

IOWA FINANCE
AUTHORITY

PERFORMANCE REPORT

Performance Results for
Fiscal Year 2018

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INTRODUCTION

The Iowa Finance Authority (IFA) is proud to enhance the quality of life for Iowans by making affordable financing possible for home and community.

The Iowa Finance Authority helps thousands of Iowa families each year by helping them: become homeowners, get back on their feet during times of need or move into a rental home that they can call their own.

We also help new farmers begin their farming operations, communities affordably upgrade their water infrastructure and homeowners have title protection while reinvesting the profits back into the state. All of these milestones in turn mean more economic development, more community stability and more jobs for Iowa.

The following report illustrates the performance of the Iowa Finance Authority programs during FY18. This report does not include information about programs that were inactive during the fiscal year.

FY18 Highlights

- ✦ **2,059** Iowans realized their dream of homeownership through the Iowa Finance Authority's affordable homeownership programs. This marks **the ninth highest in the program's 41 year history**.
- ✦ **1,572** or more than **76 percent** of these home buyers also used an IFA down payment assistance program to help make their dream of homeownership a reality.
- ✦ **479** military service members and veterans received up to \$5,000 in down payment and closing cost assistance to purchase a home.
- ✦ **912** Iowa families will have access to affordable housing through more than \$10.3 million in federal housing tax credits that were awarded. These projects leveraged an additional **\$28.1 million in other contributions**.
- ✦ **57** communities received low-cost State Revolving Fund loans for water quality projects totaling more than \$274 million, **the most since 2011**.
- ✦ In addition more than \$20.7 million in Planning and Design loans were awarded to assist communities with the first phases of their water infrastructure projects at zero percent interest, **the most since 2012**.
- ✦ The State Housing Trust Fund celebrated assisting **25,000 homes** since the program's inception.
- ✦ **\$1.2 million** in Iowa Title Guaranty revenues were kept in Iowa to support affordable housing.
- ✦ Iowa Title Guaranty Commercial provided coverage to real estate valued at more than \$893 million, **the most in a single-year in program history**.
- ✦ **458** beginning farmers received assistance beginning their livestock and crop farming operations and a total of more than **6,000 acres** were purchased by beginning farmers – **the most in any single-year since 2011**.
- ✦ More than **6,000 jobs** were created for Iowans through the Iowa Finance Authority's investments.
- ✦ IFA was awarded the **Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association**.
- ✦ Launched the [Iowa Profile on Demographics, Economic and Housing Data](#), a first of its kind resource for the State of Iowa.

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AGENCY OVERVIEW

The Iowa Finance Authority was established in 1975 with the purpose of advancing affordable housing in the state. Since then, the agency's role has expanded considerably.

Current Location:

Iowa Finance Authority
2015 Grand Ave.
Des Moines, IA 50312

Location as of Dec. 14, 2018:

Iowa Finance Authority
1963 Bell Ave., Suite 200
Des Moines, IA 50315

Employees:

Approximately 85 full-time employees

Core Focus:

Enhance the quality of life for Iowans by making affordable financing possible for home and community.

Core Values:

Integrity – Our employees, partners and customers can count on IFA to be honest and trustworthy

Mission Oriented – We keep a constant focus on the Iowans our programs benefit

Purposeful Work Ethic – We nurture a culture of outstanding work ethic, teamwork and diligence

Accountability – We accept responsibility and honor our commitments

Customer Service Focus – We are friendly, courteous and responsive

Trusted Resource – We are a reliable resource for Iowans

Core Functions:

The Iowa Finance Authority performs its mission through the following core functions:

- **Affordable Housing:** Provides opportunities for all Iowans to obtain safe, affordable and accessible housing.
- **Iowa Title Guaranty:** Offers a low-cost mechanism to guarantee title to real property in Iowa, working with attorneys, abstractors, and lenders throughout the state to ensure the integrity of the land title transfer system and facilitate transactions in the secondary mortgage market.
- **Water Quality Programs:** Provides low-cost financing to Iowa communities for clean water and drinking water projects.
- **Community Development:** Provides low-cost financing for community and economic development projects.
- **Iowa Agricultural Development:** Provides affordable financing for Iowa beginning farmers in establishing a crop or livestock operation.

Programs: The Iowa Finance Authority executed its core functions through the following programs and services in FY18:

FirstHome

The Iowa Finance Authority's FirstHome program provides affordable mortgage financing to qualified home buyers. Mortgage loans are provided to borrowers through more than 400 participating lender locations across the state. In FY18, the Iowa Finance Authority purchased 1,327 *FirstHome* loans totaling nearly \$131 million.

FirstHome Plus

The FirstHome Plus program provides a cash grant of up to \$2,500 for down payment assistance to home buyers who use a FirstHome mortgage loan. In FY18, 1,125 home buyers, nearly 85 percent of all buyers who used the FirstHome program were also provided down payment or closing cost assistance through a FirstHome Plus grant.

Homes for Iowans

The Homes for Iowans program was created in FY10 to assist eligible repeat and first-time home buyers. Mortgage loans are provided to borrowers through an extensive network of Participating Lenders across the state. The program made 732 loans totaling more than \$91 million in FY18.

Homes for Iowans Plus

The Home for Iowans Plus program was established in FY12 and provides a cash grant of up to \$2,500 for down payment assistance to home buyers who use a Homes for Iowans mortgage loan. In FY18, 447 home buyers received down payment assistance through the program.

