3,696)	-96%
Professional Services	511,879	691,494	711,060	810,755	786,851	832,606	834,665	958,658	123,992	15%
Claim and Loss Expenses	521,305	145,880	(264,000)	(45,000)	(233,000)	(13,000)	530,000	-	(530,000)	-100%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	1,103	1,095	13,372	170	222	172	(1,105)	180	1,285	-116%
Overhead Allocation	135,433	122,382	122,399	485,834	388,046	317,836	365,072	365,022	(50)	0%
Total Operating Expense	6,978,650	6,399,227	5,527,321	5,806,804	5,272,969	5,527,624	6,391,768	6,593,111	201,343	3%
Net Operating Income (Loss) Before Grants	3,329,710	4,271,860	5,582,156	3,532,013	4,460,635	2,432,380	2,360,458	1,460,971	(899,487)	-38%
Net Grant (Income) Expense										
Grant Revenue	(59,757,772)	(61,318,753)	(63,947,792)	(66,028,864)	(68,749,701)	(69,098,612)	(70,685,997)	(68,400,000)	2,285,997	-3%
Grant Expense	59,757,772	61,318,753	64,258,329	66,308,327	69,364,922	69,618,612	70,936,234	69,400,000	(1,536,234)	-2%
Intra-Agency Transfers	-	-	5,650,000	9,000,000	29,800,837	-	-	-	-	0%
Total Net Grant (Income) Expense	-	-	5,960,537	9,279,463	30,416,058	520,000	250,237	1,000,000	749,763	300%
Net Operating Income (Loss) After Grants	3,329,710	4,271,860	(378,381)	(5,747,450)	(25,955,423)	1,912,380	2,110,222	460,971	(1,649,250)	-78%
Non-Operating (Income) Expense	323,487	195,644	41,974	16,565	9,295	2,893	(2,893)	-	2,893	-100%
Net Income (Loss)	3,006,223	4,076,215	(420,355)	(5,764,015)	(25,964,718)	1,909,488	2,113,114	460,971	(1,652,143)	-78%
IFA Staff Count by Home Dept	27.0	25.8	25.8	25.1	25.8	25.5	25.5	28.5	3.0	12%
Contractor Staff Count by Home Dept	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	26.5	24.8	24.2	23.5	23.6	23.9	22.7	27.6	4.8	21%

IOWA FINANCE AUTHORITY

To: IFA Board of Directors
From: Stephanie Volk
Date: April 25, 2023
Re: FY24 Federal & State Programs Budget Overview

A forecast for the remainder of FY23 has been prepared in conjunction with the FY24 budget. It considers the first nine months of actual results and three months of projections using current trends and input from program leaders. This creates a starting point for the FY24 Budget and is used for all FY23 to FY24 comparisons. All numbers are reported in millions (MM). Federal & State programs (F&S) FY23 Forecast compared to FY23 Budget and FY23 Forecast compared to FY24 Budget are summarized below:

FY23 - Financial Statement Highlights (FY23 Forecast compared to FY23 Budget)

Total Operating Income of $1.07MM is $0.75MM above budget

- Interest Revenue of $0.97MM is an increase of $0.78MM due to the increase in interest rates
- Fee Revenue of $1.0MM is a decrease of $0.03MM or (23%) under budget due a decrease in Private Activity Bonds processed

Operating Expenses of $9.38MM are under budget by $0.88MM

- Professional Services (Consulting) decreased by $1.16MM. This decrease is related to the closure of the Iowa Rent and Utility Assistance Program (IRUAP) and the lower than anticipated costs for the Homeowners Assistance Fund (HAF).

Net Grant Income of $22.73MM is above budget by $3.99MM

- Grant Revenue of $94.21MM is below budgeted revenue of $142.48MM by $48.27MM or 34%
  - Federal Grant Revenue of $63.64MM is below budget by $46.64MM or 42% due to fewer disbursements for Water Infrastructure Funds (WIF), Refugee Resettlement Assistance (RRA), and Rapid Rehousing Assistance (RRH)
  - State Grant Revenue of $29.91MM is unfavorable to budget by $2.30MM or 7% due to the water quality program
- Grant Expense of $71.59MM is under budget by $52.20MM or 42%
  - Federal Grant Expense of $56.66MM is less than budgeted by $49.87MM or 47% due to fewer disbursements for WIF $41MM, RRA $12MM, and RRH $3.7MM, which is offset slightly by HAF's $10.3MM
  - State Grant Expense of $14.93MM is less than the budgeted amount of $17.27MM due to fewer disbursements for the water quality program

Net Operating Income after Grants of $14.41MM is forecasted to be above budget by $5.62MM or 64%

- The increase is largely due to water quality grant program funds not yet disbursed.

Total Assets and Deferred Outflows of $196.45MM are less than budgeted by $19.28MM or 9%, this decrease resulted from the fund disbursements for IRUAP, HAF, WIF, and RRH.

FY24 - Budget Assumptions

Homelessness Programs:

- SAF revenue is projected at $1.85MM with administrative costs of 3.45%
- HOPWA revenue is projected at $0.82MM with administrative costs of 5.49%
- ESG revenue is projected at $3.3MM with estimated administrative cost of 3.66%

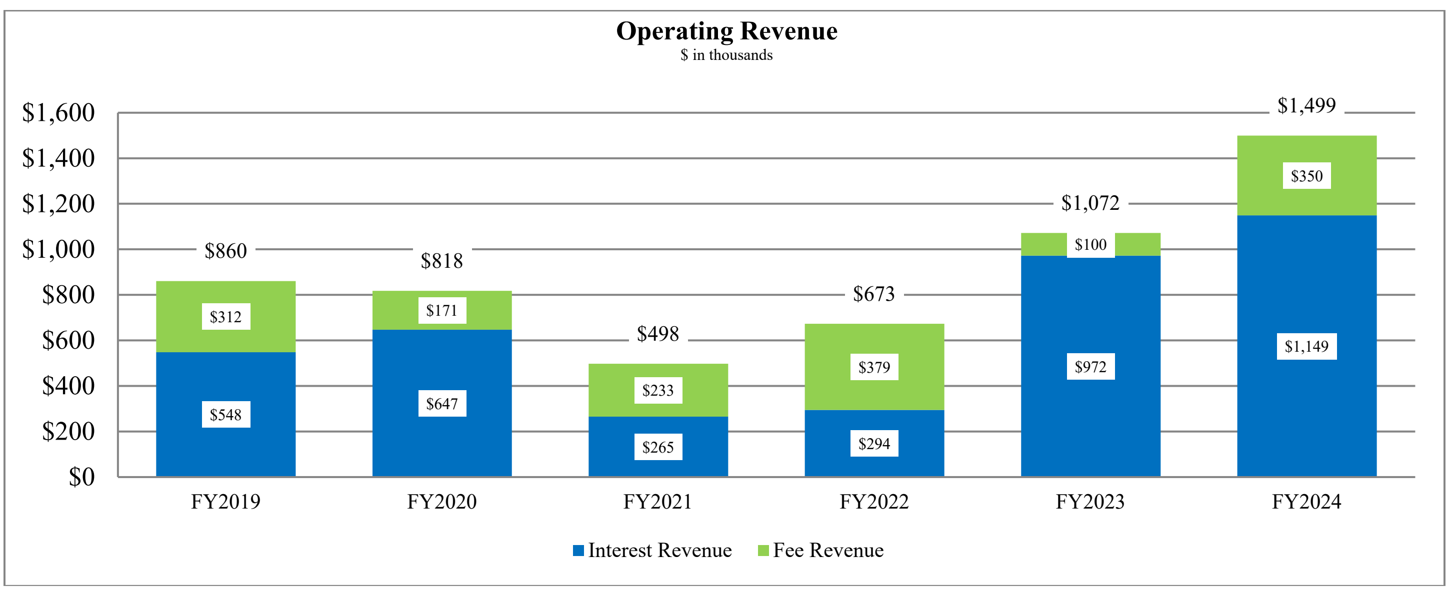
Other Programs:

- HCBS administrative costs assumed at 11.03% with an increase of 2.75% and After Care at 8.42%, with a decrease of 11.91% due to the decrease in program participation
- Housing Assistance Fund is budgeted to receive $1.00MM in transfers from Iowa Title Guaranty, of which $0.95MM will be transferred to the Single-Family program for down payment assistance
- State Housing Trust Fund assumes state appropriations of $3.00MM, Real Estate Transfer Tax of $7.0MM
- HOME Investment Partnership Program assumes Federal grant income of $5.00MM and program income of $1.44MM
- State funding for water quality grant and loan programs is projected to decrease from FY23 forecast amount of $19.7MM to a total of $15.16MM to correlate with water receipts

American Rescue Plan Act (ARPA), State and Local Funds (SLF), Emergency Rental Assistance 2 (ERA2), and Homeowners Assistance Fund (HAF):

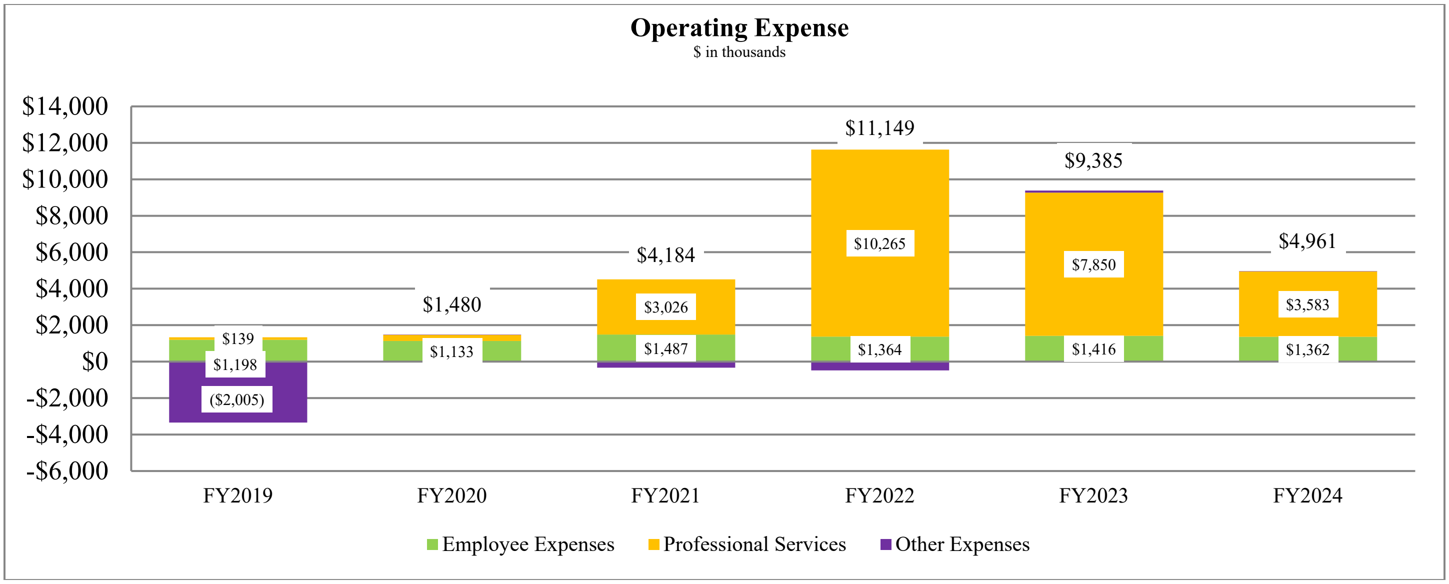
- Infrastructure funds for water (WIF Programs) totaling $76MM in FY23 with an additional $45MM added in FY24 were allocated to the following programs with the remainder in parentheses: Economically Significant $83MM ($76.4MM), Watershed Protection $8MM ($6.2MM), Industrial Water Reuse/Conservation $15MM ($15MM), Wastewater Infrastructure for Unsewered Communities (WIUC) for Onsite Septic Grants $10MM ($5.9MM), and WIUC for Community Grants $5MM ($4.6MM). These will be disbursed through FY26
- Treasury will pull back the remaining $56MM from the now closed Iowa Rent and Utilities Assistance Program (IRUAP)
- Homeowner's Assistance Fund (HAF) has $39.8MM of the $50MM remaining, of which $10MM will be allocated to the new Housing Rehabilitation Program
- Refugee Resettlement Assistance funding was changed from ERA1 to ERA2 and $12MM to $3MM respectively and has $2.6MM remaining
- Rapid Rehousing Project (RRH) along with Coordinated Entry, were allocated $21.6MM in FY23 with $18.7MM remaining
- Home ARP was funded at $30MM in FY23 to be disbursed over 10 years, and disbursements will begin in FY24
- ARPA funds were allocated to the Coronavirus State and Local Fiscal Recovery Fund (SLF) and the following programs will begin in FY24: ARPA Home Rehab Block Grant $4MM, ARPA LIHTC $33MM, and Iowa Home Grant $20MM.

FY24 - Financial Statement Highlights (FY24 Budget compared to FY23 Forecast)



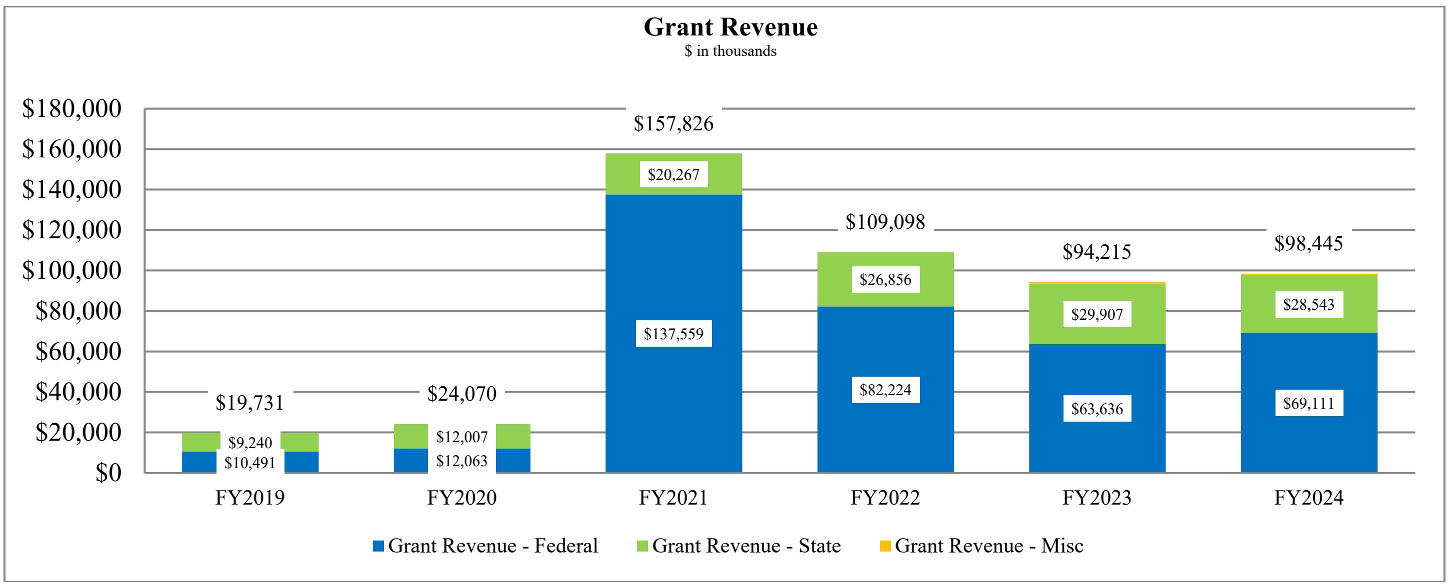
Total Operating Income of $1.5MM, an increase of 40% compared to FY23 Forecast of $1.07MM

- Interest Revenue of $1.15MM is an increase of 18% due to the increase in interest rates
- Budgeted Fee Revenue of $0.35MM increased from forecast due the number of projects currently in the process for Private Activity Bonds



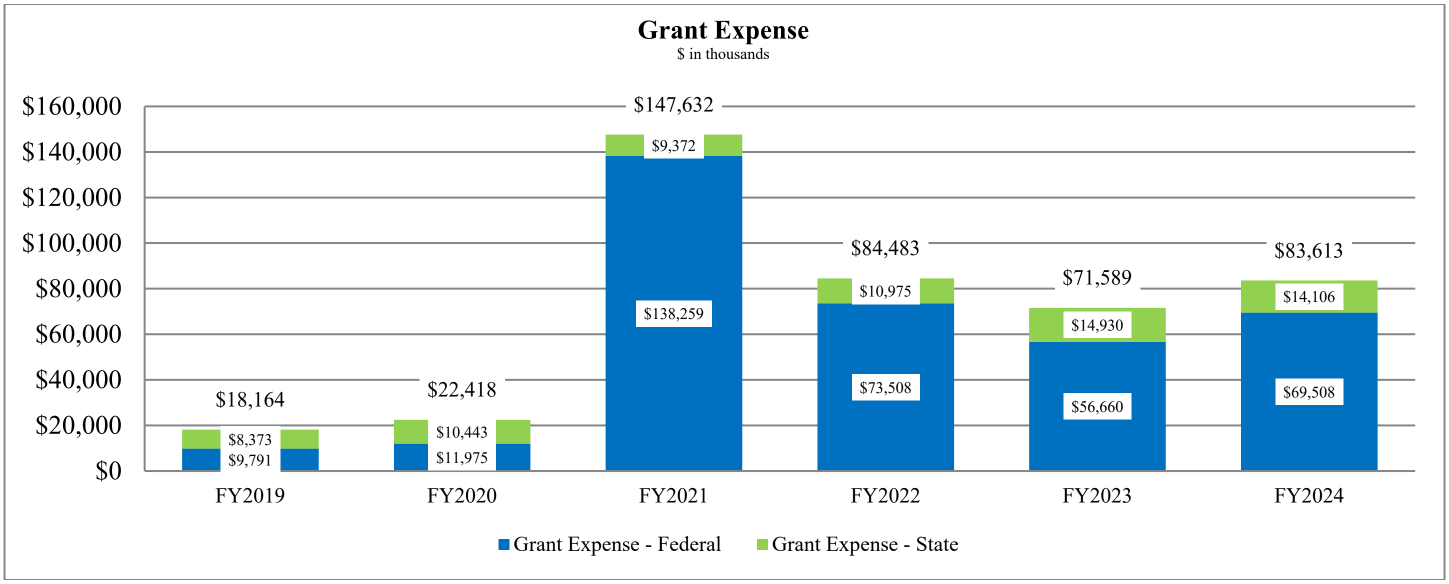
Budgeted Operating Expenses of $4.96MM are a decrease of 47% from FY23 forecasted Operating Expenses

- This decrease is directly related to the professional services for the now closed IRUAP.
- Employee costs decreased by 4%, also due to the closing of IRUAP.



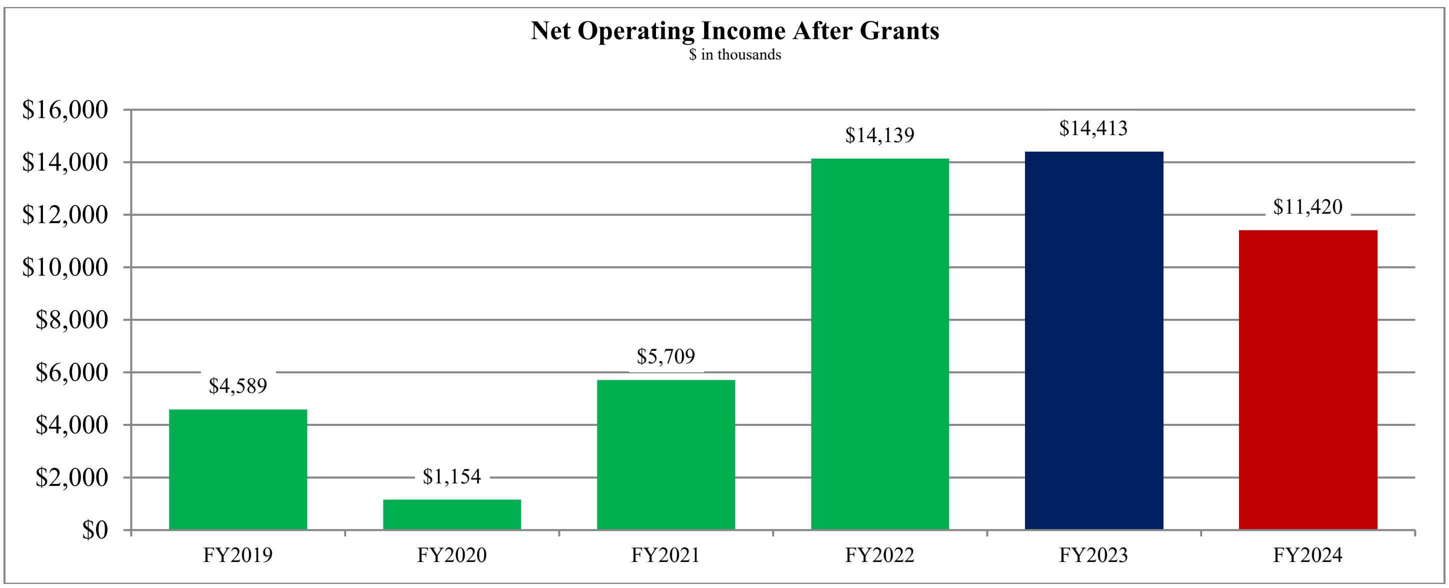
Grant Revenue is budgeted to be $98.45MM, $4.23MM or 4% over FY23

- Federal Grant Revenue of $69.1MM, an increase of $5.48MM or 8.6%, over forecast due the addition of ARPA and SLF Programs, which offset the closeout of IRUAP
- State Grant Revenue of $28.5MM is comparable to FY23, with only a 4.6% decrease due to the decrease in water quality funds

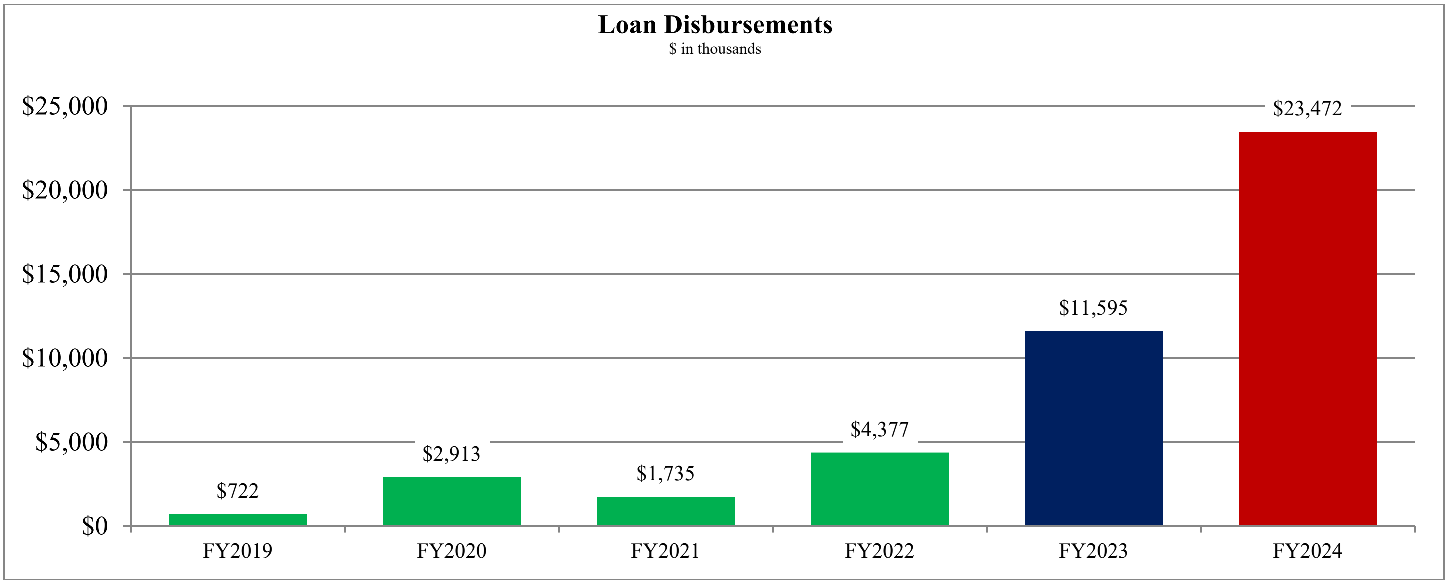


Budgeted Grant Expense is $83.6MM, $12.02MM or 17% above FY23 forecast

- Federal Grant Expense of $69.51MM, an increase of 22.7% over FY23 forecast
- State Grant Expense is budgeted to decrease $0.82MM, or 5.52% over forecast



Budgeted Net Operating Income after Grants of $11.42MM, a decrease of 20.8% over the forecasted $14.41MM, is largely due to an increase in disbursements for the water quality grant program.



Loan Fund Programs:

- Loan balance net of reserve for losses expected to increase by $19.85MM due to loan disbursements exceeding loan repayments
- Budgeted loan disbursements of $23.47MM
    - $1.00MM Shenandoah
    - $1.00MM Chandler Pointe
    - $1.00MM Graceview Courtyard
    - $1.00MM VIVE
    - $0.50MM Hope Haven
    - $0.83MM NISHNA
    - $3.144MM in disbursements through the HOME loan program
    - $5.0MM in Water Quality Loan program
    - $10.0MM in ARPA LIHTC

Balance Sheet	Bud24 Federal and State Grant Programs (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivelents	17,344,208	18,754,649	22,416,265	49,912,853	238,210,659	250,911,829	150,757,662	113,107,482	(37,650,179)	-25%
Investments	-	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	51,724,834	50,729,836	51,677,290	46,570,098	38,920,347	37,965,492	46,125,711	65,973,580	19,847,869	43%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	171,706	564,156	270,864	109,775	698,588	(1,822,168)	(430,391)	(430,391)	-	0%
Deferred Outflows	-	-	-	-	-	-	-	-	-	0%
Total Assets and Deferred Outflows	69,240,747	70,048,641	74,364,419	96,592,726	277,829,595	287,055,154	196,452,982	178,650,672	(17,802,310)	-9%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	1,424,290	1,519,452	1,442,020	22,535,239	198,170,176	193,690,855	88,627,210	59,592,123	(29,035,088)	-33%
Equity	67,816,457	68,529,190	72,922,398	74,057,487	79,659,419	93,364,299	107,825,772	119,058,549	11,232,778	10%
Total Liabilities, Deferred Inflows, and Equity	69,240,747	70,048,641	74,364,419	96,592,726	277,829,595	287,055,154	196,452,982	178,650,672	(17,802,310)	-9%

Income Statement	Bud24 Federal and State Grant Programs (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Operating Revenue										
Interest Revenue	349,626	429,914	548,233	646,828	264,895	294,439	972,322	1,149,196	176,874	18%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	407,363	394,421	312,228	170,784	232,664	378,634	99,832	350,000	250,168	251%
Other Revenue	-	-	-	-	-	-	-	-	-	0%
Total Operating Revenue	756,989	824,335	860,461	817,612	497,559	673,073	1,072,154	1,499,196	427,042	40%
Operating Expense										
Interest Expense	-	-	-	-	-	2,000	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expenses	1,382,697	1,268,115	1,197,545	1,133,392	1,486,850	1,364,116	1,416,180	1,362,001	(54,179)	-4%
Shared Expenses	111,742	111,854	143,801	11,849	37,558	16,379	11,518	9,796	(1,722)	-15%
Marketing Expense	6,599	13,114	4,411	260	-	178	4,386	5,000	614	14%
Professional Services	170,614	219,500	138,883	332,749	3,026,442	10,265,448	7,850,372	3,583,497	(4,266,876)	-54%
Claim and Loss Expenses	(238,146)	(335,688)	(3,576,000)	(217,777)	(541,000)	(645,873)	(57,000)	(144,000)	(87,000)	153%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	694	131	2,207	365	2,713	341	75	300	225	300%
Overhead Allocation	113,266	90,017	84,426	219,458	171,705	146,218	159,067	144,431	(14,635)	-9%
Total Operating Expense	1,547,467	1,367,043	(2,004,727)	1,480,297	4,184,268	11,148,808	9,384,598	4,961,026	(4,423,573)	-47%
Net Operating Income (Loss) Before Grants	(790,478)	(542,709)	2,865,188	(662,685)	(3,686,709)	(10,475,735)	(8,312,445)	(3,461,830)	4,850,615	-58%
Net Grant (Income) Expense										
Grant Revenue	(22,147,560)	(17,859,162)	(19,730,889)	(24,070,024)	(157,826,234)	(109,097,550)	(94,214,959)	(98,444,846)	(4,229,887)	4%
Grant Expense	19,981,700	15,905,629	18,164,322	22,418,401	147,631,573	84,482,979	71,589,430	83,613,223	12,023,793	17%
Intra-Agency Transfers	(1,307,653)	464,380	(157,327)	(165,000)	799,163	-	(100,000)	(50,000)	50,000	-50%
Total Net Grant (Income) Expense	(3,473,513)	(1,489,153)	(1,723,894)	(1,816,623)	(9,395,499)	(24,614,571)	(22,725,529)	(14,881,622)	7,843,906	-35%
Net Operating Income (Loss) After Grants	2,683,035	946,445	4,589,082	1,153,939	5,708,790	14,138,836	14,413,084	11,419,793	(2,993,291)	-21%
Non-Operating (Income) Expense	-	-	-	-	-	-	-	-	-	0%
Net Income (Loss)	2,683,035	946,445	4,589,082	1,153,939	5,708,790	14,138,836	14,413,084	11,419,793	(2,993,291)	-21%
IFA Staff Count by Home Dept	9.0	9.0	7.9	5.8	7.1	7.8	7.7	9.0	1.3	17%
Contractor Staff Count by Home Dept	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	11.7	10.8	10.4	8.4	11.6	10.7	11.2	11.3	0.0	0%

To: IFA Board Members
From: Becky Wu
Date: April 25, 2023
Re: FY24 Budget Overview – Iowa Agricultural Development Division (IADD)

Strategic Goal: To provide financial opportunities for beginning farmers.

Programs: The IADD oversees the Beginning Farmer Loan Program (BFLP), Beginning Farmer Tax Credit Program (BFTC), and Loan Participation Program (LPP) to assist beginning farmers to buy or lease land, equipment, and livestock.

Revenues: Programs generate revenues through applications and closing fees, as well as from interest on LPP loans.

Expenditures: The main expenditures are employee, professional services and overhead allocation.

FY23 Financial Statement Highlights (FY 23 Forecast compared to FY23 Budget - in thousands)

A forecast for remainder of FY23 has been prepared in conjunction with FY23 Budget. The forecast considers actual results from the first nine months and creates three months of projections. The forecast will be used as the starting point for the FY24 Budget.

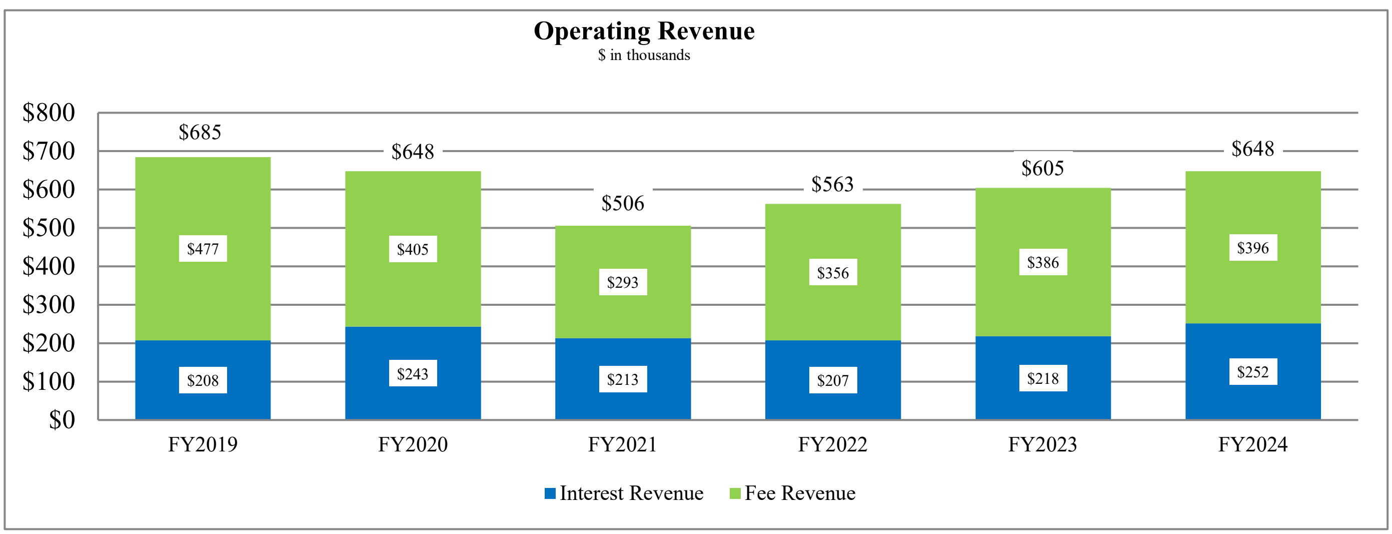
Total Assets of $7,253 is $4 below budget. LPP Loan balance net of reserve for losses is $6,089 and is $395 or 6% below budget, due to timing on LPP loan closings. Cash and Cash Equivalents are $379 or 52% above budget.

Total Operating Revenue of $605 is comparable to budget.

Total Operating Expense of $344 is $65 or 16 % below budget, due to less Professional Services and Employee expenses.

Net Income of $261 is favorable to budget by $58 or 29%.

FY24 - Financial Statement Highlights (FY24 Budget compared to FY23 Forecast - in thousands)

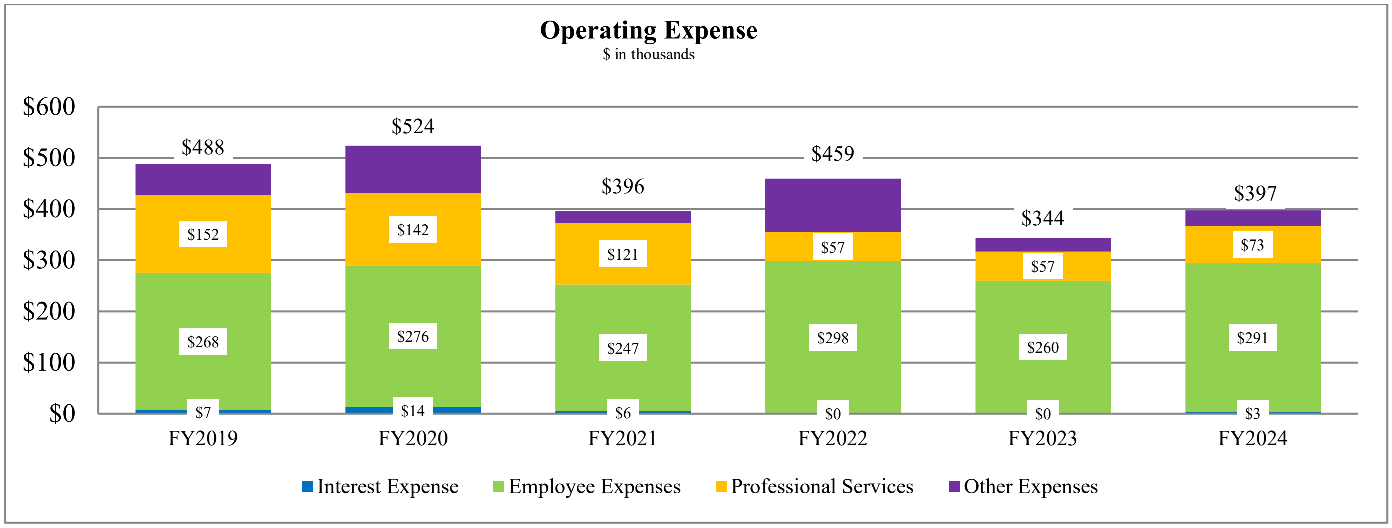


Operating Revenue is $43 or 7% above FY23. The assumptions are BFLP and LPP loan fee revenues increasing, but BFTC application fees decreasing.

Fee Revenue is budgeted to slightly increase $10 or 3%, primarily due to increase in BFLP loan closings.
Interest Revenue is budgeted to increase $33 or 15%, due to new loans and higher interest rates.

BFLP Closing Fee Revenue is budgeted at $250 and LPP Closing Fee Revenue is budgeted at $21.

BFTC Fee Revenue is budgeted to be $125 with the assumption of the new Tax Exemption Law which may reduce BFTC applications in 2023 and 2024. BFTC maximum allocation is still $12 million.



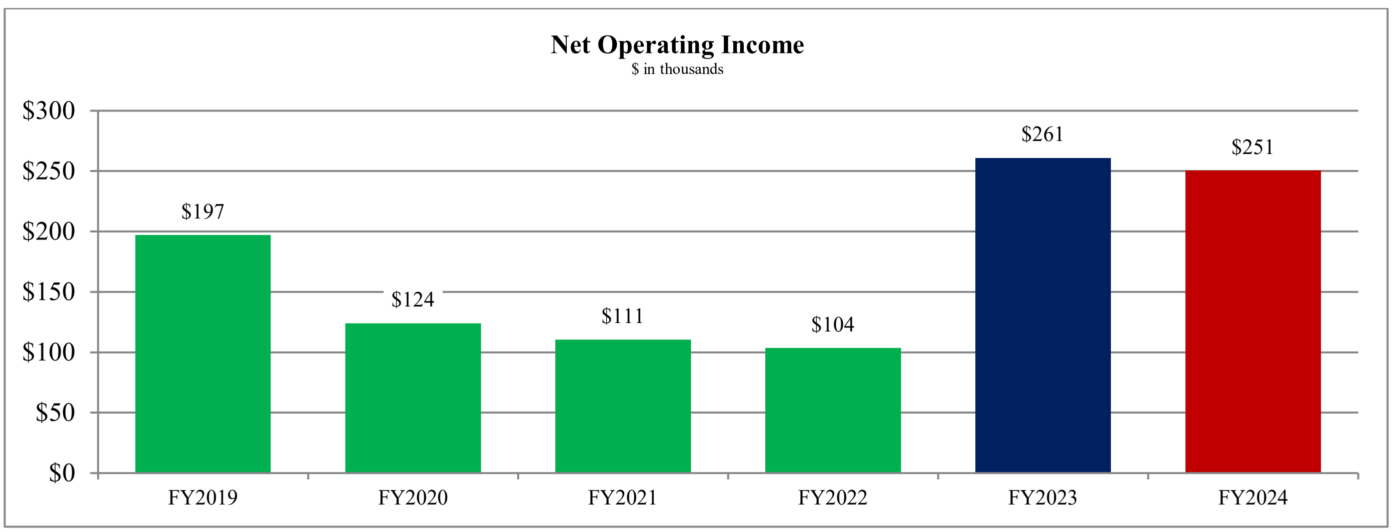
Operating Expense is budgeted to increase $53 or 16%, primarily due to increase in Employee and Professional Services expenses.

Employee Expense is budgeted to increase $31 or 12%, due to planned 3% step and cost of living increase expenses.

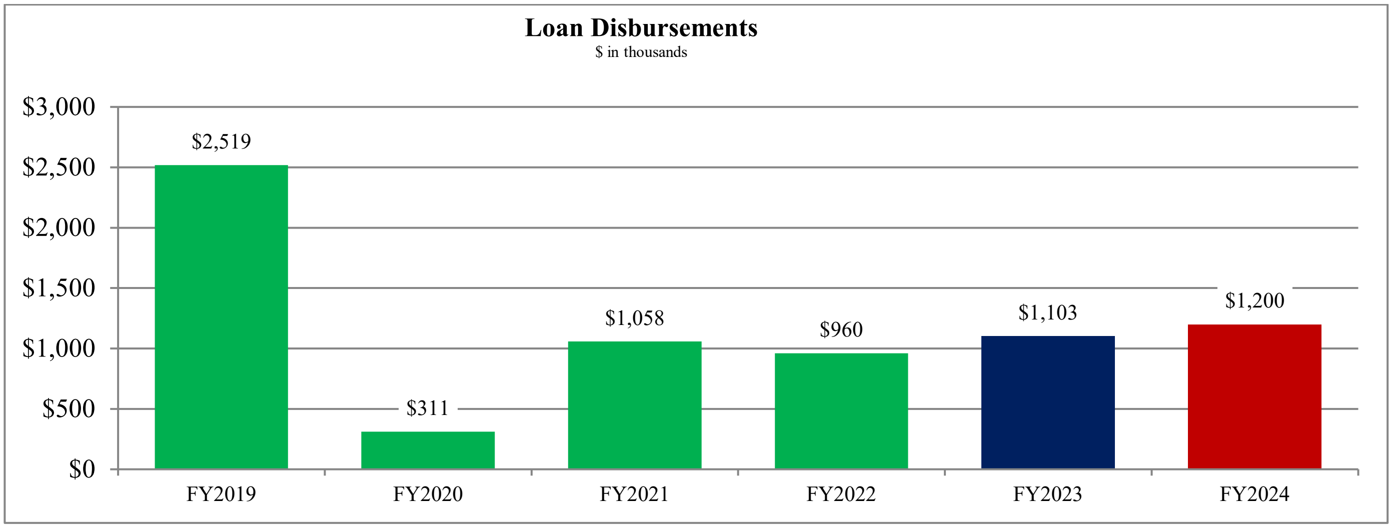
Professional Services is budgeted to increase $16 or 27%. Dorsey Legal Expense is budgeted at 25% of BFLP and LPP Fee Revenues.

Interest Expense is budgeted at $3 due to anticipated of borrowing $600 from Line of Credit (LOC). IADD is planning to pay interest on LOC semiannually.

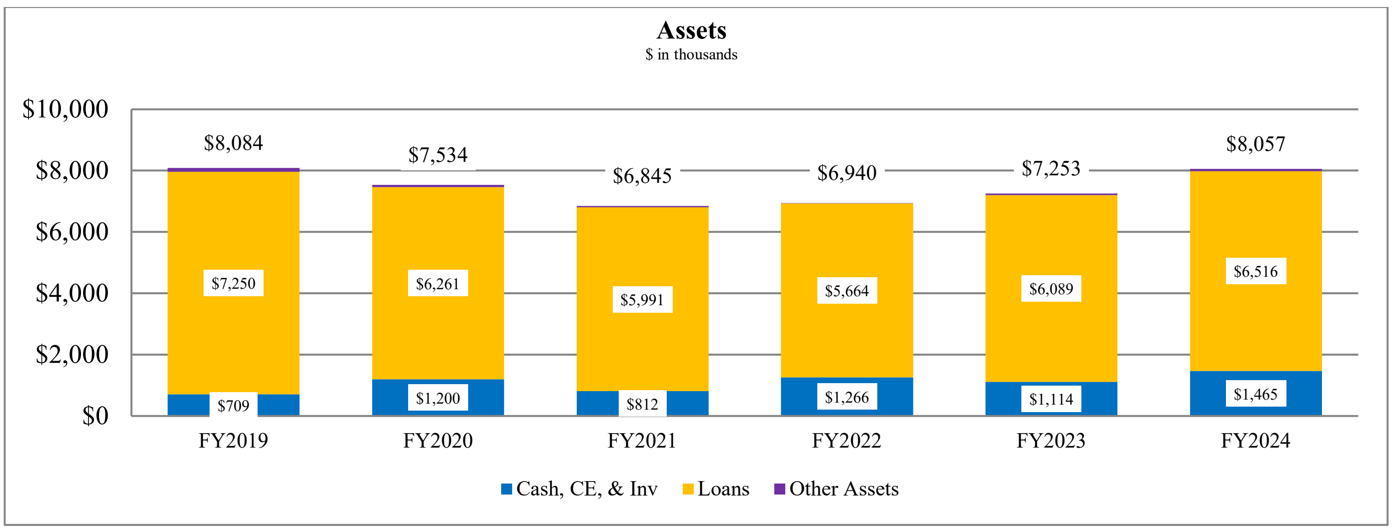
March 6, 2019, IFA Board agreed to loan IADD up to $3 million as a LOC for new LPP loans at 1% annual interest rate and the Resolution has no expiration date.



Net Income is budgeted $10 or 4% below FY23.



Estimated six new LPP loans at $200 each, totaling $1.2 million dollars. Application fee is one hundred dollars each; closing fees are 1.5% of total loan amount.



