

AGENDA

Iowa Finance Authority Board of Directors

Board Meeting

June 4, 2025

11:00 a.m.

1963 Bell Avenue, Suite 200 – Helmick Conference Room

Public Webinar Access: <https://aka.iowa.us/ifaboard>

I. Board Chair

Jennifer Cooper

a. Roll Call

b. Approval of May 7, 2025, Board 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

Jennifer Cooper – Action

a. *IADD – Authorizing Resolutions*

i. *AG 25-033B Ashley M. Elsbernd*

ii. *AG 25-034B Andrew De Vries*

iii. *AG 25-035B Caleb and Stephanie De Vries*

iv. *AG 25-036B Nicholas J. Janecek*

v. *AG 25-037B Cody Ronald Adams*

b. *IADD – Amending Resolutions*

vi. *04785M Brian J. and Jody A. Toms*

vii. *AG 18-014M Josiah W. and Tasha M. Crile*

c. *IADD – Beginning Farmer Tax Credit Program*

viii. *AG-TC 25-04*

d. *.Water Quality*

ix. *WQ 25-10, State Revolving Fund Construction Loans*

IV. Finance

a. April Financials

David Morrison - Action

b. Adoption of FY26 Budget

David Morrison - Action

V. Iowa Title Guaranty

Transfer of Funds

Dillon Malone - Action

VI. Housing

a. 2025 4% Qualified Allocation Plan

Brian Sweeney - Action

b. Staff Report DRAFT 2026-2027 4% and 9% QAP

Brian Sweeney

c. Summerfield Park Additional Award

Brian Sullivan - Action

VII. Legal/Policy

Lisa Connell

a. Approval to Rescind 265 IAC Chapter 7 and Adopt a New Chapter in Lieu Thereof.

Action

b. Approval to Rescind 265 IAC Chapter 15 and Adopt a New Chapter in Lieu Thereof.

Action

c. Approval to Rescind 265 IAC Chapter 41 and Adopt a New Chapter in Lieu Thereof.

Action

d. Approval to Rescind 265 IAC Chapter 42 and Adopt a New Chapter in Lieu Thereof.

Action

VIII. Director's Office

Debi Durham

Director's Report

IX. Other Business

Jennifer Cooper

Upcoming Board Meeting – *Wednesday, July 2, 2025, at 11:00 a.m.*

X. Adjournment

Jennifer Cooper

Iowa Finance Authority

Board of Directors

Voting Members:

Jennifer Cooper – *Chair*
Tracey Ball – *Vice Chair*
Gilbert Thomas – *Treasurer*
Nicolas AbouAssaly
Ashley Aust
Danielle Michalski
Jayne Unga
Michel Nelson
Mark Phillips
Nate Weaton

Ex-Officios:

Ed Failor
Representative Shannon Latham
Representative Lindsay James
Senator Thomas Townsend
Senator Scott Webster

Please Note:

The meeting will convene no earlier than stated above, but may begin later, depending upon length of earlier meetings. Some members of the board may participate electronically. Agenda items may be considered out of order at the discretion of the Chair. If you require accommodation to participate in this public meeting, call (515) 452-0449 to make your request. Please notify us as long as possible in advance of meeting.

This meeting will be accessible to members of the public in person at 1963 Bell Avenue, Suite 200, Des Moines, and virtually via the link found on the first page of the agenda.

IOWA FINANCE AUTHORITY
BOARD MEETING MINUTES

May 7, 2025

Helmick Conference Room
1963 Bell Avenue, Des Moines, Iowa

BOARD MEMBERS PRESENT

Ashley Aust, *Member*
Tracey Ball, *Vice Chair*
Jennifer Cooper, *Chair*
Danielle, Michalski, *Member*
Michel Nelson, *Member*
Mark Phillips, *Member*
Gilbert Thomas, *Treasurer*
Senator Thomas Townsend, *Ex-Officio*
Jayme Ungs, *Member*
Nate Weaton, *Member*
Senator Scott Webster, *Ex-Officio*

BOARD MEMBERS ABSENT

Nick AbouAssaly, *Member*
Ed Failor, *Ex-Officio, TOS Designee*
Representative Lindsay James, *Ex-Officio*
Representative Shannon Latham, *Ex-Officio*

STAFF MEMBERS PRESENT

Staci Ballard	Rita Grimm	Nick Sorensen
Bernadette Beck	Cindy Harris	Aaron Smith
Michelle Bodie	Kanan Kappelman	Dan Stout
Courtney Bushell	Katie Kulisky	Brian Sullivan
Vicky Clinkscales	Molly Lopez	Brian Sweeney
Lisa Connell	Dillon Malone	Michael Thibodeau
Stacy Cunningham	Christine Miller	
Tammi Dillavou	Tim Morlan	
Debi Durham	David Morrison	
Alyson Fleming	Terri Rosonke	
Any Gjerstad	Chrisi Shopshire	

OTHERS PRESENT

Barry Accountius, <i>Woda Cooper Companies, Inc.</i>	Austin Kack, <i>Overland Property Group</i>
Megan Carr, <i>Sand Companies, Inc.</i>	Sarah Reilly, <i>Community Housing Initiatives, Inc.</i>
Holly Engelhart, <i>Eide Bailey, LLP</i>	Jill Wanderscheid, <i>City of Sioux City</i>
Sam Erickson, <i>Community Housing Initiative, Inc.</i>	
Scott Fitzpatrick, <i>Midwest Housing Equity Group</i>	
Jerry Floyd, <i>Front Porch Development, Inc.</i>	
Dan Garrett, <i>WNC</i>	
David Grossklaus, <i>Dorsey & Whitney, LLP</i>	

I. BOARD CHAIR

a. Roll Call

Chair Cooper called to order the May 7, 2025, meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:01 a.m. Roll call was taken, and a quorum was established. The following Board members were **present**: Ashley Aust, Tracey Ball, Jennifer Cooper, Danielle Michalski, Michael Nelson, Mark Phillips, Gilbert Thomas, Senator Thomas Townsend, Nate Weaton, Jayme Unga, and Senator Scott Webster. The following Board members were **absent**: Nick AbouAssaly, Ed Failor, Representative Lindsay James, and Representative Shannon Latham.

b. Approval of the April 2, 2025, IFA Board Meeting Minutes

MOTION: On a motion by Ms. Aust and seconded by Mr. Thomas, the Board unanimously approved the April 2, 2025, IFA Board Meeting Minutes.