Military Homeownership Assistance program

In partnership with the Iowa Department of Veterans Affairs, the Iowa Finance Authority administers the Military Homeownership Assistance Program. The program was created by the Iowa Legislature in 2005 with a \$1.05 million state allocation. In 2006 and each successive year, the Legislature has allocated additional funds for this program, which provides grants of \$5,000 toward the purchase of a home to eligible military service members and veterans. In FY18, the program helped 479 service members purchase homes in Iowa.

Mortgage Credit Certificate Program

The Take Credit! Program provided eligible first-time home buyers a federal income tax credit of up to \$2,000 per year for up to 30 years (or the life of the mortgage whichever is less). Funding for the program was made available by converting expiring tax-exempt bond volume cap which allowed IFA to issue mortgage credit certificates benefitting 117 home buyers in FY18.

Housing Tax Credits

The Iowa Finance Authority has served as the tax credit allocating agency for the state of Iowa since 1986, through the Housing Tax Credit Program. The tax credit provides an incentive to developers to construct affordable housing units. These credits provide a dollar-for-dollar reduction to an investor's federal tax liability on ordinary income. The Internal Revenue Service annually allocates tax credits to states based on their populations.

The Iowa Finance Authority awarded a total of nearly \$8.7 million in 9% housing tax credits for the construction or preservation of 594 affordable rental units in 2018. The actual awards equate to nearly \$87 million because the credits are committed annually for a ten-year period. These awards leveraged an additional \$7.8 million in other contributions.

The Iowa Finance Authority also awarded \$1.6 million in 4% housing tax credits to support 318 affordable housing units. These awards leveraged an additional \$20.3 million in other contributions.

HOME

The HOME program was created by the National Affordable Housing Act of 1990, and its primary objectives are to provide decent affordable housing to lower-income households, and to leverage private sector participation in affordable housing. The U.S. Housing and Urban Development annually allocates HOME funds to states based on their populations. In CY18, IFA awarded nearly \$2.6 million in HOME funds to develop 19 affordable housing units.

Workforce Housing Loan Program

The Iowa Finance Authority created the Workforce Housing Loan Program in FY16 to assist communities in meeting workforce rental housing demands. The program offers low-cost repayable loans to cities and counties and awarded a total of \$450,000 to the city of Newton for the development of new workforce rental housing in FY18.

Multifamily Loan Program

The Multifamily Loan Program seeks to preserve the existing supply of affordable rental units at risk of being lost and to foster the production of new affordable rental units in Iowa. During FY18, the Multifamily Loan Program provided \$1.9 million in financing to support the construction of 25 rental homes in Davenport.

Project-Based Section 8

The Iowa Finance Authority holds a Performance-Based Annual Contribution Contract (ACC) with the U.S. Department of Housing and Urban Development to provide oversight of select project-based Section 8 properties in Iowa. The Section 8 Contract currently covers 207 properties providing affordable housing to approximately 12,000 low-income Iowa households in 70 counties throughout the state.

State Housing Trust Fund

The State Housing Trust Fund was created by the Iowa Legislature in 2003 to help ensure decent, safe and affordable housing for Iowans. The fund is administered through two programs, the Local Housing Trust Fund Program and the Project-Based Housing Program. The Local Housing Trust Fund Program receives at least 60 percent of the SHTF allocation to provide grants for organizations certified by the Iowa Finance Authority as a Local Housing Trust Fund.

The State Housing Trust Fund receives a standing appropriation of \$3 million from the Rebuild Iowa Infrastructure Fund and 30 percent of the Real Estate Transfer Tax, up to a maximum of \$3 million annually.

In FY18, more than 2,600 families will be assisted through nearly \$7.6 million in funding to help finance affordable housing activities. Nearly \$7.4 million in grants were awarded to Local Housing Trust Funds. The remaining funding goes to the Project-Based Housing Program, which aids in the development of affordable single-family and multifamily housing. The Project-Based program awarded \$200,000 in FY18. The SHTF leveraged an additional \$.51 in other financing for every \$1 of SHTF investment.

Home and Community-Based Rent Subsidy Program

Since 1996, the Home and Community-Based Rent Subsidy Program has assisted recipients to live successfully in their own home and can be used until the person becomes eligible for a Housing Choice voucher from the U.S. Department of Housing and Urban Development or any other kind of private or public rent subsidy. The Iowa Finance Authority has been administering this program since 2005 in partnership with the Iowa Department of Human Services. In FY18, more than \$630,000 in subsidies was provided to assist an average of 330 individuals each month. A total of 402 unique individuals were assisted in FY18.

Aftercare Rent Subsidy Program

This program provides financial assistance for youth who are aging out of foster care and are participants in the Aftercare Services Program. The program's goal is to teach Iowa youth independence, life skills and responsibilities. The Iowa Finance Authority began administering this program in 2004 in partnership with the Iowa Department of Human Services. In FY18 the Iowa Finance Authority issued \$159,322 in subsidies to assist 473 individuals.

Iowa Council on Homelessness

The Iowa Finance Authority is the administering agency for the Iowa Council on Homelessness. The Council is governed by Iowa Code Chapter 16.2D and is made up of 38 voting members from across the state. The Iowa Finance Authority provides staff support to the Council to submit an annual Balance of State coordinated application for federal funds through the U.S. Department of Housing and Urban Development's Continuum of Care (CoC) Homeless Assistance Program. Approximately \$4.9 million was awarded through the program in FY18.