Total Assets are budgeted to increase $804 or 11%, due to increase in interest revenue, loan closings and repayments.

Estimated LPP loan principal repayments are $750.

Balance Sheet	Bud24 Agriculture Development Division (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivelents	1,649,372	620,867	709,047	1,199,547	811,623	1,265,581	1,113,796	1,465,018	351,222	32%
Investments	232,222	236,165	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	4,309,520	5,638,791	7,250,151	6,261,062	5,991,370	5,663,838	6,088,719	6,516,462	427,743	7%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	56,928	74,995	124,785	73,026	41,922	10,084	50,866	75,714	24,848	49%
Deferred Outflows	-	-	-	-	-	-	-	-	-	0%
Total Assets and Deferred Outflows	6,248,041	6,570,817	8,083,982	7,533,635	6,844,915	6,939,504	7,253,381	8,057,194	803,813	11%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	68,537	167,378	1,483,484	809,031	9,740	828	53,783	607,033	553,250	1029%
Equity	6,179,504	6,403,439	6,600,498	6,724,604	6,835,175	6,938,676	7,199,598	7,450,161	250,563	3%
Total Liabilities, Deferred Inflows, and Equity	6,248,041	6,570,817	8,083,982	7,533,635	6,844,915	6,939,504	7,253,381	8,057,194	803,813	11%

Income Statement	Bud24 Agriculture Development Division (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Operating Revenue										
Interest Revenue	127,267	156,797	207,728	243,321	213,231	207,077	218,476	251,709	33,233	15%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	513,156	540,021	477,101	404,513	293,098	355,776	386,208	396,000	9,792	3%
Other Revenue	-	-	-	-	-	-	-	-	-	0%
Total Operating Revenue	640,423	696,818	684,829	647,835	506,329	562,853	604,684	647,709	43,025	7%
Operating Expense										
Interest Expense	-	461	7,026	13,652	5,572	-	125	3,250	3,125	2500%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expenses	280,075	253,531	268,251	275,714	246,776	298,113	259,772	290,850	31,077	12%
Shared Expenses	29,292	28,661	35,984	5,481	2,521	2,897	2,210	2,850	640	29%
Marketing Expense	18,262	10,712	8,686	7,017	195	2,603	5,200	4,800	(400)	-8%
Professional Services	206,492	166,518	151,823	141,626	120,605	56,552	56,967	72,550	15,583	27%
Claim and Loss Expenses	15,872	13,000	16,000	45,000	(3,000)	82,000	3,001	4,321	1,319	44%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	-	-	-	-	-	-	-	-	-	0%
Overhead Allocation	-	-	-	35,239	23,090	17,188	16,486	18,525	2,040	12%
Total Operating Expense	549,993	472,883	487,770	523,729	395,758	459,353	343,761	397,146	53,384	16%
Net Operating Income (Loss) Before Grants	90,430	223,935	197,059	124,106	110,571	103,500	260,922	250,563	(10,359)	-4%
Net Grant (Income) Expense										
Grant Revenue	-	-	-	-	-	-	-	-	-	0%
Grant Expense	-	-	-	-	-	-	-	-	-	0%
Intra-Agency Transfers	-	-	-	-	-	-	-	-	-	0%
Total Net Grant (Income) Expense	-	-	-	-	-	-	-	-	-	0%
Net Operating Income (Loss) After Grants	90,430	223,935	197,059	124,106	110,571	103,500	260,922	250,563	(10,359)	-4%
Non-Operating (Income) Expense	-	-	-	-	-	-	-	-	-	0%
Net Income (Loss)	90,430	223,935	197,059	124,106	110,571	103,500	260,922	250,563	(10,359)	-4%
IFA Staff Count by Home Dept	2.0	2.0	2.0	2.0	2.0	1.8	1.3	2.0	0.7	50%
Contractor Staff Count by Home Dept	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	3.0	2.4	2.4	2.4	2.1	2.2	2.3	2.4	0.0	0%

To: IFA & ITG Board Members
From: David Morrison
Date: April 25, 2023
RE: FY24 Iowa Title Guaranty Budget Overview

FY23 Forecast

A forecast for the remainder of FY23 has been prepared in conjunction with the FY24 Budget. It considers the first nine months of actual results and three months of projections using current trends and input from ITG leaders. Thus, creating a starting point for the FY24 Budget and is used for all FY23 to FY24 comparisons.

Total Operating Income is forecast to exceed FY23 budget by $688k or 6.7%.

- Premiums increased 7.2% to $10.5MM compared to $9.8MM budget, primarily related to higher volume of purchase and refinance certificates issued.
- Endorsements increase 38.4% from $180k to $249k primarily in the Commercial sector.
- Mortgage Release premiums increased 70.4% or $36.8k compared to $21.6k budget.
- Annual Participant renewals increased 16.3% or $12.2k.

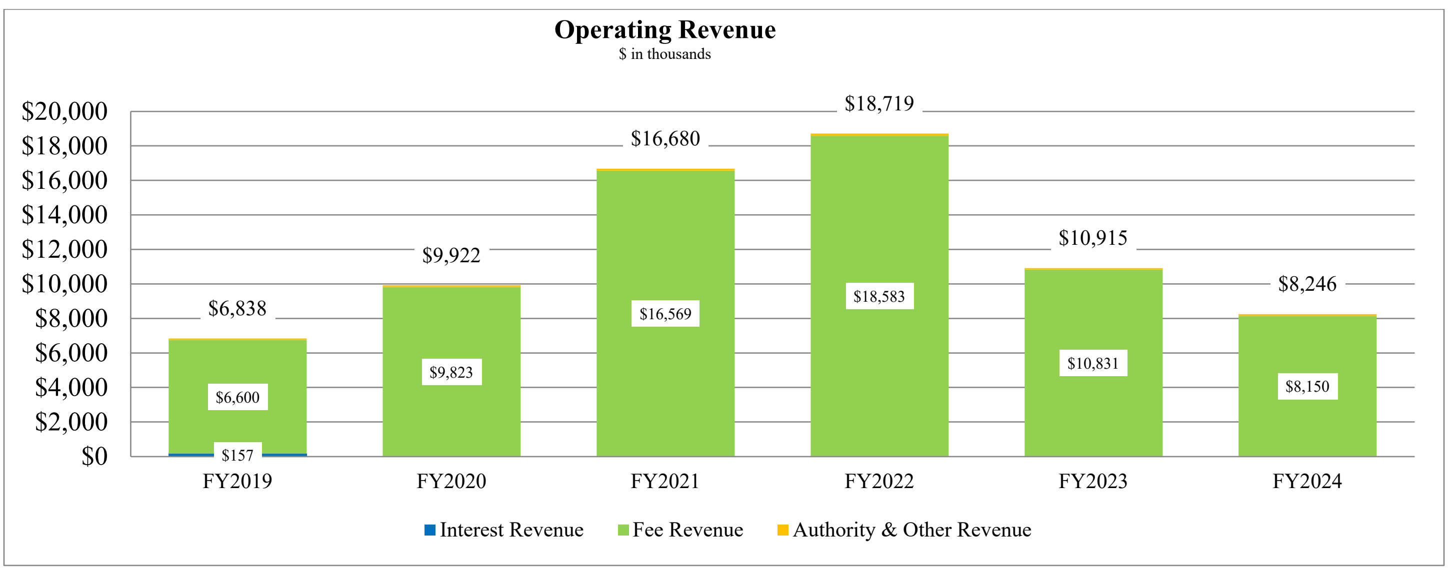
Total Operating Expenses of $6.9MM are $0.6MM or 8.5% below budget of $7.6MM.

- Primarily driven by lower Employee Expenses related to Staffing, Travel and Education ($333k).
- Lower Professional Services primarily related to Audit Fees and Banking Fees ($211k).

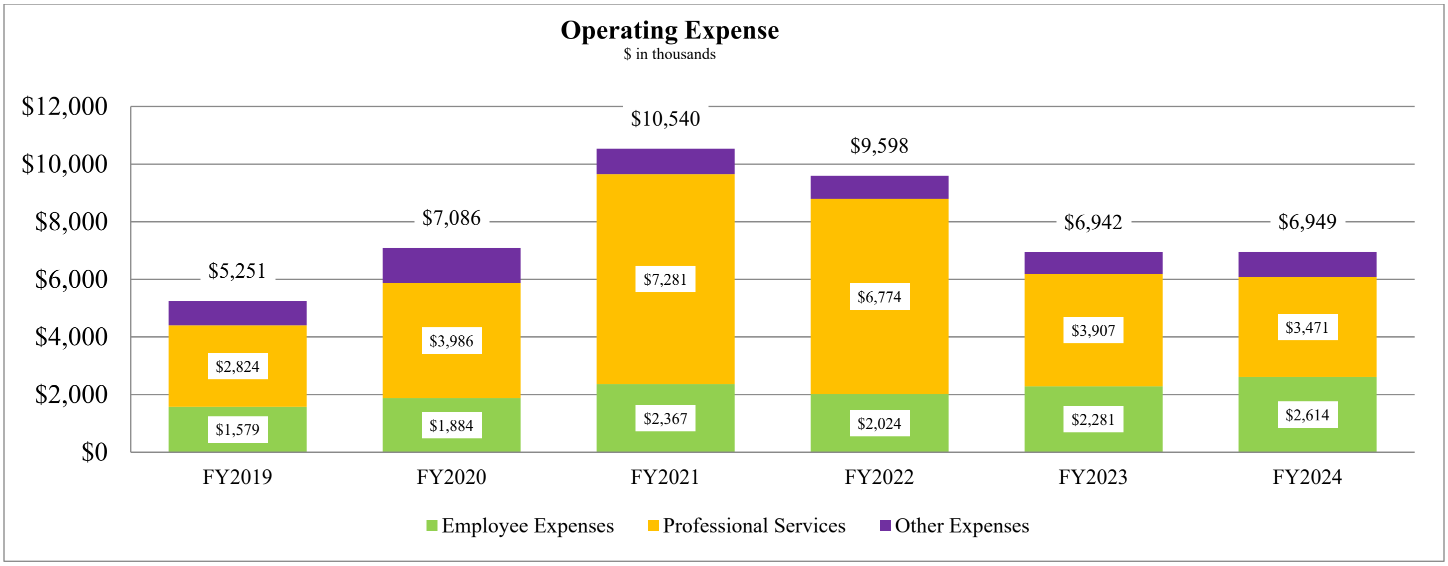
Transfers to Housing Assistance Fund are forecast at $3.75MM, $2.75MM or 275.0% more than budget.

As a result, **Net Operating Income After Grants** forecast of $223k trails budget by $1.4MM.

FY24 - Financial Statement Highlights (FY24 Budget compared to FY23 Forecast)



Total Operating Revenue $8.2MM or decrease of 24.5% under FY23 forecast. Expected market decrease in residential purchase 10% and refinance 60% activity, and 24.7% decrease in commercial activity.



Total Operating Expenses are budgeted to decrease $8k or 0.1% compared FY23 forecast.
Employee Expenses are budgeted to increase $0.3MM, or 14.6% compared to FY23, due to:

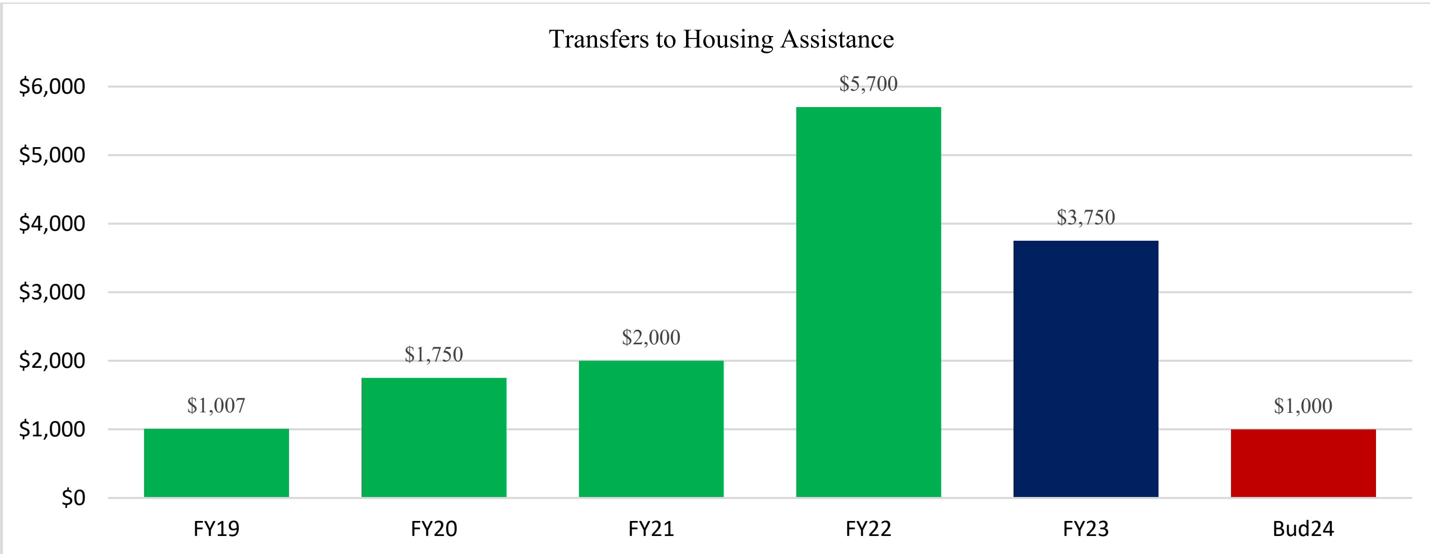
- Positions that were vacant for various time periods in FY23 are budgeted to be filled during FY24.
- Scheduled Step Increases and Cost of Living Increases – 3% each.
- Increased Travel and Education which was lower in FY23 related to continued use of remote sessions, cancelled events and staff availability.

Professional Services are budgeted to be $3.5MM in FY24, a decrease of $436k or 11.2%, compared to forecasted amounts in FY23, due to:

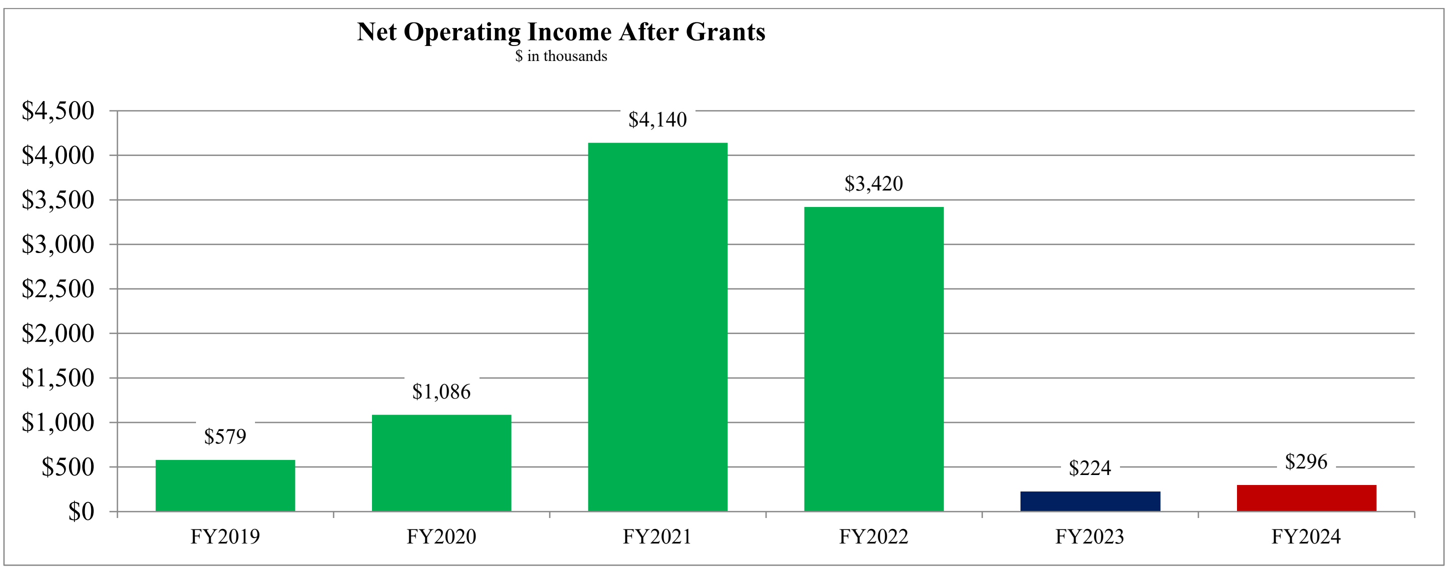
- Field issuer incentives are budgeted to be 38.3% of residential premiums in FY23 compared to 37.3% in FY23. Resulting in decreased expenses of $841k.

Other Operating expenses in FY24 are budgeted to be $110k higher than FY23, due to:

- Increased Shared Expenses $20k related to anticipated increases in subscriptions, E&O Insurance coverage and postage.
- Increased Marketing and Sponsorships $35k
- Increased Claim and Loss Expense
- Increased Direct Cost Transfer $25k related to 1963 Bell facility.
- Increased Misc. Operating expenses $4k related to third party closing cost, such as recording fees, associated with Commercial closing transactions.



Transfers to Housing Assistance Fund from Title Guaranty.



As a result, NOIAG is $0.07MM or 32.5% favorable to FY23 forecast.

Balance Sheet	Bud24 Iowa Title Guaranty Division (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivelents	10,406,451	9,942,205	11,383,211	13,207,122	22,103,806	23,808,754	20,877,292	21,373,386	496,094	2%
Investments	-	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	-	-	-	-	-	-	-	-	-	0%
Capital Assets (net)	2,645	2,311	-	-	-	-	-	-	-	0%
Other Assets	181,209	170,558	157,800	655,647	815,341	102,276	(252,147)	(252,147)	-	0%
Deferred Outflows	283,103	393,180	307,669	270,190	317,864	532,199	268,126	268,126	-	0%
Total Assets and Deferred Outflows	10,873,408	10,508,254	11,848,680	14,132,960	23,237,011	24,443,229	20,893,271	21,389,365	496,094	2%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	4,656,295	4,364,872	5,125,977	6,324,600	11,288,630	9,074,493	5,300,825	5,500,586	199,761	4%
Equity	6,217,114	6,143,382	6,722,703	7,808,360	11,948,381	15,368,736	15,592,447	15,888,779	296,332	2%
Total Liabilities, Deferred Inflows, and Equity	10,873,408	10,508,254	11,848,680	14,132,960	23,237,011	24,443,229	20,893,271	21,389,365	496,094	2%

Income Statement	Bud24 Iowa Title Guaranty Division (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Operating Revenue										
Interest Revenue	54,124	85,620	157,327	-	-	-	-	-	-	0%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	8,084,427	7,628,252	6,599,796	9,823,305	16,569,448	18,582,957	10,830,912	8,149,793	(2,681,119)	-25%
Other Revenue	164,496	116,531	80,805	98,264	110,475	135,692	84,433	96,000	11,567	14%
Total Operating Revenue	8,303,047	7,830,404	6,837,929	9,921,570	16,679,923	18,718,649	10,915,345	8,245,793	(2,669,552)	-24.5%
Operating Expense										
Interest Expense	-	-	-	-	-	-	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expenses	2,155,089	2,253,501	1,579,076	1,884,471	2,367,317	2,023,930	2,280,754	2,613,661	332,908	14.6%
Shared Expenses	247,240	388,091	477,646	241,094	227,612	270,611	277,037	296,839	19,803	7.1%
Marketing Expense	54,506	65,831	42,830	83,434	18,273	32,245	43,316	78,370	35,054	80.9%
Professional Services	3,547,146	3,170,936	2,823,868	3,985,680	7,280,784	6,773,909	3,906,916	3,470,839	(436,077)	-11.2%
Claim and Loss Expenses	(116,877)	513,596	246,273	529,742	335,664	177,369	193,689	220,000	26,311	13.6%
Service Release Premium	-	-	-	-	-	-	-	-	-	0.0%
Miscellaneous Operating Expense	166,586	116,620	81,588	101,264	109,661	149,100	86,835	91,200	4,365	5.0%
Overhead Allocation	-	-	-	260,228	200,591	171,129	153,089	178,551	25,462	16.6%
Total Operating Expense	6,053,689	6,508,575	5,251,281	7,085,913	10,539,902	9,598,294	6,941,634	6,949,461	7,827	0.1%
Net Operating Income (Loss) Before Grants	2,249,357	1,321,829	1,586,648	2,835,657	6,140,021	9,120,355	3,973,711	1,296,332	(2,677,378)	-67%
Net Grant (Income) Expense										
Grant Revenue	-	-	-	-	-	-	-	-	-	0%
Grant Expense	-	-	-	-	-	-	-	-	-	0%
Intra-Agency Transfers	1,354,124	1,235,620	1,007,327	1,750,000	2,000,000	5,700,000	3,750,000	1,000,000	(2,750,000)	-73%
Total Net Grant (Income) Expense	1,354,124	1,235,620	1,007,327	1,750,000	2,000,000	5,700,000	3,750,000	1,000,000	(2,750,000)	-73%
Net Operating Income (Loss) After Grants	895,233	86,208	579,321	1,085,657	4,140,021	3,420,355	223,711	296,332	72,622	32.5%
Non-Operating (Income) Expense	-	-	-	-	-	-	-	-	-	0%
Net Income (Loss)	895,233	86,208	579,321	1,085,657	4,140,021	3,420,355	223,711	296,332	72,622	32%
IFA Staff Count by Home Dept	17.7	18.3	14.4	13.7	18.6	19.7	20.6	21.5	0.9	4%
Contractor Staff Count by Home Dept	0.1	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	19.2	20.0	16.1	16.3	20.9	21.2	21.1	22.7	1.5	7%

To:	Iowa Finance Authority Board Members
From:	Deena Klesel
Date:	April 25, 2023
Subject:	**FY24 State Revolving Fund Budget**

FY23 Forecast – State Revolving Fund (SRF)

A forecast for the remainder of FY23 has been prepared in conjunction with the FY24 Budget. It considers the first nine months of actual results and three months of projections using current trends and input from program leaders. This creates a starting point for the FY24 Budget and is used for all FY23 to FY24 comparisons:

Total Operating Revenue of $59.65 million (MM) is forecast to be $10.13MM or 20% above Budget.

Total Operating Expenses of $64.38MM is forecast to be $4.86MM or 8% above Budget.

Net Grant Income of $61.04MM is forecast to be $79.16MM or 56% below Budget. Application delays for three of the 2022 Bipartisan Infrastructure Law Capitalization Grants (Drinking Water Lead Service Line Replacement $44.91MM, Drinking Water Emerging Contaminants $11.97MM, and Clean Water Emerging Contaminates $1.27MM) resulted in a $58.15MM reduction in Grant Revenue compared to budget.

As a result, **Net Operating Income After Grants** of $56.31MM is forecast to be under Budget by $73.88MM or 57%.

The SRF bond issue for $225MM tax-exempt ($210MM Clean Water, $15MM Drinking Water) and $25MM taxable ($22MM Clean Water, $3MM Drinking Water) is expected to close in June of 2023.

FY24 - Budget Assumptions

New SRF loan volume is budgeted at $550.0MM:

- $400.0MM in Clean Water loans
- $150.0MM in Drinking Water loans

SRF loan disbursements of $321MM:

- $258.0MM in disbursements to Clean Water loans
- $63.0MM in disbursements to Drinking Water loans

Loan repayments are estimated to be $153.3MM:

- $113.0MM for Clean Water
- $42.25MM for Drinking Water

The total 2023 Federal Base Cap Grant is $17.55MM:

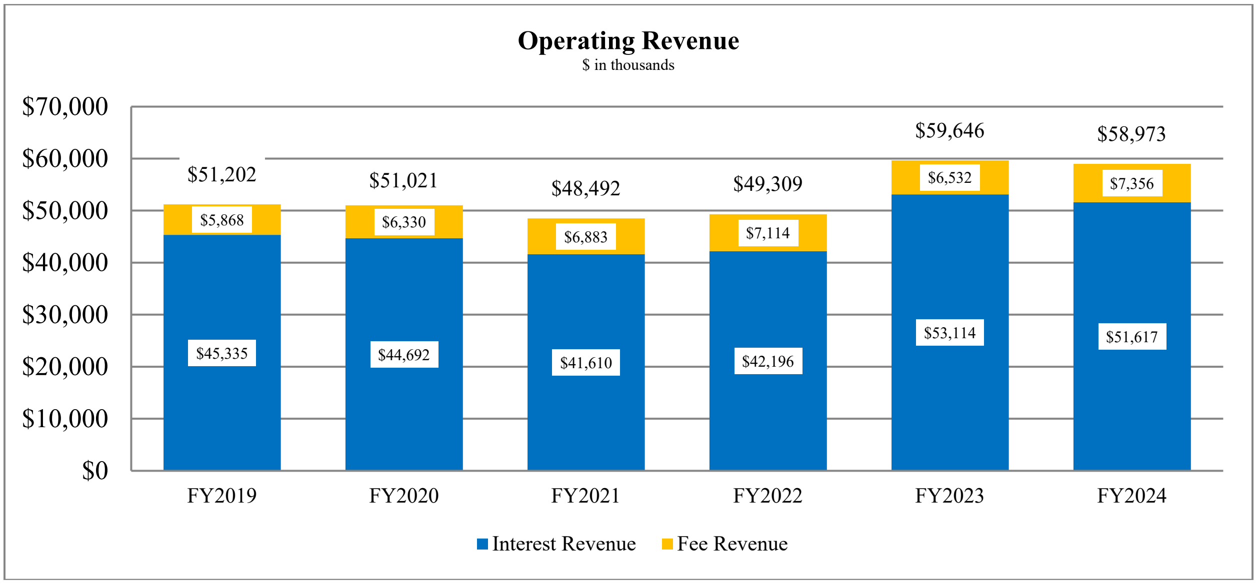
- $10.15MM for Clean Water ($9.7MM for loans and $406k for admin)
- $7.4MM for Drinking Water ($5.2MM for loans and $2.2MM for set-asides)

New 2023 Federal Cap Grant funding from the Bipartisan Infrastructure Law (BIL) total is $120.35MM:

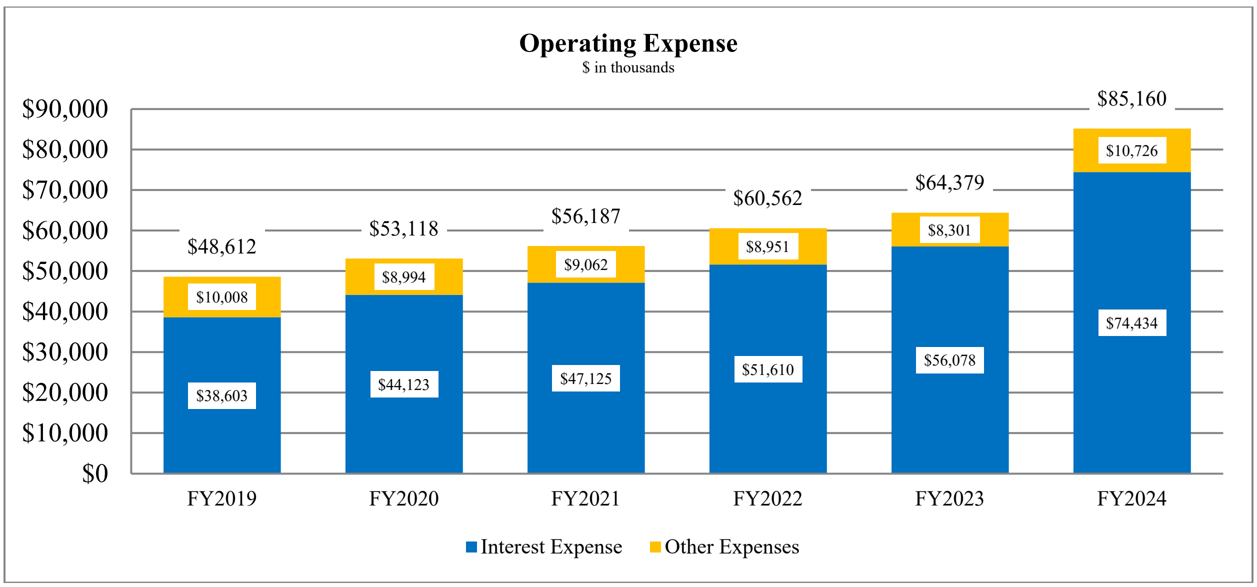
- $28.21MM for Supplemental Clean Water ($27.1MM for loans and $1.1MM for admin)
- $31.6MM for Supplemental Drinking Water (all for loans; no set-asides taken)
- $29.3MM for Drinking Water Lead Service Line Replacement (all for loans; no set-asides taken)
- $11.9MM for Drinking Water Emerging Contaminants (all for loans; no set-asides taken)
- $2.78MM for Clean Water Emerging Contaminants ($2.7MM for loans and $115k for admin)

An SRF bond issue is planned for February 2024.

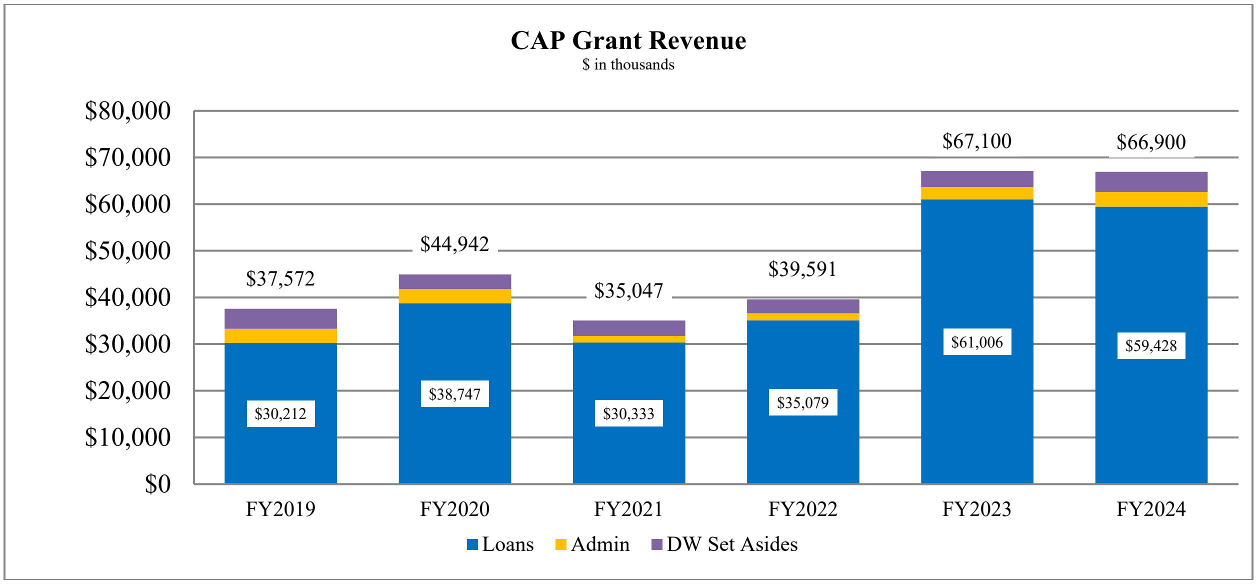
FY24 State Revolving Fund Budget



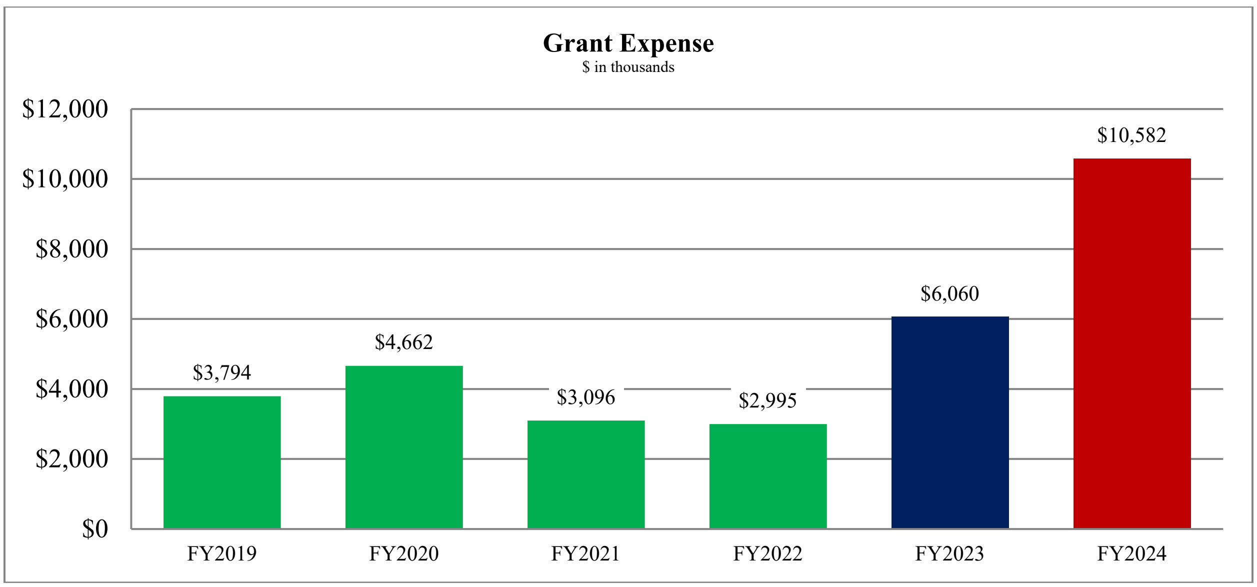
Total Operating Revenue of $58.97MM is a decrease of $673k or 1.1%.



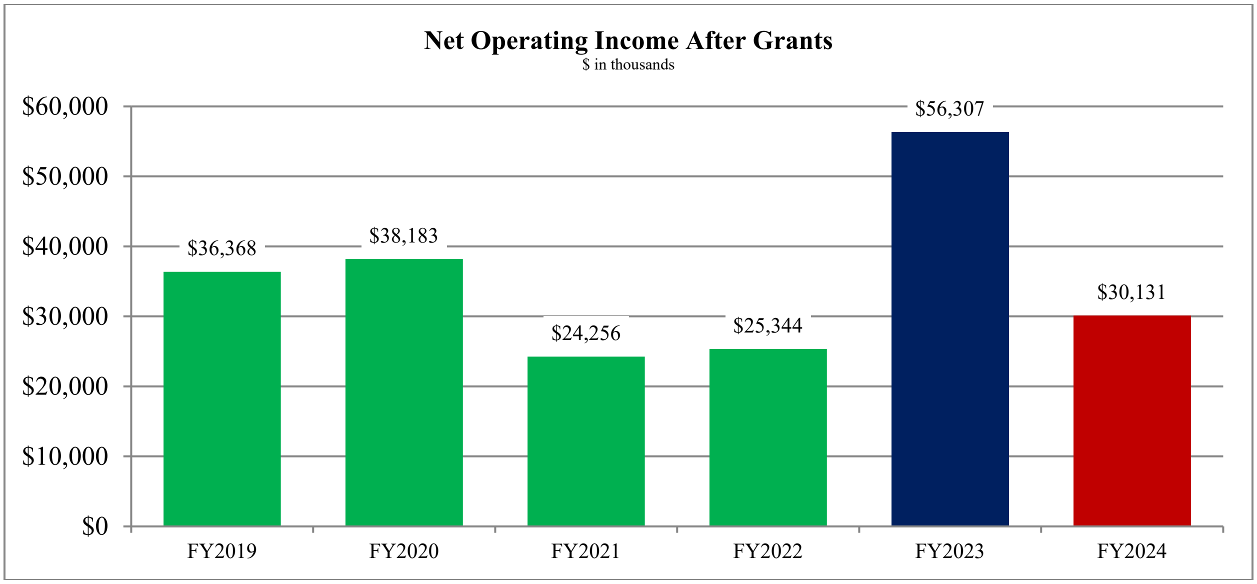
Total Operating Expenses of $85.1MM is an increase of $20.78MM or 32.3%.



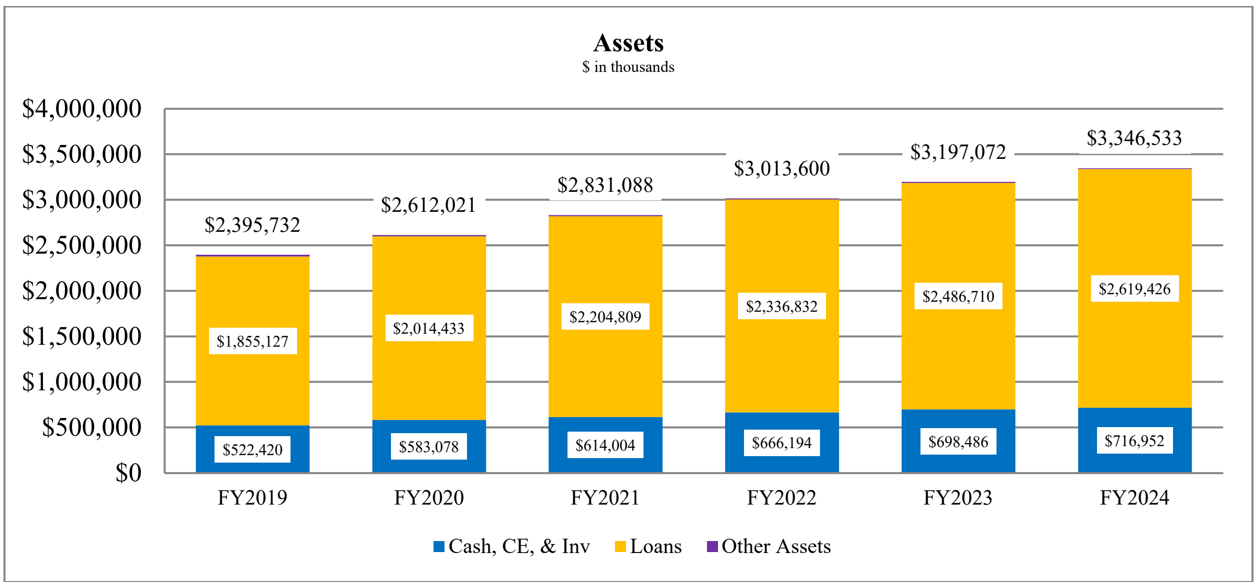
Cap Grant Revenue of $66.9MM is a decrease of $200k or 0.3%. Capitalization grants are a source of funding for the SRF and help to lower lending rates for the communities the SRF serves.



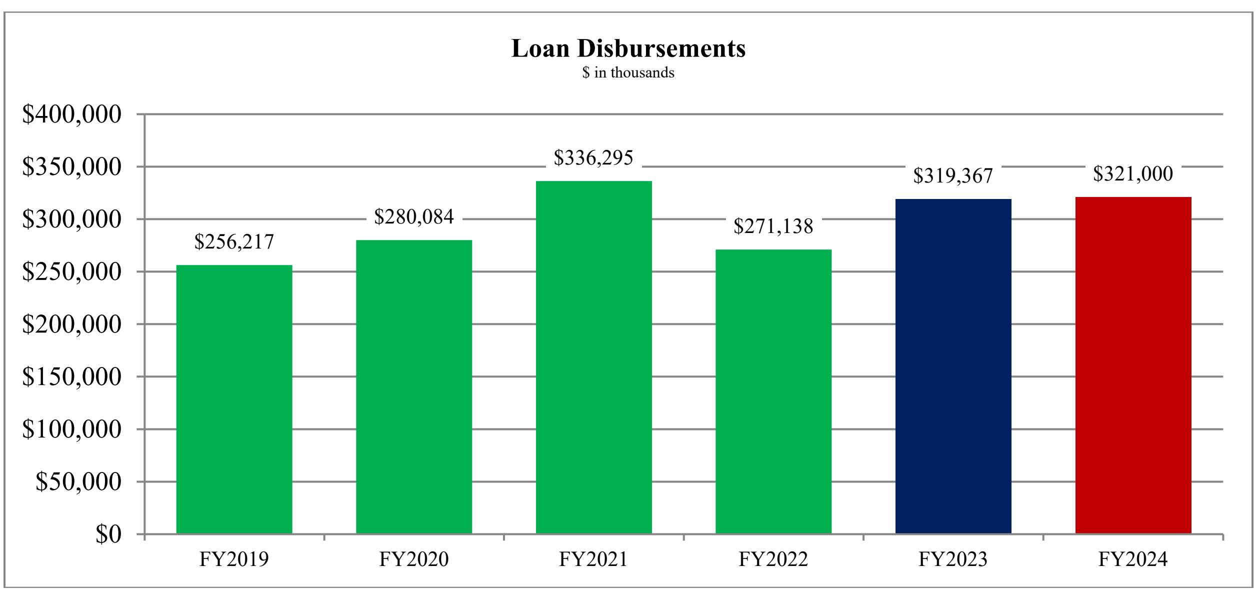
Grant Expense of $10.58MM is an increase of $4.5MM or 74.6% due to anticipated forgivable loans during FY24. Many of the Bipartisan Infrastructure Capitalization Grants require significant percentages of additional subsidization which is provided in the form of principal forgiveness at loan finalization.



As a result, **Net Operating Income After Grants** of $30.13MM is a decrease of $26.17MM or 46.5%.



Assets of $3,347MM is an increase of $149MM or 4.7%.



Loan Disbursements of $321MM is an increase of $1.6MM or 0.5%.