II. Public Comment Period

Chair Cooper opened the public comment period and asked if the audience would like to address the Board. No members from the audience requested to speak. Chair Cooper closed the public comment period.

III. CONSENT AGENDA

Chair Cooper asked if any items needed to be removed from the Consent Agenda. No items were removed from the Consent Agenda.

MOTION: Mr. Thomas made a motion to approve the following items on the Consent Agenda:

a. *IADD – Authorizing Resolutions*

- i AG 25-027B, Cole E. Berg
- ii AG 25-028B, Joseph L. Gafney
- iii AG 25-029B, Riley Linn Sicard
- iv AG 25-030B, Jack and Bronwyn Gunnink
- v. AG 25-031B, Bryce and Tressa A. Snedden
- vi. AG 25-032B, Carson Chad Lambert

b. *IADD – Amending Resolutions*

- i AG 18-040M, Adam J. and Nicole C. Gubbels

d. *IADD – Beginning Farmer Tax Credit Program*

- i AG-TC 25-03

e.. *Water Quality*

- i WQ 25—08, State Revolving Fund Planning & Design Loans
- ii WQ 25-09, State Revolving Fund Construction Loans

MOTION: On a second by Ms. Aust, the Board unanimously approved the items on the Consent Agenda.

IV. Finance

a. **March 2025 Financial Reports**

Mr. Morrison presented the highlights of the March 2025 financial results which were included in the board packet.

MOTION: On a motion by Mr. Thomas and seconded by Ms. Aust, the Board unanimously approved March Financials.

b. **FY 2026 Draft Budget Presentation**

Mr. Morrison discussed the forecast for the remainder of FY25 in addition to highlights of the FY26 draft budget proposal. Voting on the FY26 Budget will take place during IFA's June board meeting.

c. **FIN 25-04 – SRF 2025CD Bonds**

Ms. Harris presented a resolution for the issuance and sale of State Revolving Fund Revenue Bonds.

MOTION: On a motion by Mr. Thomas and seconded by Ms. Ball, the Board unanimously approved FIN 25-04 – SRF 2025CD Bonds.

d. **HOME Loan Forgiveness – Scott Meadows**

Ms. Shropshire presented an update on Scott Meadows and recommends the Iowa Finance Authority forgive all the HOME loan balance owed to IFA by Scott Meadows.

MOTION: On a motion by Ms. Aust and seconded by Mr. Thomas, the Board unanimously approved HOME Loan Forgiveness for Scott Meadows Senior Housing Limited Partnership for the Scott Meadows and the release of the outstanding mortgage upon a cash payment of \$25,000.

e. **HOME Loan Forgiveness – Evergreen Meadows**

Ms. Shropshire presented an update on Evergreen Meadows and recommends the Iowa Finance Authority forgive all the HOME loan balance owed to IFA by Evergreen Meadows.

MOTION: On a motion by Ms. Aust and seconded by Mr. Thomas, the Board unanimously approved HOME Loan Forgiveness for Eastern Iowa Regional Housing Corporation for the Evergreen Meadows Apartments and the release of the outstanding mortgage with no cash payment.

V. Private Activity Bonds

a. PAB 24-09B, Shell Rock Soy Processing Project

Mr. Smith presented a resolution authorizing the issuance of not to exceed \$8,000,000 Iowa Finance Authority Solid Waste Disposal Revenue Bonds for Shell Rock Soy Processing LLC.

MOTION: On a motion by Mr. Thomas and seconded by Ms. Ball, the Board unanimously approved PAB 24-09B, the issuance of not to exceed \$8,000,000 Iowa Finance Authority Solid Waste Disposal Revenue Bonds for Shell Rock Soy Processing LLC.

VI. HOUSING PROGRAMS

a. 9% 2025 LIHTC with HOME and NHTF Awards

Mr. Sweeney reviewed the 2025 9% LIHTC awards. He stated that there were 23 LIHTC applications and 9 awards, representing a total of \$9,520,083 in 9% LIHTC, \$2,564,999 in state HOME dollars, and \$1,000,000 from National Housing Trust Fund source, for a total of \$13,085,082. Cities receiving awards included: Newton, Mason City, Des Moines, Hawarden, Davenport, Carter Lake, Iowa City and Fort Dodge.

MOTION: On a motion by Mr. Thomas and seconded by Ms. Aust, the Board unanimously approved the 9% 2025 LIHTC with HOME and NHTF Awards.

b. Townhall Food Hall and Apartments

Mr. Sweeney presented that the Townhall Food Hall and Apartments was awarded \$1,000,000 in tax credits in 2024. The Townhall was also awarded a 20% basis boost due to increased cost. Staff recommended waiving the requirement in the 2024 9% QAP that the innovation set aside be limited to \$1,000,000, awarding the Townhall Food Hall and Apartments an additional \$94,370 in low income housing tax credits, and increasing the basis boost for Town Hall Food Hall and apartments to 30%.

MOTION: On a motion by Mr. Weaton and seconded by Ms. Aust, a roll call vote was taken with the following results: **Yes:** Ashley Aust, Tracey Ball, Mark Phillips, Danielle Michalski, Michel Nelson, Gilbert Thomas, Jayme Ungs, and Nate Weaton; **No:** None; **Abstain:** Jennifer Cooper. The motion passed waiving the requirement in the 2024 9% QAP that the innovation set aside be limited to \$1,000,000, awarding the Townhall Food Hall and Apartments an additional \$94,370 in low income housing tax credits, and increasing the basis boost for Townhall Food Hall and Apartments to 30%.

VII. Legal/Policy

Board Officer Elections

Mr. Thibodeau noted that *Iowa Code* section 16.2(8) provides that the IFA Board shall elect a chairperson and vice-chairperson annually, and other officers as the members determine. Mr. Thibodeau proposed a recommendation to elect Jennifer Cooper to serve as Board Chair, Tracey Ball to serve as Board Vice-Chair and Gilbert Thomas to serve as Board Treasurer until the election of new officers in 2026.

MOTION: On a motion by Ms. Aust and seconded by Mr. Phillips, the Board unanimously approved the election of officers.

VIII. Director's Office

Chair Cooper and Ms. Durham recognized the newly appointed board members in attendance, Danielle Michalski, Mark Phillips, Jayme Unga, and Representative Thomas Townsend. Ms. Lopez recognized Public Service Week and the fantastic work performed by IEDA|IFA.