Emergency Solutions Grant Program

The Emergency Solutions Grant program (ESG) is a federal program of the U.S. Department of Housing and Urban Development designed to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The Iowa Finance Authority manages the Iowa statewide allocation of ESG funds, with some cities in Iowa also managing additional independent federal allocations. Eligible applicants for annual funding include units of general purpose local governments (not to include local public housing authorities) and nonprofit service agencies across Iowa. In FY18 the Iowa Finance Authority awarded more than \$2.6 million in Emergency Solutions Grants to assist nearly 13,000 Iowans in need.

Shelter Assistance Fund

The Shelter Assistance Fund is a state-funded program that supports the operations of homeless and domestic violence shelters. Eligible applicants for annual funding include city governments, county governments and nonprofit service agencies across Iowa. More than \$1 million was awarded through the program in FY18.

Housing Opportunities for Persons with AIDS

The Housing Opportunities for Persons with AIDS program distributes funds to address the housing needs of persons living with HIV/AIDS and their families. More than 200 Iowans were assisted through the program in FY18 through more than \$520,000 in funding.

Iowa Title Guaranty

Iowa Title Guaranty offers low-cost title protection for real estate located in Iowa. In FY18, Iowa Title Guaranty issued 83,563 residential title certificates, covering more than \$14.3 billion worth of Iowa real estate. Iowa Title Guaranty successfully partners with more than 1,471 participating attorneys, abstractors and independent closers to help assure the integrity of Iowa's land-title transfer system. More than 93 percent of all residential certificates are issued by field issuers, keeping this economic activity in Iowa communities.

All revenues in excess of operating expenses are reinvested into Iowa affordable housing programs. This has translated to a total of more than \$58.6 million since the inception of the program and \$1.2 million in FY18 alone.

Iowa Title Guaranty Commercial

Iowa Title Guaranty Commercial offers customer-focused title services for commercial projects of all sizes in Iowa. Iowa Title Guaranty Commercial services can be used as a one-stop shop to obtain title coverage, hold earnest money in escrow, close a transaction, and provide disbursements during the construction process. Each Iowa Title Guaranty Commercial service can also be offered a la carte to fit the needs of the customer. In FY18 Iowa Title Guaranty Commercial issued title certificates to 308 commercial transactions providing coverage for real estate valued at more than \$893 million. This is the most in any single year since the program's inception.

Mortgage Release

The mortgage release certificate program provides a simple and inexpensive way to obtain a release of a mortgage that has been paid in full, but not properly released of record. In FY18, Iowa Title Guaranty released 321 mortgages.

Economic Development Bond Program

The Economic Development Bond Program advances the development and expansion of business, nonprofit organizations and housing within Iowa. Since 1982, the Iowa Finance Authority has issued more than \$11.7 billion in tax-exempt bonds, the proceeds of which are loaned to borrowers to finance qualified projects. In FY18, the Iowa Finance Authority issued \$899 million in tax-exempt bonds on behalf of 16 projects through the Economic Development Bond program.

State Revolving Fund Construction Loans

The State Revolving Fund is one of Iowa's primary sources for financing projects designed to improve the state's water quality. The Iowa Finance Authority and the Iowa Department of Natural Resources jointly administer the State Revolving Fund (SRF). The fund, capitalized by the U.S. Environmental Protection Agency grants, assists Iowa communities with the costs of upgrading or constructing local wastewater and drinking water infrastructure projects as well as a variety of projects designed to improve water quality.

The SRF provided more water quality financing for Iowa communities than any other year in recent program history. Fifty-seven communities received low-cost loans for clean water and drinking water projects in FY18 totaling nearly \$275 million, the most in a single year since 2011. This financing provided affordable infrastructure improvements for 897,000 Iowans.

Planning & Design Loans

The State Revolving Fund's Planning & Design Loan program is the first choice for many Iowa communities in the early stages of building or repairing water infrastructure facilities. One of the program's advantages is the special terms of 0% interest for up to three years. In FY18, 48 communities received a Planning & Design Loan for a total of nearly \$21 million, the most in a single year since 2012.

Water Resource Restoration Sponsored Projects Program (Sponsored Projects Program)

The Sponsored Projects Program allows wastewater utilities to complete both a water quality infrastructure project and a nonpoint source watershed project for the price of one. The program has an application and award process. When using a Clean Water SRF loan with a sponsored project, an eligible utility may borrow for both a wastewater improvement project and a sponsored project. Through an overall reduced interest rate, the utility is able to complete two water quality projects for the cost of one project. Examples of sponsored projects include bioswales and biocells, permeable paving, rain gardens, wetland restoration and other retention and infiltration practices for nonpoint source pollution management. Seven sponsored projects received a total of \$2.6 million in financing in FY18.

General Non-Point Source Program

The General Non-Point Source program was established to provide low-cost funds for a wide range of water quality-related projects. Qualified projects include: restoration of wildlife habitat, stream bank stabilization, lake restoration and watershed protection. Low-interest loans can also be used for the water quality components of other projects, such as municipal landfill closure and brownfield remediation. In FY18, five projects were funded through loans totaling nearly \$7.4 million.