Balance Sheet	Bud24 State Revolving Fund (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivelents	278,802,410	335,758,010	449,499,489	513,034,913	555,850,664	597,800,121	628,134,016	641,700,890	13,566,874	2%
Investments	90,207,503	67,057,083	72,920,434	70,042,977	58,153,093	68,393,905	77,075,895	78,213,304	1,137,409	1%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	1,597,886,119	1,711,301,854	1,855,126,852	2,014,433,423	2,204,808,909	2,336,831,531	2,485,590,467	2,618,270,717	132,680,250	5%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	4,281,245	4,848,602	5,425,116	4,484,589	4,621,436	4,850,018	6,189,751	6,430,737	240,986	4%
Deferred Outflows	19,083,874	15,783,054	12,760,340	10,024,940	7,654,194	5,724,481	5,553,084	3,590,688	(1,962,396)	-35%
Total Assets and Deferred Outflows	1,990,261,152	2,134,748,603	2,395,732,232	2,612,020,843	2,831,088,296	3,013,600,056	3,202,543,214	3,348,206,336	145,663,123	5%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	1,099,118,848	1,214,691,889	1,438,731,713	1,616,330,377	1,811,492,888	1,970,272,024	2,130,240,150	2,249,373,926	119,133,776	6%
Equity	891,142,304	920,056,714	957,000,518	995,690,466	1,019,595,408	1,043,328,031	1,072,303,064	1,098,832,411	26,529,347	2%
Total Liabilities, Deferred Inflows, and Equity	1,990,261,152	2,134,748,603	2,395,732,232	2,612,020,843	2,831,088,296	3,013,600,056	3,202,543,214	3,348,206,336	145,663,123	5%

Income Statement	Bud24 State Revolving Fund (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Operating Revenue										
Interest Revenue	38,605,717	41,680,282	45,334,537	44,691,699	41,609,621	42,195,649	51,874,771	47,827,600	(4,047,171)	-8%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	4,912,467	5,577,513	5,867,826	6,329,547	6,882,666	7,113,659	6,794,528	7,346,253	551,725	8%
Other Revenue	-	4	4	4	-	2	-	-	-	0%
Total Operating Revenue	43,518,183	47,257,799	51,202,367	51,021,250	48,492,288	49,309,311	58,669,299	55,173,853	(3,495,446)	-6%
Operating Expense										
Interest Expense	32,580,099	34,969,477	38,603,199	44,123,157	47,124,603	51,610,460	55,495,795	74,434,396	18,938,601	34%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expenses	637,213	807,118	766,437	846,820	709,292	634,156	795,931	803,169	7,237	1%
Shared Expenses	52,476	48,768	122,496	34,087	17,959	17,258	10,519	112,000	101,481	965%
Marketing Expense	6,015	22,868	10,115	17,015	40,885	13,062	22,270	50,000	27,730	125%
Professional Services	442,046	506,688	462,182	569,478	590,026	635,889	643,837	274,027	(369,810)	-57%
Claim and Loss Expenses	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(1,263,168)	-	1,263,168	-100%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	8,693,891	7,579,713	8,567,629	7,379,157	7,580,695	7,537,494	7,913,178	9,272,000	1,358,822	17%
Overhead Allocation	85,703	89,031	104,556	172,868	148,523	138,221	200,155	158,536	(41,619)	-21%
Total Operating Expense	42,472,442	43,998,664	48,611,613	53,117,582	56,186,984	60,561,541	63,818,518	85,104,129	21,285,611	33%
Net Operating Income (Loss) Before Grants	1,045,741	3,259,135	2,590,754	(2,096,332)	(7,694,696)	(11,252,230)	(5,149,218)	(29,930,276)	(24,781,057)	481%
Net Grant (Income) Expense										
Grant Revenue	(29,842,540)	(30,845,662)	(37,571,807)	(44,941,715)	(35,047,459)	(39,591,429)	(71,826,273)	(66,899,520)	4,926,753	-7%
Grant Expense	7,364,325	4,642,751	3,794,187	4,662,494	3,096,439	2,995,104	3,732,975	10,582,200	6,849,225	183%
Intra-Agency Transfers	-	-	-	-	-	-	-	-	-	0%
Total Net Grant (Income) Expense	(22,478,215)	(26,202,911)	(33,777,620)	(40,279,221)	(31,951,020)	(36,596,325)	(68,093,297)	(56,317,320)	11,775,977	-17%
Net Operating Income (Loss) After Grants	23,523,956	29,462,047	36,368,374	38,182,888	24,256,324	25,344,094	62,944,079	26,387,044	(36,557,035)	-58%
Non-Operating (Income) Expense	788,517	518,557	(575,431)	(507,060)	351,382	1,611,471	529,818	-	(529,818)	-100%
Net Income (Loss)	22,735,439	28,943,490	36,943,804	38,689,948	23,904,942	23,732,623	62,414,261	26,387,044	(36,027,217)	-58%
IFA Staff Count by Home Dept	4.0	4.0	4.0	3.8	4.1	4.8	5.0	5.0	0.0	0%
Contractor Staff Count by Home Dept	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	5.4	5.2	5.5	5.5	5.5	5.5	6.0	6.1	0.1	2%

Balance Sheet	Bud24 Clean Water Programs (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivelents	214,042,192	230,676,396	295,875,144	361,206,838	370,455,657	396,569,942	452,112,018	461,133,002	9,020,985	2%
Investments	59,284,417	42,987,040	44,539,452	33,265,208	38,355,423	40,744,050	17,978,052	18,066,894	88,842	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	1,144,836,606	1,237,844,382	1,387,957,267	1,526,932,231	1,681,542,549	1,812,317,979	1,948,334,398	2,072,118,323	123,783,925	6%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	2,778,873	3,061,715	3,576,474	3,070,896	3,077,497	3,269,430	4,107,575	4,317,524	209,950	5%
Deferred Outflows	12,522,616	10,460,528	8,570,184	6,833,439	5,307,830	4,032,954	4,230,274	2,938,414	(1,291,860)	-31%
Total Assets and Deferred Outflows	1,433,464,703	1,525,030,061	1,740,518,521	1,931,308,612	2,098,738,955	2,256,934,354	2,426,762,316	2,558,574,158	131,811,842	5%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	823,174,811	894,546,207	1,081,458,957	1,251,848,420	1,411,203,301	1,559,286,166	1,727,240,233	1,851,425,267	124,185,034	7%
Equity	610,289,892	630,483,854	659,059,564	679,460,192	687,535,654	697,648,188	699,522,083	707,148,891	7,626,808	1%
Total Liabilities, Deferred Inflows, and Equity	1,433,464,703	1,525,030,061	1,740,518,521	1,931,308,612	2,098,738,955	2,256,934,354	2,426,762,316	2,558,574,158	131,811,842	5%

Income Statement	Bud24 Clean Water Programs (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Operating Revenue										
Interest Revenue	27,571,271	29,626,548	32,429,819	32,638,664	31,326,836	32,083,914	38,429,571	36,803,003	(1,626,568)	-4%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	3,496,839	4,154,258	4,440,709	4,664,095	5,409,243	5,546,360	5,081,051	5,718,232	637,181	13%
Other Revenue	-	4	4	4	-	2	-	-	-	0%
Total Operating Revenue	31,068,111	33,780,811	36,870,533	37,302,763	36,736,080	37,630,275	43,510,622	42,521,235	(989,386)	-2%
Operating Expense										
Interest Expense	24,208,483	26,038,645	28,858,202	34,104,094	36,999,246	41,083,851	45,168,567	61,630,761	16,462,195	36%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expenses	483,128	485,703	524,124	558,232	499,330	381,426	514,808	504,061	(10,747)	-2%
Shared Expenses	38,661	36,001	87,273	29,169	13,461	12,946	7,380	84,172	76,792	1041%
Marketing Expense	4,535	17,144	8,619	10,652	38,594	9,929	11,615	37,455	25,840	222%
Professional Services	312,324	366,275	323,792	384,442	432,930	484,573	482,846	230,938	(251,909)	-52%
Claim and Loss Expenses	-	-	-	-	-	-	-	-	-	0%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	4,306,722	3,735,375	3,656,481	3,510,043	3,876,329	3,779,649	3,559,617	4,150,000	590,383	17%
Overhead Allocation	58,237	59,468	70,934	118,195	102,917	90,789	130,912	101,636	(29,276)	-22%
Total Operating Expense	29,412,090	30,738,611	33,529,426	38,714,827	41,962,807	45,843,163	49,875,745	66,739,023	16,863,277	34%
Net Operating Income (Loss) Before Grants	1,656,020	3,042,200	3,341,107	(1,412,063)	(5,226,727)	(8,212,888)	(6,365,124)	(24,217,787)	(17,852,664)	280%
Net Grant (Income) Expense										
Grant Revenue	(18,083,000)	(17,944,000)	(20,899,412)	(28,613,051)	(15,198,537)	(21,380,219)	(40,056,403)	(39,877,520)	178,883	0%
Grant Expense	2,010,371	487,034	89,858	2,939,458	1,726,008	2,255,888	4,559,892	8,151,700	3,591,808	79%
Intra-Agency Transfers	-	-	(4,104,148)	4,104,148	-	-	-	-	-	0%
Total Net Grant (Income) Expense	(16,072,629)	(17,456,966)	(24,913,702)	(21,569,445)	(13,472,529)	(19,124,331)	(35,496,511)	(31,725,820)	3,770,691	-11%
Net Operating Income (Loss) After Grants	17,728,650	20,499,166	28,254,809	20,157,381	8,245,802	10,911,443	29,131,387	7,508,033	(21,623,355)	-74%
Non-Operating (Income) Expense	453,209	276,124	(320,900)	(243,247)	169,964	798,909	(34,464)	-	34,464	-100%
Net Income (Loss)	17,275,441	20,223,042	28,575,710	20,400,628	8,075,838	10,112,534	29,165,851	7,508,033	(21,657,819)	-74%
IFA Staff Count by Home Dept	4.0	4.0	4.0	3.8	4.1	4.8	5.0	5.0	0.0	0%
Contractor Staff Count by Home Dept	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	3.9	3.8	4.0	3.9	3.7	3.7	3.8	3.9	0.0	1%

Balance Sheet	Bud24 Drinking Water Programs (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivelents	64,760,218	105,081,613	153,624,346	151,828,076	185,395,007	201,230,179	179,125,755	187,383,280	8,257,525	5%
Investments	30,923,086	24,070,042	28,380,982	36,777,769	19,797,670	27,649,856	49,269,798	50,368,884	1,099,086	2%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	453,049,513	473,457,473	467,169,585	487,501,192	523,266,360	524,513,553	538,375,614	547,307,433	8,931,819	2%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	1,502,373	1,786,887	1,848,642	1,413,693	1,543,939	1,580,588	2,151,625	2,182,338	30,713	1%
Deferred Outflows	6,561,258	5,322,526	4,190,156	3,191,501	2,346,364	1,691,527	1,387,292	716,756	(670,536)	-48%
Total Assets and Deferred Outflows	556,796,448	609,718,542	655,213,711	680,712,231	732,349,341	756,665,701	770,310,084	787,958,691	17,648,607	2%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	275,944,037	320,145,682	357,272,757	364,481,957	400,289,587	410,985,858	403,651,982	398,654,524	(4,997,457)	-1%
Equity	280,852,412	289,572,859	297,940,954	316,230,274	332,059,754	345,679,844	366,658,102	389,304,167	22,646,065	6%
Total Liabilities, Deferred Inflows, and Equity	556,796,448	609,718,542	655,213,711	680,712,231	732,349,341	756,665,701	770,310,084	787,958,691	17,648,607	2%

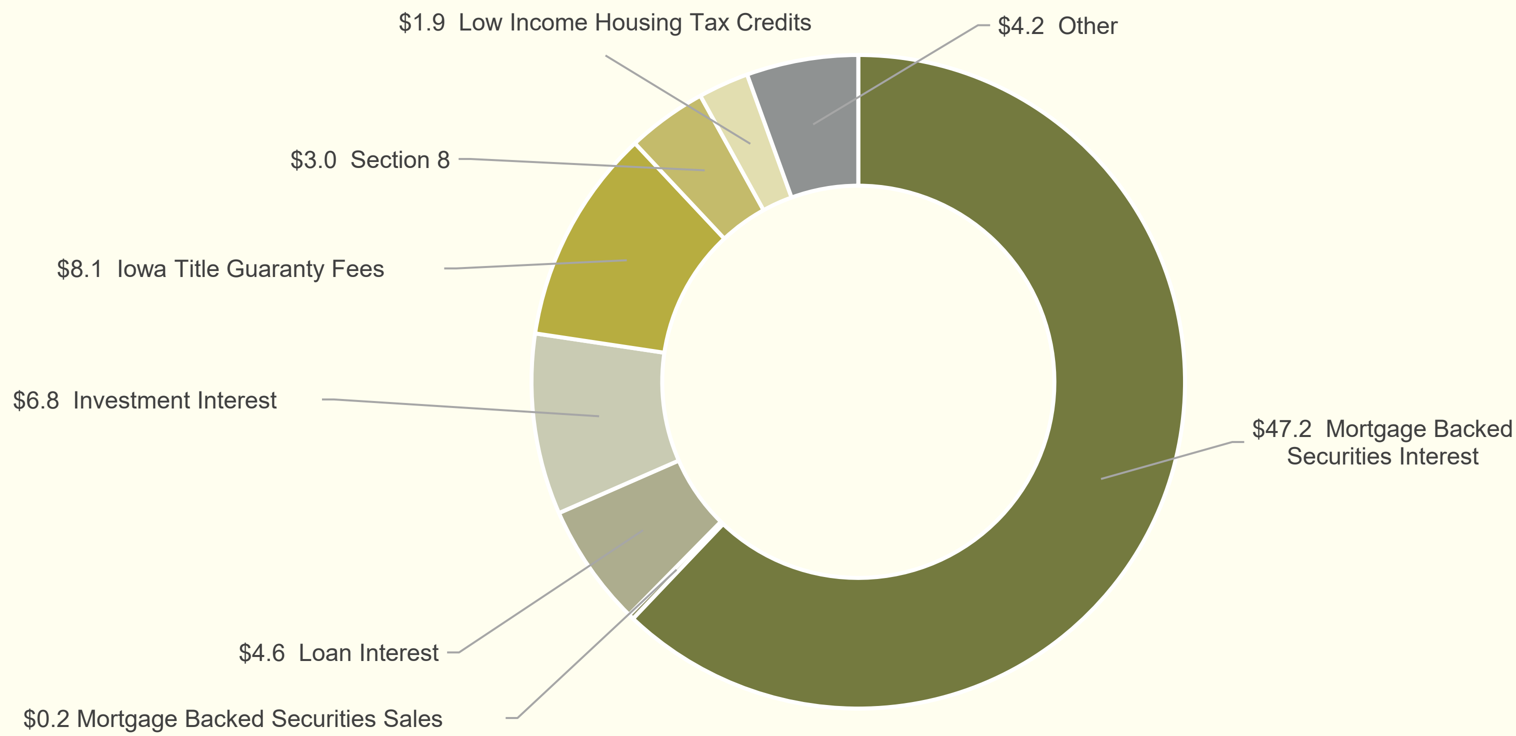
Income Statement	Bud24 Drinking Water Programs (Rollup)									
	ACT FY17	ACT FY18	ACT FY19	ACT FY20	ACT FY21	ACT FY22	FCST FY23	FY2024	$ change	% change
Operating Revenue										
Interest Revenue	11,034,445	12,053,734	12,904,718	12,053,034	10,282,785	10,111,736	14,684,319	14,814,169	129,850	1%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	1,415,628	1,423,254	1,427,117	1,665,452	1,473,423	1,567,300	1,450,802	1,637,813	187,011	13%
Other Revenue	-	-	-	-	-	-	-	-	-	0%
Total Operating Revenue	12,450,073	13,476,988	14,331,835	13,718,486	11,756,208	11,679,035	16,135,121	16,451,982	316,861	2%
Operating Expense										
Interest Expense	8,371,616	8,930,832	9,744,997	10,019,063	10,125,357	10,526,610	10,909,128	12,803,635	1,894,507	17%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expenses	154,085	321,414	242,312	288,587	209,962	252,730	286,447	297,657	11,210	4%
Shared Expenses	13,816	12,768	35,223	4,918	4,499	4,313	2,272	27,828	25,556	1125%
Marketing Expense	1,479	5,723	1,496	6,363	2,292	3,132	8,115	12,545	4,430	55%
Professional Services	129,722	140,414	138,390	185,036	157,096	151,315	157,604	96,891	(60,714)	-39%
Claim and Loss Expenses	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(1,263,168)	-	1,263,168	-100%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	4,387,168	3,844,338	4,911,148	3,869,114	3,704,366	3,757,846	4,329,810	5,122,000	792,190	18%
Overhead Allocation	27,466	29,563	33,621	54,674	45,606	47,433	72,585	60,389	(12,196)	-17%
Total Operating Expense	13,060,352	13,260,053	15,082,188	14,402,755	14,224,177	14,718,378	14,502,792	18,420,945	3,918,153	27%
Net Operating Income (Loss) Before Grants	(610,279)	216,935	(750,353)	(684,269)	(2,467,969)	(3,039,342)	1,632,329	(1,968,963)	(3,601,291)	-221%
Net Grant (Income) Expense										
Grant Revenue	(11,759,540)	(12,901,662)	(16,672,395)	(16,328,663)	(19,848,922)	(18,211,210)	(27,043,572)	(27,022,000)	21,572	0%
Grant Expense	5,353,955	4,155,717	3,704,329	1,723,036	1,370,431	739,217	1,500,383	2,430,500	930,117	62%
Intra-Agency Transfers	-	-	4,104,148	(4,104,148)	-	-	-	-	-	0%
Total Net Grant (Income) Expense	(6,405,586)	(8,745,945)	(8,863,917)	(18,709,776)	(18,478,491)	(17,471,994)	(25,543,189)	(24,591,500)	951,689	-4%
Net Operating Income (Loss) After Grants	5,795,307	8,962,880	8,113,564	18,025,507	16,010,522	14,432,651	27,175,518	22,622,537	(4,552,981)	-17%
Non-Operating (Income) Expense	335,308	242,433	(254,530)	(263,813)	181,417	812,562	49,986	-	(49,986)	-100%
Net Income (Loss)	5,459,998	8,720,448	8,368,095	18,289,320	15,829,104	13,620,089	27,125,532	22,622,537	(4,502,994)	-17%
IFA Staff Count by Home Dept	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Contractor Staff Count by Home Dept	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	1.5	1.4	1.5	1.6	1.7	1.8	2.1	2.3	0.1	5%

FY24 Budget

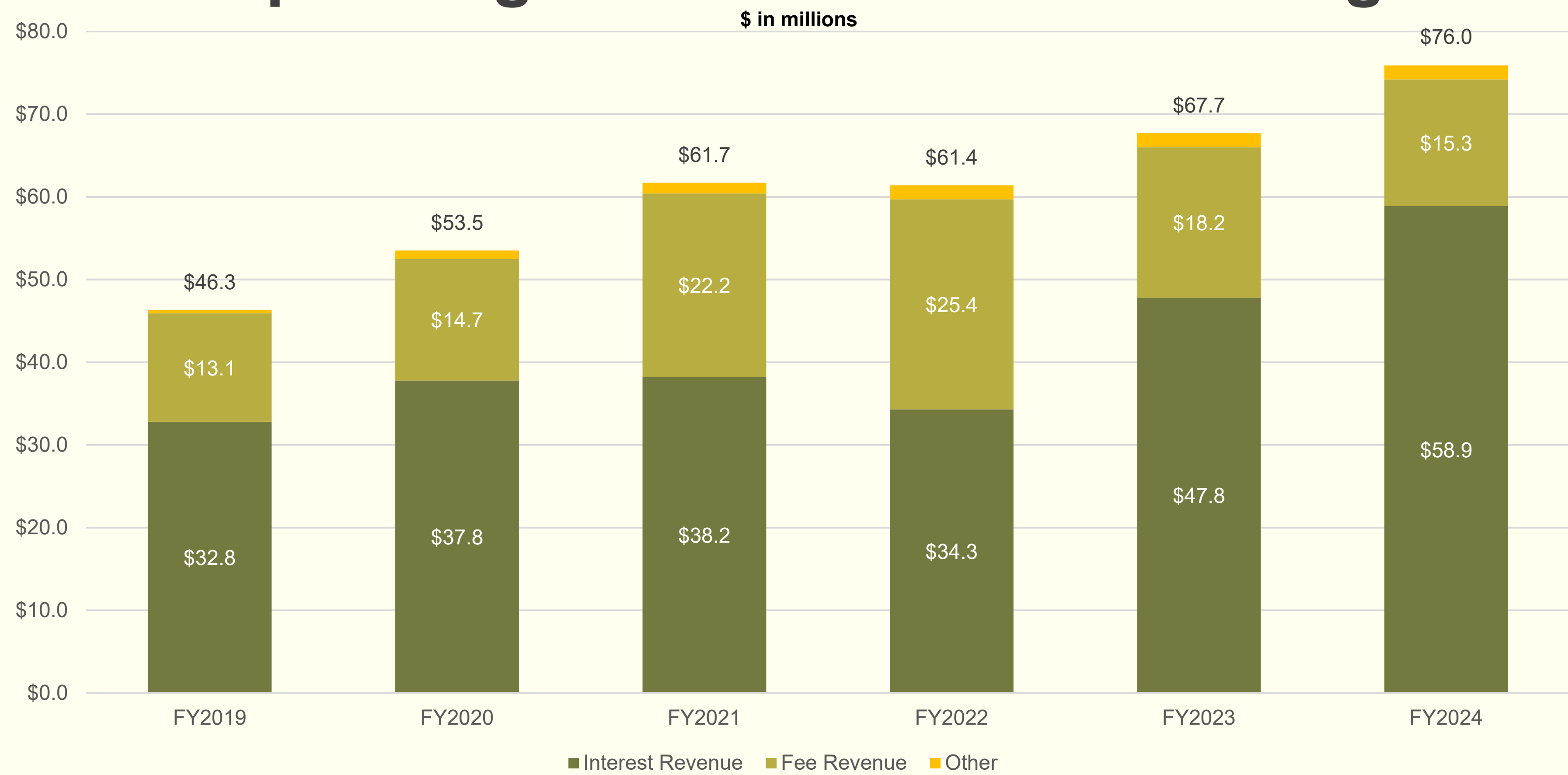
May 3, 2023

Sources of Revenue – Housing

$ in millions

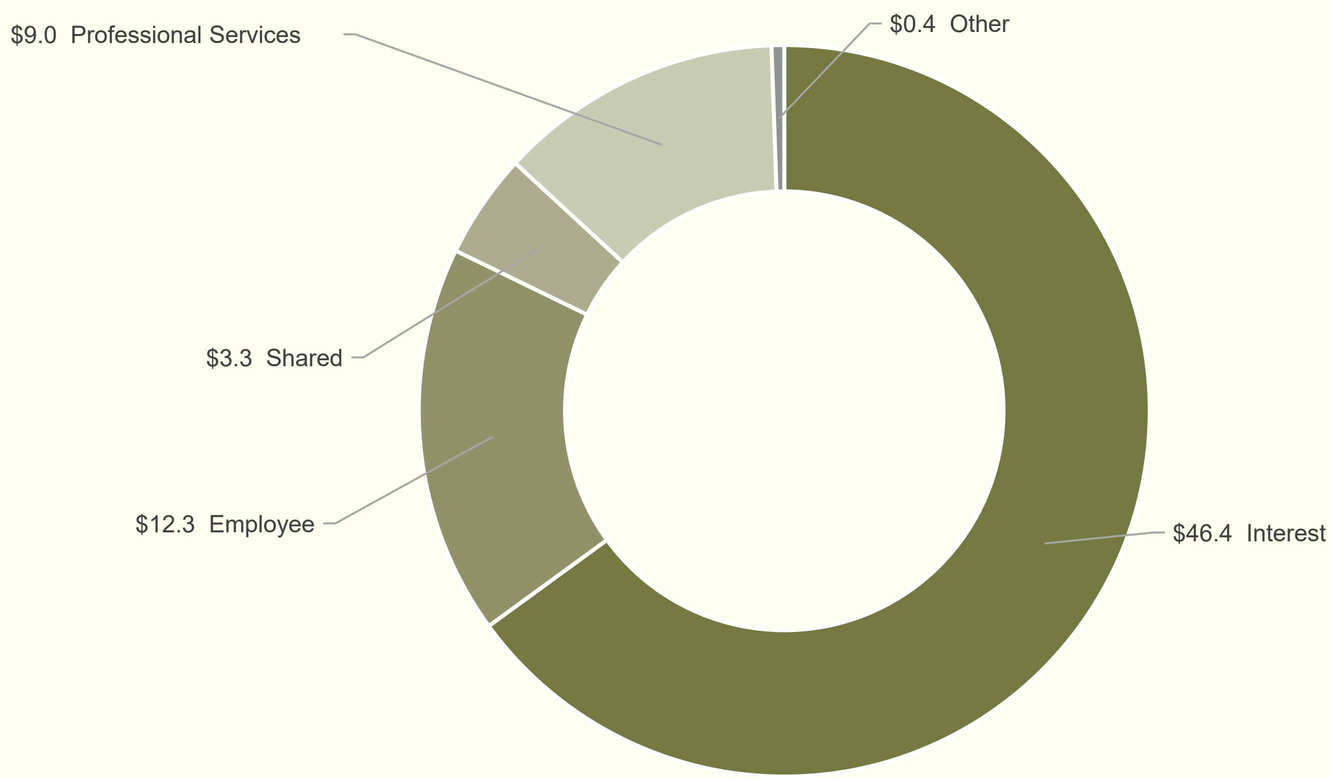


Operating Revenue Trend – Housing



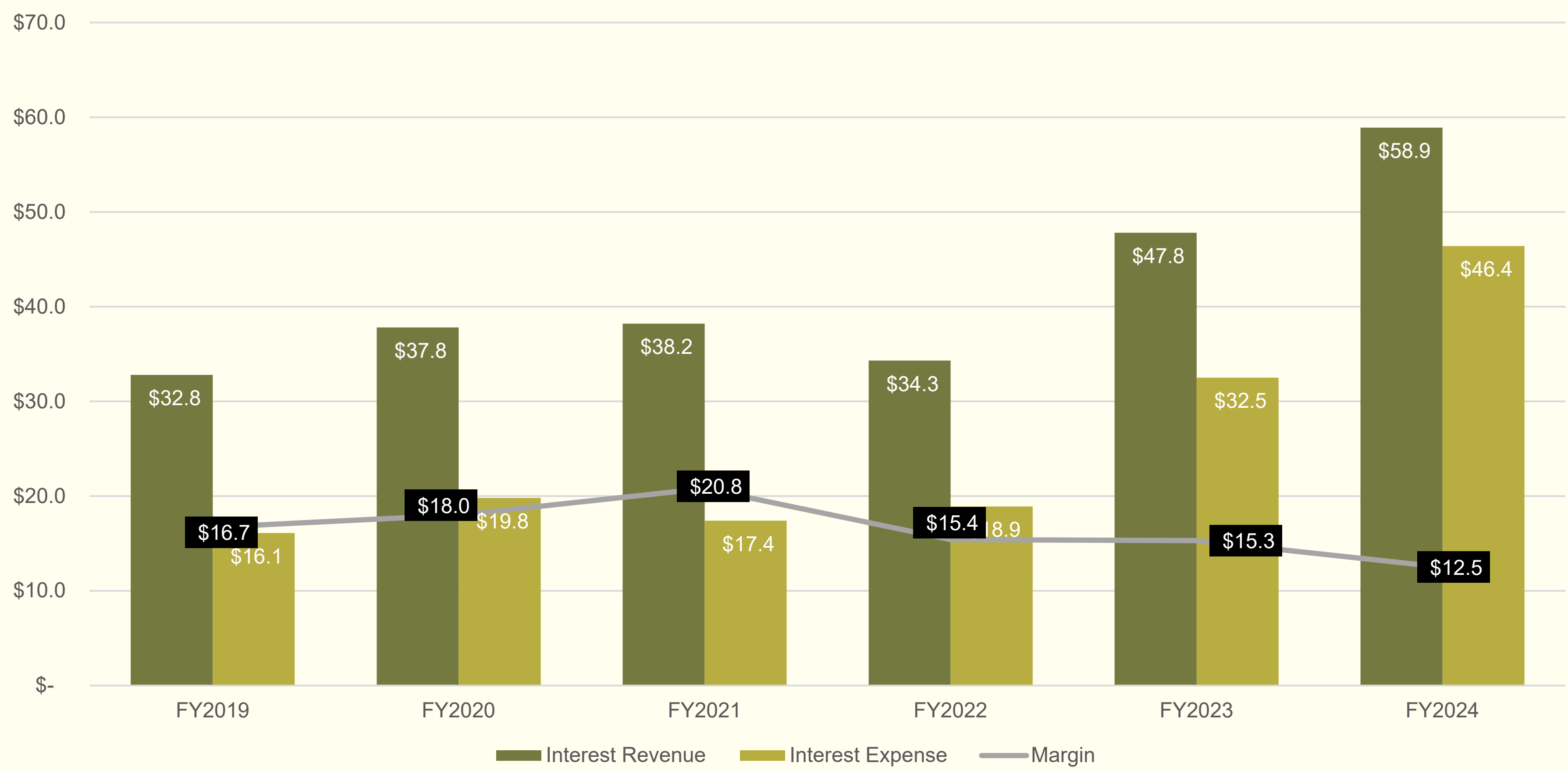
Operating Expenses - Housing

$ in millions

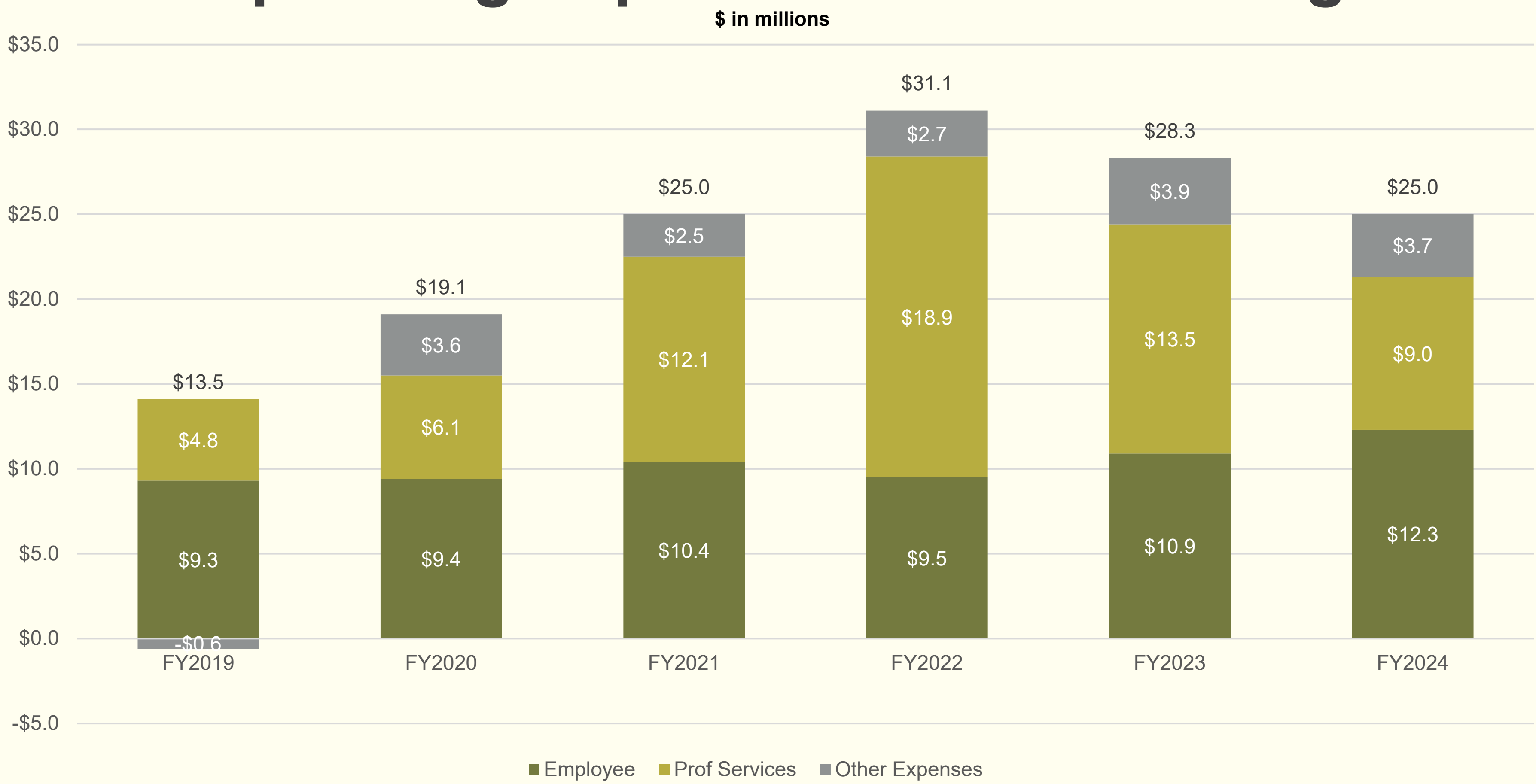


Interest Margin Trend – Housing

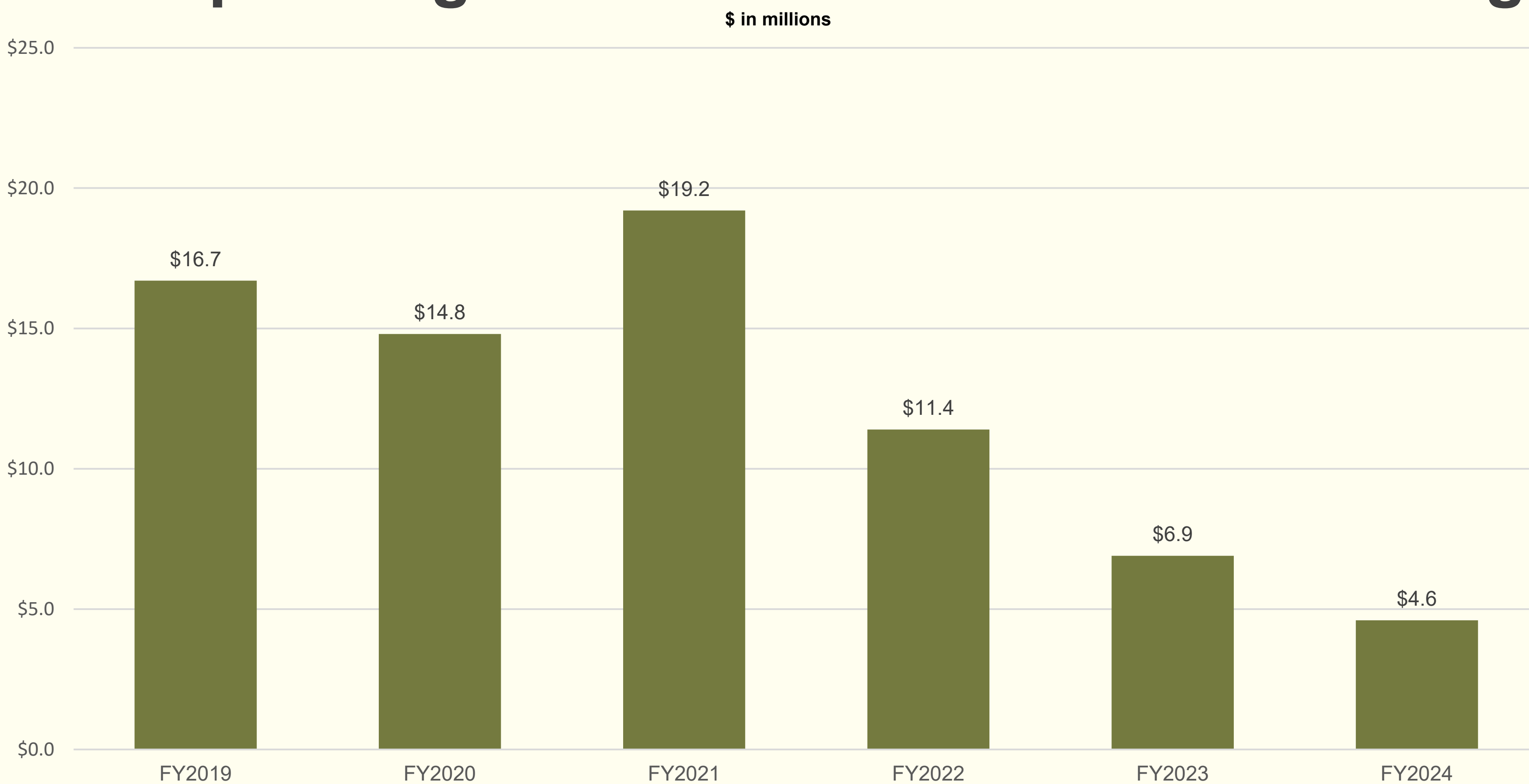
$ in millions



Operating Expense Trend – Housing



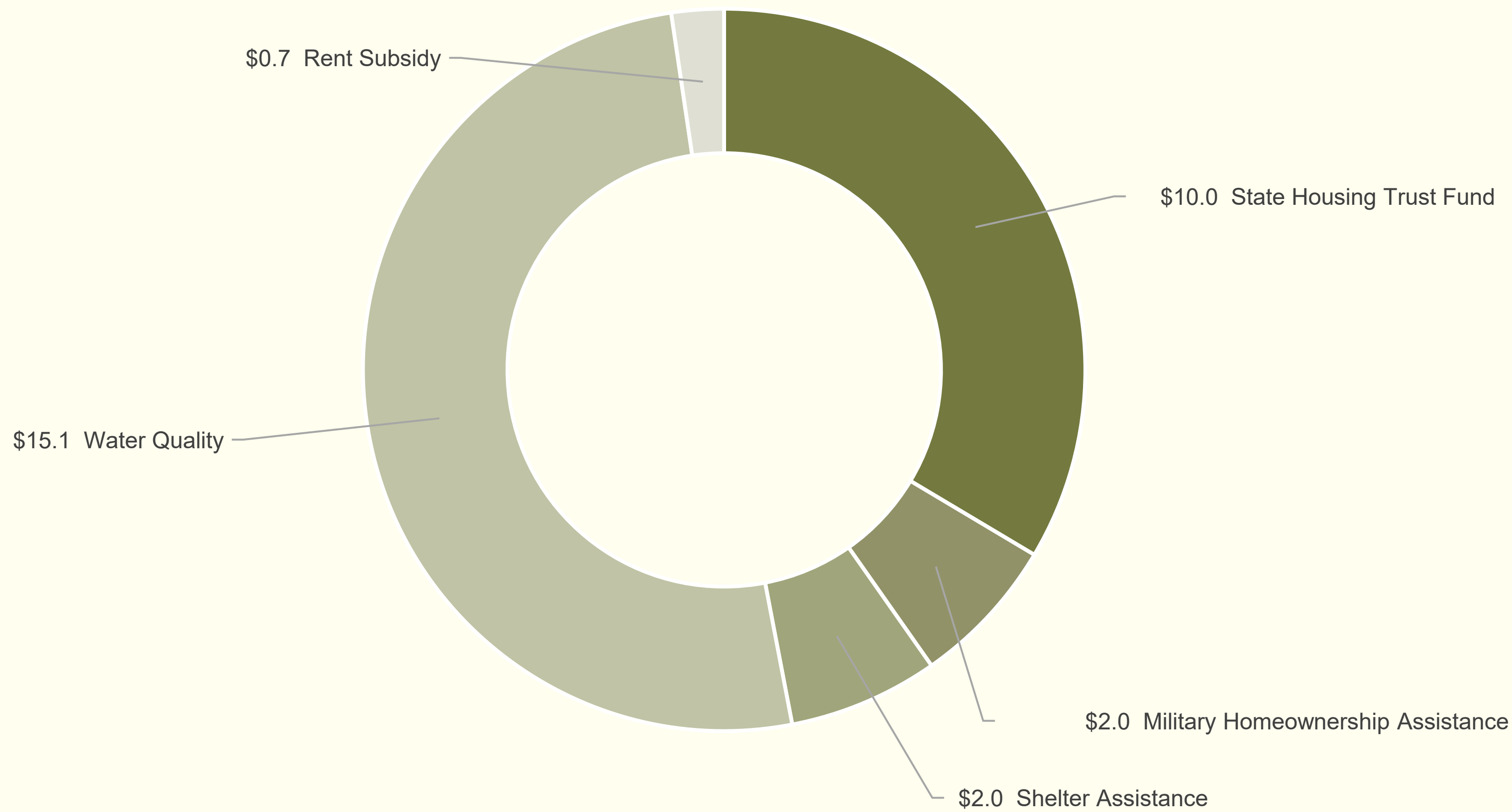
Net Operating Income Before Grants – Housing