IX. OTHER BUSINESS

Chair Cooper provided a reminder of the upcoming Board meeting on Wednesday, June 4, 2025, at 11:00 a.m., at 1963 Bell Avenue, in the Helmick Conference Room

X. ADJOURNMENT

Chair Cooper adjourned the Iowa Finance Authority Board of Directors meeting at 11:55 a.m.

Dated this 4th day of June 2025.

Respectfully submitted:

Approved as to form:

Deborah Durham
Director

Jennifer Cooper, 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 28, 2025

Re: Iowa Agricultural Development Division Beginning Farmer Loan and Tax Credit Programs

Consent Agenda

Iowa Agricultural Development Division

Authorizing Resolutions

AG 25-033 Ashley M. Elsbernd

This is a resolution authorizing the issuance of \$300,000 for Ashley M. Elsbernd. The bond will be used: To purchase approximately 40 acres of agricultural land in Winneshiek County. The lender is Northeast Security Bank in Decorah.

- **Need Board action on Resolution AG 25-033B**

AG 25-034 Andrew De Vries

This is a resolution authorizing the issuance of \$220,382 for Andrew De Vries. The bond will be used: To purchase approximately 25.77 acres of agricultural land in Sioux County. The lender is Security National Bank in Orange City.

- **Need Board action on Resolution AG 25-034B**

AG 25-035 Caleb and Stephanie De Vries

This is a resolution authorizing the issuance of \$208,780 for Caleb and Stephanie De Vries. The bond will be used: To purchase approximately 25.77 acres of agricultural land in Sioux County. The lender is Security National Bank in Orange City.

- **Need Board action on Resolution AG 25-035B**

AG 25-036 Nicholas J. Janecek

This is a resolution authorizing the issuance of \$218,197 for Nicholas J. Janecek. The bond will be used: To purchase approximately 37.51 acres of agricultural land in Linn County. The lender is The Exchange State Bank in Martelle.

- **Need Board action on Resolution AG 25-036B**

AG 25-037 Cody Ronald Adams

This is a resolution authorizing the issuance of \$137,700 for Cody Ronald Adams. The bond will be used: To purchase approximately 34.48 acres of agricultural land in Winnebago County. The lender is NSB Bank in Thompson.

- **Need Board action on Resolution AG 25-037B**

Amending Resolutions

04785 Brian J. and Jody A. Toms, Gowrie

This is a resolution amending a \$354,000 Beginning Farmer Loan to Brian J. and Jody A. Toms issued 6/24/2013 to release the following collateral from the Promissory Note and Bond and all supporting documents: Partial release of approximately 5 acres from Mortgage dated June 24, 2013. All other loan terms will remain the same. The lender is U.S. Bank, N.A. in Boone.

- **Need Board action on Resolution 04785M**

AG 18-014 Josiah W. and Tasha M. Crile, Wayland

This is a resolution amending a \$229,620 Beginning Farmer Loan to Josiah W. and Tasha M. Crile issued 3/29/2018 to lower the interest rate from 8.50% to 7.50% until March 29, 2030 at which time the rate will adjust to the original index of 100% of the announced prime rate of Wall Street Journal U.S. Prime Lending Rate and be adjustable every six years thereafter. All other loan terms will remain the same. The lender is Federation Bank in Washington.

- **Need Board action on Resolution AG 18-014M**

Beginning Farmer Tax Credit Program

AG-TC 25-04, 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.

- **Need Board action on Resolution AG-TC 25-04**

RESOLUTION
AG 25-033B

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Passed and approved this 4th day of June 2025.

Jennifer Cooper, Board Chairperson

ATTEST:

Deborah Durham, Secretary

(Seal)

EXHIBIT A

- 1. Project Number:** AG 25-033
- 2. Beginning Farmer:** Ashley M. Elsbernd
1557 220th Ave
Calmar, IA 52132-7622
- 3. Bond Purchaser:** Northeast Security Bank
106 E Main St
Decorah, IA 52101
- 4. Principal Amount:** \$300,000
- 5. Initial Approval Date:** 5/28/2025
- 6. Public Hearing Date:** 5/28/2025
- 7. Bond Resolution Date:** 6/4/2025
- 8. Project:** To purchase approximately 40 acres of agricultural land

RESOLUTION
AG 25-034B

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 4th day of June 2025.

Jennifer Cooper, Board Chairperson

ATTEST:

Deborah Durham, Secretary

(Seal)

EXHIBIT A

- 1. Project Number:** AG 25-034
- 2. Beginning Farmer:** Andrew De Vries
524 2nd Ave SW
Sioux Center, IA 51250-1427
- 3. Bond Purchaser:** Security National Bank
122 Central Ave NW, PO Box 260
Orange City, IA 51041-0260
- 4. Principal Amount:** \$220,382
- 5. Initial Approval Date:** 5/28/2025
- 6. Public Hearing Date:** 5/28/2025
- 7. Bond Resolution Date:** 6/4/2025
- 8. Project:** To purchase approximately 25.77 acres of agricultural land

RESOLUTION
AG 25-035B

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 4th day of June 2025.

Jennifer Cooper, Board Chairperson

ATTEST:

Deborah Durham, Secretary

(Seal)

EXHIBIT A

- 1. Project Number:** AG 25-035
- 2. Beginning Farmer:** Caleb and Stephanie De Vries
4334 Fir Ave
Maurice, IA 51036-7573
- 3. Bond Purchaser:** Security National Bank
122 Central Ave NW, PO Box 260
Orange City, IA 51041-0260
- 4. Principal Amount:** \$208,780
- 5. Initial Approval Date:** 5/28/2025
- 6. Public Hearing Date:** 5/28/2025
- 7. Bond Resolution Date:** 6/4/2025
- 8. Project:** To purchase approximately 25.77 acres of agricultural land

RESOLUTION
AG 25-036B

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 4th day of June 2025.