On-Site Wastewater Assistance Program (OSWAP)

The OSWAP provides assistance to homeowners not served by a public sewer. Homeowners may obtain a low-interest loan through a participating lender for the replacement of inadequate or failing septic systems. According to Iowa law, all septic systems, regardless of when they were installed, must have a secondary wastewater treatment system following the septic tank.

The Iowa Department of Natural Resources administers the program in cooperation with County Sanitarians with the Iowa Finance Authority acting as the financial agent. In FY18, 114 homeowners were assisted through this program through nearly \$1.2 million in loans, the most since 2012.

Livestock Water Quality Program

This program offers low-interest loans through participating lenders to Iowa livestock producers for projects to prevent, minimize or eliminate non-point source pollution of Iowa's rivers and streams from animal feeding operations. The types of eligible projects include lagoons, manure management structures, vegetative filters and the development of manure management plans. Assistance is limited to existing facilities for animal feeding operations with less than 1,000 total animal units.

The Division of Soil Conservation of the Iowa Department of Agriculture and Land Stewardship administers the program and the Iowa Finance Authority is the financial agent. In FY18 the program deposited more than \$2.5 million in banks to subsidize 15 projects.

Local Water Protection Program

The Local Water Protection Program offers low-interest loans through participating lenders to Iowa landowners for projects to control the runoff of sediment, nutrients, pesticides or other non-point source pollutants from entering Iowa waters. The types of eligible projects include composting facilities, contour buffer strips, field borders or windbreaks, filter strips, riparian forest buffers, terraces, grade stabilization structures, grassed waterways or other practices that are shown to improve or protect water quality.

The Division of Soil Conservation of the Iowa Department of Agriculture and Land Stewardship administers the program through its local Soil and Water Conservation Districts. The Iowa Finance Authority acts as the financial agent. In FY18 the LWPP program deposited more than \$2 million in banks to subsidize 100 projects.

Beginning Farmer Loan Program

The Iowa Beginning Farmer Loan Program (BFLP) was established in 1981 to assist new farmers in acquiring agricultural property. Beginning Farmer Loans are financed by participating lenders or contract sellers with the issuance of federal tax-exempt bonds offered by the IADD. Interest received on contract sales or direct loans by individuals is also exempt from state income taxes. The tax-exempt interest income earned by lenders and contract sellers enables them to charge borrowers a lower interest rate, which will typically result in an approximate 25 percent rate reduction. Ninety-six beginning farmers were assisted through the program in FY18 with a total of nearly \$21.9 million in loans, the most in any single year since 2011.

Beginning Farmer Tax Credit Program

The Beginning Farmer Tax Credit Program was enacted by the Iowa legislature during the 2006 legislative session as an incentive to keep land in production agriculture, by allowing agricultural asset owners to earn tax credit for leasing their land to beginning farmers. The program includes tax credits for the leasing of agricultural land, depreciable machinery or equipment, breeding livestock and buildings. The program assisted 332 beginning farmers with a total of \$2.1 million in tax credits in FY18.

Custom Hire Tax Credit Program

The Iowa Legislature created the Custom Hire Tax Credit Program in 2013 as an incentive for hiring beginning farmers. The program offers a tax credit to anyone hiring a beginning farmer to do agricultural contract work for the production of crops or livestock in Iowa. The program provided a total of nearly \$80,000 in tax credits to 21 landowners in FY18.

Loan Participation Program

The Loan Participation Program (LPP) was established in 1996 to assist low income farmers secure loans and make down payments. IADD's participation can be used to supplement the borrower's down payment, thereby helping a farmer secure a loan more readily. The lender's risk is also reduced since the IADD provides a "last-in/last-out" loan participation for the financial institution. In FY18, 16 farmers were assisted through the program with a total of more than \$2 million in loans.

KEY RESULTS

Name: *Issuer Credit Rating*

Description: An issuer credit rating reflects the Authority’s creditworthiness through an analysis of the agency’s management, asset quality, financial performance and capital adequacy.

Why we are doing this: Securing a strong issuer credit rating lowers the cost of funding and provides the financial strength to enable the Authority to keep program interest rates relatively low and provides more financial flexibility to support expanded programming.

What we are doing to achieve results:

- Managing the Iowa Finance Authority to the “AA” rating category level of Standard and Poor’s (S&P) and the Aa2 category of Moody’s Investors.
- Looking for opportunities to generate income while managing risk.

RESULTS

Performance Measure:

S&P Issuer Credit Rating

Performance Goal/Target:

Profitably grow IFA’s financial assets, diversify funding sources, and maintain an AA rating.

| Ratio | FY15 | FY16 | FY17 | FY18 |
|---------------------------------------|-------|-------|-------|-------|
| Equity/ asset ratio > 25.0% | 42.5% | 44.3% | 41.0% | 38.1% |
| Return on assets ≥ 0.85% | 2.11% | -0.4% | 1.62% | 1.3% |
| Loans/ asset ratio > 75% | 74.5% | 73.6% | 71.2% | 72.0% |

What was achieved: The Iowa Finance Authority maintained its general obligation rating of AA with a positive outlook by S&P and its Aa2 rating by Moody’s in FY 2018.

Data Sources: Iowa Finance Authority, Standard and Poor’s and Moody’s.

Resources: IFA is a self-funded public agency. With its nine-member Board of Directors and its employees, IFA is well-positioned to strengthen its efforts on behalf of Iowa’s communities and citizens.