IOWA FINANCE AUTHORITY

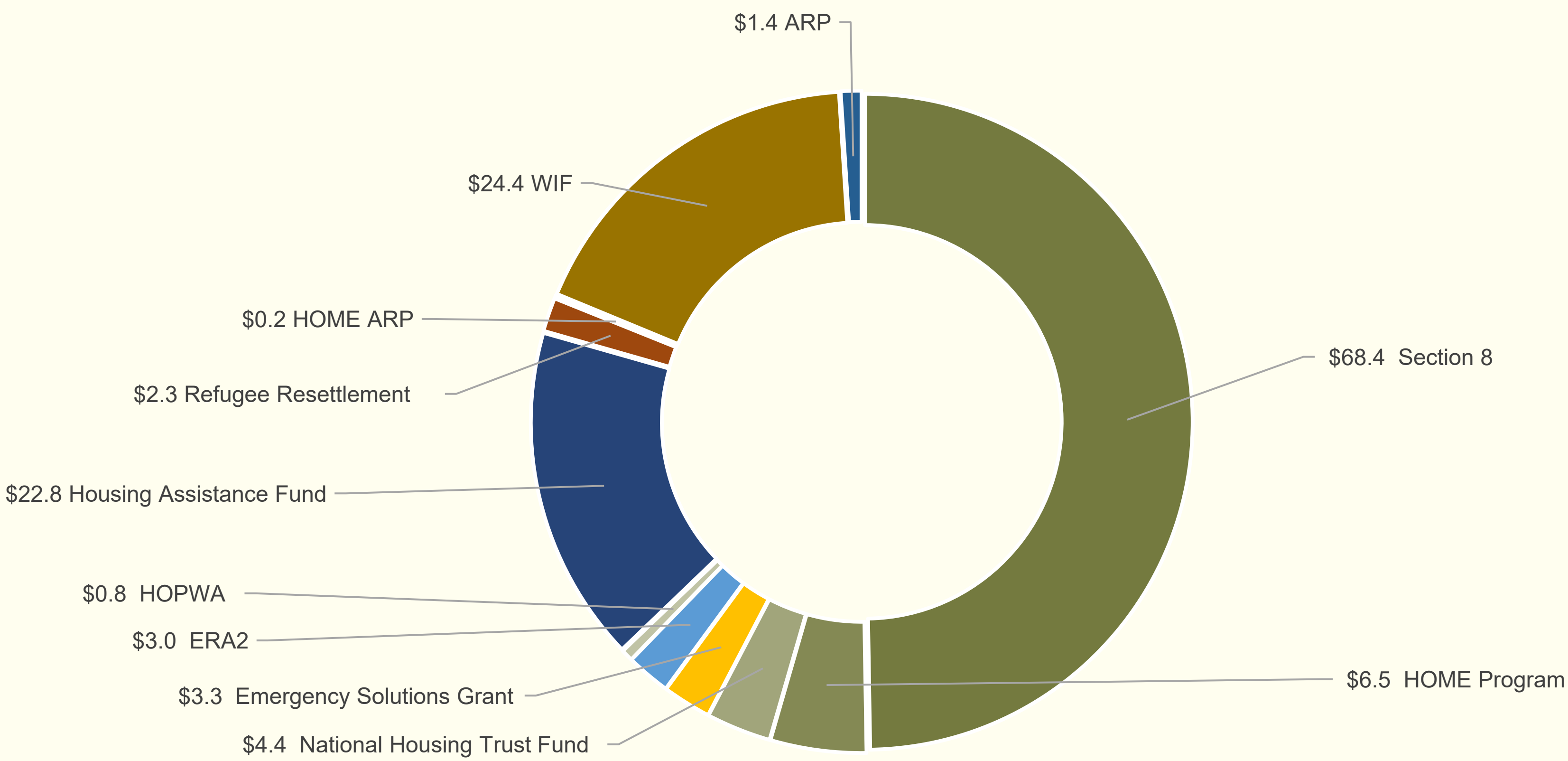
State Grant Revenue

$ in millions

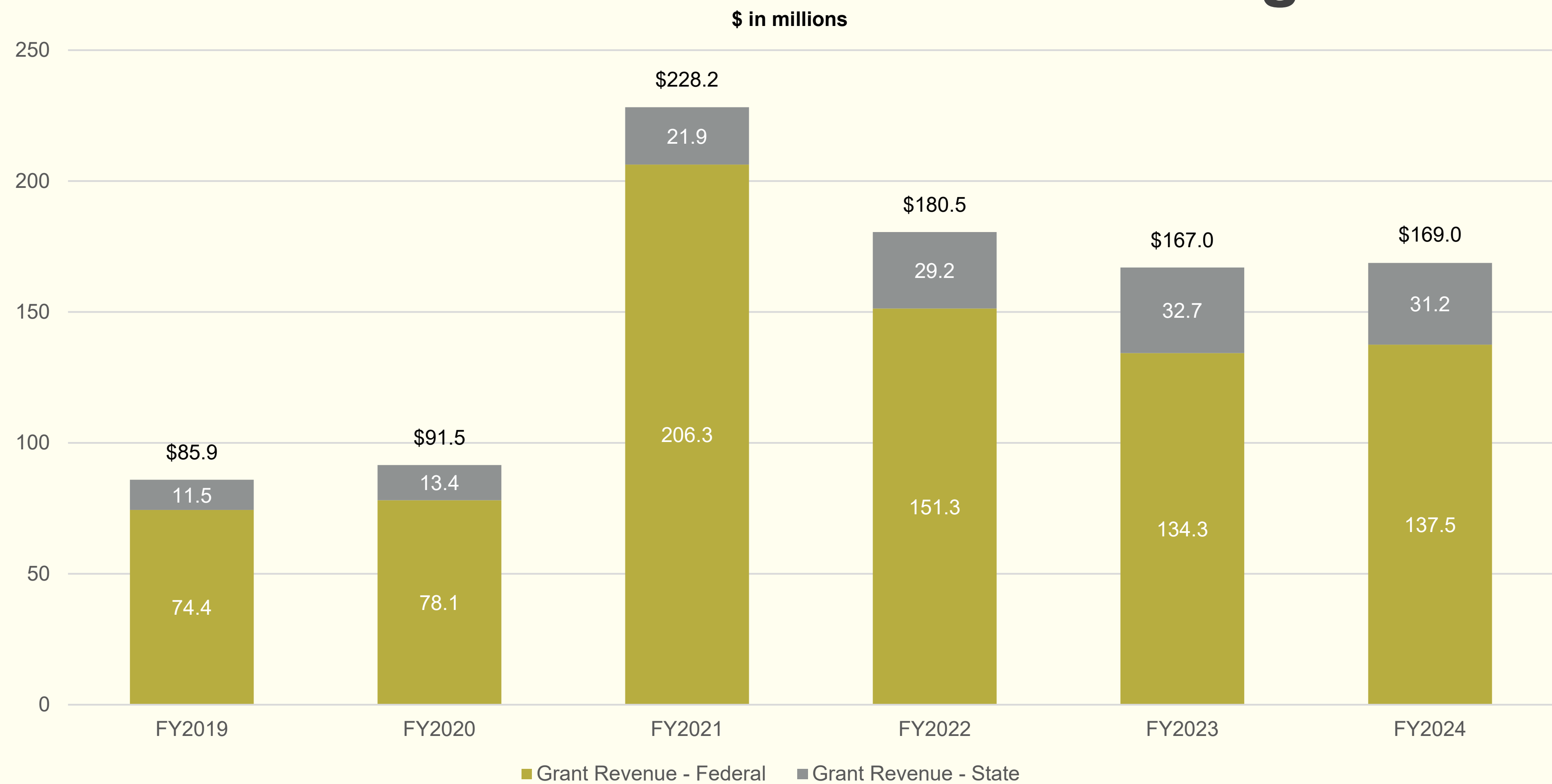


Federal Grant Revenue – Housing

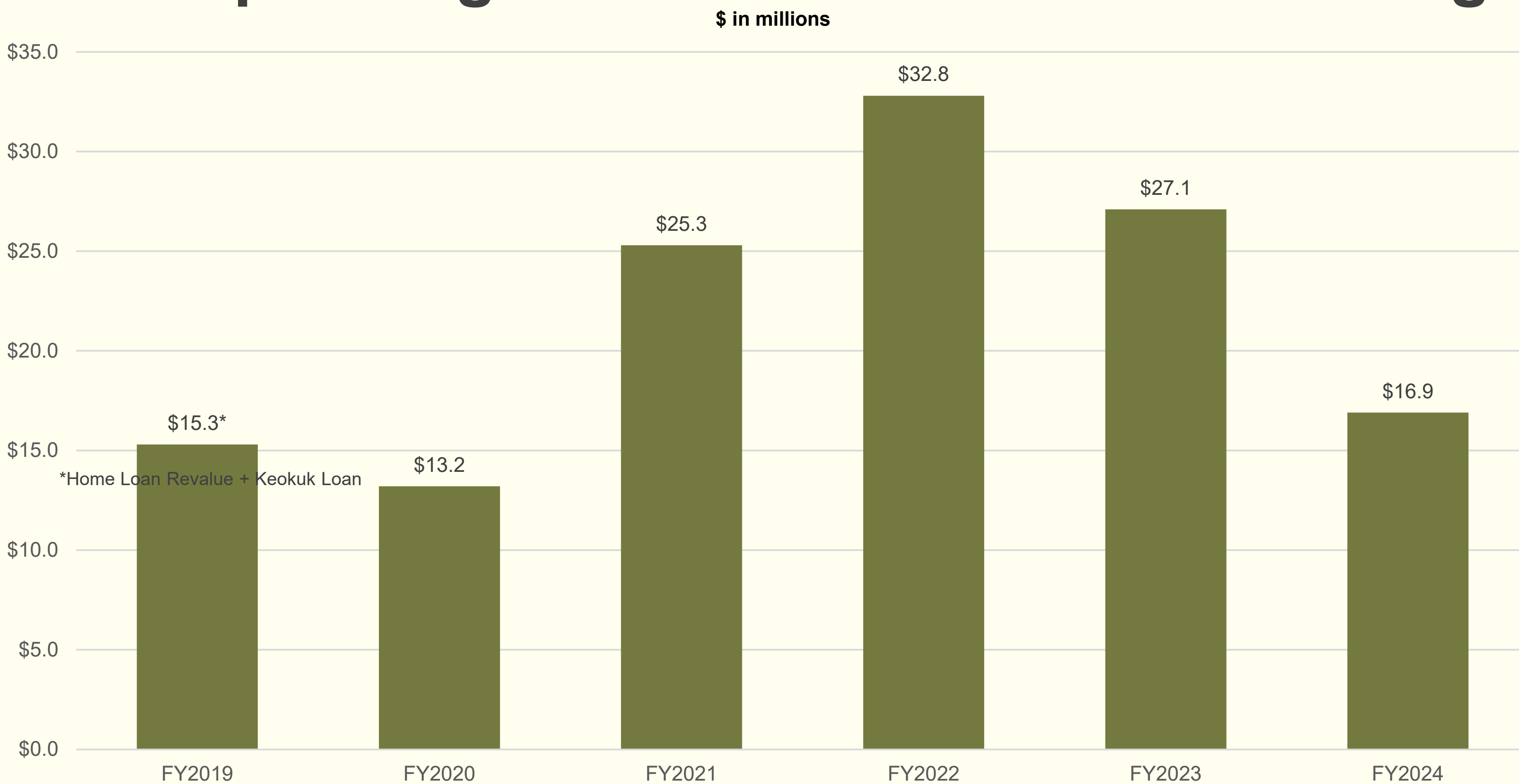
$ in millions



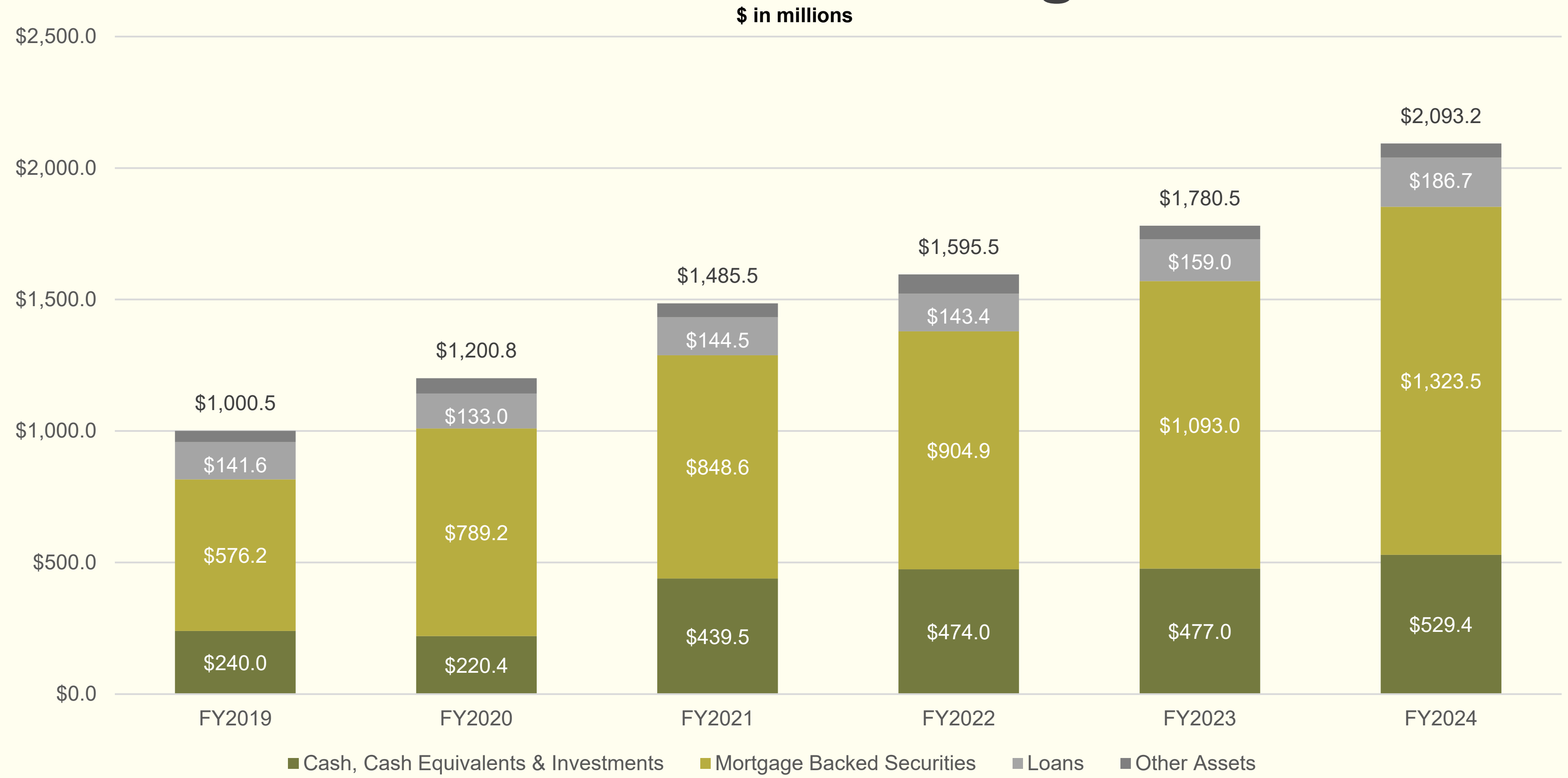
Grant Revenue Trend – Housing



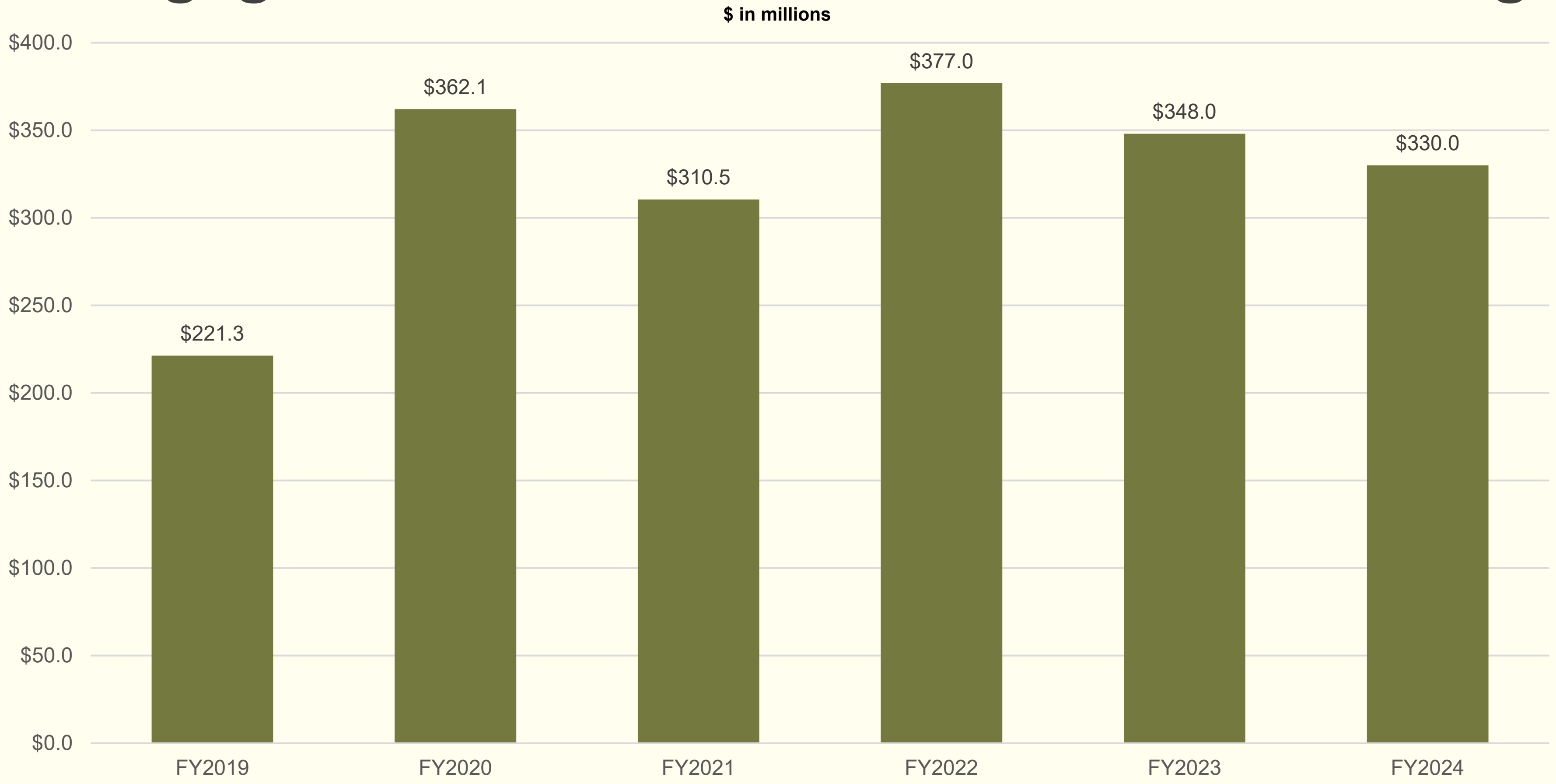
Net Operating Income After Grants – Housing



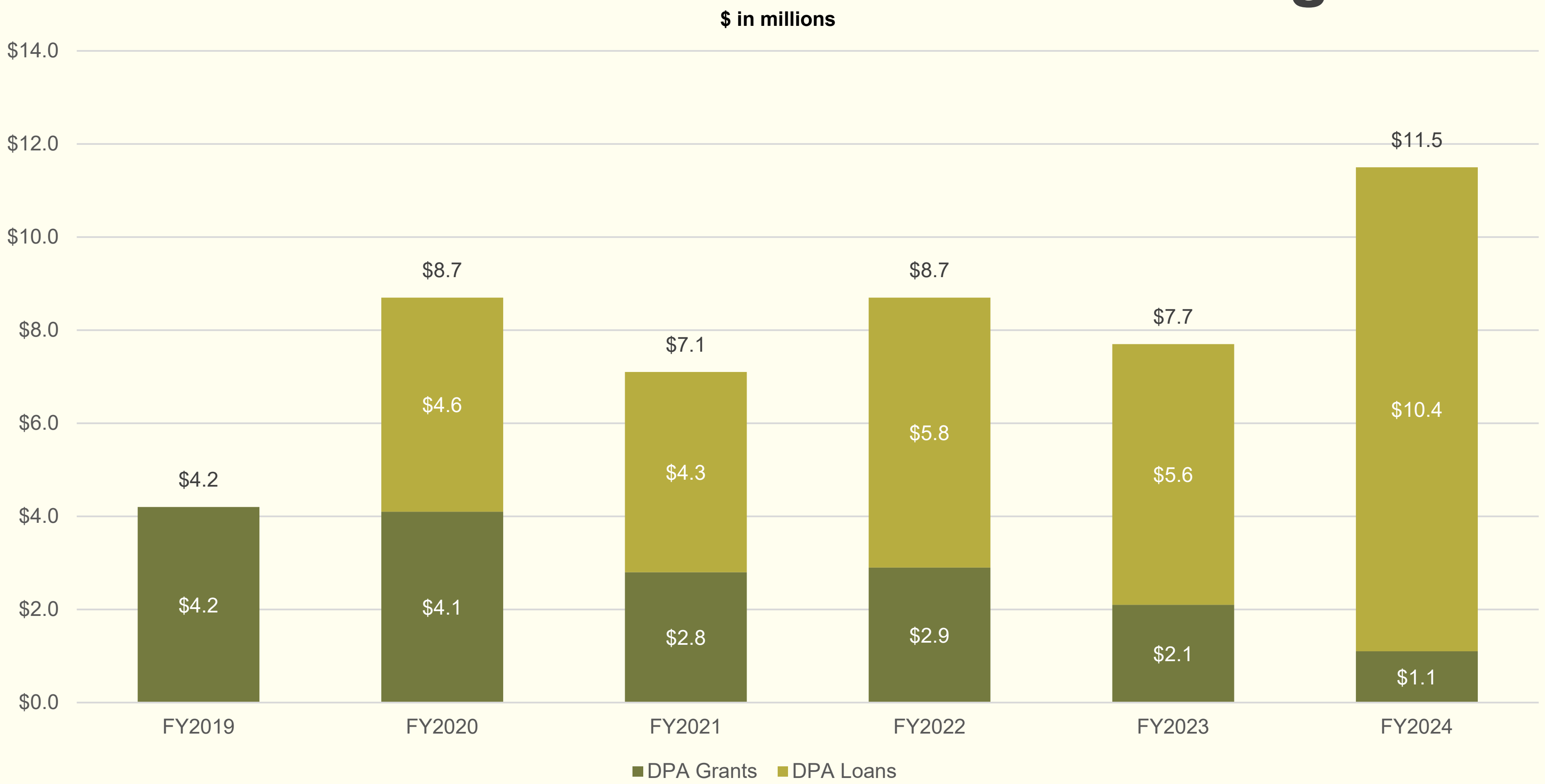
Assets – Housing



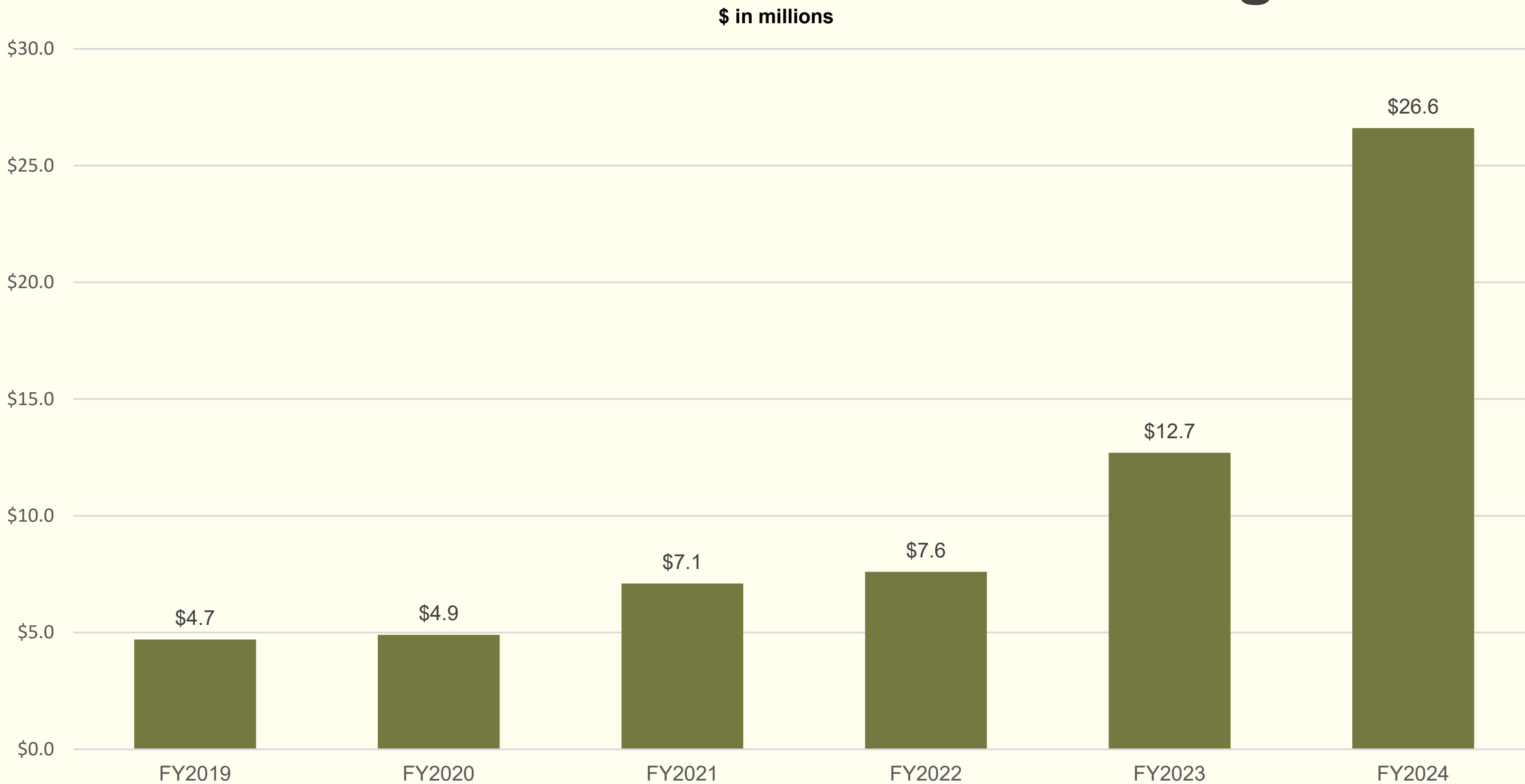
Mortgage-Backed Securities Purchases – Housing



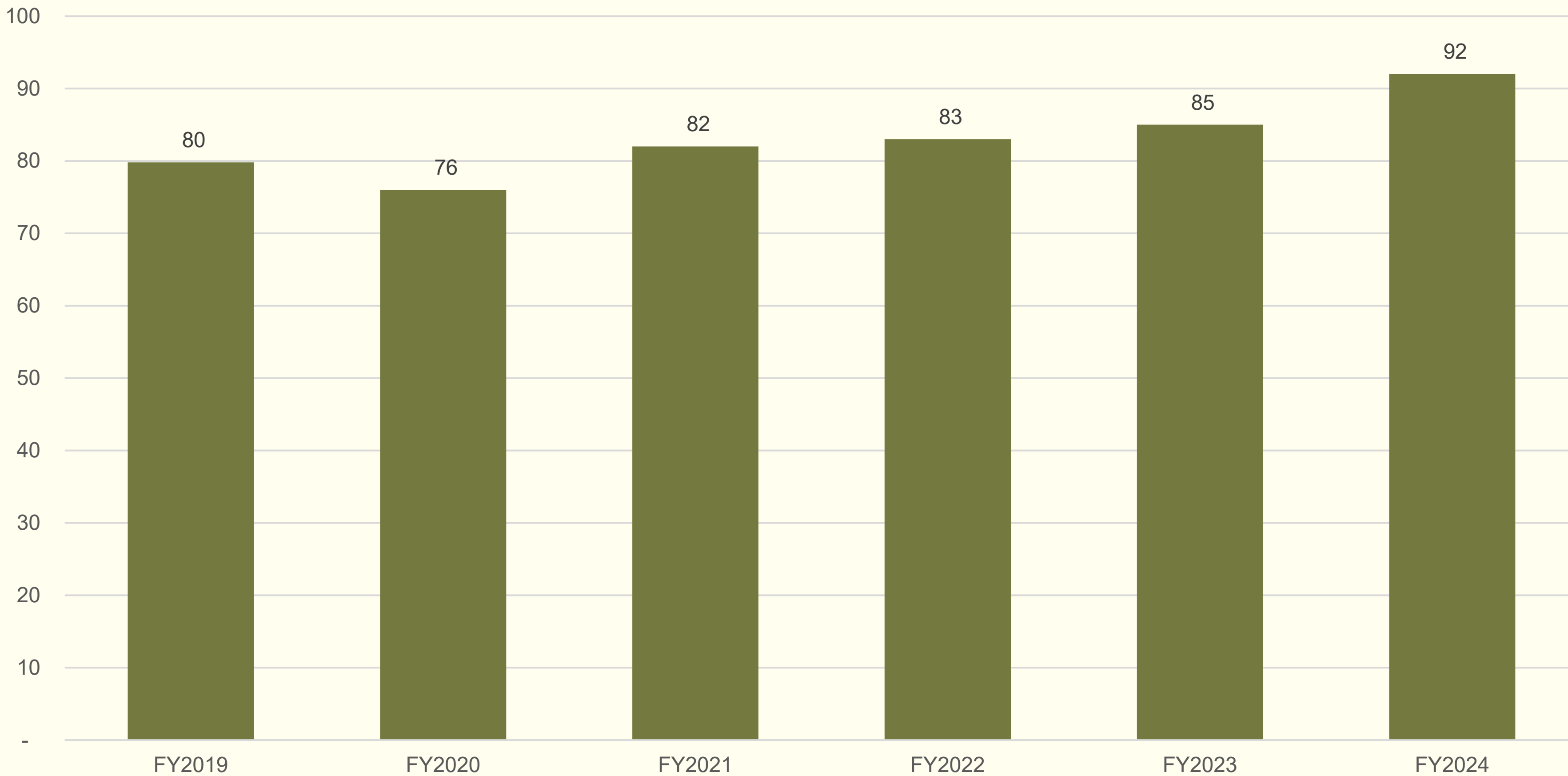
DPA on MBS Purchased – Housing



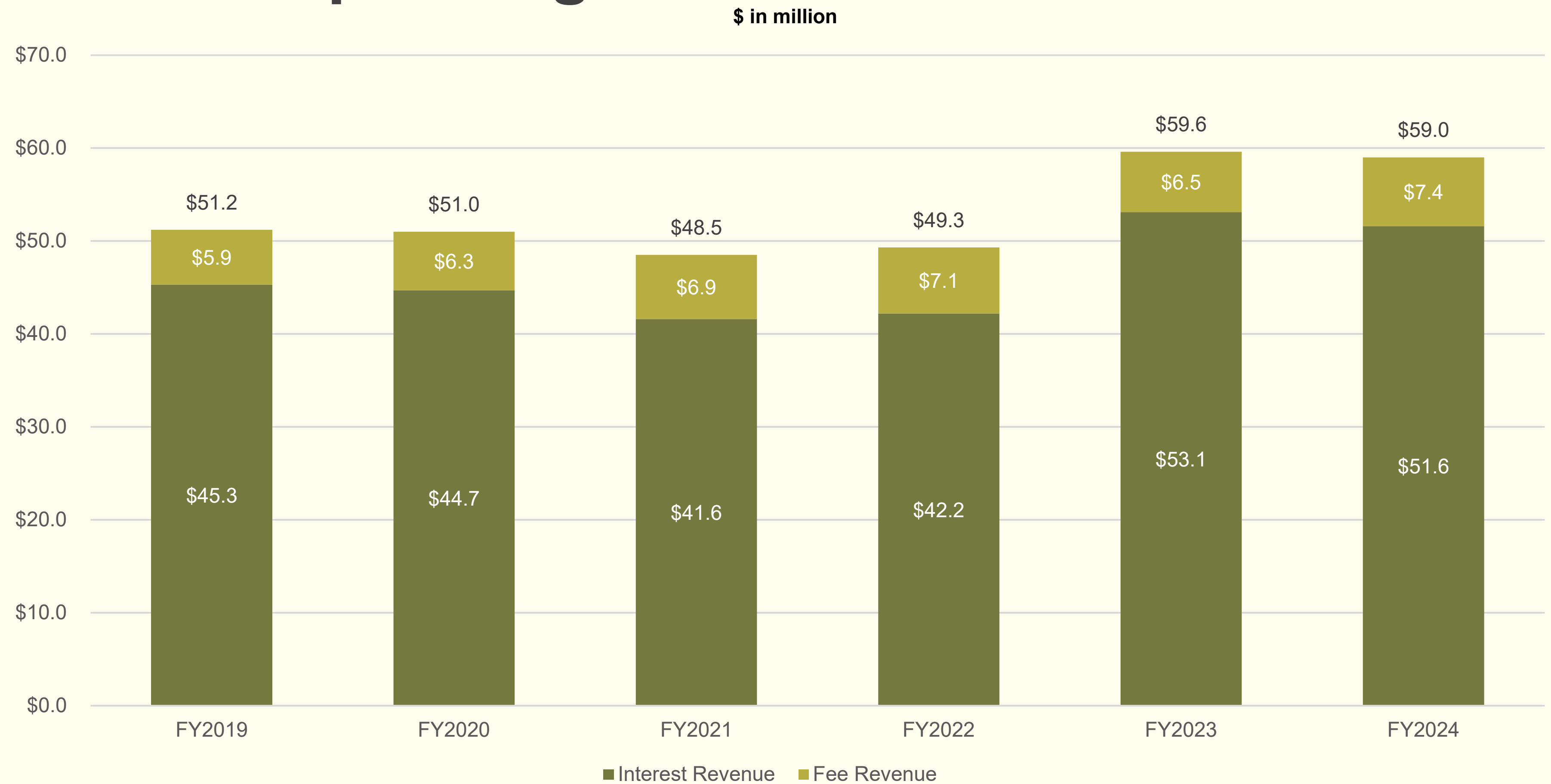
Loan Disbursements – Housing



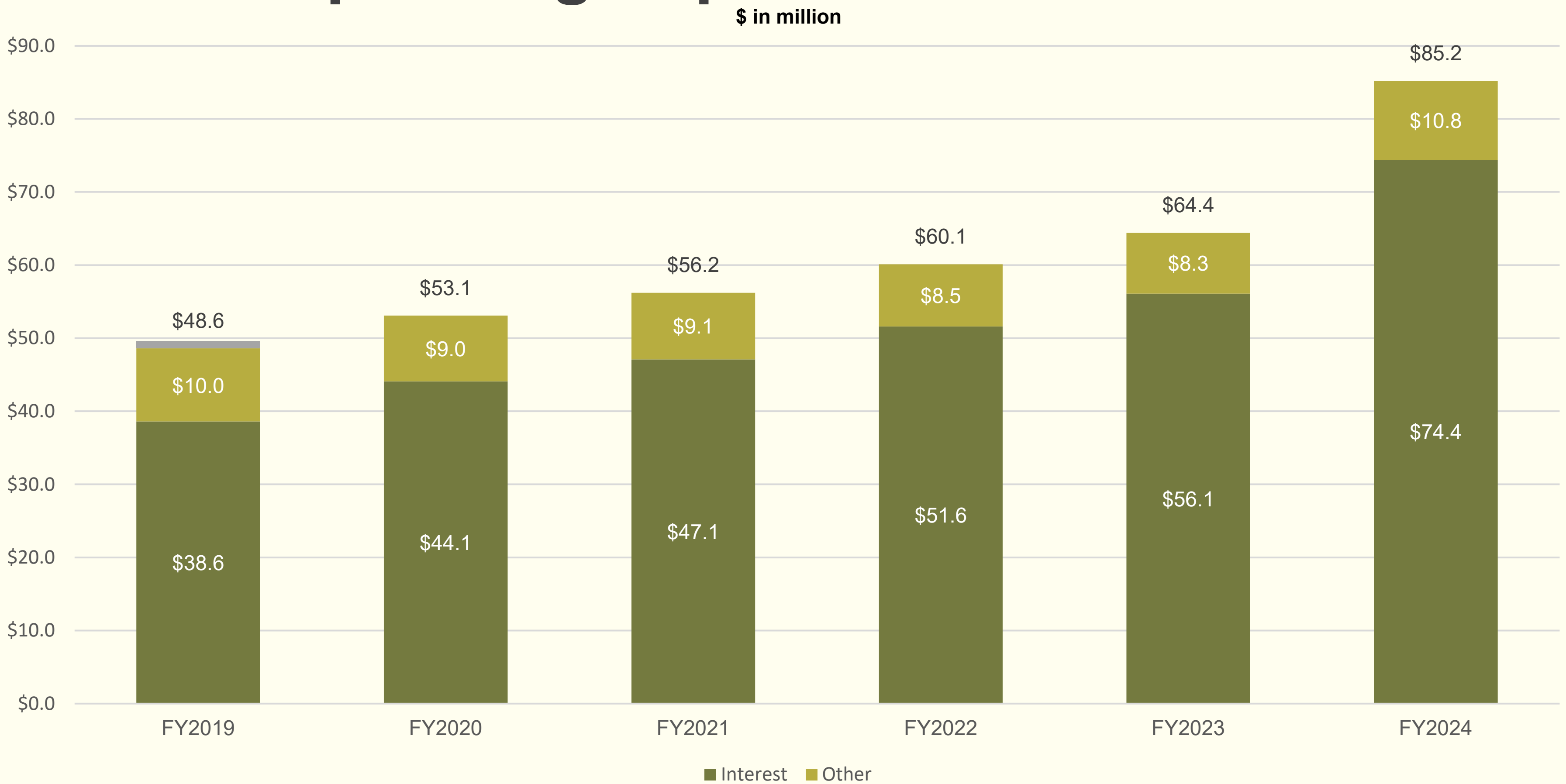
Staff Count – Housing



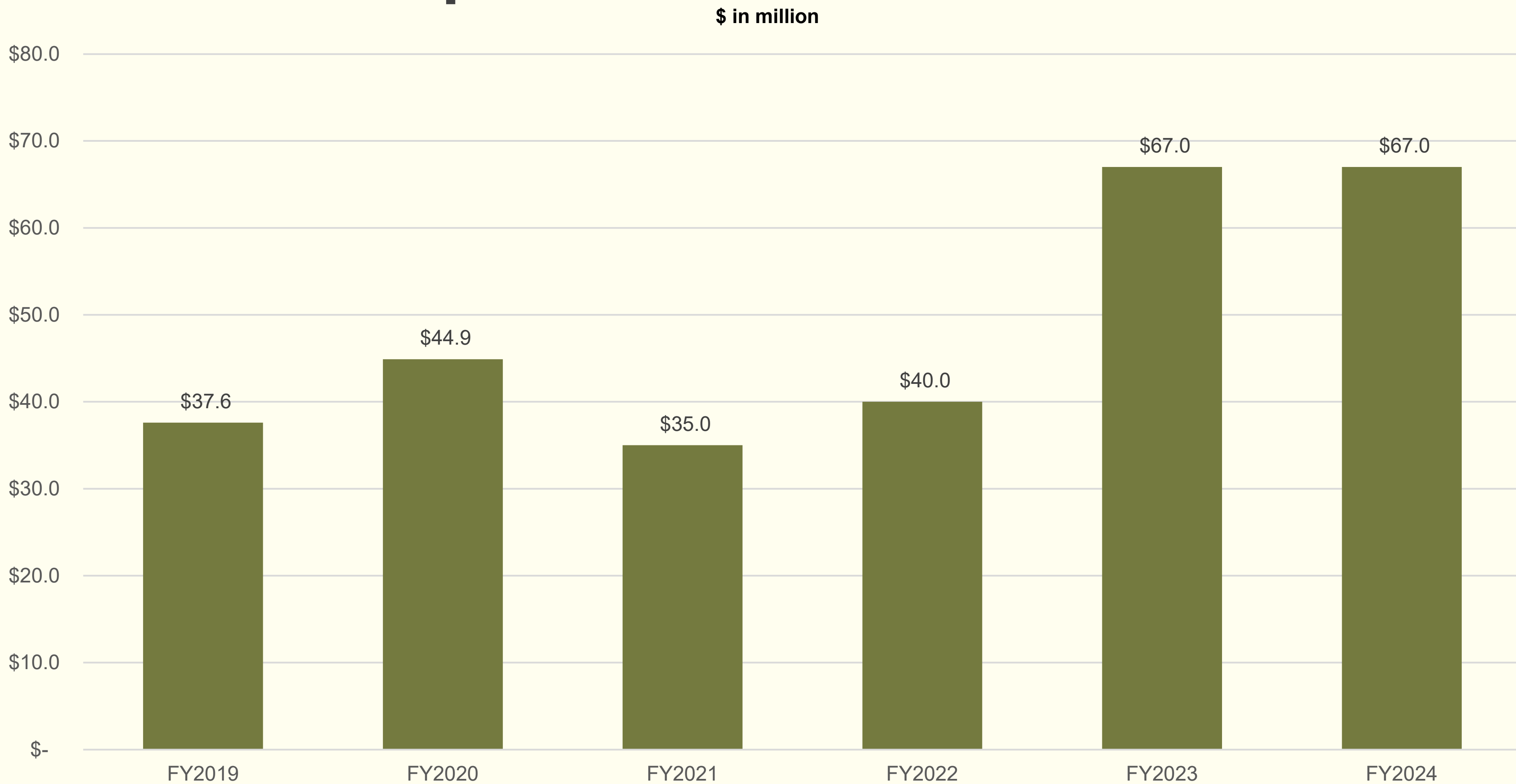
Operating Revenue Trend – SRF



Operating Expense Trend – SRF



Cap Grant Revenue – SRF

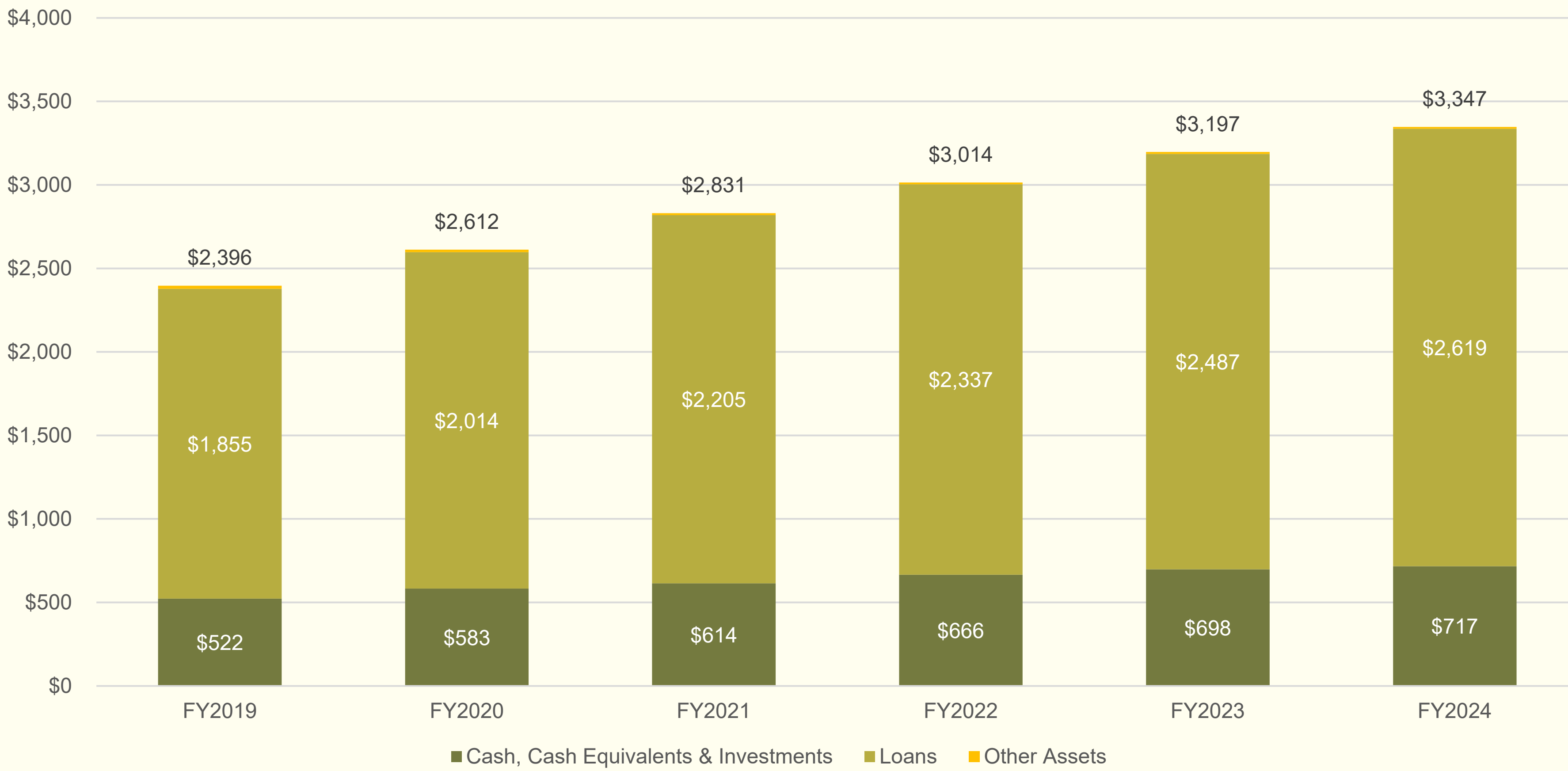


Net Operating Income After Grants – SRF

IOWA FINANCE AUTHORITY

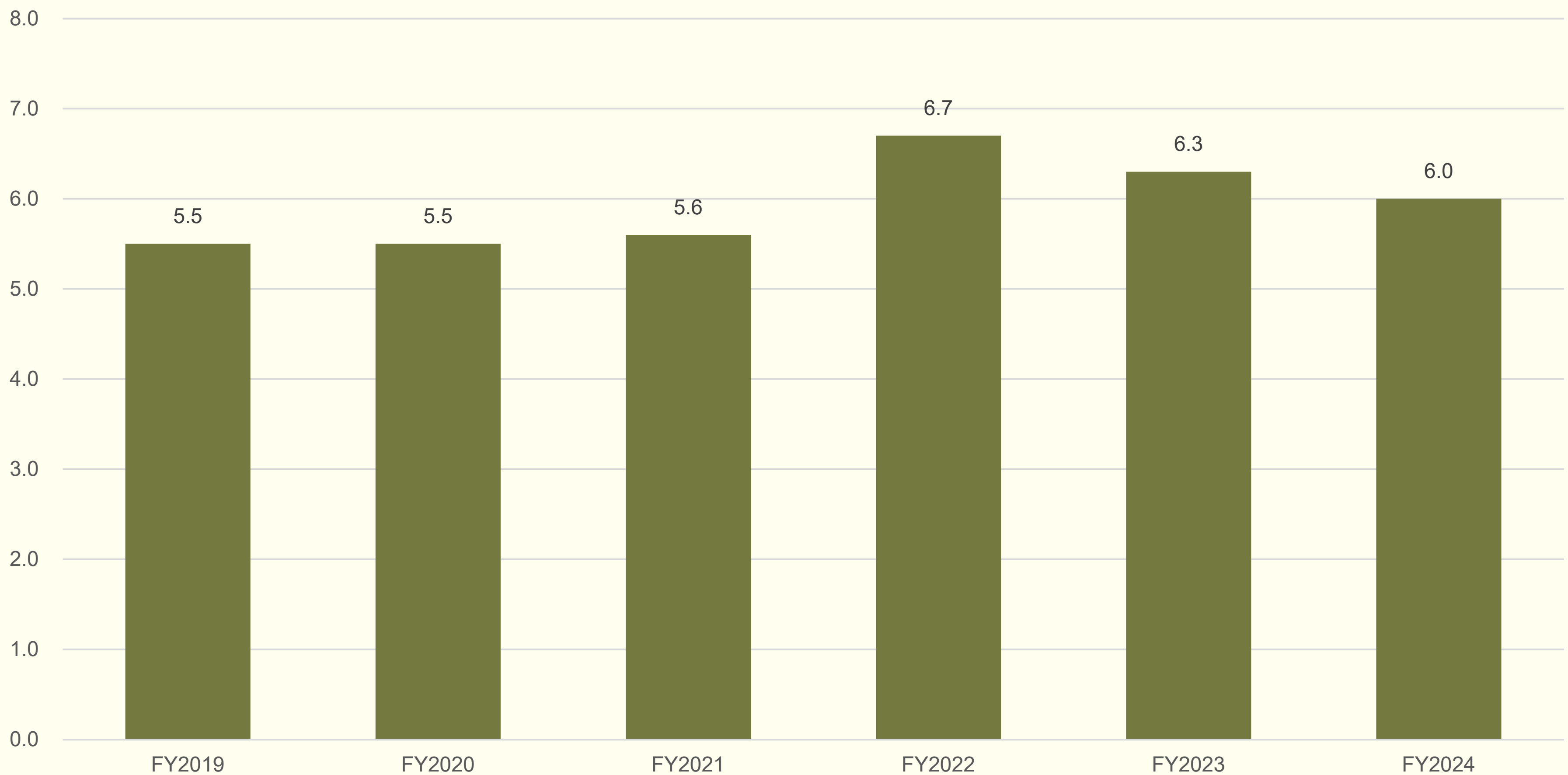
Assets – SRF

$ in million



Loan Disbursements – SRF

Staff Count – SRF



THANK YOU

Jennifer Pulford Accounting Director
Jennifer.Pulford@IowaFinance.com | 515.452.0408

Special acknowledgements to:
Linda Day
Mark Fairley
Deena Klesel
David Morrison
Ashten Sinclair
Dan Stout
Stephanie Willis
Becky Wu

IOWA FINANCE
AUTHORITY

To: Iowa Finance Authority Board of Directors

From: Terri Rosonke, Housing Programs Manager

Date: June 7, 2023

Re: State Housing Trust Fund – Project-Based Housing Program

FY 2023 SHTF Project-Based Housing Program Allocation:	$300,000
Amount awarded to date in FY 2023 prior to 6/7/2023:	$100,000
Amount recommended for award on 6/7/2023:	$ 50,000
FY 2023 amount remaining after today's Board action:	$150,000

As provided in the Allocation Plan, IFA will accept applications for the State Housing Trust Fund Project-Based Housing Program on an open-window basis until all available moneys have been exhausted. The attached funding recommendation is offered for the Board's consideration for one award totaling $50,000.