Jennifer Cooper, Board Chairperson

ATTEST:

Deborah Durham, Secretary

(Seal)

EXHIBIT A

- 1. Project Number:** AG 25-036
- 2. Beginning Farmer:** Nicholas J. Janecek
3036 Quaker Lane
Springville, IA 52336-9506
- 3. Bond Purchaser:** The Exchange State Bank
105 Marion St, PO Box 68
Martelle, IA 52305
- 4. Principal Amount:** \$218,197
- 5. Initial Approval Date:** 5/28/2025
- 6. Public Hearing Date:** 5/28/2025
- 7. Bond Resolution Date:** 6/4/2025
- 8. Project:** To purchase approximately 37.51 acres of agricultural land

RESOLUTION
AG 25-037B

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 4th day of June 2025.

Jennifer Cooper, Board Chairperson

ATTEST:

Deborah Durham, Secretary

(Seal)

EXHIBIT A

- 1. Project Number:** AG 25-037
- 2. Beginning Farmer:** Cody Ronald Adams
416 6th Ave NW
Buffalo Center, IA 50424
- 3. Bond Purchaser:** NSB Bank
11723 Hwy 9
Thompson, IA 50478-7551
- 4. Principal Amount:** \$137,700
- 5. Initial Approval Date:** 5/28/2025
- 6. Public Hearing Date:** 5/28/2025
- 7. Bond Resolution Date:** 6/4/2025
- 8. Project:** To purchase approximately 34.48 acres of agricultural land

RESOLUTION
04785M

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. 04785 (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 releasing the following collateral from the Promissory Note and Bond and all supporting documents: Partial release of approximately 5 acres from Mortgage dated June 24, 2013. All other loan terms will remain the same. Eff. 06.04.2025

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 4th day of June 2025.

Jennifer Cooper, Board Chairperson

ATTEST:

Deborah Durham, Secretary

(Seal)

RESOLUTION
AG 18-014M

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. AG 18-014 (the “Bond”) pursuant to Resolution B relating thereto (the “Bond Resolution”) for the purpose of financing the acquisition of the Project (as defined in the Bond Resolution) by the Beginning Farmer (as defined in the Bond Resolution); and

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

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

Section 1. The Authority hereby approves lowering the current interest rate on the Bond from 8.50% to 7.50% until March 29, 2030 at which time the rate will adjust to the original index of 100% of the announced prime rate of Wall Street Journal U.S. Prime and be adjustable every six years thereafter. All other loan terms will remain the same. Eff. 06.04.2025 .

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 4th day of June 2025.

Jennifer Cooper, Board Chairperson

ATTEST:

Deborah Durham, Secretary

(Seal)

**RESOLUTION
AG-TC 25-04**

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 4th day of June 2025.

Jennifer Cooper, Board Chairperson

ATTEST:

Deborah Durham, Secretary

(Seal)

MEMORANDUM

To: Iowa Finance Authority Board of Directors
From: Aaron Smith, Chief Bond Programs Director (515) 452-0461
Date: June 4, 2025
Subject: Selected Consent Agenda Items for the June 2025 IFA Board Meeting

WATER QUALITY

WQ 25-10 – State Revolving Fund Construction Loans

Overview

Iowa Finance Authority (“IFA” or “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”).

IFA offers low-interest loans through the SRF Program as a means of financing all or part of the construction of certain drinking water or wastewater treatment facilities (“Construction Loans”).

Loan Terms

The terms of each loan, including the not to exceed principal amount, not to exceed interest rate, and maturity date are detailed in the table in [Exhibit WQ 25-10](#). Additionally, any other restrictions deemed necessary and appropriate by the Director, Chief Financial Officer, Chief Operating Officer, or Chief Bond Programs Director of the Authority (each an “Authorized Officer”).

As of April 1, 2025, the interest rate for standard term tax-exempt SRF Construction Loans is 2.84%. This is calculated as 75% of the average daily Bloomberg BVAL Tax Exempt General Obligation Municipal AAA 20-year yield during the month of March 2025 (the “Base Interest Rate”). The interest rate for standard term taxable SRF loans is determined similarly, using the daily Bloomberg BVAL Taxable General Obligation Municipal AAA 20-year yield as the reference rate.

Additionally, SRF Construction Loans are assessed a loan servicing fee equal to 0.25% per annum of the outstanding principal amount of the loan, paid semiannually.

Loan Approval

Staff recommends approval of SRF Construction Loans totaling **\$53,252,000** for the projects listed in [Exhibit WQ 25-10](#), each having met the requirements of the SRF Program and approved by the Department.

Upon approval, the Board authorizes the 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. Further, the Authorized Officer is authorized to fund the loan from funds held under the SRF Program, all in the manner deemed necessary and appropriate by the Authorized Officer.

Action: Approval of WQ 25-10, SRF Construction Loans, using funds held under the SRF Program, made to the communities listed on Exhibit WQ 25-10 hereto in amounts, at interest rates, for and terms not to exceed those listed on Exhibit WQ 25-10 hereto and subject to any other terms the Director and IFA staff deem necessary.

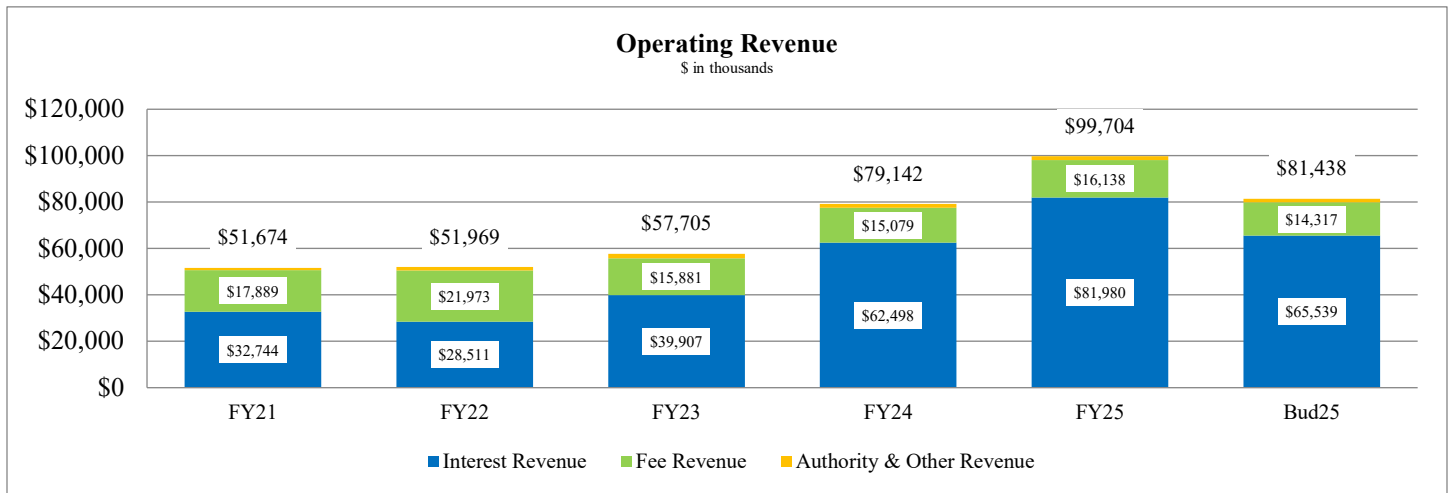
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EXHIBIT WQ 25-10**SRF Construction Loans**