KEY RESULTS

CORE FUNCTION

Name: *Single-Family Loan Production*

Description: Single-Family Loan Production consists of mortgage loans and down payment assistance grants funded through the FirstHome, FirstHome Plus, Homes for lowans, Homes for lowans Plus and the Military Homeownership Assistance Program programs.

Why we are doing this: To provide opportunities for lowans to purchase safe, affordable, and accessible housing; increase homeownership opportunities to underserved populations; and to provide sustainable homeownership opportunities.

What we're doing to achieve results:

- Administer the Military Homeownership Assistance Program grant funds for the State
- Provide down payment assistance to help eligible home buyers overcome cost barriers to homeownership.
- Provide affordable mortgage financing to borrowers

RESULTS

Performance Measure:

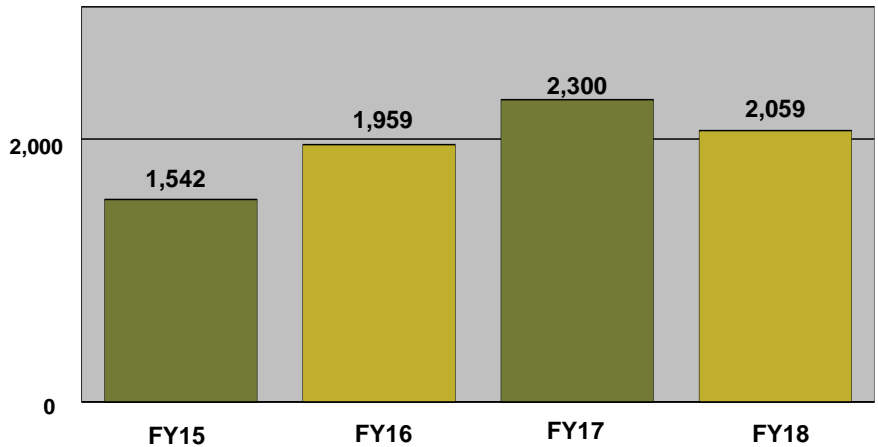
Home Buyers Assisted

Single-Family Loan Volume
Number of homeowners served

Performance Goal/Target:

Increase number of homeowners served by 10 percent.

Increase single-family loan volume by 10 percent.



What was achieved: 2,059 new home buyers benefited from the single-family homeownership mortgage programs in FY18.

Data Sources: Iowa Finance Authority*

Resources: The Iowa Finance Authority self-funds its single family mortgage programs in the municipal bond market and supplements its down payment assistance programs.

KEY RESULTS



IOWA TITLE GUARANTY
A DIVISION OF IOWA FINANCE AUTHORITY

CORE FUNCTION

Name: Iowa Title Guaranty

Description: Iowa Title Guaranty provides a low-cost mechanism to guarantee title to real property, ensure the integrity of the land title transfer system and facilitate transactions in the secondary mortgage market.

Why we are doing this: Iowa Title Guaranty ensures the integrity of the Iowa land title transfer system and facilitates lenders participation in the secondary mortgage market.

What we are doing to achieve results:

- Provide free owner's coverage
- Continue to move commitment and certificate production to Iowa Title Guaranty participating attorneys, abstractors and independent closers in the local market.

RESULTS

Performance Measure:

Iowa Title Guaranty Revenues

Performance Goal/Target:

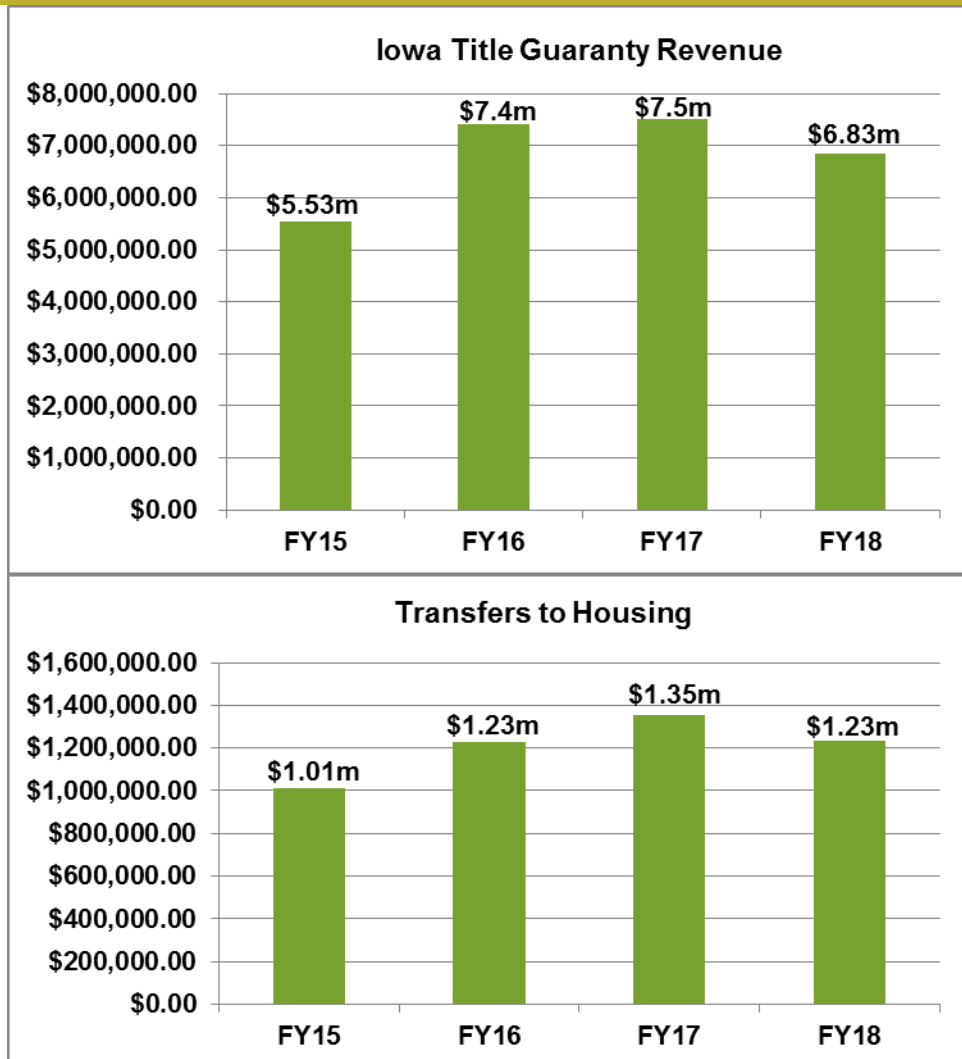
\$6 million

Performance Measure:

Transfer to Housing

Performance Goal/Target:

\$1 million



What was achieved: In FY18, Iowa Title Guaranty (ITG) generated \$6.83 million in revenue, a decrease from \$7.5 million in revenue in FY17. This decrease is attributed to a decline in refinance activities that resulted from increasing interest rates in FY18 compared to earlier years. ITG transferred \$1.23 million in revenues in excess of operating expenses to affordable housing programs in FY18, a decrease from \$1.35 million in FY17.

Data Sources: Iowa Finance Authority*

Resources: ITG is supported by revenues earned by issuing ITG Certificates. ITG works with lenders, abstractors and attorneys to ensure the integrity of the land title system and to facilitate lender sales to the secondary mortgage market.

KEY RESULTS



CORE FUNCTION

Name: Water Quality Programs - State Revolving Fund

Description: The State Revolving Fund provides low-cost loans to assist with the costs of infrastructure projects for Clean Water and Drinking Water. The Iowa Finance Authority operates the program in cooperation with the Department of Natural Resources. The program is funded through capitalization grants from the U.S. Environmental Protection Agency, proceeds of bonds issued by Iowa Finance Authority and loan repayments.

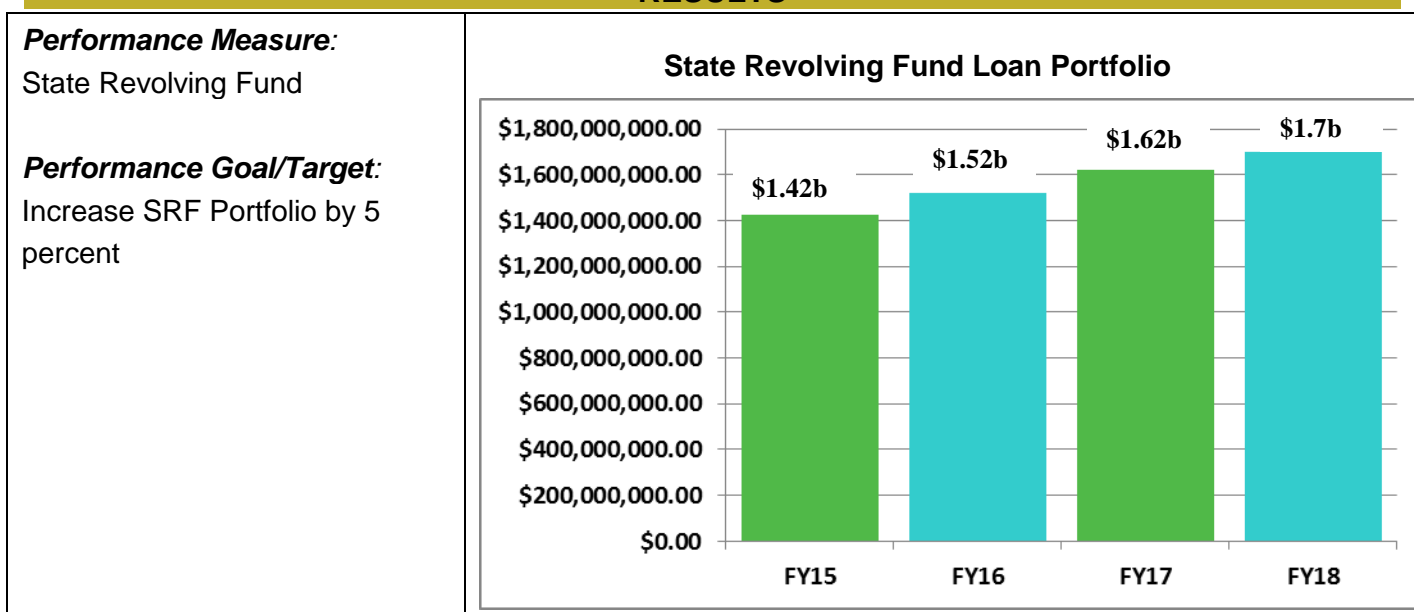
PARTNERSHIP WITH THE IOWA FINANCE AUTHORITY AND THE IOWA DEPARTMENT OF NATURAL RESOURCES

Why we are doing this: There is a critical need for low-cost funds to assist communities with financing improvements to their drinking water and wastewater infrastructure.