Including the award recommendations being considered at today's meeting, awards approved by the Board in FY 2023 are leveraging an additional $437,046 in other financing resources or $2.91 for every dollar of Project-Based funding. In all, the FY 2023 projects will assist a total of three affordable housing units in Iowa with an average per unit subsidy of $50,000 in FY 2023 Project-Based Housing Program grant funding.

If the attached FY 2023 Project-Based Housing Program funding recommendation is approved by the Board, awards to date will total $150,000, with $150,000 remaining available for allocation. Any Project-Based funds remaining available for allocation as of June 30, 2023, will be carried over into the FY 2024 State Housing Trust Fund budget calculations.

RESOLUTION
HI 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, as amended, works to expand, protect and preserve affordable housing for low- and moderate-income families in the State of Iowa; and

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

WHEREAS, the Authority has adopted an allocation plan for the Project-Based Housing Program under the Trust Fund (the "Allocation Plan"); and

WHEREAS, the Allocation Plan establishes a Project-Based Housing Program and provides for criteria for grants for the program; and

WHEREAS, pursuant to Iowa Code section 16.181 and the terms of the Allocation Plan, applications for the program will be accepted on an open-window basis until all available moneys have been exhausted; and

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

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

SECTION 1. Pursuant to the Allocation Plan, the Board hereby awards grant(s) under the Project-Based Housing Program to the applicant(s) and in the amount(s) listed on Exhibit A, contingent upon all other funding sources, as identified in each applicant's project budget, being secured.

SECTION 2. The Board hereby authorizes Authority staff to prepare a grant award agreement for each recipient consistent with this resolution and with the Allocation Plan.

PASSED AND APPROVED this 7th day of June, 2023.

Michel Nelson, Board Chairman
(SEAL)

ATTEST:

Deborah Durham, Secretary

EXHIBIT A

Applicant	**Category**	**Funding Recommendation**
#23-PBHP-03, Warren County Habitat for Humanity *Project Location: Indianola (Warren County)*	Project-Based	$ 50,000

Total FY 2023 Funding Recommendations/Awards to Date (including Funding Recommendation(s) listed in this Exhibit A)	Project-Based	$ 150,000
Total FY 2023 Funding Remaining Available for Award (if Funding Recommendation(s) listed in this Exhibit A are approved)	Project-Based	$ 150,000

IOWA FINANCE AUTHORITY

FY 2023 State Housing Trust Fund – Project-Based Housing Program
Application Summary and Funding Recommendations
June 7, 2023

Application #23-PBHP-03

Applicant:	Warren County Habitat for Humanity
Project Location:	Indianola (Warren County)
Project Name:	House 21 – Warren County HFH
Funding Request:	$50,000
Number of Units:	1
Total Budget:	$199,967
Project Type:	Homeownership
Activity:	New construction of affordable housing

Background: Warren County Habitat for Humanity has requested a $50,000 grant to help construct a single-family home in Indianola. The ranch-style home, to be sold to an income-qualified homebuyer using a 0% interest Habitat mortgage, will include approximately 1,150 square feet of finished living space with three bedrooms and two bathrooms. The home also will include a full unfinished basement and a garage. As required by the city as a condition of purchase, the existing home located on the property (determined a total loss after a fire in 2021), will be demolished by Habitat to clear the lot for new construction. The existing garage will be retained for use by the homeowner. The Habitat partner family purchasing the home will receive financial, home repair, homeownership, and foreclosure prevention education and must complete the required sweat equity hours prior to closing.

Warren County Habitat for Humanity was founded in 1995 and has built 20 homes to date. The affiliate will contract with Habitat for Humanity of Iowa for grant administration services.

The Project-Based Housing Program award will be used to help finance construction costs. The requested grant represents 26 percent of the net project budget, exclusive of any amounts budgeted for administration and developer fee.

Recommendation: The application is recommended for funding in the amount of $50,000 contingent upon satisfaction of the following prior to the disbursement of any Project-Based Housing Program grant funds:

1. IFA compliance staff must review and approve the homebuyer's gross annual household income verification documentation as submitted by the Grantee.
2. Submission of an executed copy of the purchase agreement between the city of Indianola and the Grantee for the property located at 701 West Boston Avenue.

To: Iowa Finance Authority Board of Directors

From: Derek Folden, Tax Credit Director

Date: June 7, 2023

Re: Waiver of Single Asset Entity

Background: The Iowa Portfolio 4% applications include five properties that have HUD project-based rental assistance. The projects will be bundled into a single ownership entity for the bond issuance, but there are five separate assets including both senior and family properties.

Section 3.1 of the 2023 4% QAP states that the project ownership entity shall be a single-asset entity. This 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.

Recommendation: Staff recommends waiving the single-asset entity requirement for the Iowa Portfolio projects.

RESOLUTION
23-06

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, Iowa Portfolio's (the "Applicant") 4% applications include five projects that have HUD project-based rental assistance;

WHEREAS, the Applicant's 4% applications propose all five projects have one owner;

WHEREAS, Section 3.1 of the 2023 4% QAP requires each project be owned by a single-asset entity;

WHEREAS, The Authority and the Applicant desire to waive the requirement in Section 3.1 of the 2023 4% QAP that the project owner be a single-asset entity to allow the Applicant to receive 2023 4% Low-Income Housing Tax Credits.

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

SECTION 1. The Board waives the requirement in Section 3.1 of the 2023 4% QAP that the projects ownership entity to be a single-asset entity to allow the Iowa Portfolio to receive 2023 4% Low-Income Housing Tax Credits.

SECTION 2. Authority staff is hereby further authorized to work with the owners of the Projects and/or their assigns to complete and issue the appropriate tax documents associated with the Iowa Portfolio's 2023 4% Low-Income Housing Tax Credits.

PASSED AND APPROVED this 7th day of June 2023.

____
Michel Nelson, Board Chair

(Seal)

ATTEST:

____
Deborah Durham, Secretary

2024 — 4% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the 2024 4% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

IOWA FINANCE AUTHORITY

TABLE OF CONTENTS

INTRODUCTION

This Qualified Allocation Plan (QAP) governs the 2024 4% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

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

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

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

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

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

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

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

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

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

SECTION 2. APPLICATION PROCESS OVERVIEW

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

Process Step	Date
Application Package Available	January 2024
Date of Last Application Package Submission to IFA	October 31, 2024
IRS Form 8609 Application Package due to IFA	No later than November 1 of the first year credit period

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

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

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

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

2.3 APPLICATION PROCESS.

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

B. **Bond Inducement Application**. Applicant shall complete the bond inducement application and payment of the bond inducement application fee through the online Application.

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

D. **LIHTC Application Package.** Applicants shall submit the Application and exhibits through the online Application. Applicants shall use the forms contained in the Application Package and include all information required by the QAP or as otherwise required. Applications shall be submitted within 6 months of Board approval of the bond inducement otherwise the bond inducement may be terminated. Applicants are advised to check IFA's website periodically for any amendments or modifications to the Application Package.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 3. ELIGIBILITY

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

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

A. **Qualified Development Team Members.** The Application must identify the following QDT Members, if applicable:
   - Developer/Co-Developer
   - General Partner/Managing Member
   - Syndicator or Direct Investor
   - Special Limited Partner
   - Management Company
   - Bond Counsel
   - Architect
   - Energy Consultant
   - Tax Attorney
   - Tax Accountant
   - Contractor
   - Engineer
   - Development Consultant

B. **New Developer and General Partner/Managing Member.** Developers or GP/MM with no prior LIHTC awards, with a prior LIHTC award, but no issued 8609, or with an 8609 issued from another state shall be eligible as follows:

Developer or GP/MM with no prior LITHC Award	Up to one LIHTC award in 2024 and shall not be eligible for a second award in any team member role until the project places in service.
Developer or GP/MM with prior LIHTC Award in Iowa, but no 8609	No LIHTC award until project awarded Tax Credits in Iowa meets places in service.
Developer or GP/MM new to Iowa with 8609 from another state	Up to one LIHTC award in 2024.

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

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

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

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

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

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

A. Evidence of involvement in a financial crime or crime related to dishonesty.

B. Evidence of involvement in a crime or violation of laws or regulations, including, but not limited to, laws and regulations related to the development or management of housing

C. Making misrepresentation or providing materially false information in an application.

D. Allowing an affordable rental housing property to enter into foreclosure.

E. Exiting a LIHTC ownership entity voluntarily or involuntarily.

F. Being suspended, debarred, or otherwise excluded from doing business with any federal housing program.

G. Not being in good standing with any affordable rental housing program administrator.

H. Having been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance.

I. A history of repeated or numerous Tax Credit allocation or compliance issues, even if such issues have not resulted in an uncorrected IRS Form 8823.

J. Has returned a full credit Allocation or has failed to comply with a Carryover allocation.

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

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

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

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

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

The Applicant shall provide:

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

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

IFA may reject sites:

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

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

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

   a. The Applicant holds sole fee simple title to the Property on which the Project will be located by a properly executed and recorded warranty deed; or

   b. The Applicant has an executed and exclusive purchase option or contract that is valid for nine months following the date of the Application due date; or

   c. The Applicant has an executed lease or an option on a lease, which has a term not less than 35 years. If the Applicant is purchasing or leasing parking space from a unit of local government, a project specific resolution would suffice.

2. **Requirements for Site Control.**

   a. There shall be a common ownership between all Units and buildings within a single Project for the duration of the Compliance Period and the Extended Use Period.

   b. The Applicant shall provide the location of existing and proposed easements on the site, the most current real estate tax assessment, and documentation that the Project meets or exceeds the City requirements for parking (unless subject to an exemption).

3.5 PROJECT REQUIREMENTS.

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

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

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

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

C. **Minimum Set-Aside Elections.** The Applicant shall make a minimum set-aside election of income and rent levels from the options listed below. Any Owner election made in regard to the minimum set-aside election requirement for a qualified low-income housing project under IRC Section 42(g) cannot be changed once made in the Application. If a Project has an existing LURA, the minimum set-aside election shall remain the same.

   1. **20-50 Test.** At a minimum 20% or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is 50% or less of AMI; or
   2. **40-60 Test.** At a minimum 40% or more of the residential Units in a Project are both rent restricted and occupied by individuals whose income is 60% or less of AMI; or
   3. **Average Income Test (Income Averaging).** At a minimum 40% or more of the residential Units in a Project serve households earning as much as 80% AMI, as long as the average income/rent limit in the property is 60% or less of AMI. The average income test is not available for Scattered Site Projects, Projects with Market Rate units, Project Based Rental Assistance, or PHA Project Based Vouchers.

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

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

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

G. **Acquisition/Rehab**

   1. **Existing Tax Credit Project Resyndication.** A Project is eligible to apply for Tax Credits the 5th year following the close of the initial 15 year Compliance Period.
   2. **Rehabilitation Expenditure.** The Applicant shall provide information regarding rehabilitation expenditures for each building. The information shall address how the Applicant will meet all of the building standards and minimum development characteristics. The Applicant shall identify, with respect to each building as required by the Application, the rehabilitation expenditures as defined in IRC Section 42(e)(2) that shall be allocable to or substantially benefit the Low-Income Units in such building. Each building in the Project must meet the greater of the IRS minimum expenditures requirement set forth in Section 42(e)(3) or a $35,000 rehabilitation expenditure limited to hard construction costs per Low-Income Unit.
   3. **Existing Tax Credit Project Resyndication.** A Project is eligible to apply for Tax Credits the 5th year following the close of the initial 15 year Compliance Period.
   4. **Eligibility for Acquisition Credits.** Project must meet all IRS requirements for acquisition credits including the 10 Year Rule and Related Parties Rule in IRC Section 42(d)(A) – (D)(ii).

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

SECTION 4. APPLICATION UNDERWRITING STANDARDS

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

4.1 PROJECT DEVELOPMENT COSTS

A. **Developer Fees.** Developer fees (including overhead and profit, Consultant Fees) shall not exceed 18%. The Developer's Fee is calculated as a percentage of Total Project Costs minus land, Developer's Fee, Developer's overhead and profit, Consultant Fees and Project reserves.

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

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

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

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

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

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

1. **Existing Reserve Accounts.** Cash from Project reserve accounts transferred to the Ownership Entity with the acquisition of a Project shall not be allowed in eligible basis.
2. **Construction and Permanent Lender Fees.** Construction fees if the construction and permanent lender are the same.
3. **Paved Roads.** The cost of construction of a de minimis paved road on public property may be included in the Project costs, as determined by IFA. The cost of construction of an extensive paved road on public property shall not be included in the Project costs.
4. **Off-Site Utilities.** Costs that are not normal connections or extensions to existing utilities shall not be included in the Project costs.
5. **Tenant Paid Amenities.** Garages, storage units, or other amenities where the Ownership Entity is charging tenants for use, except when part of normal rent for all of Units.

4.2 PROJECT FUNDING SOURCES.

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

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

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

D. **Federal and State Historic Tax Credits.** Projects with historic significance shall use equity invested for the maximum amount of state and federal historic tax credits as proposed or awarded by the appropriate allocating agency as a funding source,

4.3 PROJECT OPERATING COSTS AND CASH FLOW.

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

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

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

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

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

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

G. **Basis Boost.** The Code allows a boost in the Eligible Basis of up to 30% for Buildings located in a QCT or DDA as defined by HUD. Refer to Appendix C - QCTs & DDAs.

H. **Tax Credit Calculation.** IFA shall determine the amount of Tax Credits necessary for the financial feasibility of the Project through the information received during the Application. IFA will utilize the percentage of the limited partnership interest in the Project and equity price in the determination of the Tax Credit amount.

PART B –
POST RESERVATION REQUIREMENTS

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

SECTION 5. POST RESERVATION REQUIREMENTS

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

The following changes are not allowed:

A. Changes to the Ownership Entity named in after Tax Credit Reservation;

B. Transfers of the Tax Credit Reservation;

C. Changes in Unit mix;

D. Change to the minimum set-aside election; or

E. Change that decreases the applicable fraction per building.

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

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

A. Affirmative Fair Housing Marketing Plan Package (AFHMP, ads/brochures, tenant selection plan, lease, lease addendums, community rules, VAWA documents).

B. Confirmation that the Project is listed on Iowa's free rental housing locator at www.IowaHousingSearch.org.

C. A commitment to notify PHA of vacancies.

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

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

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

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

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

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

SECTION 6: TERMS AND CONDITIONS.

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

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

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

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

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

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

   1. First by IRC Section 42 and the related Treasury regulations;
   2. Second by Iowa Code Sections 16.4, 16.35, and the rules governing the QAP; and
   3. Third by the QAP.

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

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

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

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

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

PART C – CONSTRUCTION REQUIREMENTS

SECTION 7. PRIOR TO THE INITIATION OF CONSTRUCTION

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

7.2 IFA PLAN REVIEW. The Ownership Entity shall submit final plans, specifications, and the energy audit or analysis to IFA upon completion. IFA shall give written approval before the Ownership Entity commences site work or construction.

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

A. A copy of the energy audit conducted by a certified home energy rater, and

B. Appropriate specifications to meet IECC standards or alternate cost-effective energy improvements with the final construction documents.

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

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

A. A site visit and physical inspection of the interior and exterior of Units and structures;

B. An interview with on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs, and existing or chronic physical deficiencies;

C. The presence of hazardous materials;

D. A detailed opinion as to the proposed budget for recommended improvements;

E. Identify critical building systems or components that have reached or exceeded their expected useful lives;

F. A projection of recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, to determine the appropriate replacement reserve deposits on a per Unit per annual basis;

G. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines;

H. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, stairs, and drainage;

I. Interiors, including Unit and common area finishes (carpeting, vinyl tile, plaster walls, paint conditions, etc.), Unit kitchen finishes, cabinets and appliances, Unit bathroom finishes and fixtures, and common area lobbies and corridors; and

J. Mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems, and elevators.

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

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

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

A. **GENERAL**.

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

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

B. **EXTERIOR CONSTRUCTION.**

1. **Exterior Design.** The Project shall have a building design that is appealing and appropriate for the community and neighborhood, including varied facades, rooflines, and exterior materials.
2. **Exterior Siding.** Exterior siding shall be durable and impact-resistant. Vinyl does not qualify as durable. Exterior siding shall be a mix of 2 or more of the following (no single material shall constitute more than 70% of the siding): brick, fiber cement board siding, or engineered wood siding with quality standards similar to Smartside, and/or nominal, 2” nominal thickness manufactured stone over ¾” stucco, nail on stone panels or metal siding approved by IFA. The exterior siding requirements do not apply to existing buildings that are 100% brick or stone. The soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood siding with quality standards similar to Smartside. Soffits shall be vented.
3. **Roofs.** Roofs shall have a 30 year full warranty. Flat roofs shall have a minimum 60 mil TPO or EPDM thickness and a 10 year full warranty. Full warranty includes: all labor and materials for the entire roofing system and insurance rider for consequential damage. All reroofing applications shall include the removal of the existing roofing system down to the roof deck.
4. **Main Entrance Areas.** Apartment building main entrances to interior shall have a foyer and be equipped with a remote security and intercom system to each Unit to control entry to common areas. Single-family, duplex, and rowhouse Unit main entrances to exterior shall have a storm door and a covered entry with a minimum depth and width of coverage of 4 feet by 4 feet.
5. **Unit Doors.** Any Unit primary entry door may be solid core wood or solid wood panel type, insulated metal, or fiberglass panel type with optional glass insert, 180-degree peephole, lockset and deadbolt lock with 1 inch throw. Primary entry doors shall have steel frames. Metal frames at exterior doors shall be thermally broken or metal clad wood frames are acceptable at Unit entries leading to the exterior.

C. **INTERIOR CONSTRUCTION**

1. **Appliances.** The kitchen shall have a cook top, an oven, a microwave, a cooling/freezing unit, built-in dishwasher, and a sink. Single-bowl sinks shall be minimum 20” x 30”. Appliances shall be Energy Star. These requirements do not apply to Single Room Occupancy Units.
2. **Water Conserving Measures.** Toilets are high efficiency WaterSense toilets that use 1.28 gallons per flush or less; faucet aerators use 1.5 gallons per minute (gpm) or less in kitchens and 1.0 gpm or less in bathrooms; showerheads use 1.5 gpm or less. Dual flush toilets do not qualify.
3. **Cabinetry.** Cabinetry and woodwork shall meet ANSI/AWI standards for Custom Grade Cabinetry and/have the KCMA A161.1 Quality Certification Seal.
4. **Closet Rods and Shelves.** Closet rods and shelves are required in each bedroom closet in each Unit. For Accessible Units only, the closet shelves and hanger bars shall be easy to adjust to different heights with no tools required with adjustable standards and brackets. Hanger rods shall attach to the shelving and provide continuous slide for hangers between supports. Shelves shall be 12” deep minimum and material vinyl coated steel or similar.
5. **Paints and Primers, Adhesives, Caulks and Sealants.** Paints, primers, adhesives, caulks, and sealants shall comply with Federal regulations applicable to low VOC requirements.
6. **Minimum Bathroom Accessories**
   - Towel bar(s) within reach of lavatory and tub/shower
   - Toilet paper holder
   - Shower curtain rod (if applicable)
   - Mirror
   - Cabinet with drawers, shelf space, or medicine storage cabinet.
7. **Carpeting.** Carpets shall be 100% nylon or nylon/olefin blend.
8. **Resilient Flooring.** 1/8-inch vinyl composition tile with color and pattern full thickness, LVT, sheet vinyl, linoleum flooring, tile flooring, bamboo, wood, or polished concrete.
9. **Resilient Flooring—Bathrooms.** LVT, sheet vinyl, linoleum flooring, or tile flooring.
10. **Durable Window Sills.** All window sills/ledges shall be composed of moisture-resistant materials, such as plastic laminate, molded plastic, cultured marble, etc. Projects with Historic tax credits may provide wood sills if they are specifically required by the State Historic Preservation Office (SHPO).
11. **Window Covering.** Window coverings are required. A spring loaded type window shade is not an approved covering.

D. **ENERGY REQUIREMENTS.**

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

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

2. **Water Heaters.**

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

7.7. MINIMUM DEVELOPMENT CHARACTERISTICS – NEW CONSTRUCTION AND ADAPTIVE REUSE.
New Construction and Adaptive Reuse Construction must use the following additional minimum development characteristics:

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

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

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

D. **Minimum Unit Net Square Footage:**

New Construction and Adaptive/Reuse

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

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

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

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

A. **Scope of Work.** The Scope of Work shall, at a minimum, include work on the following as indicated in the CNA:

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

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

C. **Smoke Detectors.** All Acquisition Rehab/Rehab Projects shall install or replace all smoke detectors.

SECTION 8. BUILDING STANDARDS

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

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

PART D – GLOSSARY OF TERMS

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

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

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

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

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

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

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

Family Project: General occupancy project with no age restrictions.

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

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

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

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

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

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

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

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

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

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

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

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

IOWA FINANCE AUTHORITY

Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315

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housingtaxcredits@iowafinance.com

~~2023~~ 2024 — 4% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the ~~2023~~ 2024 4% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

IOWA FINANCE AUTHORITY

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INTRODUCTION

This Qualified Allocation Plan (QAP) governs the ~~2023~~ 2024 4% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

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

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

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

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

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

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

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

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

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

SECTION 2. APPLICATION PROCESS OVERVIEW

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

Process Step	Date
Application Package Available	~~February 2023~~January 2024
Date of Last Application Package Submission to IFA	~~October 27, 2023~~October 31, 2024
IRS Form 8609 Application Package due to IFA	No later than November 1 of the first year credit Period

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

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

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

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

2.3 APPLICATION PROCESS.

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

B. **Bond Inducement Application**. Applicant shall complete the bond inducement application and payment of the bond inducement application fee through the online Application.

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

D. **LIHTC Application Package.** Applicants shall submit the Application and exhibits through the online Application. Applicants shall use the forms contained in the Application Package and include all information required by the QAP or as otherwise required. Applications shall be submitted within 6 months of Board approval of the bond inducement otherwise the bond inducement may be terminated. Applicants are advised to check IFA's website periodically for any amendments or modifications to the Application Package.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 3. ELIGIBILITY

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

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

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

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

~~B.~~ **New Developer and General Partner/Managing Member.** Developers or GP/MM with no prior LIHTC awards, with a prior LIHTC award, but no issued 8609, or with an 8609 issued from another state shall be eligible as follows:~~If the Developer or GP/MM has never received an IRS Form 8609 in Iowa, they shall have no more than 1 LIHTC award under this QAP. If the Developer or GP/MM has never received an IRS Form 8609, they shall have no more than 1 LIHTC~~

B. ~~award under this QAP, and they shall not be eligible for a second award in any team member role until an IRS Form 8609 has been received.~~

Developer or GP/MM with no prior LITHC Award	Up to one LIHTC award in 2024 and shall not be eligible for a second award in any team member role until the project places in service.
Developer or GP/MM with prior LIHTC Award in Iowa, but no 8609	No LIHTC award until project awarded Tax Credits in Iowa meets places in service.
Developer or GP/MM new to Iowa with 8609 from another state	Up to one LIHTC award in 2024.

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

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

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

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

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

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

A. Evidence of involvement in a financial crime or crime related to dishonesty.

B. Evidence of involvement in a crime or violation of laws or regulations, including, but not limited to, laws and regulations related to the development or management of housing.

~~B.~~C. Making misrepresentation or providing materially false information in an application.

~~C.~~D. Allowing an affordable rental housing property to enter into foreclosure.

~~D.~~E. Exiting a LIHTC ownership entity voluntarily or involuntarily.

~~E.~~F. Being suspended, debarred, or otherwise excluded from doing business with any federal housing program.

~~F.~~G. Not being in good standing with any affordable rental housing program administrator.

~~G.~~H. Having been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance.

~~H.~~I. A history of repeated or numerous Tax Credit allocation or compliance issues~~ in Iowa~~, even if such issues have not resulted in an uncorrected IRS Form 8823.

~~I.~~J. Has returned a full credit Allocation or has failed to comply with a Carryover allocation.

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

A. **Zoning**.

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

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

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

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

The Applicant shall provide:

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

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

IFA may reject sites:

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

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

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

a. The Applicant holds sole fee simple title to the Property on which the Project will be located by a properly executed and recorded warranty deed; or

b. The Applicant has an executed and exclusive purchase option or contract that is valid for nine months following the date of the Application due date; or

c. The Applicant has an executed lease or an option on a lease, which has a term not less than 35 years. If the Applicant is purchasing or leasing parking space from a unit of local government, a project specific resolution would suffice.

2. **Requirements for Site Control.**

a. There shall be a common ownership between all Units and buildings within a single Project for the duration of the Compliance Period and the Extended Use Period.

b. The Applicant shall provide the location of existing and proposed easements on the site, the most current real estate tax assessment, and documentation that the Project meets or exceeds the City requirements for parking (unless subject to an exemption).

3.5 PROJECT REQUIREMENTS.

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

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

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

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

C. **Minimum Set-Aside Elections.** The Applicant shall make a minimum set-aside election of income and rent levels ~~of those~~ from the options listed below. Any Owner election made in regard to the minimum set-aside election requirement for a qualified low-income housing project under IRC Section 42(g) cannot be changed once made in the Application. If a Project has an existing LURA, the minimum set-aside election shall remain the same.

1. **20-50 Test.** At a minimum 20% or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is 50% or less of AMI; or

2. **40-60 Test.** At a minimum 40% or more of the residential Units in a Project are both rent restricted and occupied by individuals whose income is 60% or less of AMI; or

3. **Average Income Test (Income Averaging).** At a minimum 40% or more of the residential Units in a Project serve households earning as much as 80% AMI, as long as the average income/rent limit in the property is 60% or less of AMI. The average income test is not available for Scattered Site Projects~~.~~, Projects with Market Rate units, Project Based Rental Assistance, or PHA Project Based Vouchers.

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

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

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

G. **Acquisition/Rehab**

1. **Existing Tax Credit Project Resyndication~~Prohibition of Applying Within the Initial 15-Year Compliance Period~~.** A Project is eligible to apply for Tax Credits the 5th year following the close ~~Once a Project has been issued an IRS Form 8609, the Project is prohibited from applying for LIHTC credits until after the 15th year has been completed (~~of the initial 15 year Compliance Period~~)~~.

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

3. **Capital Needs Assessment.** Applicant must provide a Capital Needs Assessment for review and approval as part of the Application.

~~1.~~4. **Eligibility for Acquisition Credits.** Project must meet all IRS requirements for acquisition credits including the 10 Year Rule and Related Parties Rule in IRC Section 42(d)(A) – (D)(ii).

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

SECTION 4. APPLICATION UNDERWRITING STANDARDS

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

4.1 PROJECT DEVELOPMENT COSTS

A. **Developer Fees.** Developer fees (including overhead and profit, Consultant Fees) shall not exceed 18%. The Developer's Fee is calculated as a percentage of Total Project Costs minus land, Developer's Fee, Developer's overhead and profit, Consultant Fees and Project reserves.

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

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

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

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

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

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

1. **Existing Reserve Accounts.** Cash from Project reserve accounts transferred to the Ownership Entity with the acquisition of a Project shall not be allowed in eligible basis.
2. **Construction and Permanent Lender Fees.** Construction fees if the construction and permanent lender are the same.

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

4.2 PROJECT FUNDING SOURCES.

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

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

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

D. **Federal and State Historic Tax Credits.** Projects with historic significance shall use equity invested for the maximum amount of state and federal historic tax credits as proposed or awarded by the appropriate allocating agency as a funding source,

4.3 PROJECT OPERATING COSTS AND CASH FLOW.

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

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

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

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

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

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

G. **Basis Boost.** The Code allows a boost in the Eligible Basis of up to 30% for Buildings located in a QCT or DDA as defined by HUD. Refer to Appendix C - QCTs & DDAs.

H. **Tax Credit Calculation.** IFA shall determine the amount of Tax Credits necessary for the financial feasibility of the Project through the information received during the Application. IFA will utilize the percentage of the limited partnership interest in the Project and equity price in the determination of the Tax Credit amount.

PART B –
POST RESERVATION REQUIREMENTS

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

SECTION 5. POST RESERVATION REQUIREMENTS

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

The following changes are not allowed:

A. Changes to the Ownership Entity named in after Tax Credit Reservation;

B. Transfers of the Tax Credit Reservation;

C. Changes in Unit mix;

D. Change to the minimum set-aside election; or

E. Change that decreases the applicable fraction per building.

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

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

A. Affirmative Fair Housing Marketing Plan Package (AFHMP, ads/brochures, tenant selection plan, lease, lease addendums, community rules, VAWA documents).

B. Confirmation that the Project is listed on Iowa's free rental housing locator at www.IowaHousingSearch.org.

C. A commitment to notify PHA of vacancies.

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

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

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

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

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

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

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

SECTION 6: TERMS AND CONDITIONS.

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

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

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

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

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

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

   1. First by IRC Section 42 and the related Treasury regulations;
   2. Second by Iowa Code Sections 16.4, 16.35, and the rules governing the QAP; and
   3. Third by the QAP.

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

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

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

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

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

PART C –

CONSTRUCTION REQUIREMENTS

SECTION 7. PRIOR TO THE INITIATION OF CONSTRUCTION

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

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

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

A. A copy of the energy audit conducted by a certified home energy rater, and

B. Appropriate specifications to meet IECC standards or alternate cost-effective energy improvements with the final construction documents.

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

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

A. A site visit and physical inspection of the interior and exterior of Units and structures;

B. An interview with on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs, and existing or chronic physical deficiencies;

C. The presence of hazardous materials;

D. A detailed opinion as to the proposed budget for recommended improvements;

E. Identify critical building systems or components that have reached or exceeded their expected useful lives;

F. A projection of recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, to determine the appropriate replacement reserve deposits on a per Unit per annual basis;

G. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines;

H. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, stairs, and drainage;

I. Interiors, including Unit and common area finishes (carpeting, vinyl tile, plaster walls, paint conditions, etc.), Unit kitchen finishes, cabinets and appliances, Unit bathroom finishes and fixtures, and common area lobbies and corridors; and

J. Mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems, and elevators.

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

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

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

A. **GENERAL**.

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

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

B. **EXTERIOR CONSTRUCTION.**

1. **Exterior Design.** The Project shall have a building design that is appealing and appropriate for the community and neighborhood, including varied facades, rooflines, and exterior materials.
2. **Exterior Siding.** Exterior siding shall be durable and impact-resistant. Vinyl does not qualify as durable. Exterior siding shall be a mix of 2 or more of the following (no single material shall constitute more than 70% of the siding): brick, fiber cement board siding, or engineered wood siding with quality standards similar to Smartside, and/or nominal, 2” nominal thickness manufactured stone over ¾” stucco, nail on stone panels or metal siding approved by IFA. The exterior siding requirements do not apply to existing buildings that are 100% brick or stone. The soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood siding with quality standards similar to Smartside. Soffits shall be vented.
3. **Roofs.** Roofs shall have a 30 year full warranty. Flat roofs shall have a minimum 60 mil TPO or EPDM thickness and a 10 year full warranty. Full warranty includes: all labor and materials for the entire roofing system and insurance rider for consequential damage. All reroofing applications shall include the removal of the existing roofing system down to the roof deck.
4. **Main Entrance Areas.** Apartment building main entrances to interior shall have a foyer and be equipped with a remote security and intercom system to each Unit to control entry to common areas. Single-family, duplex, and rowhouse Unit main entrances to exterior shall have a storm door and a covered entry with a minimum depth and width of coverage of 4 feet by 4 feet.
5. **Unit Doors.** Any Unit primary entry door may be solid core wood or solid wood panel type, insulated metal, or fiberglass panel type with optional glass insert, 180-degree peephole, lockset and deadbolt lock with 1 inch throw. Primary entry doors shall have steel frames. Metal frames at exterior doors shall be thermally broken or metal clad wood frames are acceptable at Unit entries leading to the exterior.

C. **INTERIOR CONSTRUCTION**

1. **Appliances.** The kitchen shall have a cook top, an oven, a microwave, a cooling/freezing unit, built-in dishwasher, and a sink. Single-bowl sinks shall be minimum 20” x 30”. Appliances shall be Energy

Star. These requirements do not apply to Single Room Occupancy Units.

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

D. **ENERGY REQUIREMENTS.**

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

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

2. **Water Heaters.**

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

7.7. MINIMUM DEVELOPMENT CHARACTERISTICS – NEW CONSTRUCTION AND ADAPTIVE REUSE. New Construction and Adaptive Reuse Construction must use the following additional minimum development characteristics:

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

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

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

D. **Minimum Unit Net Square Footage:**

New Construction and Adaptive/Reuse

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

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

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

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

A. **Scope of Work.** The Scope of Work shall, at a minimum, include work on the following as indicated in the CNA:

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

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

C. **Smoke Detectors.** All Acquisition Rehab/Rehab Projects shall install or replace all smoke detectors.

SECTION 8. BUILDING STANDARDS

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

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

PART D – GLOSSARY OF TERMS

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

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

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

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

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

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

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

Family Project: General occupancy project with no age restrictions.

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

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

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

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

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

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

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

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

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

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

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

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

Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315

515.452.0400
800.432.7230
housingtaxcredits@iowafinance.com

RESOLUTION
HI 23-07

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

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

WHEREAS, the Authority's proposed 2024 4% Low Income Housing Tax Credit Qualified Allocation Plan for four percent tax credits ("2024 4% QAP") is attached as Exhibit A hereto; and

WHEREAS, the Authority now proposes to adopt the 2024 4% QAP to be applicable to all of the 4% LIHTC awards which will be made in 2024.

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

SECTION 1. The Board hereby approves the 2024 4% QAP set forth as Exhibit A hereto.

SECTION 2. The 2024 4% QAP shall apply to all 4% LIHTC Awards which will be made in 2024.

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 7th day of June 2023.

____
Michel Nelson, Board Chairman

ATTEST: (SEAL)

____
Deborah Durham, Secretary

2024 — 9% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the 2024 — 9% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

IOWA FINANCE AUTHORITY

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INTRODUCTION

This Qualified Allocation Plan (QAP) governs the 2024 — 9% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

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

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

The Code requires that the QAP include three statutory preferences: developments serving the lowest-income tenants, developments affordable for the longest periods of time, and developments located in qualified census tracts (QCTs) designated by the U.S. Department of Housing and Urban Development (HUD) that contribute to a concerted community revitalization plan. The Code also requires the QAP to consider ten statutory selection criteria: project location; housing needs characteristics; project characteristics; sponsor characteristics; tenant populations with special housing needs; public housing waiting lists; tenant populations of individuals with children; projects intended for eventual tenant ownership; energy efficiency of the project; and historic nature of the project.

In addition to federal requirements, IFA has developed three goals for this QAP:

A. Build durable rental units that will remain quality assets in communities,
B. Build rental units in communities and sites that have high opportunity for residents, and
C. Build rental units that are affordable for rent-burdened residents.

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

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

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

PART A – APPLICATION REQUIREMENTS

SECTION 1. SET-ASIDES AND TAX CREDIT LIMITS.

1.1 AMOUNT OF TAX CREDITS TO BE ALLOCATED. The amount of annual Tax Credits allocated to Iowa by the federal government for the LIHTC program is based on a per-capita amount derived from population estimates released by the Internal Revenue Service (IRS). IFA intends to award all credits allocated in the current year along with any returned Tax Credits from previous years.

1.2 SET-ASIDES. The funding round will include the following set-asides. Projects competing in a set-aside may compete in the General Set-Aside except the Innovation Set-Aside.

A. **Innovation Set-Aside.** IFA may award up to $1,000,000 in Tax Credits to no more than one project that applies for the Innovation Set-Aside.

1. Refer to Appendix P – Innovation Set-Aside for more information on the Innovation Set-Aside.
2. The Director may waive specific requirements of this QAP for projects applying under the Innovation Set-Aside.

B. **Nonprofit Set-Aside.** Under this set-aside, Qualified Nonprofit Organizations shall receive at least 10% of all available Tax Credits. Not more than 90% of the available Tax Credits shall be allocated to projects other than to Projects qualifying for this set-aside. IFA will determine whether an Entity is a Qualified Nonprofit Organization for the purpose of this Set-Aside.

To qualify for the Nonprofit Set-Aside:

1. A Qualified Nonprofit Organization must be the Developer or Co-Developer.
2. The Nonprofit shall have a designation under Internal Revenue Code (IRC) Section 501(c)(3) or 501(c)(4), is tax-exempt from tax under Section 501(a), and be qualified to do business in Iowa.
3. The Nonprofit shall not be formed for the principal purpose of being included in the Nonprofit Set-Aside.
4. The Nonprofit shall not be affiliated with or controlled by a for-profit organization. IFA, in its sole discretion, shall make a determination that the Nonprofit is not affiliated with or controlled by a for-profit organization. Control means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any person or Affiliate thereof, whether through the ownership of voting securities, by contract or otherwise, including specifically, ownership of more than 50% of the General Partner interest in a limited partnership, or designation as General Partner/Managing Member of a limited liability company.
5. The Nonprofit and/or parent Nonprofit organization shall have, as one of its tax-exempt purposes, the fostering of low-income housing and shall have been so engaged for the two years prior to the Application submission date. The Applicant shall demonstrate that the Nonprofit's programs include a low-income housing component that previously placed affordable units in service. Consistent with Rev. Proc. 96-32, 1996-1 C.B. 717, the Applicant shall explain how the Nonprofit is pursuing a charitable purpose by fostering low-income housing.
6. The Nonprofit shall be an Owner Representative, either directly as a General Partner or through a wholly-owned subsidiary as defined in IRC Section 42(h)(5)(d)(i) and (ii) throughout the Compliance Period. If there are two or more Owner Representatives, each much be Nonprofit, but only one must meet the requirements of Section 1.2 A 5 above. The Nonprofit shall materially participate in the development and operation of the Project throughout the Compliance Period. Nonprofit material participation is defined in IRC Section 469(h) and Treasury Regulation 1.469-5T.
7. The Nonprofit shall receive no less than 50% of the combined total of the Developer and Consultant Fee.

C. **Rural Set-Aside.** IFA will award no more than $1,200,000 in Tax Credits to Applications in Rural counties. Refer to Appendix A – QCT's, DDA's and Rural Counties

D. **General Set-Aside.** IFA will award the remaining Tax Credits to Applications in a general competition.

1.3 PROJECT LIMITATIONS.

A. **Tax Credit Cap per LIHTC Unit.**

Project Type	Amount Per LIHTC Unit	Description
Family New Construction or Adaptive Reuse Projects	$25,000 per LIHTC Unit	Projects shall not include more than 20% 1BR or smaller Units, and the average bedroom size shall be at least 2.2 bedrooms.
	$27,500 per LIHTC Unit	Projects shall not include more than 20% 1BR or smaller Units, shall include at least 10% 4BR Units, and the average bedroom size shall be at least 2.5 bedrooms.
Senior New Construction or Adaptive Reuse Projects	$22,500 per LIHTC Unit	Projects shall not include more than 20% Studio Units, and the average bedroom size shall be at least 1.1 bedrooms.
Acquisition/Rehabilitation Projects	$17,500 per LIHTC Unit	
Permanent Supportive Housing Projects	$25,500 per LIHTC Unit	Project unit mix shall be appropriate for the population to be served.

B. **Project Cap.** The maximum Tax Credit amount that will be awarded to any one Project is $1,200,000.

C. **Developer, General Partner/Managing Member Cap.** IFA will not award Tax Credits to any project in which the Developer, General Partner/Managing Member, or Affiliate is controlled by an individual or entity that is involved with other awarded projects in the same round that, in the aggregate, have been awarded 2 projects or $1,600,000. Whether an individual's or entity's involvement in a project counts towards the calculation of the 2 projects or $1,600,000 limit is in IFA's sole discretion.

D. **Open Projects Limitation.** A single individual, entity or entities controlled by such individuals, or entities involved as a Developer, General Partner/Managing Member or Affiliate that has a total of 4 or more open LIHTC Projects (4% and 9%) in Iowa shall be eligible for only 1 award in the current funding round, regardless of team member role that the entity is listed as in the LIHTC Application(s). A Project is considered open once it receives a Tax Credit Reservation and closed upon IRS Form 8609 issuance.

E. **Community Cap.** A city in a rural county shall receive no more than 1 Tax Credit award, and a rural county shall receive no more than 2 Tax Credit awards. A city in other counties shall receive no more than 2 Tax Credit awards, and other counties shall receive no more than 3 awards. Refer to Appendix A – QCT's, DDA's, and Rural Counties.

SECTION 2. APPLICATION PROCESS OVERVIEW.

2.1 TAX CREDIT RESERVATION SCHEDULE. To the extent possible, the following schedules apply to the Tax Credit Reservation Application process for 9% Tax Credits:

Process Step	Date
Application Package Available	December 2023
Qualified Service Provider due to IFA	No later than 10 calendar days prior to Application Package Submission due date.
Application Package Submission due to IFA	April 2024
Application Deficiency Period	Late May or Early June 2024
IFA Tax Credit Reservation recommendations presented to Board	July 2024 IFA Board of Directors meeting
Issuance of 2023 Carryover Allocation Agreements	On or about September 1, 2024
Carryover-Ten Percent Test Application Package due to IFA	On or about July 1, 2025 (10 months following date of Carryover Agreement)
IRS Form 8609 Application Package due to IFA	No later than November 1 of the first-year credit period

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

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

Fee Type	All Applicants
Application Submission Fee	$2,000 Due at Application submission.
Application Review Fee	$1,500 Due within 5 business days of the Application submission due date.
Reservation Fee	1% of the total 10-year Tax Credit amount due within 30 calendar days of the Tax Credit Reservation Date.
Material Change in Application Fee	$7,500 for material change requests.
Late Submission of the Carryover-Ten Percent Test Application	If a late submission of the Carryover-Ten Percent Test Application is allowed by IFA, the Applicant will be billed $5,000. Does not apply to extension exceptions allowed by IRS.
IRS Form 8609 Application Fee	$10,000 for all projects or $5,000 for projects that applied and qualified for the Nonprofit Set-Aside.
Amended IRS Form 8609 Fee	$1,000.

Fee Type	All Applicants
Legal Fees	Legal fees of IFA's in-house counsel and related to the Project may be billed at the rate of $150 per hour. Legal fees of outside counsel and related to this Project will be billed at the rate charged to IFA. Fees and expenses in cases of unsuccessful appeals may be assessed and billed to the Applicant.
Construction Monitoring Fees	A $2,900 construction monitoring fee will be due with the CarrYover-Ten Percent Test Application.
Fees for Failed and Missed Inspections	IFA charges an additional $500 fee when conditions at the site warrant a return visit or any missed inspection or preconstruction meetings when IFA's construction analyst is not given 10 days advance notice.
Compliance Monitoring Fee	$32 per Unit x number of total Project Units, submitted annually on or before January 31 for each year of the Compliance Period and the Extended Use Period (if applicable). (Example: $32 per Unit x 24-Unit Project = $768.00 paid annually for 30 years.) Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple-building Project on the IRS Form 8609, if eligible to do so. Annual rate increases may apply. Other fees as provided in the IFA compliance manual. The first annual payment shall be submitted with the IRS Form 8609 Application. The Ownership Entity has the option of paying the compliance monitoring fee in advance for the entire Compliance Period and the Extended Use Period (if applicable); however, additional fees may be assessed to the Property during the Compliance Period and Extended Use Period if annual rate increases are applied during that time.

2.3 CONTACT WITH IFA.

A. **Prior to Application Submittal.** Prior to the submittal of the Application, Applicants may submit questions regarding an interpretation or clarification of the QAP, IFA policies, procedures, or rules relating to the LIHTC Program to housingtaxcredits@iowafinance.com. IFA shall not be bound by any oral or written representation made in connection with the Application or award of Tax Credit Reservations other than those provided on its website.

B. **After Application Submittal.** Applicants shall not contact IFA staff or Board members regarding their Application until after award. Once the Application has been submitted, IFA will only discuss supplemental or clarifying data during the Application Deficiency Review Period.

2.4 APPLICATION SUBMITTAL. Applicants shall pay the Application Submission Fee when submitting the Application prior to the Submission Due Date. Within 1 business day of the submission deadline, preliminary scoring for all submitted applications shall be posted on the IFA website, www.iowafinance.com. Within 5 days of the Submission Due Date, Applicants must pay the Application Review Fee if they want their application submitted for full Application Review.