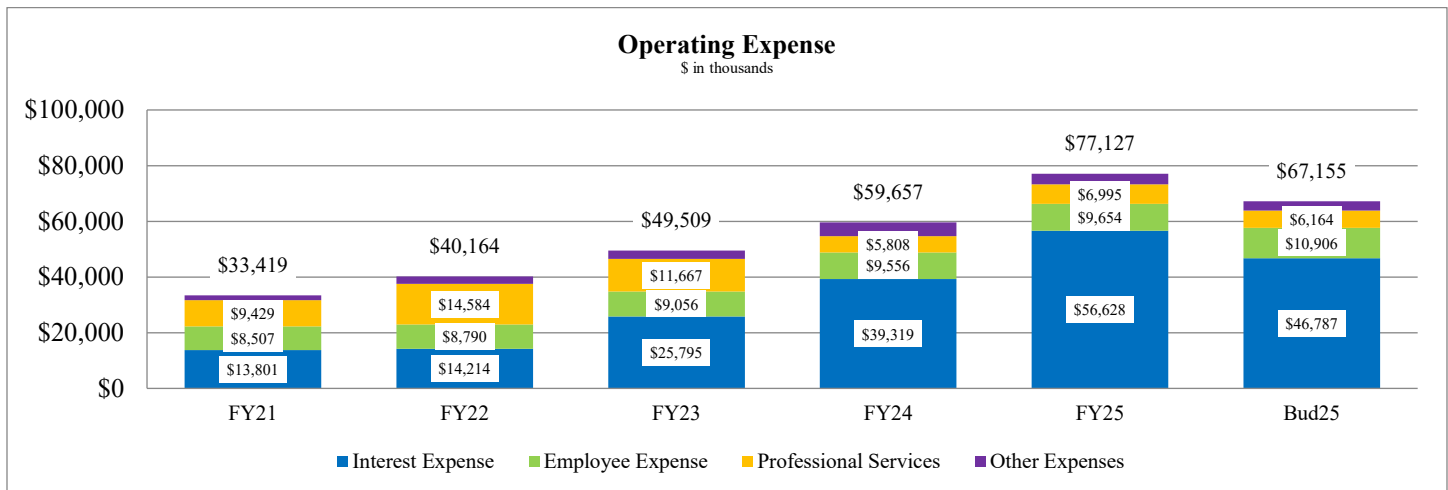
Borrower	County	Population	Amount	Tax Status	Interest Rate	Pledge	Term (years)	Program	Project Description
Anamosa	Jones	5,450	\$3,165,000	Tax Exempt	2.84%	Revenue	20	CW	Treatment Improvements
Fairfax	Linn	2,828	\$555,000	Tax Exempt	2.84%	Revenue	20	DW	Source Improvements
Grinnell	Poweshiek	9,564	\$17,581,000	Tax Exempt	2.84%	Revenue	20	DW	Treatment Improvements
Grinnell	Poweshiek	9,564	\$6,000,000	Tax Exempt	2.84%	GO	20	DW	Treatment Improvements
Lansing	Allamakee	968	\$363,000	Tax Exempt	2.84%	GO	20	DW	Transmission Improvements
Manly	Worth	1,256	\$1,494,000	Tax Exempt	2.84%	Revenue	20	CW	Transmission Improvements
State Center	Marshall	1,391	\$2,094,000	Tax Exempt	2.84%	Revenue	20	CW	Treatment Improvements
Des Moines Wastewater Reclamation Authority (WRA)	Multiple	n/a	\$22,000,000	Tax Exempt	2.84%	Revenue	20	CW	Transmission Improvements
			\$53,252,000						

To: IFA Board of Directors
 From: David Morrison
 Date: May 14, 2025
 Re: April 2025 YTD Consolidated Financial Results

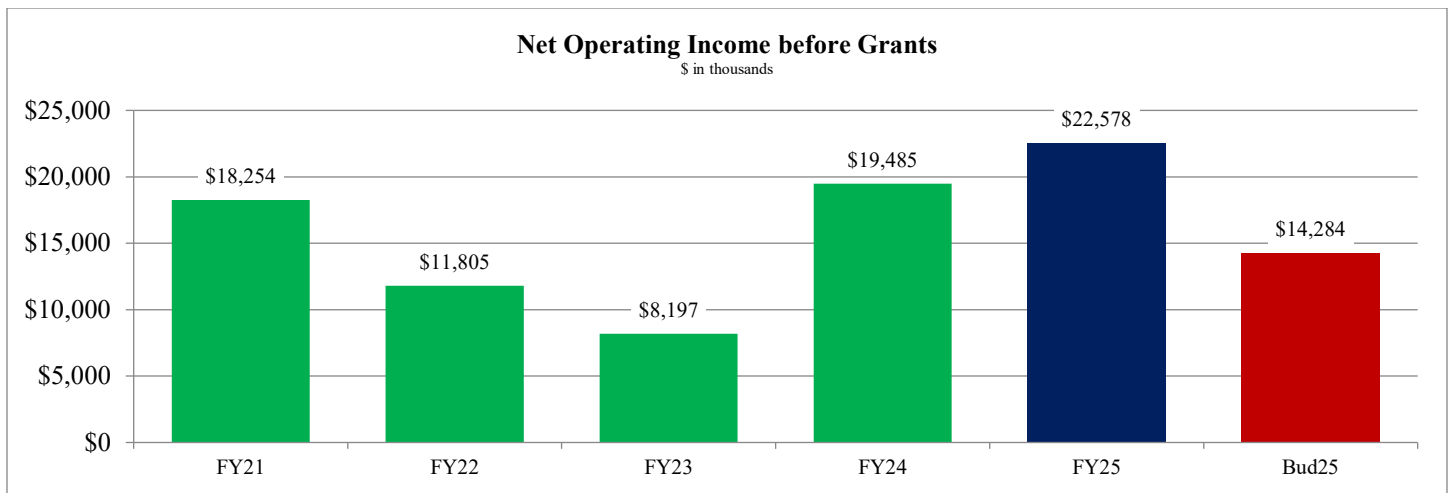
The Housing Authority operated unfavorably to budget through ten months of Fiscal Year 2025. Operating Revenues exceed budget due to higher than planned interest rates and likewise Operating Expenses exceed budget for the same reason.