What we are doing to achieve results:

- Assisted projects in more than 57 communities through Clean Water and Drinking Water Loans totaling more than \$274 million.
- Provided 0% financing for the Planning & Design phase of water quality projects in 48 communities, for a total of more than \$20.7 million in loans.
- The SRF program helped to subsidize more than \$15.8 million in loans in FY18 for nonpoint source projects designed to improve water quality through a wide-range of eligible projects. The projects range from repairing failing septic systems to building buffer strips on farmland to helping manage urban storm water. Since FY03, the SRF has made loans to 5,179 Iowa homeowners, landowners, farmers and nonprofits to assist with nonpoint source projects to help to improve the quality of Iowa's water.

RESULTS



What was achieved: The portfolio increased to \$1.7 billion in FY18 compared to the FY17 portfolio value of \$1.62 billion, a 5 percent increase.

Data Sources: Iowa Finance Authority*

Resources: The U.S. Environmental Protection Agency (EPA) annually administers capitalization grants to states for state revolving funds for clean water and drinking water. IFA and the Iowa Department of Natural Resources jointly administer the State Revolving Fund. The program is funded year to year by the EPA capitalization grants, proceeds of bonds issued by IFA, and repayments under the loan agreements to participating public and private water systems. The Iowa Finance Authority has six FTEs working in SRF.

AGENCY PERFORMANCE PLAN RESULTS

| Name of Agency: Iowa Finance Authority | | | |
|---|---|--------------------------------|--|
| Core Purpose: Enhance the quality of life for Iowans. | | | |
| Core Focus: Making affordable financing possible for home and community. | | | |
| Services, Products, Activities: Assist home buyers in obtaining a sustainable homeownership loan and/or up to \$2,500 for down payment assistance. | | | |
| | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| Desired Outcome: Provide opportunities for Iowans to purchase safe, affordable and accessible housing. | | | |
| Single-Family Loan Portfolio | \$135 million in loan purchases | \$222.1 million | What Occurred: More than \$221.1 million in FirstHome and Homes for Iowans loan purchases. Data Source: Iowa Finance Authority* |
| | Serve 1,385 home buyers | 2,059 | What Occurred: A combined total of 2,059 home buyers were served through the FirstHome and Homes for Iowans programs. Data Source: Iowa Finance Authority* |
| | Assist 700 home buyers with down payment assistance | 1,572 | What Occurred: A combined total of 1,572 home buyers received down payment assistance through the FirstHome Plus and Homes for Iowans Plus programs in FY18, 76 percent of all home buyers who an IFA mortgage program. Data Source: Iowa Finance Authority |
| | 3% of IFA mortgages serving minority families | 7.94% | What Occurred: 7.94% of IFA mortgages served minority families in FY18. Data Source: Iowa Finance Authority |
| | | | |
| Desired Outcome: Provide financial assistance up to \$5,000 for home purchases in Iowa communities for qualified military service members and veterans | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| Military Homeownership Assistance Program | Allocate 100% of \$2.5 million appropriated funds | 100% | What Occurred: The program allocated 100% of appropriated funds in FY18. Data Source: Iowa Finance Authority* |
| Desired Outcome: Provide and maintain housing that is affordable and accessible to low and moderate income Iowans | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| Multifamily Loans Closed | \$5 million in loans closed | \$2.33 million in loans closed | What Occurred: \$2.33 million in Multifamily and Workforce Housing Loan funds were awarded to assist two projects with a total of 70 affordable units in FY18. Data Source: Iowa Finance Authority* |

Desired Outcome: Provide a source of funds to developers and property owners for the construction and/or rehabilitation of restricted affordable units

| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
|---------------------|---|----------------------------------|---|
| Housing Tax Credits | Develop or preserve 620 multifamily units | 912 units developed or preserved | What Occurred: The 9% and 4% Housing Tax Credit Programs assisted in the development and preservation of a total of 912 affordable multifamily units in FY18. Data Source: Iowa Finance Authority* |
| | Award 100% of tax credits | 100% | What Occurred: The IFA Board approved 100% of total tax credits available in FY18. Data Source: Iowa Finance Authority* |

Desired Outcome: Monitor compliance with tax credit regulations by performing compliance reviews and providing tax credit compliance manual.

| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
|-------------------------------|--|--------------------|--|
| Housing Tax Credit Compliance | Complete 100% of scheduled compliance visits | 100% | What Occurred: 100% of scheduled compliance visits were completed in FY18. Data Source: Iowa Finance Authority* |

Desired Outcome: Provide HOME funds for affordable rental units for qualified renter households.

| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
|--------------------------------|---|--------------------|--|
| Percent of HOME units occupied | 99% of HOME rental units completed are initially occupied | 100% | What Occurred: 100% of HOME rental units were initially occupied in FY18. Data Source: Iowa Finance Authority |

Desired Outcome: Perform as Performance-Based Contract Administrator (PBCA) for the U.S. Department of Housing and Urban Development (HUD) in accordance with the Annual Contribution Contract.

| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
|-----------------------------------|--|--------------------|---|
| Section 8 Contract Administration | Have 90% of customers served be satisfied with service | 95% | What Occurred: IFA earned 95% overall satisfaction from its Section 8 partners in FY18. Data Source: Iowa Finance Authority* |
| | Earn 100% of Section 8 payments | 100% | What Occurred: All FY18 Section 8 payments were earned, with no disincentive fee assessed. |