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

A. **Market Study Timing.** The Market Study is due upon application submission. The Market Study and field survey must have been completed no more than 6 months prior to the application due date. The Applicant is solely responsible for providing a Market Study for a Project within these timeframes; failure to do so will result in IFA rejecting the Application.

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

2.6 COMPLETE APPLICATION. In order for IFA to review an Application fairly and accurately, it shall be complete. If there is not adequate information provided to review the Application, IFA shall reject the Application.

A. **Application Package.** Applicants shall use the forms contained in the Application Package and include all information required by the QAP or as otherwise required. Applicants shall submit the Application and exhibits through the online Application.

B. **Prior Years.** Application determinations made in prior years are not binding on IFA for the current funding round.

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

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

E. **Document Timeliness.** Required supporting documentation shall not be more than 180 days old, unless otherwise noted, on the date the Application is submitted. Exceptions include documents not specifically produced for the Application, such as a valid purchase agreement, deed, land title document, Articles of Incorporation, and IRS letters to a Nonprofit stating it is an exempt organization.

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

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

H. **Application Deficiency Period.** During the Application deficiency review, IFA may request additional information on the Application via email through the online Application. The Applicant will have a period of time determined solely by IFA (Application Deficiency Period) to remedy all deficiency items. Changes made by the Applicant that were not recommended by IFA and changes that improve the score shall not be allowed. If applicable, IFA may adjust underwriting and/or scoring. IFA may contact the Applicant in other ways to clarify information contained in the Application.

I. **Scoring Determination.** IFA shall make the final determination of the Applicant's score.

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

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

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

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

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

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

SECTION 3. ELIGIBILITY.

3.1 LEGAL OWNERSHIP ENTITY. The Ownership Entity shall be formed and submitted within 30 days after the date of the Tax Credit Reservation Date. This entity shall be a single-asset entity to which Tax Credits will be or have been awarded. All members, managers, partners, and officers of all entities of the Ownership Entity shall be disclosed in an organizational chart. The proposed structure identified within this chart may not be changed after Application submittal until closing with the investor, and only the limited partner and special limited partner, if applicable, may be added. Failure to submit the required Ownership Entity documents within 30 days after the date of the Tax Credit Reservation Date may result in the revocation of Tax Credit award.

The Ownership Entity shall waive the right to a qualified contract in accordance with Section 42(h)(6)(F).

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

A. **Qualifying Entity.** Only the Developer or General Partner/Managing Member and affiliates thereof of the Ownership Entity shall be eligible for experience points as a qualifying entity and may not be changed after Application submission. At least one Developer or General Partner/Managing Member and affiliates thereof of the Ownership Entity shall be a Qualifying entity and meet the following requirements:

   1. **Developer.** The Developer or an affiliate thereof shall have been listed in an awarded LIHTC application as a Developer (may be a joint venture), and is currently serving as a Managing Member/ General Partner or sole shareholder/member of the General Partner/Managing Member of the legal ownership entity for at least one LIHTC project that has received an IRS Form 8609 prior to the Application submission due date. As the qualifying entity, the Developer shall receive a combined total of at least 50% of the total Developer and consultant fee for the Project.
   2. **General Partner/Managing Member.** The General Partner/Managing Member or an affiliate thereof of the Ownership Entity shall have been listed in an awarded LIHTC application as a GP/MM, Affiliate thereof, or member/manager thereof, and currently serving as a General Partner/Managing Member or sole shareholder/member of the GP/MM of the legal ownership entity for at least one LIHTC project that has received an IRS Form 8609 prior to the Application submission due date. As the qualifying entity, the GP/MM shall have at least 50% ownership of the GP/MM of the Project.

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

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

C. **New Developer and General Partner/Managing Member.** Developers or GP/MM with no prior LIHTC awards, with a prior LIHTC award, but no issued 8609, or with an 8609 issued from another state shall be eligible as follows.

Developer or GP/MM with no prior LITHC Award	Up to one award in 9% funding round and shall not be eligible for a second award in any team member role until the project meets 10% Test and places in service.
Developer or GP/MM with prior LIHTC Award in Iowa, but no 8609	No LIHTC award until project awarded Tax Credits in Iowa meets 10% Test and placed in service.
Developer or GP/MM new to Iowa with 8609 from another state	Up to one award in the 9% funding round

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

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

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

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

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

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

A. Evidence of involvement in a financial crime or crime related to dishonesty.

B. Evidence of involvement in a crime or a violation of laws or regulations. Including, but not limited to, laws and regulations related to the development or management of housing.

C. Making misrepresentation or providing materially false information in an application.

D. Allowing an affordable rental housing property to enter into foreclosure.

E. Exiting a LIHTC ownership entity voluntarily or involuntarily.

F. Being suspended, debarred, or otherwise excluded from doing business with any federal housing program.

G. Not being in good standing with any affordable rental housing program administrator.

H. Having been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance.

I. A history of repeated or numerous Tax Credit allocation or compliance issues, even if such issues have not resulted in an uncorrected IRS Form 8823.

J. Has returned a full credit Allocation or has failed to comply with a Carryover allocation.

3.4 SITE REQUIREMENTS. The proposed Project shall be located in an incorporated city at Application submission. Applications shall not contain or propose alternate sites. The Applicant shall be ready to proceed with the Project by documenting site control and site suitability.

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

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

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

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

   The Applicant shall provide:

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

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

   IFA may reject sites:

   1. Located within one-half mile of storage areas for hazardous or noxious materials, sewage treatment plants or other solid waste facilities, businesses or equipment producing foul odors or excessive noise or the site is a prior storage area for hazardous or noxious materials, sewage, or other solid or liquid waste;
   2. Where the slope/terrain is not suitable for a Project based on extensive earth removal/replacement required for development;

3. Where there are obvious physical barriers to the Project;
4. Located within one-half mile of a sanitary landfill or sites that were previously used as a sanitary landfill;
5. Located within a flood hazard area, or a 500-year flood zone as determined by the Iowa Department of Natural Resources, a FEMA map, or a FIRM map. Sites that are located within a 100-year flood zone are not permitted;
6. Located within 500 feet of an airport runway clear zone or accident potential zone;
7. That are landlocked;
8. That are native prairie land or designated wetlands;
9. Within 300 feet of an electrical power substation, natural gas substation, or similar substation; or that are otherwise unsuitable as a home for LIHTC households as determined by IFA.

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

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

a. The Applicant holds sole fee simple title to the Property on which the Project will be located by a properly executed and recorded warranty deed; or

b. The Applicant has an executed and exclusive purchase option or contract that is valid for nine months following the date of the Application due date; or

c. The Applicant has an executed lease or an option on a lease, which has a term not less than 35 years. If the Applicant is purchasing or leasing parking space from a unit of local government, a project specific resolution would suffice.

2. **Requirements for Site Control.**

a. There shall be a common ownership between all Units and buildings within a single Project for the duration of the Compliance Period and the Extended Use Period.

b. The Applicant shall provide the location of existing and proposed easements on the site, the most current real estate tax assessment, and documentation that the Project meets or exceeds the City requirements for parking (unless subject to an exemption).

3.5 PROJECT REQUIREMENTS.

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

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

C. **Minimum Set-Aside Elections.** The Applicant shall make a minimum set-aside election of income and rent levels from the options listed below. Any Owner election made in regard to the minimum set-aside election requirement for a qualified low-income housing project under IRC Section 42(g) cannot be changed once made in the Threshold Application. If a Project has an existing LURA, the minimum set-aside election shall remain the same.

1. **20-50 Test.** At a minimum, 20% or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is 50% or less of AMI; or
2. **40-60 Test.** At a minimum, 40% or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is 60% or less of AMI; or
3. **Average Income Test (Income Averaging).** At a minimum, 40% or more of the residential Units in a Project serve households earning as much as 80% AMI, as long as the average income/rent limit in the Property is 60% or less of AMI. The average income test is not available for Scattered Site Projects, Projects with Market Rate units, Project Based Rental Assistance, or PHA Project Based Vouchers.

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

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

F. **Market Rate Standards.** Market-rate single-family homes shall not be allowed.

G. **Acquisition/Rehab.**

1. **Existing Tax Credit Project Resyndication.** A Project is eligible to apply for Tax Credits the 5th year following the close of the initial 15-year Compliance Period.
2. **Rehabilitation Expenditures.** The Applicant shall provide information regarding rehabilitation expenditures for each building. The information shall address how the Applicant will meet all of the building standards and minimum development characteristics. The Applicant shall identify, with respect to each building as required by the Application, the rehabilitation expenditures as defined in IRC Section 42(e)(2) that shall be allocable to or substantially benefit the Low-Income Units in such building. Each building in the Project must meet the greater of the IRS minimum expenditures requirement set forth in Section 42(e)(3) or a $35,000 rehabilitation expenditure limited to hard construction costs per Low-Income Unit.
3. **Eligibility for Acquisition Credits.** Project must meet all IRS requirements for acquisition credits including the 10 Year Rule and Related Parties Rule in IRC Section 42(d)(A) – (D)(ii).

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

SECTION 4. APPLICATION UNDERWRITING STANDARDS.

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

4.1 PROJECT DEVELOPMENT COSTS.

A. **Developer Fees.** The total Developer fees, including Developer overhead/profit and development consultant fees, shall not exceed the amounts described below. The Developer fee is calculated as a percentage of Total Project Costs minus land, existing structures, Developer fee, Developer overhead and profit, Consultant fees, and Project reserves. Developer Fee is not permitted for acquisition costs.

All Projects	Fee Limit
First 24 Units	Not to exceed 18%
Remaining Units within the Project above 24	Not to exceed 15%

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

C. **Professional and Other Fees.** IFA may limit professional fees and other fees related to services rendered to the Project.

D. **Construction Contingency Funding.** Construction contingency shall be used to cover costs for unknown conditions discovered and cost overruns incurred during construction. Applicants shall obtain IFA approval for the use of construction contingency funds for items that were not part of the initial scope of work. The following are the allowed construction contingency amounts:

Project Type	Percentage of Hard Construction Costs less Construction Contingency
New Construction	5% - 6%
Acquisition/Rehab or Rehab Projects	8% - 15%
Adaptive Reuse	12% - 16%

E. **Soft-Cost Contingency.** Soft-cost contingencies are restricted to the lesser of $20,000 or 6% of the subtotals of the interim costs, financing fees and expenses, and soft costs minus the soft-cost contingency.

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

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

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

H. **Projects Costs Not Allowed In Eligible Basis.** The following project costs are not allowed in Eligible Basis:

1. **Existing Reserve Accounts.** Cash from Project reserve accounts transferred to the Ownership Entity with the acquisition of a Project.
2. **Construction and Permanent Lender Fees.** Construction fees if the construction and permanent lender are the same.
3. **Paved Roads.** The cost of construction of a de minimis paved road on public property may be included in the Project costs, as determined by IFA. The cost of construction of an extensive paved road on public property shall not be included in the Project costs.
4. **Off-Site Utilities.** Costs that are not normal connections or extensions to existing utilities shall not be included in the Project costs.
5. **Tenant Paid Amenities.** Garages, storage units, or other amenities where the Ownership Entity is charging tenants for use, except when part of normal rent for all of Units. \
6. **Predevelopment Interest Costs.** Interest financing costs on land acquisition prior to closing of the partnership.

4.2 PROJECT FUNDING SOURCES.

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

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

C. **Deferred Developer Fees.** Deferred Developer fees cannot exceed 50% of the total Developer fee, and the Application must demonstrate the full amount being paid within 15 years. The deferred Developer fee shall be paid from the net cash flow and not be calculated into the minimum Debt Service Coverage Ratio (DSCR).

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

E. **Senior Living Revolving Loan Program.** Refer to Appendix B – Senior Living Revolving Loan Program.

F. **HOME Funds.** Refer to Appendix C – HOME Rental with LIHTC Requirements.

G. **Multiple Funding Scenarios.** IFA shall not consider multiple funding scenarios except as listed in Appendix B – Senior Living Revolving Loan Program and Appendix C – HOME Rental with LIHTC Requirements.

4.3 PROJECT OPERATING COSTS AND CASH FLOW.

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

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

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

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

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

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

SECTION 5. BASIS BOOST.

A Project may receive up to a 30% increase in Eligible Basis and Tax Credit Cap per LIHTC Unit, but is still subject to the Project Cap.

5.1 PROJECTS LOCATED IN QUALIFIED CENSUS TRACTS (QCT) AND DIFFICULT DEVELOPMENT AREAS (DDA). IFA allows up to a 10% increase in Eligible Basis for Projects where all buildings are located in QCTs and DDAs. Refer to Appendix A – QCTs, DDAs, and Rural Counties.

5.2 PROJECTS LOCATED IN A RURAL COUNTY. IFA allows up to a 10% increase in Eligible Basis for Projects in a Rural county as designated by IFA. Refer to Appendix A – QCTs, DDAs, and Rural Counties.

5.3 PROJECTS PROVIDING PERMANENT SUPPORTIVE HOUSING. IFA allows up to a 10% increase in Eligible Basis for Projects providing at least 10% of the Units as permanent supportive housing, or a 15% increase in Eligible Basis for Projects providing at least 15% of the Units as permanent supportive housing under Section 6.1.D – Projects Providing Permanent Supportive Housing. Refer to Appendix D – Permanent Supportive Housing.

5.4 PROJECTS WITH MARKET RATE UNITS. IFA allows up to a 10% increase in Eligible Basis for Projects that elect at least 25% of the Units as market-rate units. Projects with market-rate Units cannot elect the minimum set-aside as average income.

SECTION 6. SCORING CRITERIA.

IFA shall make the final determination of the Applicant's score. IFA will award points based on the evidence provided in the Application and exhibits. All sites and buildings within the Project must qualify to be eligible to receive points. The online Application provides a tentative non-binding score based on the submitted information. Scoring determinations made in prior years are not binding on IFA for the current funding round.

If a project has an existing LIHTC Land Use Restriction Agreement (LURA), the Applicant shall not elect scoring points if it would be less restrictive than the existing LURA . The rent and income restrictions of the exiting LURA must be maintained.

6.1 AFFORDABILITY FOR RESIDENTS. *30 points Maximum*

To achieve the 30 points maximum, an Applicant may select one or multiple categories below. No Units shall count for points in more than one Affordability for Resident categories, except for Projects Providing Permanent Supportive Housing or project-based vouchers from a local PHA. For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit. The Affordability for Resident categories A through E are not available to an Applicant that elects the minimum set aside as Average Income Test.

A. **Serving 30% AMI LIHTC Residents.** Projects that provide Units that are set-aside and occupied by tenants with incomes at 30% Area Median Income (AMI) or less and are rent-restricted. Annual recertifications shall be required, and tenant incomes may increase up to 60% AMI and still be considered a 30% AMI resident as long as rent is restricted at 30% AMI.

- For each 3.0% of the LIHTC Units *5 points*

B. **Serving 40% AMI LIHTC Residents.** Projects that provide Units that are set-aside and occupied by tenants with incomes at 40% AMI or less and are rent-restricted. Annual recertifications shall be required, and tenant incomes may increase up to 60% AMI and still be considered a 40% AMI resident as long as the rent is restricted at 40% AMI.

- For each 4.0% of the LIHTC Units *5 points*

C. **Rent Reduction.** Projects that provide LIHTC rents for the 60% or 50% AMI units at 40% AMI rent levels. Tenant income eligibility will remain at 60% and 50% AMI, respectively. This category is not available to Projects with a Federal project-based rental assistance contract.

- For each 4.5% of the LIHTC Units *5 points*

D. **Projects Providing Permanent Supportive Housing.** Projects that provide Units for persons experiencing homelessness. These Units shall be leased only to qualified persons experiencing homelessness. Partnership with an IFA approved qualified service provider that provides supportive services to persons experiencing homelessness in the proposed Project's market area is required. Refer to Appendix D – Permanent Supportive Housing.

- For each 2.5% of the LIHTC Units *5 points*

E. **Project-Based Rental Assistance.**

1. **Projects with a Federal project-based rental assistance contract with HUD or RD** must meet both a and b below.
   a. Applicant must provide a comfort letter from HUD or RD regional office acknowledging the Project will be the subject of a Tax Credit Application.
   b. Applicant must be determined a Qualified Non-Profit Organization pursuant to Part A of Section 1.2 of this QAP.
   - 25% of the total Project Units covered by the rental assistance contract *20 points*
   - 75% of the total Project Units covered by the rental assistance contract *30 points*

2. **Projects with project-based vouchers from a local PHA with a commitment for at least 10 years.**
   a. 10% of the total LIHTC Units *10 points*

F. **Average Income Test with 40% AMI.** Projects that elect Average Income Test and provide at least 35% of the Units that are set-aside and occupied by tenants with incomes at 40% AMI or less and are rent-restricted. Annual recertifications shall be required.

- 35% of the LIHTC Units at 40% AMI *30 points*

G. Average Income Test. Projects that elect Average Income Test and limit tax credit underwriting to 6%.

- 100% Average Income Test Units *30 points*

6.2 LOCATION. All building addresses in a Project, including Scattered Site Projects, shall meet the Location scoring requirements to be eligible for points. IFA will award the lesser points within each scoring category based on building locations.

A. **Underserved Cities.** *0 to 2 points*
Projects located in an underserved city as shown in Appendix E – Underserved Cities.

B. **Rent Burdened Households.** *1 point*
Projects located in a city shown in Appendix F – Rent Burdened Households.

C. **Density.** *0 to 2 points*
Projects that are located in a census tract that has a low percentage of LIHTC Units Placed-In-Service compared to the total number of households as shown in Appendix G – LIHTC Unit Density.

D. **Active Development Communities.** *1 point*
Projects located in cities that have received IFA and IEDA housing and economic development awards and in the past 2 years as shown in Appendix H - Active Development Communities.

E. **Disaster Recovery.** *0 to 5 points*
Projects located in a county that has been declared a state major disaster with an Iowa Individual Assistance Grant Program (IIAGP) activation or a federal major disaster declaration that included federal individual assistance may be eligible for points. Refer to Appendix K – Disaster Recovery.

F. **High Quality Jobs Award.** *0 to 2 points*

Projects located in cities that have received IEDA High Quality Job awards in the past 2 years as shown in Appendix I - High Quality Job Awards.

G. **Social Vulnerability Index.** *1 point*

Projects located in a county with high Social Vulnerability as shown in Appendix J – Social Vulnerability Index.

H. **Iowa Thriving Communities.** *2 points*

Projects located in cities as shown in Appendix Q – Iowa Thriving Communities.

I. **Site Appeal.** The Site Appeal scoring section is valued at a total of 5 points. The Applicant will provide the preliminary scoring and supporting information for each of the 16 categories in this section, but IFA will review and determine the final scoring. The category scores will be averaged and rounded to the nearest whole number (0 through 5) to determine the Site Appeal score for the Application. Misrepresentations in the preliminary scoring that are intentional or blatant as deemed by IFA may result in zero total points for the entire Site Appeal scoring section. Individual site scores will be averaged to determine the Site Appeal score for scattered site Projects.

Category 1 — Zoning			
5 points	*3 points*	*1 point*	*0 points*
Proper zoning in place prior to Application due date.			
Category 2 — Community Support			
5 points	*3 points*	*1 point*	*0 points*
TIF, tax abatement, community grant or loan, or waived fees totaling at least $5,000 per unit. Or Land cost is $1 or less, or donated.	TIF, tax abatement, community grant or loan, or waived fees totaling at least $2,500 per unit. Or Land costs less than $10,000.	TIF, tax abatement, community grant or loan, or waived fees totaling at least $500 per unit.	
Category 3 — Site Neighborhood			
5 points	*3 points*	*1 point*	*0 points*
The area within a 1/2 mile radius has experienced significant residential and commercial new construction or renovation in the past 5 years. Or Site is in a QCT where affordable housing is part of a Concerted Community Revitalization Plan.	The area within a 1/2 mile radius has experienced some residential or commercial new construction or renovation in the past 5 years.		

Category 4 — Neighborhood Location to Services			
5 points	*3 points*	*1 point*	*0 points*
Located within 1 mile driving distance of at least 4 of the following services: park, food bank or pantry, bank or credit union, police or fire station, convenience store or dollar store, pharmacy, or public library.	Located within 2 miles driving distance of at least 4 of the following services: park, food bank or pantry, bank or credit union, police or fire station, convenience store or dollar store, pharmacy, or public library	Located within 2 miles driving distance of at least 2 of the following services: park, food bank or pantry, bank or credit union, convenience store or dollar store, pharmacy, or public library	
Category 5 — Location to Grocery Store			
5 points	*3 points*	*1 point*	*0 points*
Located within 1/2 mile driving distance of a grocery store.	Located within 1 miles driving distance of a grocery store.	Located within 2 miles driving distance of a grocery store.	
Category 6 — Location to Daycare Center, Public School or Senior Center			
5 points	*3 points*	*1 point*	*0 points*
Located within 1 mile driving distance of a licensed daycare center or K-12 public school (family only) or senior center (senior only).	Located within 2 miles driving distance of a licensed daycare center or K-12 public school (family only) or senior center (senior only).		
Category 7 — Location to Public Transportation Fixed-route is a system of transport for passengers by group travel available for use by the general public, typically managed on a schedule. In cities without fixed route service, dial-a-ride or on-demand services will be eligible for points if they serve the general public. Taxis, Uber, or Lyft-type services are not eligible for points.			
5 points	*3 points*	*1 point*	*0 points*
Site is 1/4 mile walking distance from a bus stop for a fixed-route service. or Any city that does not have a fixed-route service and dial-a-ride is available M-F.	Site is 1/2 mile walking distance from a bus stop for a fixed-route service.		
Category 8 — Site Location			
5 points	*3 points*	*1 point*	*0 points*
Site is adjacent to existing developments on at least 3 sides.	Site is adjacent to existing developments on at least 2 sides.		

Category 9 — Adjacent Properties			
5 points	*3 points*	*1 point*	*0 points*
Adjacent on at least 3 sides to a mixture of single-family, duplex, triplex residential properties.	Adjacent on at least 3 sides to a mixture of single-family, duplex, triplex residential properties and/or multifamily properties.	Adjacent to a mixture of both residential/multi-family and commercial properties. Commercial does not include manufacturing or industrial facilities.	
Category 10 — Noise from Adjacent Uses			
5 points	*3 points*	*1 point*	*0 points*
All other sites			Sites close to train tracks, airports, industrial, interstate, or other sources of excessive noise as determined by IFA.
Category 11 — Site Frontage			
5 points	*3 points*	*1 point*	*0 points*
Access to the site from local or collector road that has 2 lanes (excluding turn lanes), and speed limit not greater than 35 mph.	Access to the site from local or collector road that has more than 2 lanes (excluding turn lanes), but speed limit not greater than 45 mph.		
Category 12 — Public Paved Road Complete With Storm Drainage			
5 points	*3 points*	*1 point*	*0 points*
Publicly paved road is already in place and appropriately sized.	Publicly paved road is at the edge of the site but an extension or road widening is needed that is only a de minimus extension.		
Category 13 — Offsite Utilities			
5 points	*3 points*	*1 point*	*0 points*
Offsite utilities are appropriately sized and do not require an extension beyond normal connections.	Offsite utilities are at the edge of the site but only a de minimus extension is necessary.		

Category 14 — Parking			
5 points	*3 points*	*1 point*	*0 points*
Project offers free on-site parking with at least 1 space per unit for senior projects and 1.5 spaces per Unit for family projects.	About 1 free offsite street parking space available per Unit.	Free offsite street parking spaces available equal to at least 25% of the Units.	
Category 15a —Ease of Site Development – New Construction			
5 points	*3 points*	*1 point*	*0 points*
Site is open, clear, and ready for construction.	Minimal tree clearing, minor demolition, and moderate slopes on site.		Steep slopes, potential site drainage problems, extensive retaining walls needed, extensive tree clearing demolition, or site needs contamination cleanup.
Category 15b —Condition of Buildings – Rehab and Adaptive Re-use			
5 points	*3 points*	*1 point*	*0 points*
Good	Fair		Poor
Category 16 —Projects with Historical Significance			
5 points	*3 points*	*1 point*	*0 points*
Project is listed on the National Register of Historic Places or has a National Park Service approved Part 1 application and Federal and State Historic credits are included in the Application funding sources.			

6.3 MARKET APPEAL. *5 points maximum*

The amenities shall be provided at no cost to the tenants.

A. **Ceiling Fans:** *1 point*
The Project will provide ceiling fan/light combination units, minimum two ceiling fans per one or more bedroom Units and one ceiling fan per studio Unit.

B. **Kitchen Pantry:** *1 point*
2 ft. wide full-height cabinet or closet with minimum 5 shelves in every Unit.

C. **Trash and Recycling:** *1 point*
Trash chutes or a dedicated onsite recycling area.

D. **Walk-In Closets:** *1 point*
Available in at least 1 bedroom of every Unit including studio Units.

E. **Patio/Balcony** *2 points*
Each unit shall include a patio or balcony.

F. **Multipurpose Room:** *1 point*
Multipurpose room must at least 400 square feet and made available exclusively to all tenants and guests of the Project, either in a stand-alone building or incorporated within a residential structure, located entirely on the Property.

G. **Free Heating:** *2 points*
Owner-paid heat for each Unit.

H. **Fenced Dog Walking Area:** *2 points*
Minimum 1,000 square feet with waste area.

I. **Fitness Center:** *1 point*
An exercise room available 24 hours a day, with commercial-grade cardiovascular health, strength training, and flexibility equipment.

J. **Storage Units:**
A dedicated and lockable (if outside the Unit) structurally strong and secure, floor-to-ceiling room that is at least 20 square feet. The storage unit shall be in addition to the required bedroom, linen, and coat closets and maintained in compliance with the requirements for fire safety and the 2020 NEC and the International Fire Code (IFC). Prefabricated steel mesh enclosures designed as storage units are acceptable.

1. Storage In Project; or *1 point*
2. Storage In-Unit *2 points*

K. **Laundry:**

Acquisition/Rehab projects without in-unit laundry that provide tenants unlimited access to the community laundry facility at no charge, or Acquisition/Rehab projects that add or replace in-unit washers and dryers to all units during the rehabilitation.

1. Free Resident/Community Laundry; or *3 points*
2. In-Unit washers and dryers (added or replaced to Acquisition/Rehab) *4 points*

L. **Olmstead Goals:** *5 points*

Projects that provide at least 15% of the Units as accessible for persons with mobility disabilities for acquisition/rehabilitation or 20% of the Units for persons with mobility disabilities for new construction and adaptive reuse. For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

M. **Single Family, Duplex, or Rowhouse:** *5 points*

At least 20% of the Project are single-family, duplex, or rowhouses where each Unit extends from foundation to roof and may be 1 to 3 stories. Each unit has separate exterior entrances in both the front and rear of the Unit and some open space in a rear yard with a suitable patio that may be used by the occupants.

N. **Exterior Materials:** *5 points*

Minimum of 30% 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 70% shall be constructed of 100% fiber cement board siding or engineered wood siding with quality standards similar to Smartside. The buildings’ soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood siding with quality standards similar to Smartside. Soffits shall be vented.

O. **Iowa Green Streets:** *2 points*

In lieu of meeting Energy Star requirements, the Project meets the requirements of Iowa Green Streets.

6.4 QUALIFYING DEVELOPMENT TEAM.

A. **LIHTC Experience.** *2 points maximum*

Points available for one of the following categories under this section:

Prior to Application submission, the Developer or General Partner/Managing Member, or affiliates thereof, of this Project shall have completed 2 LIHTC Projects that have received an IRS Form 8609 as a Developer or General Partner/Managing Member not more than 5 years before the Application due date. *1 point*

Or

Prior to Application submission, the Developer or General Partner/Managing Member, or affiliates thereof, of this Project shall have completed 3 LIHTC Projects that have received an IRS Form 8609 of which at least one 8609 is from Iowa, as a Developer or General Partner/Managing Member not more than 5 years before the Application due date. *2 points*

Or

Prior to Application submission, the Developer or General Partner/Managing Member, or affiliates thereof, of this Project received a prior LIHTC award and is the owner and management company of that LIHTC Project in Iowa. *1 point*

B. **Community Housing Development Organization Experience.** *1 point*

Nonprofits that receive Community Housing Development Organizations (CHDO) certification and State HOME funds in this Application round.

C. **Developer, General Partner, or Managing Member Performance.** *-1 point*

The Developer or General Partner/Managing Member, or affiliates thereof, of this Project has requested and received approval for a material change to a Tax Credit project after January 1, 2023 in Iowa.

D. **Iowa Title Guaranty.** *2 points*

The Applicant shall obtain a Final Title Guaranty Owner Certificate on the real estate of the Project from IFA's Iowa Title Guaranty Division prior to submitting the IRS Form 8609 package. The Ownership Entity shall obtain, at a minimum, a Final Title Guaranty Certificate with an amount of coverage that is not less than the value of the land and pre-existing improvements, if any, combined with the total hard construction costs of the Project.

SECTION 7. SELECTION CRITERIA AND AWARD PROCESS.

7.1 TAX CREDIT CALCULATION. IFA shall determine the amount of Tax Credits necessary for the financial feasibility of the Project through the information received during the Application. IFA will utilize the percentage of the limited partnership interest in the Project and equity price in the determination of the Tax Credit amount.

7.2 SELECTION CRITERIA. IFA shall evaluate applications using the set-aside and scoring criteria. IFA may decline to reserve Tax Credits to any Project, regardless of the score.

7.3 PRIORITIZATION OF REVIEW. Applications will be scored and ranked within each of the set-asides in the order listed below. If an Applicant is not awarded within a set-aside, except for the Innovation Set-Aside, the Applicant will be considered in the next set-aside applied for and then the General Set-Aside. In the event there are not enough qualified Projects to fill the Rural or Innovation Set-Asides, the remaining balance will be transferred to the General Set-Aside.

A. Innovation Set-Aside
B. Nonprofit Set-Aside.
C. Rural Set-Aside.
D. General Set-Aside.

7.4 TIEBREAKERS. In the event that the final scores of more than one Application are identical, IFA will use the following tiebreakers:

A. Project is within a project identified in an Iowa Great Places agreement that has been designated by the Iowa Great Places Board for participation in the program within the last 3 years, pursuant to Section 303.3C, subsection 4 of the Iowa Code.
B. Projects that provide an opportunity for homeownership through the Iowa Renter to Ownership Savings Equity (ROSE) Program.
C. Project with a Developer that has not received an award of Tax Credits in Iowa for the longest period of time. Excludes new Developers to Iowa.
D. Project in a community that has not received a reservation of 9% or 4% Tax Credits for the longest period of time.
E. Application requesting the least amount of Tax Credits per LIHTC Unit.
F. Board Discretion.

7.5 DISCRETION BY THE BOARD. The Board may accept, reject, or make changes to the award recommendations.

7.6 ACCEPTANCE OF TAX CREDIT RESERVATION. The acceptance of the reservation and reservation fee shall be due no later than the date stated in the award letter.

7.7 WAITING LIST. The Board, in its discretion, may establish a waiting list and adjust the order on the waiting list for any reason. The waiting list shall expire no earlier than 75 days after the date of the Board approval.

7.8 UNRESERVED TAX CREDITS. Unreserved Tax Credits are Tax Credits that were not awarded by IFA during its most recent round of allocation or are returned to IFA during the current year. If Unreserved Tax Credits become available within 45 days after the date of the Notice of Tax Credit Reservation, IFA shall review all Applications placed on the waiting list to determine if there are sufficient Tax Credits to fund one or more new Projects on the waiting list. The award of Tax Credits to a project on the waitlist requires Board approval. If Unreserved Tax Credits become available more than 45 days after the date of the Notice of Tax Credit Reservation, the unreserved Tax Credits will be available in the next funding round, and the waiting list shall expire.

7.9 INFORMAL APPEALS.

A. **Notice of Appeal.** Any Applicant requesting an appeal shall submit written notice of appeal to housingtaxcredits@iowafinance.com within 7 days of the Tax Credit Reservation Date. The notice of appeal shall state the grounds upon which the Applicant challenges IFA's LIHTC awards.

B. **Procedures for Appeal.** Within 21 days of the Tax Credit Reservation Date, the Applicant shall file its appeal by submitting a written document to housingtaxcredits@iowafinance.com stating the relevant facts supporting its position. IFA staff may submit to the Executive Director a written document in response to the Applicant's appeal ("IFA response"). IFA staff will provide a copy of the IFA response to the Applicant.

C. **Decision.** Within 30 days of the filing of the appeal as set forth in above in Procedures for Appeal, the Executive Director shall consider and rule on the appeal and will notify the Applicant in writing of the decision.

D. **Final Agency Action.** The decision is final except as provided for in Iowa Code sections 17A.19 to 17A.20.

7.10 REMEDIES ON APPEAL.

A. If an Applicant passed the Application requirements and is successful in demonstrating that the Applicant should have been awarded Tax Credits based on the score the Project should have received and taking into account Section 7.5 – Discretion by the Board, the Executive Director may place the Project on a waiting list for Unreserved or returned Tax Credits.

B. If an Applicant is successful in demonstrating that a Project was improperly determined by IFA to have not met the Application requirements, the Executive Director shall cause the Project to be scored. If the Project receives a score equal to or greater than the lowest score of any Project receiving credits from the General Set-Aside in the same round for 100% of such Project's underwritten Tax Credit amount (as opposed to Projects awarded under Section 7.5 – Discretion by the Board), prior to any skipping of Projects pursuant to Section 7.5 – Discretion by the Board, the Executive Director may place the Project on a waiting list for Unreserved or returned Tax Credits.

C. Once the waiting list has expired, a Project that has been placed on the waiting list per Section 7.7 – Waiting List due to a successful appeal shall be awarded 5 points in the next 9% Tax Credit Round. To receive the additional points during the next 9% Tax Credit Round, the Project shall be the same Project that was the subject of the successful appeal.

PART B –
POST RESERVATION REQUIREMENTS

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

SECTION 8. CHANGES TO THE APPLICATION AFTER AWARD.

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

The following changes are not allowed:

A. Changes to the Ownership Entity named in after Tax Credit Reservation;

B. Transfers of the Tax Credit Reservation or Carryover Allocation;

C. Change in the qualifying entity on the Qualified Development Team;

D. Changes that increase the housing credit amount;

E. Changes in Unit mix;

F. Changes that lowers the final scoring of the Project;

G. Change to the minimum set-aside election; or

H. Change that decreases the applicable fraction per building.

SECTION 9. CARRYOVER ALLOCATION-TEN PERCENT TEST APPLICATION.

To qualify for a carryover allocation, the requirements set forth in Section 42(h)(1) and Treasury Regulation 1.42-6 must be met. The Ownership Entity must submit a complete Carryover Allocation-Ten Percent Test Application (10% Test Application) package through the online Application unless all buildings are placed-in-service and the IRS forms 8609s issued in the same year as the Tax Credit award.

9.1 SITE CONTROL. The Ownership Entity shall provide evidence of site ownership or lease term of at least 35 years, including all parking, as part of the 10% Test Application package, and this ownership shall be continuous and uninterrupted through the issuance of an IRS Form 8609.

9.2 ZONING. The site must be zoned appropriately to allow construction of the Project by submission of the 10% Application.

SECTION 10. PRIOR TO PLACED-IN-SERVICE DOCUMENTS.

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

A. Affirmative Fair Housing Marketing Plan Package (AFHMP, ads/brochures, tenant selection plan, lease, lease addendums, community rules, VAWA documents).

B. Confirmation the Project is listed on Iowa's free rental housing locator at www.IowaHousingSearch.org.

C. A commitment to notify the local public housing authority of all vacancies.

SECTION 11. APPLICATION FOR IRS FORM 8609.

After all buildings in a Project have been placed-in-service, a complete IRS Form 8609 Application (8609 Application) package shall be submitted through the online Application. At the time the 8609 Application is submitted, the Project shall have completed construction and all other requirements of the 8609 Application package have been met.

11.1 MARKETABLE TITLE REQUIREMENT. The Ownership Entity shall provide adequate evidence that it has marketable title as determined by IFA in IFA's sole discretion. Adequate evidence of marketable title is demonstrated by either: (1) a title opinion of an attorney authorized to practice law in Iowa showing marketable title in the Ownership Entity; or (2) a Title Guaranty Certificate issued by the Iowa Title Guaranty Division of IFA showing the Ownership Entity as the guaranteed. In the case of leased land, a copy of the recorded lease shall be provided.

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

SECTION 12. CASUALTY LOSS AND COMPLIANCE.

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

12.2 COMPLIANCE. IFA has established procedures for monitoring compliance. Refer to the IFA Compliance Manual and supporting documentation.

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

12.4 EXTENDED USE PERIOD (LONG TERM COMPLIANCE PERIOD). The time frame that begins the first day of the Initial 15-Year Compliance Period, in which the building is a part of a qualified low-income housing Project and ends 15 years after the close of the Initial 15-Year Compliance Period, or the date specified by IFA in the LURA. During the Extended Use Period, the rent affordability requirements identified in Section 6.1 of this QAP cease applying, but the federal minimum set-asides set forth in the Code and selected by the applicant shall continue to apply. However, the rent affordability requirements identified in Section 6.1 of this QAP do not cease applying to a unit until the tenant currently in said unit and benefiting from the rent affordability requirements in Section 6.1 of this QAP vacates the unit. A tenant cannot be evicted just to cause the rent affordability requirements set forth in Section 6.1 of this QAP to terminate as to that tenant's unit. Any other rent and income restrictions required by other programs, including HOME, shall still apply as applicable.

SECTION 13. TERMS AND CONDITIONS.

The following terms and conditions apply to all Applicants and Projects that receive a reservation of 9% Tax Credits, Carryover Allocation and IRS Form 8609 allocation.

IFA will rely on the following when interpreting the requirements of the QAP: (1) the QAP, including the Tax Credit Application, appendices, exhibits, instructions, and any incorporated materials; (2) IFA's questions and answers for the QAP; (3) IFA's training guide; and (4) IFA's past practice. IFA may, at its discretion, conduct due diligence to verify information provided by the Applicant. An Applicant's interpretation of the QAP and its requirements is immaterial.

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

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

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

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

1. First by IRC Section 42 and the related Treasury regulations;
2. Second by Iowa Code Sections 16.4, 16.35, and the rules governing the QAP; and
3. Third by the QAP.

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

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

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

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

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

PART C – CONSTRUCTION REQUIREMENTS

SECTION 14. PRIOR TO INITIATION OF CONSTRUCTION.

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

14.2 IFA PLAN REVIEW. The Ownership Entity shall submit final plans, specifications, the energy audit or analysis, preliminary Iowa Green Streets checklist and, Capital Needs Assessment (CNA) if applicable to IFA upon completion but no later than submission of the 10% Application. IFA shall give written approval before the Ownership Entity commences site work or construction.

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

A. A copy of the energy audit conducted by a certified home energy rater, and

B. Appropriate specifications to meet IECC standards or alternate cost-effective energy improvements with the final construction documents.

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

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

A. A site visit and physical inspection of the interior and exterior of Units and structures;

B. An interview with on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs, and existing or chronic physical deficiencies;

C. The presence of hazardous materials;

D. A detailed opinion as to the proposed budget for recommended improvements;

E. Identify critical building systems or components that have reached or exceeded their expected useful lives;

F. A projection of recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, to determine the appropriate replacement reserve deposits on a per Unit per annual basis;

G. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines;

H. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, stairs, and drainage;

I. Interiors, including Unit and common area finishes (carpeting, vinyl tile, plaster walls, paint conditions, etc.), Unit kitchen finishes, cabinets and appliances, Unit bathroom finishes and fixtures, and common area lobbies and corridors; and

J. Mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems, and elevators.

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

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

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

A. **General.**

1. **Construction Warranty.** Provide an enforceable minimum 1 year blanket construction warranty stipulating that the general contractor is responsible to do or have done any and all required warranty repair work, including consequential damages, at its own expense.
2. **No Smoking Policy.** Implement and enforce a "no smoking" policy in all Units and common areas, not including public areas of the exterior grounds.
3. **Community Room.** For senior Projects only, community room must be 20 square feet per unit up to the first 40 units made available exclusively to all tenants and guests of the Project, either in a stand-alone building or incorporated within a residential structure, located entirely on the Property. Does not apply to Scattered Site Projects.
4. **Playground.** For family Projects only, an outdoor area provided for children to play in containing 5 to 7 commercial-grade play components (an element intended to generate specific opportunities for play, socialization, or learning) that does not include wood. At least 2 must be elevated. Swings, spring riders, water tables, playhouses, slides, and climbers are acceptable; ramps, transfer systems, steps, decks, and roofs are not. IFA may approve exceptions including a sport court. The playground must comply with the requirements of the Department of Justice 2010 ADA Standards for Accessible Design. Does not apply to Scattered Site Projects.
5. **Sidewalks.** Concrete sidewalks providing access to a city public way from each entrance door.
6. **Trash Enclosures.** Screened trash removal areas.
7. **Internet Access.** High-speed internet wiring for broadband, wireless, or digital subscriber line for all Units.

8. **Radon System.** A passive radon system, including a drain tile loop below the building slab along with vertical vent pipes and junction boxes for new construction. Acquisition/Rehab Projects shall have a radon test, and a passive radon system is required, or an active system if the radon test exceeds permissible thresholds. Refer to Appendix F – “Radon Control Methods” in the 2012 International Residential Code.
9. **Video Security System.** The security system shall record activity at the site as follows: Parts of the site to be covered include parking areas and all levels of stairways. Cameras in corridors shall be placed in such a way that all unit entrances are covered. The recordings shall be maintained for a minimum of 30 days. Single family or each building in Scattered Site Projects are required to have the Video Security System.

B. **Exterior Construction.**

1. **Exterior Design.** The Project shall have a building design that is appealing and appropriate for the community and neighborhood, including varied facades, rooflines, and exterior materials.
2. **Exterior Siding.** Exterior siding shall be durable and impact-resistant. Vinyl does not qualify as durable. Exterior siding shall be a mix of 2 or more of the following (no single material shall constitute more than 70% of the siding): brick, fiber cement board siding, or engineered wood siding with quality standards similar to Smartside, and/or nominal, 2” nominal thickness manufactured stone over ¾” stucco, nail on stone panels or metal siding approved by IFA. The exterior siding requirements do not apply to existing buildings that are 100% brick or stone. The soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood siding with quality standards similar to Smartside. Soffits shall be vented.
3. **Main Entrance Areas.** Apartment building main entrances to interior shall have a foyer and be equipped with a remote security and intercom system to each Unit to control entry to common areas. Single-family, duplex, and rowhouse Unit main entrances to exterior shall have a storm door and a covered entry with a minimum depth and width of coverage of 4 feet by 4 feet.
4. **Roofs shall have a 30 year full warranty.** Flat roofs shall have a minimum 60 mil TPO or EPDM thickness and a 10-year full warranty. Full warranty includes: all labor and materials for the entire roofing system and insurance rider for consequential damage. All reroofing applications shall include the removal of the existing roofing system down to the roof deck.
5. **Unit Doors.** Any Unit primary entry door may be solid core wood or solid wood panel type, insulated metal, or fiberglass panel type with optional glass insert, 180-degree peephole, lockset and deadbolt lock with 1 inch throw. Primary entry doors shall have steel frames. Metal frames at exterior doors shall be thermally broken or metal clad wood frames are acceptable at Unit entries leading to the exterior.

C. **Interior Construction.**

1. **Appliances.** The kitchen shall have a cooktop, an oven, a microwave, a cooling/freezing unit, a built-in dishwasher, and a sink. Single-bowl sinks shall be minimum 20” x 30”. Appliances shall be Energy Star. These requirements do not apply to Single Room Occupancy units.
2. **Water Conserving Measures.** Toilets are high efficiency WaterSense toilets that use 1.28 gallons per flush or less; faucet aerators use 1.5 gallons per minute (gpm) or less in kitchens and 1.0 gpm or less in bathrooms; showerheads use 1.5 gpm or less. Dual flush toilets do not qualify.

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

D. **Energy Requirements.**

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

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

2. **Water Heaters.**

   a. In-unit water heaters that have a minimum energy factor (EF) of 0.61 for tank-type gas, 0.93 for tank-type electric, or 0.96 for tankless water heaters.

   b. Central water heaters (serving entire building) – with a 90% Thermal Efficiency rating or minimum 95% efficient thermal water storage tanks coupled to a better than 90 AFUE boiler.