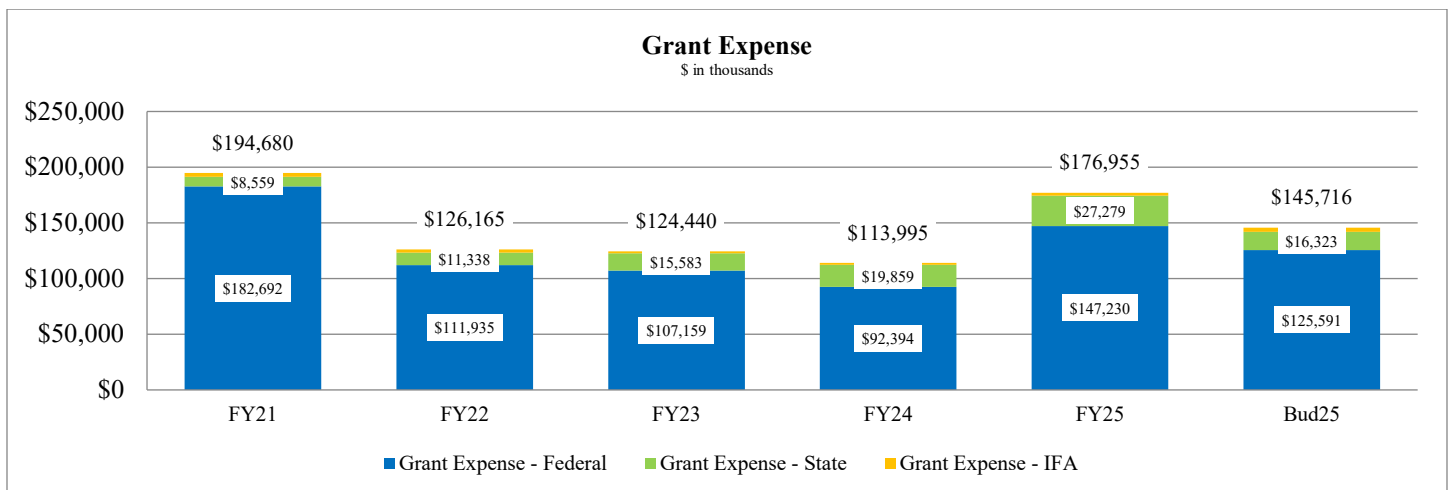
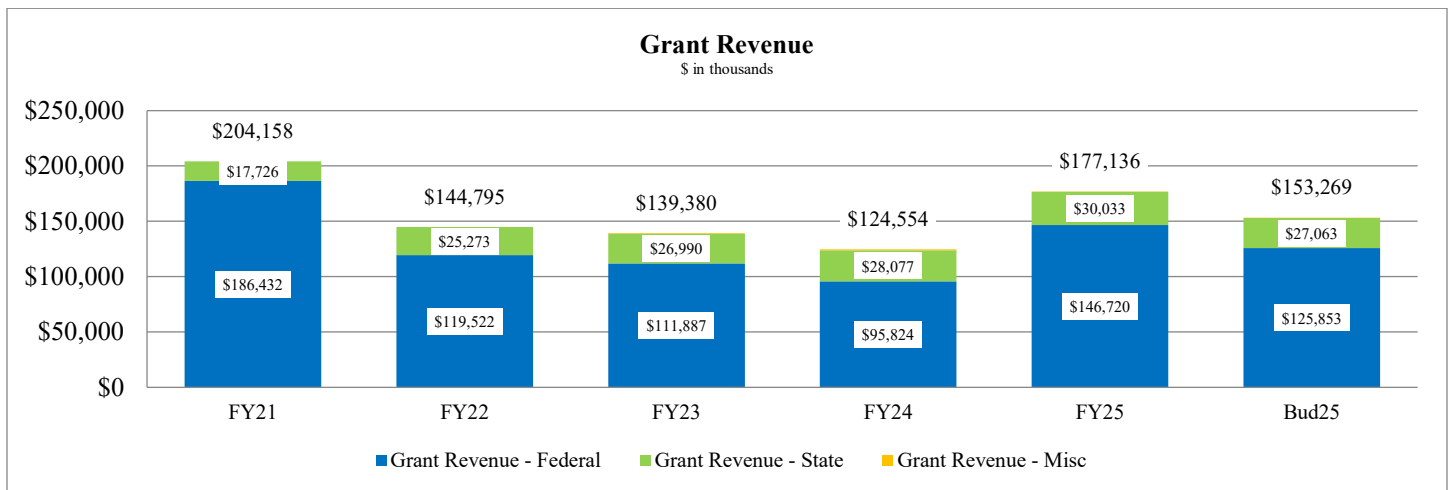
Total Operating Revenue was \$18,266 or 22.4% favorable to budget and up \$20,562 or 26.0% in comparison to the prior year. Interest Revenue earned from higher than anticipated interest earnings rates and additional cash on hand related to the Emergency Rental Assistance federal programs accounts for most of this favorable variance. Fee Revenue was higher by \$1,821 in comparison to budget. This is due to more Service Acquisition Revenue in the Homeownership program and higher LIHTC reservation fees.