Desired Outcome: Provide a temporary rent subsidy for community living opportunities for Medicaid-eligible consumers that would otherwise be living in a medical institution

| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
|--|--|---|---|
| Home & Community Based Services Rent Subsidy | Provide rental assistance to an average of 350 persons each month, appropriated funds of \$658,000 | An average of 330 individuals received rental assistance each month | What Occurred: In FY18 an average of 330 individuals received rental assistance each month. Data Source: Iowa Finance Authority* |

| Desired Outcome: Provide grants from the State Housing Trust Fund to certified Local Housing Trust Funds (LHTF) and individual projects in areas of the state not affiliated with a local housing trust fund | | | |
|---|---|---------------------------|--|
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| State Housing Trust Fund Local Housing Trust Fund Program | Award 100% of appropriated or otherwise requested State Housing Trust Fund monies | 100% | What Occurred: Nearly \$7.6 million, or 100% of requested funds were awarded to Local Housing Trust Funds. Data Source: Iowa Finance Authority* |
| Desired Outcome: Provide grants from the State Housing Trust Fund to Project-Based projects. | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| State Housing Trust Fund Project-Based Program | Award 100% appropriated or otherwise requested State Housing Trust Fund monies | 100% | What Occurred: \$200,000 or 100% of requested funds were awarded through the Project-Based program. Data Source: Iowa Finance Authority* |
| Desired Outcome: Provide support of affordable housing programs through transfer of revenue in excess of operating expenses. | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| Revenue transferred | \$1 million | \$1.2 million | What Occurred: Iowa Title Guaranty transferred \$1.2 million in revenue to affordable housing programs in FY18. Data Source: Iowa Finance Authority* |
| Desired Outcome: Provide a low-cost mechanism to guarantee title to real property in Iowa. | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| Revenue generated | \$6 million | \$6.83 million | What Occurred: The Iowa Title Guaranty Division generated \$6.83 million in revenue in FY18. Data Source: Iowa Finance Authority* |
| Desired Outcome: Increase percentage of Title Guaranty Certificates issued on file | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| Certificate Field Issuance | Obtain 90% of certificates issued by abstractors and attorneys | 93.1% | What Occurred: In FY18 93.1% of all Iowa Title Guaranty commitments and certificates were issued by participating attorneys, abstractors and real estate closers, helping to keep the transaction local. Data Source: Iowa Finance Authority* |
| Desired Outcome: Assist communities with the costs of upgrading or constructing local waste water projects | | | |
| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
| State Revolving Fund (SRF) Clean Water | Close \$60 million in clean water-eligible loans | \$232.7 million | What Occurred: The SRF closed \$232.7 million in SRF eligible clean water loans in FY18. Data Source: Iowa Finance Authority* |

Desired Outcome: Assist communities with the costs of upgrading or constructing local drinking water projects

| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
|---|---|--------------------|---|
| State Revolving Fund (SRF) Drinking Water | Close \$40 million in drinking water eligible loans | \$41.8 million | <p>What Occurred: The SRF closed \$41.8 million in SRF eligible drinking water loans in FY18.</p> <p>Data Source: Iowa Finance Authority*</p> |

Desired Outcome: Provide loans to cover costs incurred in the planning and design phase of a proposed water infrastructure project. These loans will have 0% interest for up to three years with no initiation or servicing fees

| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
|-------------------------|--|--------------------|--|
| Planning & Design Loans | Approve \$15 million in Planning & Design Loans | \$20.7 million | <p>What Occurred: 44 Planning & Design Loans were awarded in FY18 for a total of more than \$20.7 million.</p> <p>Data Source: Iowa Finance Authority*</p> |
| Non-Point Source Loans | \$6 million in Local Water Protection Program (LWPP) | \$2 million | <p>What Occurred: In FY18 the LWPP Program loaned a total of \$2 million to 100 projects.</p> <p>Data Source: Iowa Finance Authority*</p> |
| | \$8 million in Livestock Water Quality (LWQ) | \$2.5 million | <p>What Occurred: The LWQ Program awarded \$2.5 million to assist Iowa farmers with 15 water quality projects.</p> <p>Data Source: Iowa Finance Authority*</p> |
| | \$5 million in General Non-Point (GNP) | \$7.4 million | <p>What Occurred: In FY18, 5 non-point source projects were awarded a total of \$7.4 million in loans.</p> <p>Data Source: Iowa Finance Authority*</p> |

Desired Outcome: Efficient management of Iowa Finance Authority's assets; financial, physical and human to maximize financial leverage, and minimize costs for maximum impact on mission.

| Performance Measure | Performance Target | Performance Actual | Performance Comments & Analysis |
|--------------------------------|--------------------|--------------------|--|
| S&P Issuer Credit Rating (ICR) | AA Rating | AA/Positive | <p>What Occurred: S&P Global Ratings AA/Positive</p> <p>Data Source: Standard and Poor's</p> |

***Iowa Finance Authority's financial statements have been audited by Eide Bailly LLP, an independent auditor**

RESOURCE REALLOCATIONS

There are no material reallocations of personnel or resources to report in FY18.

AGENCY CONTACTS

Copies of the Iowa Finance Authority's Annual Performance Report may be requested by contacting Ashley Jared at ashley.jared@iowa.gov or 515-725-4934.

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