14.7 MINIMUM DEVELOPMENT CHARACTERISTICS – NEW CONSTRUCTION AND ADAPTIVE REUSE.
New Construction and Adaptive Reuse Construction must use the following additional minimum development characteristics:

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

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

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

D. **Minimum Unit Net Square Footage.**

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

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

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

F. **Accessibility.** Projects shall have at least 10% percent of the Units, or at least 1 (whichever is greater) Unit accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). An additional 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities (Units with Accessible Communication Features). For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit. Refer to Section 15 – Building Standards.

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

A. **Scope of Work.** The Scope of Work shall, at a minimum, include work on the following as indicated in the CNA:

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

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

C. **Smoke Detectors.** Install or replace all smoke detectors, and these shall have a 10 year battery if not hard wired.

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

SECTION 15. BUILDING STANDARDS.

Preliminary site plan and floor plans are to be submitted with the Application to IFA. The Applicant shall meet local, state, and federal standards that apply to the Project, regardless if listed in Section 15 Building Standards.

A. 2015 International Building Code adopted and published by the International Code Council.

B. 2015 International Existing Building Code adopted and published by the International Code Council.

C. 2015 International Residential Code adopted and published by the International Code Council (excepting paragraphs R313.1 and R313.2; sprinklers are not required in single family or townhomes separated by 2 hr. fire walls).

D. 2015 International Fire Code adopted and published by the International Code Council.

E. 2015 International Mechanical Code adopted and published by the International Code Council.

F. 2012 Uniform Plumbing Code adopted by the International Association of Plumbing and Mechanical Officials.

G. 2014 National Electric Code adopted by the National Electrical Code Committee and published by the National Fire Protection Association, Inc.

H. 2015 International Energy Conservation Code adopted by the International Code Council.

I. Iowa Administrative Code, including but not limited to the following Chapters: 300 (Administration), 301 (General Provisions), 302 (Accessibility of Building), 303 (Energy Conservation), 350 (State Historic Building), and 25 (State Plumbing Code).

J. Uniform Federal Accessibility Standards provided in 24 CFR Part 8 and delineated in the American National Standards Institute Standard 2007 A117.1.

K. The Americans with Disabilities Act 1990 provided by the Federal Department of Justice. All publicly accessible areas must meet the accessibility requirements of this Act.

L. The Federal Fair Housing Act of 1988 – all buildings with 4 or more units must comply with this Act and the Fair Housing Design Standards. Applies to ground floor Units or all Units in an elevator building.

M. For Adaptive Reuse/Rehabilitation, the Lead Base Paint Poisoning Prevention Act, the Department of Housing and Urban Development (HUD) Guidelines for the Evaluation and Control of Lead Based Paint Hazards, Environmental Protection Administration (EPA) and Occupational Safety and Health Act (OSHA) provisions shall apply when applicable.

N. For Adaptive Reuse/Rehabilitation, if applicable, State Historic Preservation Office (SHPO) clearance Section 106 of the National Historic Preservation Act, 36 CFR Part 800 for Projects receiving any direct federal funding (HOME or categorical grant) or affecting properties listed in the National Register of Historic Places, or in a designated historic preservation district or zone.

PART D –
GLOSSARY OF TERMS

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

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

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

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

Carryover Allocation Agreement: The document that contains the Ownership Entity's election statements for an allocation of Tax Credit Reservations by IFA pursuant to IRC Section 42(h)(1)(E) and Treasury Regulations, Section 1.42-6.

Disability: At least one of the following criteria: (1) has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration, substantially impedes the person's ability to live independently, and is of a nature that such ability could be improved by more suitable housing conditions; or (2) has a developmental disability, defined as a severe chronic disability that is attributable to a mental or physical impairment or combination of mental and physical impairments, is manifested before the person attains age 22, is likely to continue indefinitely, results in substantial functional limitation in 3 or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and that reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.

Eligible Basis: The Project costs allowable under Section 42(d) that are used to calculate the maximum Tax Credits.

Entity: Any general partnership, limited partnership, corporation, joint venture, trust, limited liability company, limited liability partnership, business trust, cooperative, or other business association.

Family Project: General occupancy project with no age restrictions.

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

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

Older Persons/Senior Housing: Housing that meets the Fair Housing Act definition of housing for older persons and is exempt from the law's familial status requirements provided that: (1) HUD has determined that the dwelling is specifically designed for and occupied by elderly persons under a federal or state government program; (2) it is occupied solely by persons who are 62 or older; or (3) it houses at least 1 person who is 55 years or older in at least 80% of the occupied Units, and adheres to a policy that demonstrates intent to house persons who are 55 years old or older.

Owner Representative: The General Partner(s)/Managing Member(s) of the Ownership Entity.

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

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

Radon System (Sub-Slab Depressurization System): Radon-resistant features below the building slab along with vertical vent pipe(s) with junction box(es) following requirements in ASTM E2121-13 Standard Practice for Installing Radon Mitigation Systems in Existing Low Rise Residential Buildings and ASTM E1465 – 08a Standard Practice for Radon Control Options for the Design and Construction of New Low-Rise Residential Buildings. Find other technical guidance at www.epa.gov/iaq/radon/pubs/index.html.

ROSE Program: A Renter to Ownership Savings Equity (ROSE) Program. For further explanation, refer to Appendix M – ROSE Requirements.

Rural: Any city or county located in this state, except those located wholly within 1 or more of the 11 most populous counties in the state, as determined by the most recent population estimates issued by the United States Census Bureau. Iowa Data Center - Population Estimates

Senior Center: A community-based, federally funded program that provides a variety of services that may include social activities, nutrition, and educational and recreational opportunities for older adults.

Single-Room Occupancy (SRO) Housing: Housing consisting of single-room dwelling Units that is the primary residence of its occupant or occupants. Per Iowa Code 42(i)(3)(B)(iii), all SRO Units shall have kitchen and bathroom facilities within the Unit and used other than on a transient basis.

State Issued Notice of Noncompliance: A notice that identifies noncompliance issues (that existed at the Property during a physical inspection or file review) with the LURA, the Carryover Agreement, the Application, etc. that are not reported to the IRS via IRS Form 8823, throughout the Compliance Period and the Extended Use Period.

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

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

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

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

Utilities: Gas, electricity, water, and sewer service.

Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315

515.452.0400
800.432.7230
housingtaxcredits@iowafinance.com

~~2023~~ 2024 — 9% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the ~~2023~~ 2024 — 9% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in

IOWA FINANCE AUTHORITY

Iowa, as specified in Iowa Code Section 16.35.

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INTRODUCTION

This Qualified Allocation Plan (QAP) governs the ~~2023~~ 2024 — 9% Low-Income Housing Tax Credit (LIHTC) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

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

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

The Code requires that the QAP include three statutory preferences: developments serving the lowest-income tenants, developments affordable for the longest periods of time, and developments located in qualified census tracts (QCTs) designated by the U.S. Department of Housing and Urban Development (HUD) that contribute to a concerted community revitalization plan. The Code also requires the QAP to consider ten statutory selection criteria: project location; housing needs characteristics; project characteristics; sponsor characteristics; tenant populations with special housing needs; public housing waiting lists; tenant populations of individuals with children; projects intended for eventual tenant ownership; energy efficiency of the project; and historic nature of the project.

In addition to federal requirements, IFA has developed three goals for this QAP:

A. Build durable rental units that will remain quality assets in communities,

B. Build rental units in communities and sites that have high opportunity for residents, and

C. Build rental units that are affordable for rent-burdened residents.

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

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

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

PART A – APPLICATION REQUIREMENTS

SECTION 1. SET-ASIDES AND TAX CREDIT LIMITS.

1.1 AMOUNT OF TAX CREDITS TO BE ALLOCATED. The amount of annual Tax Credits allocated to Iowa by the federal government for the LIHTC program is based on a per-capita amount derived from population estimates released by the Internal Revenue Service (IRS). IFA intends to award all credits allocated in the current year along with any returned Tax Credits from previous years.

1.2 SET-ASIDES. The funding round will include the following set-asides. Projects competing in a set-aside may compete in the General Set-Aside except the Innovation Set-Aside.

A. Innovation Set-Aside. IFA may~~will~~ award up to $1,000,000 in Tax Credits to no more than one project that applies for the Innovation Set-Aside.

1. Refer to Appendix P – Innovation Set-Aside for more information on the Innovation Set-Aside.
2. The Director may waive specific requirements of this QAP for projects applying under the Innovation Set-Aside.

~~A.~~B. **Nonprofit Set-Aside.** Under this set-aside, Qualified Nonprofit Organizations shall receive at least 10% of all available Tax Credits. Not more than 90% of the available Tax Credits shall be allocated to projects other than to Projects qualifying for this set-aside. IFA will determine whether an Entity is a Qualified Nonprofit Organization for the purpose of this Set-Aside.

To qualify for the Nonprofit Set-Aside:

1. A Qualified Nonprofit Organization must be the Developer or Co-Developer.
2. The Nonprofit shall have a designation under Internal Revenue Code (IRC) Section 501(c)(3) or 501(c)(4), is tax exempt from tax under Section 501(a), and be qualified to do business in Iowa.
3. The Nonprofit shall not be formed for the principal purpose of being included in the Nonprofit Set-Aside.
4. The Nonprofit shall not be affiliated with or controlled by a for-profit organization. IFA, in its sole discretion, shall make a determination that the Nonprofit is not affiliated with or controlled by a for-profit organization. Control means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any person or Affiliate thereof, whether through the ownership of voting securities, by contract or otherwise, including specifically, ownership of more than 50% of the General Partner interest in a limited partnership, or designation as General Partner/ Managing Member of a limited liability company.
5. The Nonprofit and/or parent Nonprofit organization shall have, as one of its ~~tax exempt~~tax-exempt purposes, the fostering of low-income housing and shall have been so engaged for the two years prior to the Application submission date. The Applicant shall demonstrate that the Nonprofit's programs include a low-income housing component that previously placed affordable units in service. Consistent with Rev. Proc. 96-32, 1996-1 C.B. 717, the Applicant shall explain how the Nonprofit is pursuing a charitable purpose by fostering low-income housing.
6. The Nonprofit shall be an Owner Representative, either directly as a General Partner or through a ~~wholly-owned~~wholly owned subsidiary as defined in IRC Section 42(h)(5)(d)(i) and (ii) throughout the Compliance Period. If there are two or more Owner Representatives, each much be Nonprofit, but only one must meet the requirements of Section 1.2 A 5 above.

7. The Nonprofit shall materially participate in the development and operation of the Project throughout the Compliance Period. Nonprofit material participation is defined in IRC Section 469(h) and Treasury Regulation 1.469-5T.
8. The Nonprofit shall receive no less than 50% of the combined total of the Developer and Consultant Fee.

~~B.~~C. **Rural Set-Aside.** IFA will award no more than $1,200,000 in Tax Credits to Applications in Rural counties. Refer to Appendix A – QCT's, DDA's and Rural Counties

~~C.~~D. **General Set-Aside.** IFA will award the remaining Tax Credits to Applications in a general competition.

1.3 PROJECT LIMITATIONS.

A. **Tax Credit Cap per LIHTC Unit.**

Project Type	Amount Per LIHTC Unit	Description
Family New Construction or Adaptive Reuse Projects	$25,000 per LIHTC Unit	Projects shall not include more than 20% 1BR or smaller Units, and the average bedroom size shall be at least 2.2 bedrooms.
	$27,500 per LIHTC Unit	Projects shall not include more than 20% 1BR or smaller Units, shall include at least 10% 4BR Units, and the average bedroom size shall be at least 2.5 bedrooms.
Senior New Construction or Adaptive Reuse Projects	$22,500 per LIHTC Unit	Projects shall not include more than 20% Studio Units, and the average bedroom size shall be at least 1.1 bedrooms.
Acquisition/Rehabilitation Projects	$17,500 per LIHTC Unit	
Permanent Supportive Housing Projects	~~Any of the above Tax Credit Cap per LIHTC Unit limitations~~	
	$~~22,500~~25,000 per LIHTC Unit	~~Family project that does not include more than 20% Studio Units, and the average bedroom size shall be at least 1.1 bedrooms.~~Project unit mix shall be appropriate for the population to be served.

B. **Project Cap.** The maximum Tax Credit amount that will be awarded to any one Project is $1,200,000.

C. **Developer, General Partner/Managing Member Cap.** IFA will not award Tax Credits to any project in which the Developer, General Partner/Managing Member, or Affiliate is controlled by an individual or entity that is involved with other awarded projects in the same round that, in the aggregate, have been awarded 2 projects or $1,600,000. Whether an individual's or entity's involvement in a project counts towards the calculation of the 2 projects or $1,600,000 limit is in IFA's sole discretion.

D. **Open Projects Limitation.** A single individual, entity or entities controlled by such individuals, or entities involved as a Developer, General Partner/Managing Member or Affiliate that has a total of 4 or more open LIHTC Projects (4% and 9%) in Iowa shall be eligible for only 1 award in the current funding round, regardless of team member role that the entity is listed as in the LIHTC Application(s). A Project is considered open once it receives a Tax Credit Reservation and closed upon IRS Form 8609 issuance.

E. **Community Cap.** A city in a rural county shall receive no more than 1 Tax Credit award, and a rural county shall receive no more than 2 Tax Credit awards. A city in other counties shall receive no more than 2 Tax Credit awards, and other counties shall receive no more than 3 awards. Refer to Appendix A – QCT's, DDA's, and Rural Counties.

SECTION 2. APPLICATION PROCESS OVERVIEW.

2.1 TAX CREDIT RESERVATION SCHEDULE. To the extent possible, the following schedules apply to the Tax Credit Reservation Application process for 9% Tax Credits:

Process Step	Date
Application Package Available	December ~~2022~~2023
Qualified Service Provider due to IFA	No later than 10 calendar days prior to Application Package Submission due date.
Application Package Submission due to IFA	April ~~19, 2023~~2024
Application Deficiency Period	Late May or Early June ~~2023~~2024
IFA Tax Credit Reservation recommendations presented to Board	July ~~2023~~ 2024 IFA Board of Directors meeting
Issuance of 2023 Carryover Allocation Agreements	On or about September 1, ~~2023~~2024
Carryover-Ten Percent Test Application Package due to IFA	On or about July 1, ~~2024~~ 2025 (10 months following date of Carryover Agreement)
IRS Form 8609 Application Package due to IFA	No later than November 1 of the ~~first year~~first-year credit period

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

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

Fee Type	All Applicants
Application Submission Fee	$2,000 Due at Application submission.
Application Review Fee	$1,500 Due within 5 business days of the Application submission due date.
Reservation Fee	1% of the total 10-year Tax Credit amount due within 30 calendar days of the Tax Credit Reservation Date.
Material Change in Application Fee	$7,500 for material change requests.
Late Submission of the Carryover-Ten Percent Test Application	If a late submission of the Carryover-Ten Percent Test Application is allowed by IFA, the Applicant will be billed $5,000. Does not apply to extension exceptions allowed by IRS.
IRS Form 8609 Application Fee	$10,000 for all projects or $5,000 for projects ~~awarded under~~ that applied and qualified for the Nonprofit Set-Aside.
Amended IRS Form 8609 Fee	$1,000.

Fee Type	All Applicants
Legal Fees	Legal fees of IFA’s in-house counsel and related to the Project may be billed at the rate of $150 per hour. Legal fees of outside counsel and related to this Project will be billed at the rate charged to IFA. Fees and expenses in cases of unsuccessful appeals may be assessed and billed to the Applicant.
Construction Monitoring Fees	A $2,900 construction monitoring fee will be due with the Carryover-Ten Percent Test Application.
Fees for Failed and Missed Inspections	IFA charges an additional $500 fee when conditions at the site warrant a return visit or any missed inspection or preconstruction meetings when IFA’s construction analyst is not given 10 days advance notice.
Compliance Monitoring Fee	$32 per Unit x number of total Project Units, submitted annually on or before January 31 for each year of the Compliance Period and the Extended Use Period (if applicable). (Example: $32 per Unit x 24-Unit Project = $768.00 paid annually for 30 years.) Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple-building Project on the IRS Form 8609, if eligible to do so. Annual rate increases may apply. Other fees as provided in the IFA compliance manual. The first annual payment shall be submitted with the IRS Form 8609 Application. The Ownership Entity has the option of paying the compliance monitoring fee in advance for the entire Compliance Period and the Extended Use Period (if applicable); however, additional fees may be assessed to the Property during the Compliance Period and Extended Use Period if annual rate increases are applied during that time.

2.3 CONTACT WITH IFA.

A. **Prior to Application Submittal.** Prior to the submittal of the Application, Applicants may submit questions regarding an interpretation or clarification of the QAP, IFA policies, procedures, or rules relating to the LIHTC Program to housingtaxcredits@iowafinance.com. IFA shall not be bound by any oral or written representation made in connection with the Application or award of Tax Credit Reservations other than those provided on its website.

B. **After Application Submittal.** Applicants shall not contact IFA staff or Board members regarding their Application until after award. Once the Application has been submitted, IFA will only discuss supplemental or clarifying data during the Application Deficiency Review Period.

2.4 APPLICATION SUBMITTAL. Applicants shall pay the Application Submission Fee when submitting the Application prior to the Submission Due Date. Within 1 business day of the submission deadline, preliminary scoring for all submitted applications shall be posted on the IFA website, www.iowafinance.com. Within 5 days of the Submission Due Date, Applicants must pay the Application Review Fee if they want their application submitted for full Application Review.

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

A. **Market Study Timing.** The Market Study is due upon application submission. The Market Study and field survey must have been completed no more than 6 months prior to the application due date. The Applicant is solely responsible for providing a Market Study for a Project within these timeframes; failure ~~do to~~to do so will result in IFA rejecting the Application.

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

2.6 COMPLETE APPLICATION. In order for IFA to review an Application fairly and accurately, it shall be complete. If there is not adequate information provided to review the Application, IFA shall reject the Application.

A. **Application Package.** Applicants shall use the forms contained in the Application Package and include all information required by the QAP or as otherwise required. Applicants shall submit the Application and exhibits through the online Application.

B. **Prior Years.** Application determinations made in prior years are not binding on IFA for the current funding round.

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

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

E. **Document Timeliness.** Required supporting documentation shall not be more than 180 days old, unless otherwise noted, on the date the Application is submitted. Exceptions include documents not specifically produced for the Application, such as a valid purchase agreement, deed, land title document, Articles of Incorporation, and IRS letters to a Nonprofit stating it is an exempt organization.

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

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

H. **Application Deficiency Period.** During the Application deficiency review, IFA may request additional information on the Application via email through the online Application. The Applicant will have a period of time determined solely by IFA (Application Deficiency Period) to remedy all deficiency items. Changes made by the Applicant that were not recommended by IFA and changes that improve the score shall not be allowed. If applicable, IFA may adjust underwriting and/or scoring. IFA may contact the Applicant in other ways to clarify information contained in the Application.

I. **Scoring Determination.** IFA shall make the final determination of the Applicant's score.

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

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

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

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

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

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

SECTION 3. ELIGIBILITY.

3.1 LEGAL OWNERSHIP ENTITY. The Ownership Entity shall be formed and submitted within 30 days after the date of the Tax Credit Reservation Date. This entity shall be a single-asset entity to which Tax Credits will be or have been awarded. All members, managers, partners, and officers of all entities of the Ownership Entity shall be disclosed in an organizational chart. The proposed structure identified within this chart may not be changed after Application submittal until closing with the investor, and only the limited partner and special limited partner, if applicable, may be added. Failure to submit the required Ownership Entity documents within 30 days after the date of the Tax Credit Reservation Date may result in the revocation of Tax Credit award.

The Ownership Entity shall waive the right to a qualified contract in accordance with Section 42(h)(6)(F).

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

A. **Qualifying Entity.** Only the Developer or General Partner/Managing Member, and affiliates thereof, of the Ownership Entity shall be eligible for experience points as a qualifying entity and may not be changed after Application submission. At least one Developer or General Partner/Managing Member, and affiliates thereof, of the Ownership Entity shall be a Qualifying entity and meet the following requirements:

   1. **Developer.** The Developer or an affiliate thereof shall have been listed in an awarded LIHTC application as a Developer (may be a joint venture), and is currently serving as a Managing Member/General Partner or sole shareholder/member of the General Partner/Managing Member of the legal ownership entity for at least one LIHTC project that has received an IRS Form 8609 prior to the Application submission due date. As the qualifying entity, the Developer shall receive a combined total of at least 50% of the total Developer and consultant fee for the Project.
   2. **General Partner/Managing Member.** The General Partner/Managing Member or an affiliate thereof of the Ownership Entity shall have been listed in an awarded LIHTC application as a GP/MM or member/manager thereof, and currently serving as a General Partner/Managing Member or sole shareholder/member of the GP/MM of the legal ownership entity for at least one LIHTC project that has received an IRS Form 8609 prior to the Application submission due date. As the qualifying entity, the GP/MM shall have at least 50% ownership of the GP/MM of the Project.

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

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

C. **New Developer and General Partner/Managing Member.** Developers or GP/MM with no prior LIHTC awards, with a prior LIHTC award, but no issued 8609, or with an 8609 issued from another state shall be eligible as follows: ~~If the Developer or GP/MM has never received an IRS Form 8609 in Iowa, they shall have no more than 1 LIHTC award in this round. If the Developer or GP/MM has never received an IRS Form 8609, they shall have no more than 1 LIHTC award, and they shall not be eligible for a second award in any team member role until an IRS Form 8609 has been received.~~

Developer or GP/MM with no prior LITHC Award	Up to one award in 9% funding round and shall not be eligible for a second award in any team member role until the project meets 10% Test and places in service.
Developer or GP/MM with prior LIHTC Award in Iowa, but no 8609	No LIHTC award until project awarded Tax Credits in Iowa meets 10% Test and placed in service.
Developer or GP/MM new to Iowa with 8609 from another state	Up to one award in the 9% funding round

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

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

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

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

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

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

A. Evidence of involvement in a financial crime or crime related to dishonesty.

B. Evidence of involvement in a crime or a violation of laws or regulations. Including, but not limited to, laws and regulations related to the development or management of housing.

~~B.~~C. Making misrepresentation or providing materially false information in an application.

~~C.~~D. Allowing an affordable rental housing property to enter into foreclosure.

~~D.~~E. Exiting a LIHTC ownership entity voluntarily or involuntarily.

~~E.~~F. Being suspended, debarred, or otherwise excluded from doing business with any federal housing program.

~~F.~~G. Not being in good standing with any affordable rental housing program administrator.

~~G.~~H. Having been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance.

~~H.~~I. A history of repeated or numerous Tax Credit allocation or compliance issues~~ in Iowa~~, even if such issues have not resulted in an uncorrected IRS Form 8823.

~~I.~~J. Has returned a full credit Allocation or has failed to comply with a Carryover allocation.

3.4 SITE REQUIREMENTS. The proposed Project shall be located in an incorporated city at Application submission. Applications shall not contain or propose alternate sites. The Applicant shall be ready to proceed with the Project by documenting site control and site suitability.

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

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

B. **Scattered Sites.** The Applicant shall submit an Application reflecting the total of all sites as well as separate site-specific exhibits for each site included in the Project. A Scattered Site is a Project where multiple buildings with the same occupancy type are not located in proximity to one another, but are owned by the same Ownership Entity and financed under the same agreement(s), and are located within ~~a 30-mile radius~~the same county~~, as determined by Google Maps~~. For Scattered Site Projects, all Units shall be qualified LIHTC Units~~. Scattered Sites cannot elect the average income test.~~

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

The Applicant shall provide:

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

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

IFA may reject sites:

1. Located within one-half mile of storage areas for hazardous or noxious materials, sewage treatment plants or other solid waste facilities, businesses or equipment producing foul odors or excessive noise or the site is a prior storage area for hazardous or noxious materials, sewage, or other solid or liquid waste;
2. Where the slope/terrain is not suitable for a Project based on extensive earth removal/replacement required for development;

3. Where there are obvious physical barriers to the Project;
4. Located within one-half mile of a sanitary landfill or sites that were previously used as a sanitary landfill;
5. Located within a flood hazard area, or a 500-year flood zone as determined by the Iowa Department of Natural Resources, a FEMA map, or a FIRM map. Sites that are located within a 100-year flood zone are not permitted;
6. Located within 500 feet of an airport runway clear zone or accident potential zone;
7. That are landlocked;
8. That are native prairie land or designated wetlands;
9. Within 300 feet of an electrical power substation, natural gas substation, or similar substation; or that are otherwise unsuitable as a home for LIHTC households as determined by IFA.

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

1. **Evidence of Site Control.**
   The evidence shown below must be binding on the contractor/lessor/optionor of the Property (i.e. there must be no conditions for the termination within the sole discretion of the contractor/lessor/optionor, and the evidence must provide that the contractor/lessor/optionor cannot unilaterally withdraw, revoke, or rescind the obligation to the sale or lease of the Property to the Applicant unless the Applicant is in default under the contract).
   a. The Applicant holds sole fee simple title to the Property on which the Project will be located by a properly executed and recorded warranty deed; or
   b. The Applicant has an executed and exclusive purchase option or contract that is valid for nine months following the date of the Application due date; or
   c. The Applicant has an executed lease or an option on a lease, which has a term not less than 35 years. If the Applicant is purchasing or leasing parking space from a unit of local government, a project specific resolution would suffice.
2. **Requirements for Site Control.**
   a. There shall be a common ownership between all Units and buildings within a single Project for the duration of the Compliance Period and the Extended Use Period.
   b. The Applicant shall provide the location of existing and proposed easements on the site, the most current real estate tax assessment, and documentation that the Project meets or exceeds the City requirements for parking (unless subject to an exemption).

3.5 PROJECT REQUIREMENTS.

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

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

C. **Minimum Set-Aside Elections.** The Applicant shall make a minimum set-aside election of income and rent levels from the options~~of those~~ listed below. Any Owner election made in regard to the minimum set-aside election requirement for a qualified low-income housing project under IRC Section 42(g) cannot be changed once made in the Threshold Application. If a Project has an existing LURA, the minimum set-aside election shall remain the same.

1. **20-50 Test.** At a minimum, 20% or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is 50% or less of AMI; or
2. **40-60 Test.** At a minimum, 40% or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is 60% or less of AMI; or
3. **Average Income Test (Income Averaging).** At a minimum, 40% or more of the residential Units in a Project serve households earning as much as 80% AMI, as long as the average income/rent limit in the Property is 60% or less of AMI. The average income test is not available for Scattered Site Projects, Projects with Market Rate units, Project Based Rental Assistance, or PHA Project Based Vouchers.

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

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

F. **Market Rate Standards.** Market-rate single-family homes shall not be allowed.

G. **Acquisition/Rehab.**

1. **Existing Tax Credit Project Resyndication.~~s Prohibition of ApplyingResyndication Within the Compliance Period.~~** ~~Once a Project has been issued an IRS Form 8609, the~~ A Project is eligible to apply for Tax Credits the 5th year following the close of the initial 15-year Compliance Period. ~~Project is prohibited from applying for Tax Credits until after the 15th year has been completed (the initial 15-year Compliance Period).~~
2. **Rehabilitation Expenditures.** The Applicant shall provide information regarding rehabilitation expenditures for each building. The information shall address how the Applicant will meet all of the building standards and minimum development characteristics. The Applicant shall identify, with respect to each building as required by the Application, the rehabilitation expenditures as defined in IRC Section 42(e)(2) that shall be allocable to or substantially benefit the Low-Income Units in such building. Each building in the Project must meet the greater of the IRS minimum expenditures requirement set forth in Section 42(e)(3) or a $35,000 rehabilitation expenditure limited to hard construction costs per Low-Income Unit.
3. **Eligibility for Acquisition Credits.** Project must meet all IRS requirements for acquisition credits including the 10 Year Rule and Related Parties Rule in IRC Section 42(d)(A) – (D)(ii).

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

SECTION 4. APPLICATION UNDERWRITING STANDARDS.

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

4.1 PROJECT DEVELOPMENT COSTS.

A. **Developer Fees.** The total Developer fees, including Developer overhead/profit and development consultant fees, shall not exceed the amounts described below. The Developer fee is calculated as a percentage of Total Project Costs minus land, existing structures, Developer fee, Developer overhead and profit, Consultant fees, and Project reserves. Developer Fee is not permitted for acquisition costs.

All Projects	Fee Limit
First 24 Units	Not to exceed 18%
Remaining Units within the Project above 24	Not to exceed 15%

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

C. **Professional and Other Fees.** IFA may limit professional fees and other fees related to services rendered to the Project.

D. **Construction Contingency Funding.** Construction contingency shall be used to cover costs for unknown conditions discovered and cost overruns incurred during construction. Applicants shall obtain IFA approval for the use of construction contingency funds for items that were not part of the initial scope of work. The following are the allowed construction contingency amounts:

Project Type	Percentage of Hard Construction Costs less Construction Contingency
New Construction	5% - 6%
Acquisition/Rehab or Rehab Projects	8% - 15%
Adaptive Reuse	12% - 16%

E. **Soft-Cost Contingency.** Soft-cost contingencies are restricted to the lesser of $20,000 or 6% of the subtotals of the interim costs, financing fees and expenses, and soft costs minus the soft-cost contingency.

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

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

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

H. **Projects Costs Not Allowed In Eligible Basis.** The following project costs are not allowed in Eligible Basis:

1. **Existing Reserve Accounts.** Cash from Project reserve accounts transferred to the Ownership Entity with the acquisition of a Project.
2. **Construction and Permanent Lender Fees.** Construction fees if the construction and permanent lender are the same.
3. **Paved Roads.** The cost of construction of a de minimis paved road on public property may be included in the Project costs, as determined by IFA. The cost of construction of an extensive paved road on public property shall not be included in the Project costs.
4. **Off-Site Utilities.** Costs that are not normal connections or extensions to existing utilities shall not be included in the Project costs.
5. **Tenant Paid Amenities.** Garages, storage units, or other amenities where the Ownership Entity is charging tenants for use, except when part of normal rent for all of Units.

~~5.~~6. **Predevelopment Interest Costs.** Interest financing costs on land acquisition prior to closing of the partnership.

4.2 PROJECT FUNDING SOURCES.

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

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

C. **Deferred Developer Fees.** Deferred Developer fees cannot exceed 50% of the total Developer fee, and the Application must demonstrate the full amount being paid within 15 years. The deferred Developer fee shall be paid from the net cash flow and not be calculated into the minimum Debt Service Coverage Ratio (DSCR).

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

E. **Senior Living Revolving Loan Program.** Refer to Appendix B – Senior Living Revolving Loan Program.

F. **HOME Funds.** Refer to Appendix C – HOME Rental with LIHTC Requirements.

G. **Multiple Funding Scenarios.** IFA shall not consider multiple funding scenarios except as listed in Appendix B – Senior Living Revolving Loan Program and Appendix C – HOME Rental with LIHTC Requirements.

4.3 PROJECT OPERATING COSTS AND CASH FLOW.

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

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

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

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

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

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

SECTION 5. BASIS BOOST.

A Project may receive up to a 30% increase in Eligible Basis and Tax Credit Cap per LIHTC Unit, but is still subject to the Project Cap.

5.1 PROJECTS LOCATED IN QUALIFIED CENSUS TRACTS (QCT) AND DIFFICULT DEVELOPMENT AREAS (DDA). IFA allows up to a 10% increase in Eligible Basis for Projects where all buildings are located in QCTs and DDAs. Refer to Appendix A – QCTs, DDAs, and Rural Counties.

5.2 PROJECTS LOCATED IN A RURAL COUNTY. IFA allows up to a 10% increase in Eligible Basis for Projects in a Rural county as designated by IFA. Refer to Appendix A – QCTs, DDAs, and Rural Counties.

5.3 PROJECTS PROVIDING PERMANENT SUPPORTIVE HOUSING. IFA allows up to a 10% increase in Eligible Basis for Projects providing at least 10% of the Units as permanent supportive housing, or a 15% increase in Eligible Basis for Projects providing at least 15% of the Units as permanent supportive housing under Section 6.1.D – Projects Providing Permanent Supportive Housing. Refer to Appendix D – Permanent Supportive Housing.

5.4 PROJECTS WITH MARKET RATE UNITS. IFA allows up to a 10% increase in Eligible Basis for Projects that elect at least 25% of the Units as market-rate units. Projects with market-rate Units cannot elect the minimum set-aside as average income.

SECTION 6. SCORING CRITERIA.

IFA shall make the final determination of the Applicant's score. IFA will award points based on the evidence provided in the Application and exhibits. All sites and buildings within the Project must qualify to be eligible to receive points. The online Application provides a tentative non-binding score based on the submitted information. Scoring determinations made in prior years are not binding on IFA for the current funding round.

If a project has an existing LIHTC Land Use Restriction Agreement (LURA), the Applicant shall not elect scoring points if it would be less restrictive than the existing LURA. The rent and income restrictions of the existing LURA must be maintained.

6.1 AFFORDABILITY FOR RESIDENTS. *30 points Maximum*

To achieve the 30 points maximum, an Applicant may select one or multiple categories below. No Units shall count for points in more than one Affordability for Resident categories, except for Projects Providing Permanent Supportive Housing ~~and~~ or project-based vouchers from a local PHA. For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit. The Affordability for Resident categories A through E are not available to an Applicant that elects the minimum set aside as ~~average income test~~Average Income Test.

A. **Serving 30% AMI LIHTC Residents.** Projects that provide Units that are set-aside and occupied by tenants with incomes at 30% Area Median Income (AMI) or less and are rent-restricted. Annual recertifications shall be required, and tenant incomes may increase up to 60% AMI and still be considered a 30% AMI resident as long as rent is restricted at 30% AMI.

- For each 3.0% of the LIHTC Units *5 points*

B. **Serving 40% AMI LIHTC Residents.** Projects that provide Units that are set-aside and occupied by tenants with incomes at 40% AMI or less and are rent-restricted. Annual recertifications shall be required, and tenant incomes may increase up to 60% AMI and still be considered a 40% AMI resident as long as the rent is restricted at 40% AMI.

- For each 4.0% of the LIHTC Units *5 points*

C. **Rent Reduction.** Projects that provide LIHTC rents for the 60% or 50% AMI units at 40% AMI rent levels. Tenant income eligibility will remain at 60% and 50% AMI, respectively. This category is not available to Projects with a Federal project-based rental assistance contract.

- For each 4.5% of the LIHTC Units *5 points*

D. **Projects Providing Permanent Supportive Housing.** Projects that provide Units for persons experiencing homelessness. These Units shall be leased only to qualified persons experiencing homelessness. Partnership with an IFA approved qualified service provider that provides supportive services to persons experiencing homelessness in the proposed Project's market area is required. Refer to Appendix D – Permanent Supportive Housing.

- For each 2.5% of the LIHTC Units *5 points*

E. **Project-Based Rental Assistance.**

1. **Projects with a Federal project-based rental assistance contract with HUD or RD~~.~~ must meet both a and b below.**

 a. Applicant must provide a comfort letter from HUD or RD regional office acknowledging the Project will be the subject of a Tax Credit Application.

 ~~a.~~b. Applicant must be determined a Qualified Non-Profit Organization pursuant to Part A of Section 1.2 of this QAP.

 - 25% of the total Project Units covered by the rental assistance contract *20 points*
 - 75% of the total Project Units covered by the rental assistance contract *30 points*

2. **Projects with project-based vouchers from a local PHA with a commitment for at least 10 years.**

 a. 10% of the total LIHTC Units *10 points*

F. **Average Income Test with 40% AMI.** Projects that elect Average Income Test and provide at least 35% of the Units that are set-aside and occupied by tenants with incomes at 40% AMI or less and are rent-restricted. Annual recertifications shall be required.

- 35% of the LIHTC Units at 40% AMI *30 points*

G. **Average Income Test.** Projects that elect Average Income Test and limit tax credit underwriting to 6%.

- 100% Average Income Test Units *30 points*

6.2 LOCATION. All building addresses in a Project, including Scattered Site Projects, shall meet the Location scoring requirements to be eligible for points. IFA will award the lesser points within each scoring category based on building locations.

A. **Underserved Cities.** **0 to** *2 points*
Projects located in an underserved city as shown in Appendix E – Underserved Cities.

B. **Rent Burdened Households.** *1 point*
Projects located in a city shown in Appendix F – Rent Burdened Households.

C. **Density.** *0 to 2 points*
Projects that are located in a census tract that has a low percentage of LIHTC Units Placed-In-Service compared to the total number of households as shown in Appendix G – LIHTC Unit Density.

D. **Active Development Communities.** *1 point*
Projects located in ~~communities~~ cities that have received IFA and IEDA housing and economic development awards and in the past 2 years as shown in Appendix H - Active Development Communities.

E. **Disaster Recovery.** *0 to 5 points*

Projects located in a county that has been declared a state major disaster with an IIAGP activation or a federal major disaster declaration that included federal individual assistance may be eligible for points. Refer to Appendix K – Disaster Recovery.

F. **High Quality Jobs Award.** *0 to 2 points*

Projects located in ~~communities~~ cities that have received IEDA High Quality Job awards in the past 2 years as shown in Appendix I - High Quality Job Awards.

G. **Social Vulnerability Index.** *1 point*

Projects located in a county with high Social Vulnerability as shown in Appendix J – Social Vulnerability Index.

H. **Iowa Thriving Communities.** *2 points*

Projects located in cities as shown in Appendix Q – Iowa Thriving Communities.

~~H.~~I. **SITE APPEAL.** The Site Appeal scoring section is valued at a total of 5 points. The Applicant will provide the preliminary scoring and supporting information for each of the 16 categories in this section, but IFA will review and determine the final scoring. The category scores will be averaged and rounded to the nearest whole number (0 through 5) to determine the Site Appeal score for the Application. Misrepresentations in the preliminary scoring that are intentional or blatant as deemed by IFA may result in zero total points for the entire Site Appeal scoring section. Individual site scores will be averaged to determine the Site Appeal score for scattered site Projects.

Category 1 — Zoning			
5 points	*3 points*	*1 point*	*0 points*
Proper zoning in place prior to Application due date.			
Category 2 — Community Support			
5 points	*3 points*	*1 point*	*0 points*
TIF, tax abatement, community grant or loan, or waived fees totaling at least $5,000 per unit. Or Land ~~is~~ cost is $1 or less, or donated.~~free and donated by the community.~~	TIF, tax abatement, community grant or loan, or waived fees totaling at least $2,500 per unit. Or Land costs less than $10,000.	TIF, tax abatement, community grant or loan, or waived fees totaling at least $500 per unit.	
Category 3 — Site Neighborhood			
5 points	*3 points*	*1 point*	*0 points*
The area within a ~~1~~ 1/2 mile radius has experienced significant residential and commercial new construction or renovation in the past 5 years. Or Site is in a QCT where affordable housing is part of a Concerted Community Revitalization Plan.	The area within a ~~1~~ 1/2 mile radius has experienced some residential or commercial new construction or renovation in the past 5 years.		
Category 4 — Neighborhood Location to Services			
5 points	*3 points*	*1 point*	*0 points*

Located within 1 mile driving distance of at least ~~3~~ 4 of the following services: park, food bank or pantry, bank or credit union, police or fire station, convenience store or dollar store, pharmacy, or public library.	Located within 2 miles driving distance of at least 4 of the following services: park, food bank or pantry, bank or credit union, police or fire station, convenience store or dollar store, pharmacy, or public library	Located within 2 miles driving distance of at least 2 of the following services: park, food bank or pantry, bank or credit union, convenience store or dollar store, pharmacy, or public library	
Category 5 — Location to Grocery Store			
5 points	*3 points*	*1 point*	*0 points*
Located within ~~1~~ 1/2 mile driving distance of a grocery store.	Located within ~~2 miles~~ 1 mile driving ~~distanceof~~distance of a grocery store.	Located within 2 miles driving distance of a grocery store.	
Category 6 — Location to Daycare Center, Public School or Senior Center			
5 points	*3 points*	*1 point*	*0 points*
Located within 1 mile driving distance of a licensed daycare center or K-12 public school (family only) or senior center (senior only).	Located within 2 miles driving distance of a licensed daycare center or K-12 public school (family only) or senior center (senior only).		
Category 7 — Location to Public Transportation Fixed-route is a system of transport for passengers by group travel available for use by the general public, typically managed on a schedule. In cities without fixed route service, dial-a-ride or on-demand services will be eligible for points if they serve the general public. Taxis, Uber, or Lyft-type services are not eligible for points.			
5 points	*3 points*	*1 point*	*0 points*
Site is 1/4 mile walking distance from a bus stop for a fixed-route service. or Any city that does not have a fixed-route service and dial-a-ride is available M-F.	Site is 1/2 mile walking distance from a bus stop for a fixed-route service.		
Category 8 — Site Location			
5 points	*3 points*	*1 point*	*0 points*
Site is adjacent to existing developments on at least 3 sides.	Site is adjacent to existing developments on at least 2 sides.		
Category 9 — Adjacent Properties			
5 points	*3 points*	*1 point*	*0 points*

~~Surrounded~~ Adjacent on at least 3 sides ~~by~~ to a mixture of single-family, duplex, triplex residential properties.	~~Surrounded~~ Adjacent on at least 3 sides to ~~by~~ a mixture of single-family, duplex, triplex residential properties and/or multifamily properties.	~~Surrounded~~ Adjacent to~~by~~ a mixture of both residential/multi-family and commercial properties. Commercial does not include manufacturing or industrial facilities.	

Category 10 — Noise from Adjacent Uses			
5 points	*3 points*	*1 point*	*0 points*
All other sites			Sites close to train tracks, airports, industrial, interstate, or other sources of excessive noise as determined by IFA.
Category 11 — Site Frontage			
5 points	*3 points*	*1 point*	*0 points*
Access to the site from local or collector road that has 2 lanes (excluding turn lanes), and speed limit not greater than 35 mph.	Access to the site from local or collector road that has more than 2 lanes (excluding turn lanes), but speed limit not greater than 45 mph.		
Category 12 — Public Paved Road Complete With Storm Drainage			
5 points	*3 points*	*1 point*	*0 points*
Publicly paved road is already in place and appropriately sized.	Publicly paved road is at the edge of the site but an extension or road widening is needed that is only a de minimus extension.		
Category 13 — Offsite Utilities			
5 points	*3 points*	*1 point*	*0 points*
Offsite utilities are appropriately sized and do not require an extension beyond normal connections.	Offsite utilities are at the edge of the site but only a de minimus extension is necessary.		
Category 14 — Parking			
5 points	*3 points*	*1 point*	*0 points*
Project offers free on-site parking with at least 1 space per unit for senior projects and 1.5 spaces per Unit for family projects.	About 1 free offsite street parking space available per Unit.	Free offsite street parking spaces available equal to at least 25% of the Units.	

Category 15a —Ease of Site Development – New Construction			
5 points	*3 points*	*1 point*	*0 points*
Site is open, clear, and ready for construction.	Minimal tree clearing, minor demolition, and moderate slopes on site.		Steep slopes, potential site drainage problems, extensive retaining walls needed, extensive tree clearing demolition, or site needs contamination cleanup.
Category 15b —Condition of Buildings – Rehab and Adaptive Re-use			
5 points	*3 points*	*1 point*	*0 points*
Good	Fair		Poor
Category 16 —Projects with Historical Significance			
5 points	*3 points*	*1 point*	*0 points*
Project is listed on the National Register of Historic Places or has a National Park Service approved Part 1 ~~eligible for Federal and State Historic Tax Credits,~~ application and Federal and State ~~historic~~ Historic credits are included in the Application funding sources.			

6.3 MARKET APPEAL. *5 points maximum*

The amenities shall be provided at no cost to the tenants.

A. **Ceiling Fans:** *1 point*
The Project will provide ceiling fan/light combination units, minimum ~~2~~ two ceiling fans per ~~1~~ one or more bedroom Units and ~~1~~ one ceiling fan per studio Unit.

B. **Kitchen Pantry:** *1 point*
2 ft. wide full-height cabinet or closet with minimum 5 shelves in every Unit.

C. **Trash and Recycling:** *1 point*
Trash chutes or a dedicated onsite recycling area.

D. **Walk-In Closets:** *1 point*
Available in at least 1 bedroom of every Unit including studio Units.

E. **Patio/Balcony** *2 points*

<u>Each unit shall include a patio or balcony.</u>

F. **Multipurpose Room:** *1 point*

Multipurpose room must at least 400 square feet and made available exclusively to all tenants and guests of the Project, either in a stand-alone building or incorporated within a residential structure, located entirely on the Property.