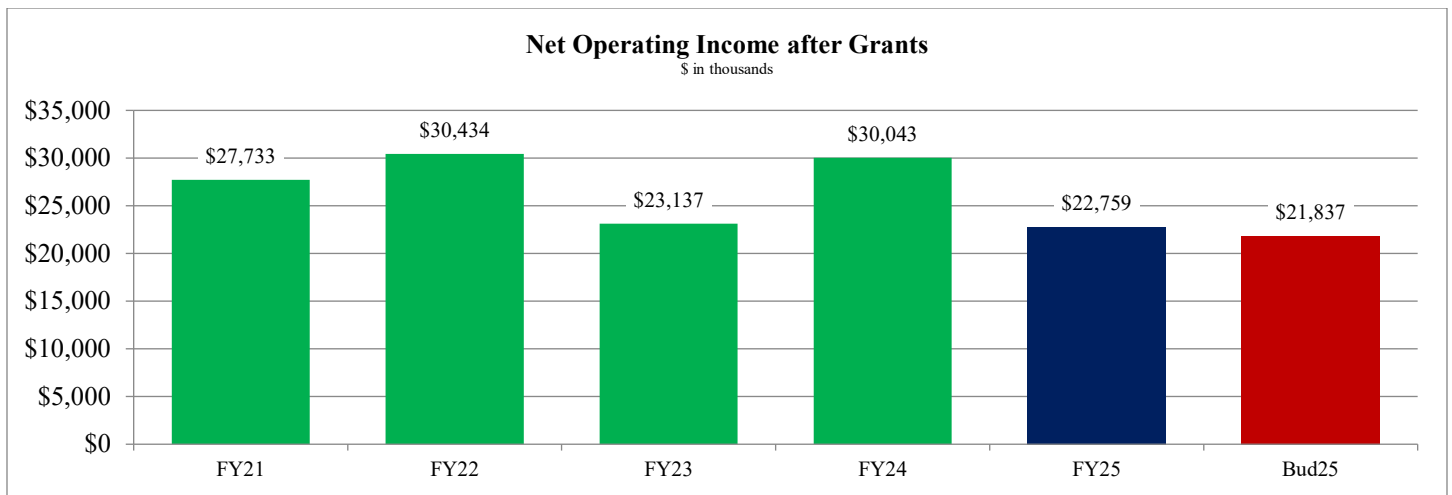
Total Operating Expense was \$9,972 or 14.8% unfavorable to budget and exceeds the prior year by \$17,470 or 29.3%. Interest Expense, Professional Services and Claims and Loss Expense are unfavorable to budget, with offsetting favorable variances in Employee and Other Expenses.



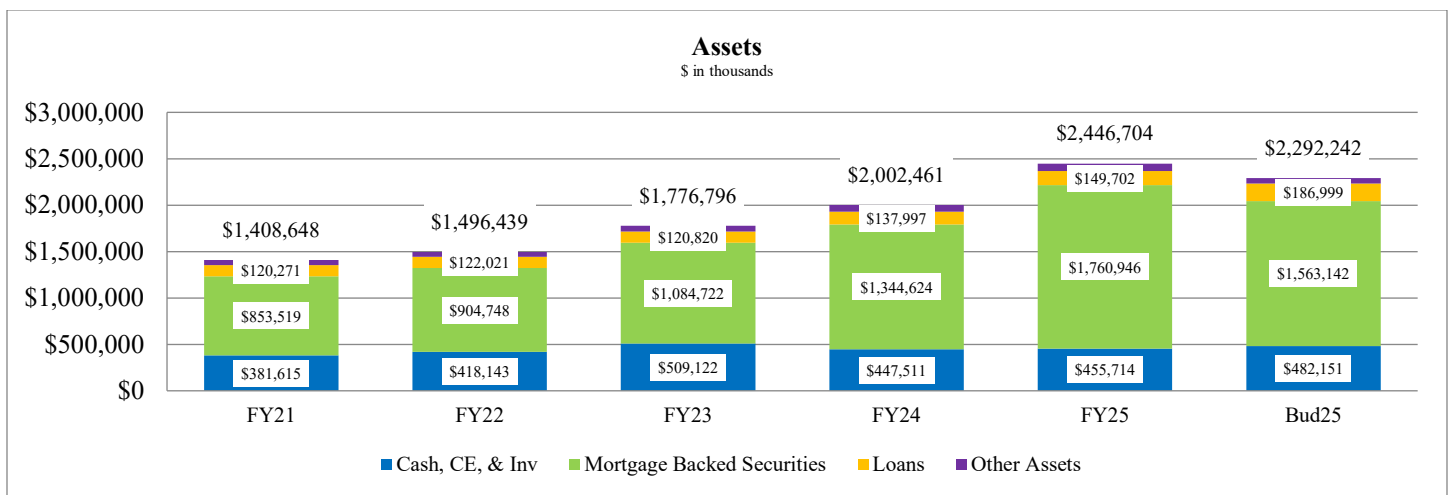
As a result, Net Operating Income before Grants (NOIBG) was \$8,294 favorable to budget and up \$3,093 in comparison to the prior year.



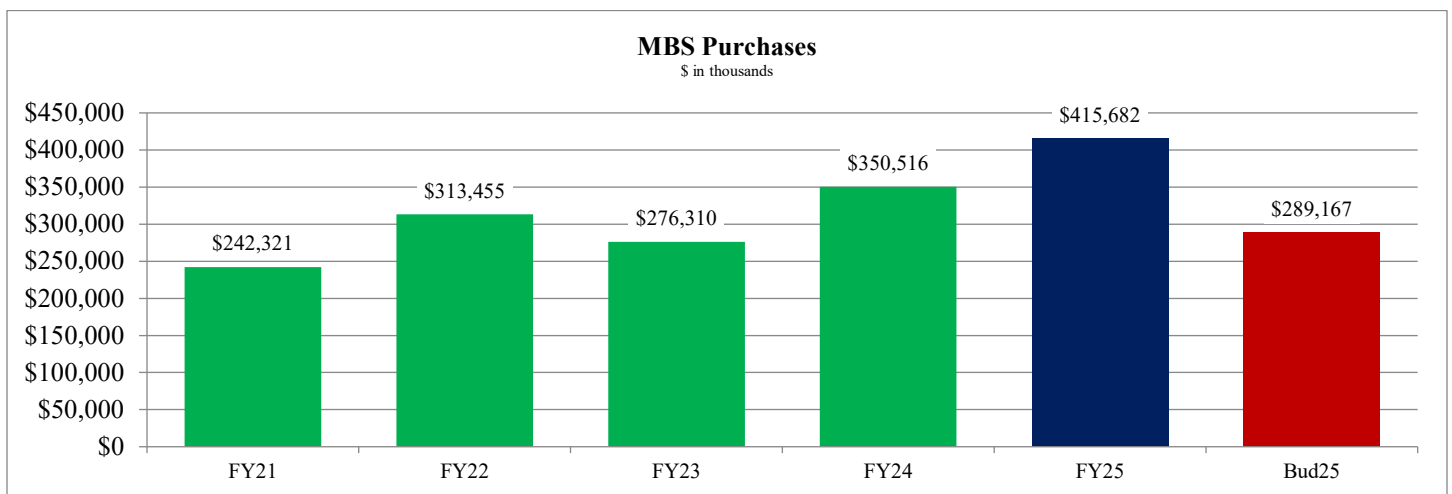
Net Grant Income was \$7,372 unfavorable to budget.