G. **Free Heating:** *2 points*

Owner-paid heat for each Unit.

H. **Fenced Dog Walking Area:** *2 points*

Minimum 1,000 square feet with waste area.

I. **Fitness Center:** *1 point*

An exercise room available 24 hours a day, with commercial-grade cardiovascular health, strength training, and flexibility equipment.

J. **Storage Units:**

A dedicated and lockable (if outside the Unit) structurally strong and secure, floor-to-ceiling room that is at least 20 square feet. The storage unit shall be in addition to the required bedroom, linen, and coat closets and maintained in compliance with the requirements for fire safety and the 2020 NEC and the International Fire Code (IFC). Prefabricated steel mesh enclosures designed as storage units are acceptable.

1. Storage In Project; or *1 point*
2. Storage In-Unit *2 points*

K. **Laundry:**

Acquisition/Rehab projects without in-unit laundry that provide tenants unlimited access to the community laundry facility at no charge, or Acquisition/Rehab projects that add or replace in-unit washers and dryers to all units during the rehabilitation.

1. Free Resident/Community Laundry; or *3 points*
2. In-Unit washers and dryers (added or replaced to Acquisition/Rehab) *4 points*

L. **Olmstead Goals:** *5 points*

Projects that provide at least 15% of the Units as accessible for persons with mobility disabilities for acquisition/rehabilitation or 20% of the Units for persons with mobility disabilities for new construction and adaptive reuse. For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

M. **Single Family, Duplex, or Rowhouse:** *5 points*

At least 20% of the Project are single-family, duplex, or rowhouses where each Unit extends from foundation to roof and may be 1 to 3 stories. Each unit has separate exterior entrances in both the front and rear of the Unit and some open space in a rear yard with a suitable patio that may be used by the occupants.

N. **Exterior Materials:** *5 points*

Minimum of 30% 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 70% shall be constructed of 100% fiber cement board siding or engineered wood siding with quality standards similar to Smartside. The buildings' soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood siding with quality standards similar to Smartside. Soffits shall be vented.

O. **Iowa Green Streets:** *2 points*

In lieu of meeting Energy Star requirements, the Project meets the requirements of Iowa Green Streets.

6.4 QUALIFYING DEVELOPMENT TEAM.

A. **LIHTC Experience.** *2 points maximum*

Points available for one of the following categories under this section.

Prior to Application submission, the ~~qualifying entity~~ Developer or General Partner/Managing Member, or affiliates thereof, of this Project shall have completed 2 LIHTC Projects that have received an IRS Form 8609 as a Developer or General Partner/Managing Member not more than 5 years before the Application due date. *1 point*

Or

Prior to Application submission, the ~~qualifying entity~~ Developer or General Partner/Managing Member, or affiliates thereof, of this Project shall have completed 3 LIHTC Projects that have received an IRS Form 8609, of which at least one 8609 is from Iowa, as a Developer or General Partner/Managing Member not more than 5 years before the Application due date. *2 points*

Or

Prior to Application submission, the Developer or General Partner/Managing Member, or affiliates thereof, of this Project received a prior LIHTC award and is the owner and management company of that LIHTC Project in Iowa. *1 point*

~~A.~~B. **Community Housing Development Organization Experience.** ~~*2*~~*1 point* ~~*points*~~ Nonprofits that receive Community Housing Development Organizations (CHDO) certification and ~~that apply under the Nonprofit set-aside for~~ State HOME funds in this Application round.

~~B.~~C. **Developer, General Partner, or Managing Member Performance.** *-1 point*

The Developer or General Partner/Managing Member, or affiliates thereof, of this Project has requested and received approval for a material change to a Tax Credit project after January 1, 2023 in Iowa.

~~C.~~D. **Iowa Title Guaranty.** *2 points*

The Applicant shall obtain a Final Title Guaranty Owner Certificate on the real estate of the Project from IFA's Iowa Title Guaranty Division prior to submitting the IRS Form 8609 package. The Ownership Entity shall obtain, at a minimum, a Final Title Guaranty Certificate with an amount of coverage that is not less than the value of the land and pre-existing improvements, if any, combined with the total hard construction costs of the Project.

SECTION 7. SELECTION CRITERIA AND AWARD PROCESS.

7.1 TAX CREDIT CALCULATION. IFA shall determine the amount of Tax Credits necessary for the financial feasibility of the Project through the information received during the Application. IFA will utilize the percentage of the limited partnership interest in the Project and equity price in the determination of the Tax Credit amount.

7.2 SELECTION CRITERIA. IFA shall evaluate applications using the set-aside and scoring criteria. IFA may decline to reserve Tax Credits to any Project, regardless of the score.

7.3 PRIORITIZATION OF REVIEW. Applications will be scored and ranked within each of the set-asides in the order listed below. If an Applicant is not awarded within a set-aside, except for the Innovation Set-Aside, the Applicant will be considered in the next set-aside ~~that they~~ applied for and then the General Set-Aside. In the event there are not enough qualified Projects to fill the Rural or Innovation Set-Asides, the remaining balance will be transferred to the General Set-Aside.

A. Innovation Set-Aside

~~A.~~B. Nonprofit Set-Aside.

~~B.~~C. Rural Set-Aside.

~~C.~~D. General Set-Aside.

7.4 TIEBREAKERS. In the event that the final scores of more than one Application are identical, IFA will use the following tiebreakers:

A. Project is within a project identified in an Iowa Great Places agreement that has been designated by the Iowa Great Places Board for participation in the program within the last 3 years, pursuant to Section 303.3C, subsection 4 of the Iowa Code.

B. Projects that provide an opportunity for homeownership through the Iowa Renter to Ownership Savings Equity (ROSE) Program.

~~C. Project in a community that has not received a reservation of housing tax credits for the longest period of time.~~

~~D.~~C. Project with a Developer that has not received an award of Tax Credits in Iowa for the longest period of time. Excludes new Developers to Iowa.~~Project with a Developer that will not receive an award of Tax Credits in the round will be given preference over a Developer that will receive an award on another Project.~~

D. Project in a community that has not received a reservation of 9% or 4% Tax Credits for the longest period of time.

E. Application requesting the least amount of Tax Credits per LIHTC Unit.

F. Board Discretion.

7.5 DISCRETION BY THE BOARD. The Board may accept, reject, or make changes to the award recommendations.

7.6 ACCEPTANCE OF TAX CREDIT RESERVATION. The acceptance of the reservation and reservation fee shall be due no later than the date stated in the award letter.

7.7 WAITING LIST. The Board, in its discretion, may establish a waiting list and adjust the order on the waiting list for any reason. The waiting list shall expire no earlier than 75 days after the date of the Board approval.

7.8 UNRESERVED TAX CREDITS. Unreserved Tax Credits are Tax Credits that were not awarded by IFA during its most recent round of allocation or are returned to IFA during the current year. If Unreserved Tax Credits become available within 45 days after the date of the Notice of Tax Credit Reservation, IFA shall review all Applications placed on the waiting list to determine if there are sufficient Tax Credits to fund one or more new Projects on the waiting list. The award of Tax Credits to a project on the waitlist requires Board approval. If Unreserved Tax Credits become available more than 45 days after the date of the Notice of Tax Credit Reservation, the unreserved Tax Credits will be available in the next funding round, and the waiting list shall expire.

7.9 INFORMAL APPEALS.

A. **Notice of Appeal.** Any Applicant requesting an appeal shall submit written notice of appeal to housingtaxcredits@iowafinance.com within 7 days of the Tax Credit Reservation Date. The notice of appeal shall state the grounds upon which the Applicant challenges IFA's LIHTC awards.

B. **Procedures for Appeal.** Within 21 days of the Tax Credit Reservation Date, the Applicant shall file its appeal by submitting a written document to housingtaxcredits@iowafinance.com stating the relevant facts supporting its position. IFA staff may submit to the Executive Director a written document in response to the Applicant's appeal ("IFA response"). IFA staff will provide a copy of the IFA response to the Applicant.

C. **Decision.** Within 30 days of the filing of the appeal as set forth in above in Procedures for Appeal, the Executive Director shall consider and rule on the appeal and will notify the Applicant in writing of the decision.

D. **Final Agency Action.** The decision is final except as provided for in Iowa Code sections 17A.19 to 17A.20.

7.10 REMEDIES ON APPEAL.

A. If an Applicant passed the Application requirements and is successful in demonstrating that the Applicant should have been awarded Tax Credits based on the score the Project should have received and taking into account Section 7.5 – Discretion by the Board, the Executive Director may place the Project on a waiting list for Unreserved or returned Tax Credits.

B. If an Applicant is successful in demonstrating that a Project was improperly determined by IFA to have not met the Application requirements, the Executive Director shall cause the Project to be scored. If the Project receives a score equal to or greater than the lowest score of any Project receiving credits from the General Set-Aside in the same round for 100% of such Project's underwritten Tax Credit amount (as opposed to Projects awarded under Section 7.5 – Discretion by the Board), prior to any skipping of Projects pursuant to Section 7.5 – Discretion by the Board, the Executive Director may place the Project on a waiting list for Unreserved or returned Tax Credits.

C. Once the waiting list has expired, a Project that has been placed on the waiting list per Section 7.7 – Waiting List due to a successful appeal shall be awarded 5 points in the next 9% Tax Credit Round. To receive the additional points during the next 9% Tax Credit Round, the Project shall be the same Project that was the subject of the successful appeal.

PART B –
POST RESERVATION REQUIREMENTS

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

SECTION 8. CHANGES TO THE APPLICATION AFTER AWARD.

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

The following changes are not allowed:

A. Changes to the Ownership Entity named in after Tax Credit Reservation;
B. Transfers of the Tax Credit Reservation or Carryover Allocation;
C. Change in the qualifying entity on the Qualified Development Team;
D. Changes that increase the housing credit amount;
E. Changes in Unit mix;
F. Changes that lowers the final scoring of the Project;
G. Change to the minimum set-aside election; or
H. Change that decreases the applicable fraction per building.

SECTION 9. CARRYOVER ALLOCATION-TEN PERCENT TEST APPLICATION.

To qualify for a carryover allocation, the requirements set forth in Section 42(h)(1) and Treasury Regulation 1.42-6 must be met. The Ownership Entity must submit a complete Carryover Allocation-Ten Percent Test Application (10% Test Application) package through the online Application unless all buildings are placed-in-service and the IRS forms 8609s issued in the same year as the Tax Credit award.

9.1 SITE CONTROL. The Ownership Entity shall provide evidence of site ownership or lease term of at least 35 years, including all parking, as part of the 10% Test Application package, and this ownership shall be continuous and uninterrupted through the issuance of an IRS Form 8609.

9.2 ZONING. The site must be zoned appropriately to allow construction of the Project by submission of the 10% Application.

SECTION 10. PRIOR TO PLACED-IN-SERVICE DOCUMENTS.

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

A. Affirmative Fair Housing Marketing Plan Package (AFHMP, ads/brochures, tenant selection plan, lease, lease addendums, community rules, VAWA documents).

B. Confirmation the Project is listed on Iowa's free rental housing locator at www.IowaHousingSearch.org.

C. A commitment to notify the local public housing authority of all vacancies.

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

SECTION 11. APPLICATION FOR IRS FORM 8609.

After all buildings in a Project have been placed-in-service, a complete IRS Form 8609 Application (8609 Application) package shall be submitted through the online Application. At the time the 8609 Application is submitted, the Project shall have completed construction and all other requirements of the 8609 Application package have been met.

11.1 MARKETABLE TITLE REQUIREMENT. The Ownership Entity shall provide adequate evidence that it has marketable title as determined by IFA in IFA's sole discretion. Adequate evidence of marketable title is demonstrated by either: (1) a title opinion of an attorney authorized to practice law in Iowa showing marketable title in the Ownership Entity; or (2) a Title Guaranty Certificate issued by the Iowa Title Guaranty Division of IFA showing the Ownership Entity as the guaranteed. In the case of leased land, a copy of the recorded lease shall be provided.

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

SECTION 12. CASUALTY LOSS AND COMPLIANCE.

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

12.2 COMPLIANCE. IFA has established procedures for monitoring compliance. Refer to the ~~Iowa LIHTC~~ IFA Compliance M~~m~~anual and supporting documentation.

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

12.4 EXTENDED USE PERIOD (LONG TERM COMPLIANCE PERIOD). The time frame that begins the first day of the Initial 15-Year Compliance Period, in which the building is a part of a qualified low-income housing Project and ends 15 years after the close of the Initial 15-Year Compliance Period, or the date specified by IFA in the LURA. During the Extended Use Period, the rent affordability requirements identified in Section 6.1 of this QAP cease applying, but the federal minimum set-asides set forth in the Code and selected by the applicant shall continue to apply. However, the rent affordability requirements identified in Section 6.1 of this QAP do not cease applying to a unit until the tenant currently in said unit and benefiting from the rent affordability requirements in Section 6.1 of this QAP vacates the unit. A tenant cannot be evicted just to cause the rent affordability requirements set forth in Section 6.1 of this QAP to terminate as to that tenant's unit. Any other rent and income restrictions required by other programs, including HOME, shall still apply as applicable.

SECTION 13. TERMS AND CONDITIONS.

The following terms and conditions apply to all Applicants and Projects that receive a reservation of 9% Tax Credits, Carryover Allocation and IRS Form 8609 allocation.

IFA will rely on the following when interpreting the requirements of the QAP: (1) the QAP, including the Tax Credit Application, appendices, exhibits, instructions, and any incorporated materials; (2) IFA's questions and answers for the QAP; (3) IFA's training guide; and (4) IFA's past practice. IFA may, at its discretion, conduct due diligence to verify information provided by the Applicant. An Applicant's interpretation of the QAP and its requirements is immaterial.

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

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

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

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

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

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

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

PART C – CONSTRUCTION REQUIREMENTS

SECTION 14. PRIOR TO INITIATION OF CONSTRUCTION.

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

14.2 IFA PLAN REVIEW. The Ownership Entity shall submit final plans, specifications, the energy audit or analysis, preliminary Iowa Green Streets checklist and, Capital Needs Assessment (CNA) if applicable to IFA upon completion but no later than submission of the 10% Application. IFA shall give written approval before the Ownership Entity commences site work or construction.

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

A. A copy of the energy audit conducted by a certified home energy rater, and

B. Appropriate specifications to meet IECC standards or alternate cost-effective energy improvements with the final construction documents.

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

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

A. A site visit and physical inspection of the interior and exterior of Units and structures;

B. An interview with on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs, and existing or chronic physical deficiencies;

C. The presence of hazardous materials;

D. A detailed opinion as to the proposed budget for recommended improvements;

E. Identify critical building systems or components that have reached or exceeded their expected useful lives;

F. A projection of recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, to determine the appropriate replacement reserve deposits on a per Unit per annual basis;

G. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines;

H. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, stairs, and drainage;

I. Interiors, including Unit and common area finishes (carpeting, vinyl tile, plaster walls, paint conditions, etc.), Unit kitchen finishes, cabinets and appliances, Unit bathroom finishes and fixtures, and common area lobbies and corridors; and

J. Mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems, and elevators.

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

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

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

A. **General.**

1. **Construction Warranty.** Provide an enforceable minimum 1 year blanket construction warranty stipulating that the general contractor is responsible to do or have done any and all required warranty repair work, including consequential damages, at its own expense.
2. **No Smoking Policy.** Implement and enforce a "no smoking" policy in all Units and common areas, not including public areas of the exterior grounds.
3. **Community Room.** For senior Projects only, community room must be 20 square feet per unit up to the first 40 units made available exclusively to all tenants and guests of the Project, either in a stand-alone building or incorporated within a residential structure, located entirely on the Property. Does not apply to Scattered Site Projects.
4. **Playground.** For family Projects only, an outdoor area provided for children to play in containing 5 to 7 commercial-grade play components (an element intended to generate specific opportunities for play, socialization, or learning) that does not include wood. At least 2 must be elevated. Swings, spring riders, water tables, playhouses, slides, and climbers are acceptable; ramps, transfer systems, steps, decks, and roofs are not. IFA may approve exceptions including a sport court. The playground must comply with the requirements of the Department of Justice 2010 ADA Standards for Accessible Design. Does not apply to Scattered Site Projects.
5. **Sidewalks.** Concrete sidewalks providing access to a city public way from each entrance door.
6. **Trash Enclosures.** Screened trash removal areas.
7. **Internet Access.** High-speed internet wiring for broadband, wireless, or digital subscriber line for all Units.

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

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

B. **Exterior Construction.**

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

2. **Exterior Siding.** Exterior siding shall be durable and impact-resistant. Vinyl does not qualify as durable. Exterior siding shall be a mix of 2 or more of the following (no single material shall constitute more than 70% of the siding): brick, fiber cement board siding, or engineered wood siding with quality standards similar to Smartside, and/or nominal, 2" nominal thickness manufactured stone over ¾" stucco, nail on stone panels or metal siding approved by IFA. The exterior siding requirements do not apply to existing buildings that are 100% brick or stone. The soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood siding with quality standards similar to Smartside. Soffits shall be vented.

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

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

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

C. **Interior Construction.**

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

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

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

D. **Energy Requirements.**

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

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

2. **Water Heaters.**

   a. In-unit water heaters that have a minimum energy factor (EF) of 0.61 for tank-type gas, 0.93 for tank-type electric, or 0.96 for tankless water heaters.

   b. Central water heaters (serving entire building) – with a 90% Thermal Efficiency rating or minimum 95% efficient thermal water storage tanks coupled to a better than 90 AFUE boiler.

14.7 MINIMUM DEVELOPMENT CHARACTERISTICS – NEW CONSTRUCTION AND ADAPTIVE REUSE.
New Construction and Adaptive Reuse Construction must use the following additional minimum development characteristics:

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

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

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

D. **Minimum Unit Net Square Footage.**

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

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

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

F. **Accessibility.** Projects shall have at least 10% percent of the Units, or at least 1 (whichever is greater) Unit accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). An additional 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities (Units with Accessible Communication Features). For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit. Refer to Section 15 – Building Standards.

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

A. **Scope of Work.** The Scope of Work shall, at a minimum, include work on the following as indicated in the CNA:

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

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

C. **Smoke Detectors.** Install or ~~Replace~~ replace all smoke detectors, and these shall have a 10-year battery if not hard wired.

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

SECTION 15. BUILDING STANDARDS.

Preliminary site plan and floor plans are to be submitted with the Application to IFA. The Applicant shall meet local, state, and federal standards that apply to the Project, regardless if listed in Section 15 Building Standards.

A. 2015 International Building Code adopted and published by the International Code Council.

B. 2015 International Existing Building Code adopted and published by the International Code Council.

C. 2015 International Residential Code adopted and published by the International Code Council (excepting paragraphs R313.1 and R313.2; sprinklers are not required in single family or townhomes separated by 2 hr. fire walls).

D. 2015 International Fire Code adopted and published by the International Code Council.

E. 2015 International Mechanical Code adopted and published by the International Code Council.

F. 2012 Uniform Plumbing Code adopted by the International Association of Plumbing and Mechanical Officials.

G. 2014 National Electric Code adopted by the National Electrical Code Committee and published by the National Fire Protection Association, Inc.

H. 2015 International Energy Conservation Code adopted by the International Code Council.

I. Iowa Administrative Code, including but not limited to the following Chapters: 300 (Administration), 301 (General Provisions), 302 (Accessibility of Building), 303 (Energy Conservation), 350 (State Historic Building), and 25 (State Plumbing Code).

J. Uniform Federal Accessibility Standards provided in 24 CFR Part 8 and delineated in the American National Standards Institute Standard 2007 A117.1.

K. The Americans with Disabilities Act 1990 provided by the Federal Department of Justice. All publicly accessible areas must meet the accessibility requirements of this Act.

L. The Federal Fair Housing Act of 1988 – all buildings with 4 or more units must comply with this Act and the Fair Housing Design Standards. Applies to ground floor Units or all Units in an elevator building.

M. For Adaptive Reuse/Rehabilitation, the Lead Base Paint Poisoning Prevention Act, the Department of Housing and Urban Development (HUD) Guidelines for the Evaluation and Control of Lead Based Paint Hazards, Environmental Protection Administration (EPA) and Occupational Safety and Health Act (OSHA) provisions shall apply when applicable.

N. For Adaptive Reuse/Rehabilitation, if applicable, State Historic Preservation Office (SHPO) clearance Section 106 of the National Historic Preservation Act, 36 CFR Part 800 for Projects receiving any direct federal funding (HOME or categorical grant) or affecting properties listed in the National Register of Historic Places, or in a designated historic preservation district or zone.

PART D –
GLOSSARY OF TERMS

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

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

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

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

Carryover Allocation Agreement: The document that contains the Ownership Entity's election statements for an allocation of Tax Credit Reservations by IFA pursuant to IRC Section 42(h)(1)(E) and Treasury Regulations, Section 1.42-6.

Disability: At least one of the following criteria: (1) has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration, substantially impedes the person's ability to live independently, and is of a nature that such ability could be improved by more suitable housing conditions; or (2) has a developmental disability, defined as a severe chronic disability that is attributable to a mental or physical impairment or combination of mental and physical impairments, is manifested before the person attains age 22, is likely to continue indefinitely, results in substantial functional limitation in 3 or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and that reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.

Eligible Basis: The Project costs allowable under Section 42(d) that are used to calculate the maximum Tax Credits.

Entity: Any general partnership, limited partnership, corporation, joint venture, trust, limited liability company, limited liability partnership, business trust, cooperative, or other business association.

Family Project: General occupancy project with no age restrictions.

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

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

Older Persons/Senior Housing: Housing that meets the Fair Housing Act definition of housing for older persons and is exempt from the law's familial status requirements provided that: (1) HUD has determined that the dwelling is specifically designed for and occupied by elderly persons under a federal or state government program; (2) it is occupied solely by persons who are 62 or older; or (3) it houses at least 1 person who is 55 years or older in at least 80% of the occupied Units, and adheres to a policy that demonstrates intent to house persons who are 55 years old or older.

Owner Representative: The General Partner(s)/Managing Member(s) of the Ownership Entity.

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

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

Radon System (Sub-Slab Depressurization System): Radon-resistant features below the building slab along with vertical vent pipe(s) with junction box(es) following requirements in ASTM E2121-13 Standard Practice for Installing Radon Mitigation Systems in Existing Low Rise Residential Buildings and ASTM E1465 – 08a Standard Practice for Radon Control Options for the Design and Construction of New Low-Rise Residential Buildings. Find other technical guidance at www.epa.gov/iaq/radon/pubs/index.html.

ROSE Program: A Renter to Ownership Savings Equity (ROSE) Program. For further explanation, refer to Appendix M – ROSE Requirements.

Rural: Any city or county located in this state, except those located wholly within 1 or more of the 11 most populous counties in the state, as determined by the most recent population estimates issued by the United States Census Bureau. Iowa Data Center - Population Estimates

Senior Center: A community-based, federally funded program that provides a variety of services that may include social activities, nutrition, and educational and recreational opportunities for older adults.

Single-Room Occupancy (SRO) Housing: Housing consisting of single-room dwelling Units that is the primary residence of its occupant or occupants. Per Iowa Code 42(i)(3)(B)(iii), all SRO Units shall have kitchen and bathroom facilities within the Unit and used other than on a transient basis.

State Issued Notice of Noncompliance: A notice that identifies noncompliance issues (that existed at the Property during a physical inspection or file review) with the LURA, the Carryover Agreement, the Application, etc. that are not reported to the IRS via IRS Form 8823, throughout the Compliance Period and the Extended Use Period.

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

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

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

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

Utilities: Gas, electricity, water, and sewer service.

IOWA FINANCE
AUTHORITY

Iowa Finance Authority
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RESOLUTION
HI 23-08

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

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

WHEREAS, the Authority's proposed 2024 9% Low Income Housing Tax Credit Qualified Allocation Plan for nine percent tax credits ("2024 9% QAP") is attached as Exhibit A hereto; and

WHEREAS, the Authority now proposes to adopt the 2024 9% QAP to be applicable to all of the 9% LIHTC awards which will be made in 2024; and

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

SECTION 1. The Board hereby approves and adopts the 2024 9% QAP set forth as Exhibit A hereto.

SECTION 2. The 2024 9% QAP shall apply to all 9% LIHTC Awards which will be made in 2024.

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 7th day of June 2023.

____
Michael Nelson, Board Chairman

ATTEST:

____
Deborah Durham, Secretary

To: Iowa Finance Authority Board of Directors

From: Kristin Hanks-Bents, Legal Counsel

Date: May 26, 2023

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

Reason for the rule making: Pursuant to Iowa Code section 16.35, IFA has adopted rules which govern the allocation process and applications for the award of tax credits. These rules function by incorporating the QAP by reference. IFA staff has worked with stakeholders to draft a new 9% Qualified Allocation Plan and a new 4% Qualified Allocation Plan for 2024 (collectively, "2024 QAPs"). To ensure the rules properly incorporate the 2024 QAPs, the Board of Directors must amend 265 Iowa Administrative Code chapter 12.

Summary of proposed amendments to rules: Staff proposes amending rule 265-12.1 and rule 265-12.2 by changing the year of the QAPs and the dates referenced in the rules.

Rule making moratorium: The Administrative Rules Coordinator directed IFA to amend chapter 265-12 to adopt the updated QAP, pursuant to part IV of Executive Order 10.

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

Proposed Motion: Move to approve the filing of a Notice of Intended Action to amend chapter 265-12 as proposed.

CHAPTER 12

LOW-INCOME HOUSING TAX CREDITS

ITEM 1. Amend rule 265—12.1(16) as follows:

265—12.1(16) Qualified allocation plans.

12.1(1) *Four percent qualified allocation plan.* The qualified allocation plan titled Iowa Finance Authority Low-Income Housing Tax Credit Program ~~2023~~2024 4% Qualified Allocation Plan ("4% QAP") dated ~~December 7, 2022~~June 7, 2023, shall be the qualified allocation plan for the allocation of 4 percent low-income housing tax credits consistent with IRC Section 42 and the applicable Treasury regulations and Iowa Code section 16.35. The 4% QAP is incorporated by reference pursuant to Iowa Code section 17A.6 and 265—subrules 17.4(2) and 17.12(2). The 4% QAP does not include any amendments or editions created subsequent to ~~December 7, 2022~~June 7, 2023.

12.1(2) *Nine percent qualified allocation plan.* The qualified allocation plan titled Iowa Finance Authority Low-Income Housing Tax Credit Program ~~2023~~2024 9% Qualified Allocation Plan ("9% QAP") shall be the qualified allocation plan for the allocation of 9 percent low-income housing tax credits consistent with IRC Section 42 and the applicable Treasury regulations and Iowa Code section 16.35. The 9% QAP is incorporated by reference pursuant to Iowa Code section 17A.6 and 265—subrules 17.4(2) and 17.12(2). The 9% QAP does not include any amendments or editions created subsequent to ~~November 2, 2022~~June 7, 2023.

ITEM 2. Amend rule 265—12.2(16) as follows:

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

12.2(1) *4% QAP.* The 4% QAP can be reviewed and copied in its entirety on the authority's website at www.iowafinance.com. Copies of the 4% QAP, application, and all related attachments and exhibits shall be deposited with the administrative rules coordinator and at the state law library and shall be available on the authority's website. The 4% QAP incorporates by reference IRC Section 42 and the regulations in effect as of ~~December 7, 2022~~June 7, 2023. Additionally, the 4%

QAP incorporates by reference Iowa Code section 16.35. These documents are available from the state law library, and information about these statutes, regulations and rules is on the authority's website.

12.2(2) *9% QAP.* The 9% QAP can be reviewed and copied in its entirety on the authority's website at www.iowafinance.com. Copies of the 9% QAP, the application, and all related attachments and exhibits shall be deposited with the administrative rules coordinator and at the state law library and shall be available on the authority's website. The 9% QAP incorporates by reference IRC Section 42 and the regulations in effect as of ~~November 2, 2022~~June 7, 2023. Additionally, the 9% QAP incorporates by reference Iowa Code section 16.35. These documents are available from the state law library, and information about these statutes, regulations and rules is on the authority's website.

MEMORANDUM

Subject: Private Activity Bonds for June 2023 IFA Board Meeting

From: Aaron Smith, Chief Bond Programs Director

To: Iowa Finance Authority Board of Directors

Date: June 1, 2023

PRIVATE ACTIVITY BOND PROGRAM

PAB 21-12B-1 and 21-13B-1 – CCM-Iowa Portfolio Project *(Amending Resolution)*

This resolution amends resolution authorizing the issuance of not to exceed $34,000,000 Iowa Finance Authority Multifamily Housing Revenue Bonds for CCM-Iowa Portfolio, LLC (the "Original Borrower"), adopted by the IFA Board on April 5, 2023 (the "Original Resolution").

The amending resolution is requested for a two primary reasons:

1. Since the Original Resolution was adopted, the Original Borrower has determined to transfer the project to CCM-Iowa Portfolio II, LLC, a Wisconsin limited liability company (the "Borrower"), an entity related to the Original Borrower.
2. Since the date of the Original Resolution, the Borrower anticipates that it will incur additional costs in acquiring, developing, and constructing the project and has requested the Authority to amend the Original Resolution to increase the not to exceed amount of the Bonds to be issued and reflect the change in the Borrower.

- **Action: Resolution PAB 21-12B-1 and 21-13B-1**

PAB 22-19B – Red Oak Partners, LLC Project

This is a resolution authorizing the issuance of not to exceed $7,500,000 of Multifamily Housing Revenue Bonds for Red Oak Partners, LLC (the "Borrower"). Proceeds from the Bonds will finance the conversion of a former school building in Red Oak into a 25-unit affordable/workforce housing development.

- **Action: Resolution PAB 22-19B**

RESOLUTION PAB 21-12B-1 and 21-13B-1

Resolution Amending the Resolution Authorizing the Issuance of
Iowa Finance Authority Multifamily Housing Revenue Bonds
(CCM-Iowa Portfolio Project), in one or more series

WHEREAS, the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa duly organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Authority") is authorized and empowered by Chapter 16 of the Code of Iowa, (the "Act") to issue revenue bonds to be used to pay the cost of defraying the cost of acquiring, constructing, improving and equipping certain projects described in the Act including issuing revenue bonds to be used to finance in whole or in part the acquisition of housing by construction or purchase pursuant to the Act; and

WHEREAS, the Authority has been requested by CCM-Iowa Portfolio, LLC, a Wisconsin limited liability company (the "Original Borrower") to issue not to exceed $34,000,000 Iowa Finance Authority Multifamily Housing Revenue Bonds (CCM-Iowa Portfolio Project), in one or more series (the "Bonds") for the purpose of loaning the proceeds thereof to the Original Borrower to finance the costs of (a) the acquisition, rehabilitation, renovation, furnishing and equipping and other improvements to a multifamily residential facility known as Brady Village, located at 1928 East 38th Street, Davenport, Scott County, Iowa, (b) the acquisition, rehabilitation, renovation, furnishing and equipping and other improvements to a multifamily residential facility known as Ridge Village located at 1261 Downing Court, Waterloo, Black Hawk County, Iowa, (c) the acquisition, rehabilitation, renovation, furnishing and equipping and other improvements to a multifamily residential facility known as Sheridan Village located 3260 Getty Terrace, Dubuque, Dubuque County, Iowa, (d) the acquisition, rehabilitation, renovation, furnishing and equipping and other improvements to the multifamily housing facilities for the elderly known as River Village I and River Village II located at 401 and 402 N. Arcade Street, Maquoketa, Jackson County, Iowa, (e) funding capitalized interest, (f) funding any other operating or replacement or other reserves, if deemed necessary by the Original Borrower or the Underwriter (as hereinafter defined) and (g) paying for certain costs of issuance of the Bonds (collectively, the "Project"):

WHEREAS, the Authority on the 6th day of October, 2021, pursuant to Resolution Nos. PAB 21-12A and PAB 21-13A (collectively, the "Initial Resolutions") has heretofore approved two applications, each attached thereto as Exhibit A, of the Original Borrower requesting the approval of the Project; and

WHEREAS, on the 5th day of April, 2023, the Authority adopted Resolution No. PAB 21-12B and 21-13B (the "Original Resolution") combining the Project described in the Initial Resolutions and authorizing the issuance of the Bonds in an amount not to exceed $34,000,000; and

WHEREAS, since the date of the Original Resolution, the Original Borrower has determined to transfer the Project to CCM-Iowa Portfolio II, LLC, a Wisconsin limited liability company (the "Borrower"), an entity related to the Original Borrower; and

WHEREAS, since the date of the Original Resolution, the Borrower anticipates that it will incur additional costs in acquiring, developing and constructing the Project; and

WHEREAS, pursuant to published notice of intention (a copy of which notice is attached hereto as Exhibit A), the Authority conducted a public hearing on the 7th day of June, 2023 at 8:30 a.m. on the proposal to issue the Bonds in an amount not to exceed $36,000,000, as required by Section 147 of the Internal Revenue Code of 1986; and

WHEREAS, the Borrower has requested the Authority to amend the Original Resolution to increase the not to exceed amount of the Bonds to be issued and reflect the change in the Borrower; and

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

Section 1. Amendments to Section 1 of the Original Resolution. Section 1 of the Original Resolution is hereby deleted, and the following inserted in lieu thereof:

> "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 attached to the Original Resolution as amended and as set forth in Exhibit A attached thereto, as modified by the changes described in the revised sources and uses of funds, Exhibit B attached hereto, qualifies under the Act for financing with the proceeds of the Bonds and will promote those public purposes outlined in the Act."

Section 2. Amendments to Section 3 of the Original Resolution. Section 3 of the Original Resolution is hereby deleted, and the following inserted in lieu thereof:

> "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 3. Amendments to Section 5 of the Original Resolution. Section 5 of the Original Resolution is hereby deleted, and the following inserted in lieu thereof:

> "Section 5. Bonds Authorized. In order to acquire, renovate, rehabilitate, 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 $36,000,000 and to bear interest at rates as determined by the Borrower and the Underwriter which rates shall result in a net interest cost not to exceed 12% 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, seal and deliver the Bonds to the Trustee for authentication."

Section 4. General Amendments to Original Resolution. All references to "Borrower" in the Original Resolution are hereby amended to refer to CCM-Iowa Portfolio II, LLC.

Section 5. Ratification of Original Resolution. Except as amended by this Resolution, the Original Resolution is hereby ratified, confirmed and approved.

Section 6. 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 7. 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 7th day of June, 2023

____
Michel Nelson, Chairperson

ATTEST:

(SEAL)

____
Deborah Durham, Secretary

EXHIBIT A

Notification of Hearing as Published on the Authority's Website

EXHIBIT B

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

Revised Sources and Uses of Funds

Sources:	
Tax-Exempt Bonds	$36,000,000
LIHTC Equity	13,859,360
Solar Equity	211,200
Deferred Developer Fee	1,927,389
Seller Take Back Note	4,100,000
Interim Income	3,185,970
Total Sources	$59,283,919
Uses:	
Land & Buildings	$18,600,000
Substantial Rehabilitation	14,500,270
Developer Fees	5,207,198
Reserves & Escrows	1,486,187
Construction Interim Costs	3,794,312
Financing Fees & Expenses	2,090,451
3rd Party Professional Fees	475,301
Architecture/Engineering	55,200
B Bond Takeout	13,000,000
Syndication Costs	75,000
Total Uses	$59,283,919

Notice of Hearing on Iowa Finance Authority Revenue Bonds
for CCM-Iowa Portfolio II, LLC
for Projects located in Davenport, Scott County, Waterloo, Black Hawk County, Dubuque, Dubuque County, and Maquoketa, Jackson County, Iowa
Posted to IFA Website on May 26, 2023

A public hearing will be held on the 7th day of June, 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 (CCM-Iowa Portfolio II, LLC Project) in an aggregate principal amount not to exceed $36,000,000 (the "Bonds"), in one or more series, 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 CCM-Iowa Portfolio II, LLC, a Wisconsin limited liability company (the "Borrower") for the purpose of financing the costs of the following described residential rental projects, funding capitalized interest, if deemed necessary by the Borrower and paying all or a portion of the costs of issuance related to the Bonds (collectively, the "Project"):

1. Brady Village, owned and operated by the Borrower, located at 1928 East 38th Street, Davenport, Scott County, Iowa, consists of 44 units. The Brady Village project is expected to include the acquisition, rehabilitation, renovation, furnishing and equipping and other improvements in an amount not expected to exceed $7,500,000.

2. Ridge Village, owned and operated by the Borrower, located at 1261 Downing Court, Waterloo, Black Hawk County, Iowa, consists of 30 units. The Ridge Village project is expected to include the acquisition, rehabilitation, renovation, furnishing and equipping and other improvements in an amount not expected to exceed $7,500,000.

3. Sheridan Village, owned and operated by the Borrower, located at 3260 Getty Terrace, Dubuque, Dubuque County, Iowa, consists of 60 units. The Sheridan Village Project is expected to include the acquisition, rehabilitation, renovation, furnishing and equipping and other improvements in an amount not expected to exceed $9,500,000.

4. River Village I and River Village II, owned and operated by the Borrower, located at 401 and 402 N. Arcade Street, Maquoketa, Jackson County, Iowa, consists of 78 aggregate units. The River Village I and River Village II Project is expected to include the acquisition, rehabilitation, renovation, furnishing and equipping and other improvements in an amount not expected to exceed $11,500,000.

The hearing is being conducted for purposes of complying with Section 147(f) of the Code and 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

RESOLUTION PAB 22-19B

Authorizing the Issuance of not to exceed $7,500,000
Multifamily Housing Revenue Bonds (Red Oak Partners, LLC Project) in one or more series

Resolution authorizing the issuance of not to exceed $7,500,000 Multifamily Housing Revenue Bonds (Red Oak Partners, LLC 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; 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 of Iowa (the "Authority") is authorized and empowered by Chapter 16 of the Code of Iowa (the "Act") to issue revenue bonds to be used to finance in whole or in part the acquisition of housing by construction or purchase pursuant to the Act; and

WHEREAS, the Authority has been requested by Red Oak Partners, LLC (the "Borrower") to issue not to exceed $7,500,000 Iowa Finance Authority Multifamily Housing Revenue Notes (Red Oak Partners, LLC Project), in one or more series (the "Bonds") for the purpose of loaning the proceeds thereof to the Borrower for the purpose of financing a portion of the costs of the construction, rehabilitation and adaptive reuse of existing buildings to affordable housing and related parking and site and other improvements located at 308 Corning Street, Red Oak, Iowa, funding interest during construction, funding any necessary reserves and to pay for certain costs of issuance of the Bonds (the "Project"); and

WHEREAS, pursuant to published notice of intention (a copy of which notice is attached as Exhibit B) the Authority has conducted a public hearing on the 7th day of June, 2023 at 8:30 a.m. on a proposal to issue the Bonds in an amount not to exceed $7,500,000 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 $7,500,000 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 Authority will issue the Bonds and 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 Authority will assign certain of its rights in the Loan Agreement to M1 Bank (the "Purchaser") pursuant to the provisions of an Assignment and Pledge Agreement (the "Pledge Agreement") between the Authority and the Purchaser;

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, 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. 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 Loan Agreement 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 $7,500,000 and to bear interest at rates as determined by the Borrower and the Lender which rates shall result in a net interest cost not to exceed 12% per annum, 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 authenticate the Bonds.

Section 5. 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. The Executive Director, the Chief Financial Officer, the Chief Operating Officer or the Chief Bond Programs Director (each an "Authorized Officer") are 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 6. Pledge Agreement. The assignment of certain provisions of the Loan Agreement and amounts payable thereunder to the Purchaser pursuant to the Pledge Agreement and the form and content of the Pledge 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 Pledge 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 Pledge 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 Pledge 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 M1 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. Execution of Documents. Any Authorized Officer is authorized to execute and deliver for and on behalf of the Authority any and all additional 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 Program Counsel, 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 10. 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 Purchaser pursuant to the Loan Agreement is hereby authorized, approved and confirmed.

Section 11. 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 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 12. 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 13. 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 7th day of June, 2023.

____
Michel Nelson, Chairperson

ATTEST:

(SEAL)

____
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 22-19
Application Received 7/20/2022
Application Fee Received? ✔ Yes __ No
Volume Cap? ✔ Yes __ No
Amount of Request $7,500,000.00

PRIVATE ACTIVITY BOND APPLICATION

Part A - Borrower Information

1. **Project Name:** 1917 Lofts
2. **Contact Person/Title:** Kelley Hrabe/Principle

   Company: Red Oak Partners, LLC

   Address: 416 W 62nd St

   City, State, Zip: Kansas City, MO 64113

   Telephone: 8166862416

   E-mail: kelley@consolidatedhs.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.**

   Red Oak Partners, LLC - Principle members include Consolidated Housing Solutions, LLC and Builders Development Corporation
4. **If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose.**
5. **Is the Borrower currently qualified to transact business within the State of Iowa?** Yes
6. **If project is a Nursing Facility, is state certificate of need required?** No

   If yes, attach copy.
7. **Total current FTE's of Borrower:** 0

   Number of permanent FTE's created by the project: 1

Part B - Project Information

1. **Amount of Bond Request:** $7,500,000.00

   Amount to be used for refunding: $0.00
2. **Location of Project**

   Address: 308 Corning Street

   City/State: Red Oak, IA

County: MONTGOMERY

3. **General Project Description:**

   Adaptive reuse of a 1917 school building in Red Oak, Iowa. Project will be converted into affordable/workforce housing using 4% LIHTC and historic tax credits.

4. **Does the Borrower expect to use bond proceeds to reimburse capital expenditures already made?** Yes

   If yes, specify $ amount: $4,925,000.00

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

   a. **Principal User will be:** Red Oak Partners, LLC

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

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

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

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

Source	Type	Amount
tax exempt bonds	Construction	$7,500,000.00
Federal LIHTC	Permanent	$2,904,338.00
Total		$10,404,338.00

Use	Amount
Construction Costs	$7,417,961.00
Developer Fee and Overhead	$1,200,000.00
Construction Loan and Interest/Perm Loan Financing Costs	$710,954.00
Professional Fees	$668,358.00
Reserves	$206,762.00
Tax Credit Fees	$195,303.00
Acquisition of Building	$5,000.00
Total	$10,404,338.00

8. **Type of Bond Sale:** Private Placement

Part C - Professionals Participating in the Financing

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

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

   Name: Shawn Whitney

   Firm Name: Polsinelli

   Address: 900 W. 48th Place, Suite 900

   City/State/Zip Code: Kansas City, MO 64112

   Telephone: 305.921.1824

   E-mail: swhitney@polsinelli.com

2. **Counsel to the Borrower:**

   Name: Shawn Whitney

   Firm Name: Polsinelli

   Address: 900 W. 48th Place, Suite 900

City/State/Zip Code: Kansas City, MO 64112

Telephone: 305.921.1824

E-mail: swhitney@polsinelli.com

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

Name: Ken Poteet

Firm Name: M1 Bank

Address: 112 S. Hanley Road, Suite 120

City/State/Zip Code: Clayton, MO 63105

Telephone: 314-721-2265

E-mail: Ken.Poteet@m1bank.net

4. **Counsel to the Underwriter:**

Name: JAMES BUDD, ESQ.

Firm Name: BRODNAN & BUDD, LLC

Address: 999 Peachtree Street, Suite 1105

City/State/Zip Code: Atlanta, GA 30309

Telephone: 404-596-8834

E-mail: jbudd@brodnanbudd.com

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.**

   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 20th day of July, 2022

Borrower: Red Oak Partners, LLC

By: Kelley Hrabe

Title: Manager

EXHIBIT B

Notification of Hearing as Published on the Authority's Website

Notice of Hearing on Iowa Finance Authority Revenue Note
for Red Oak Partners, LLC
for a Project located in Red Oak, Montgomery County, Iowa
Posted to IFA Website on May 26, 2023

A public hearing will be held on the 7th day of June, 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 Note (Red Oak Partners, LLC Project) in an aggregate principal amount not to exceed $7,500,000 (the "Note"), in one or more series, to be issued as exempt facility bonds for a qualified residential rental project 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 Red Oak Partners, LLC (the "Borrower") for the purpose of financing a portion of the costs of the construction, rehabilitation and adaptive reuse of existing buildings to affordable housing and related parking and site and other improvements located at 308 Corning Street, Red Oak, Iowa, funding interest during construction, funding any necessary reserves and paying for costs associated with the issuance of the Note (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 Note, when issued, will be a limited obligation 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 Note 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 Note 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 Note 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