As a result, Net Operating Income after Grants (NOIAG) was \$922 unfavorable to budget and down \$7,284 compared to last year.

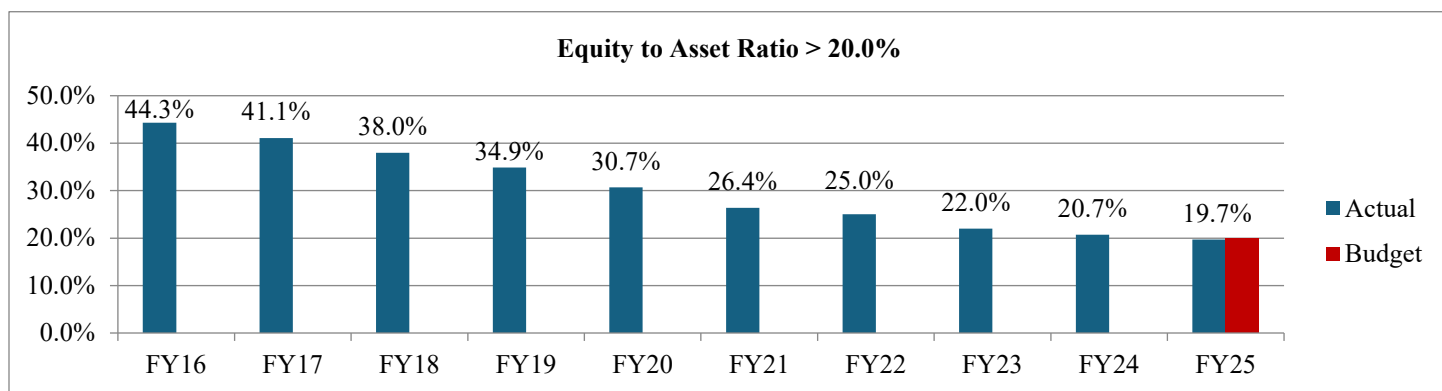


Total Assets have increased \$444,243 compared to the prior year at this time.

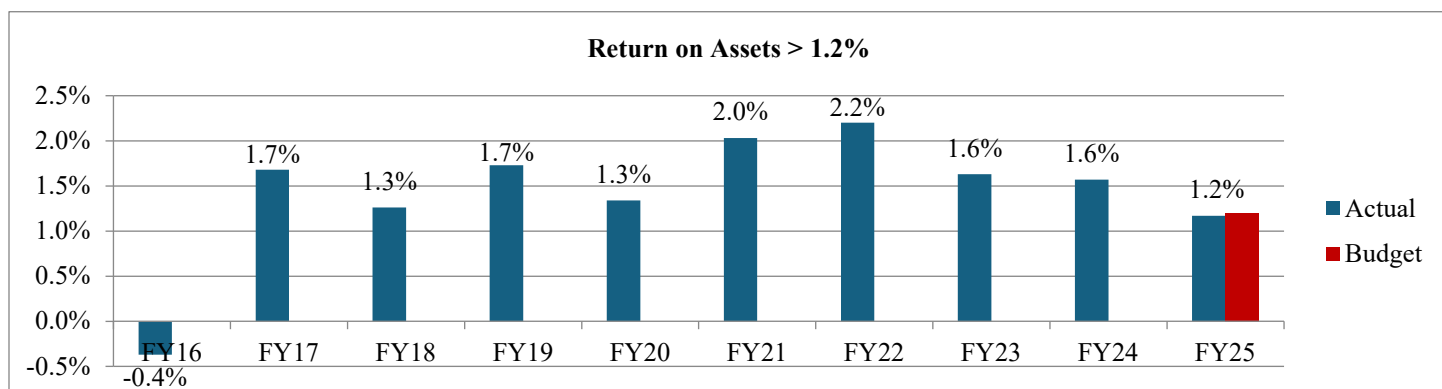


MBS purchases exceed budget by \$126,515.

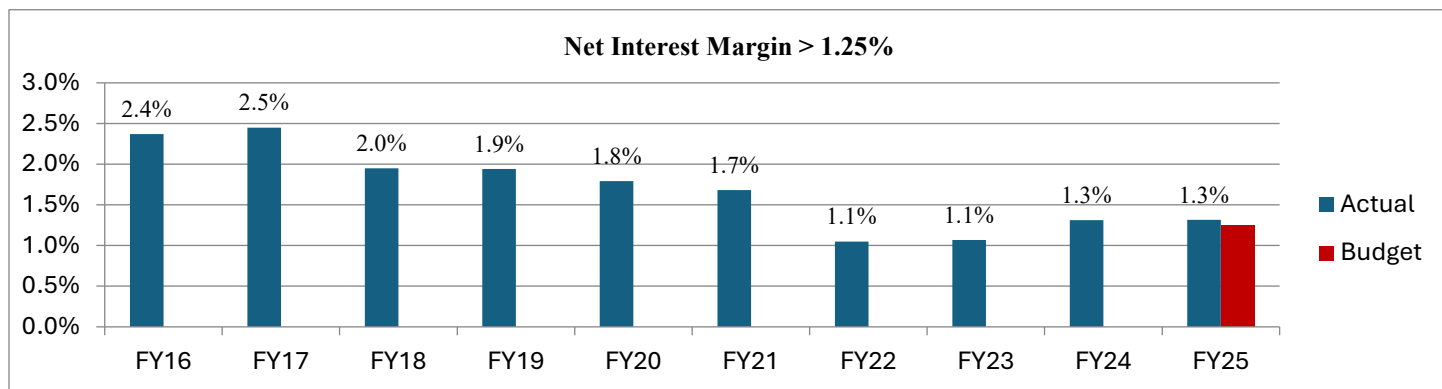
Housing Authority Long-Term Measures



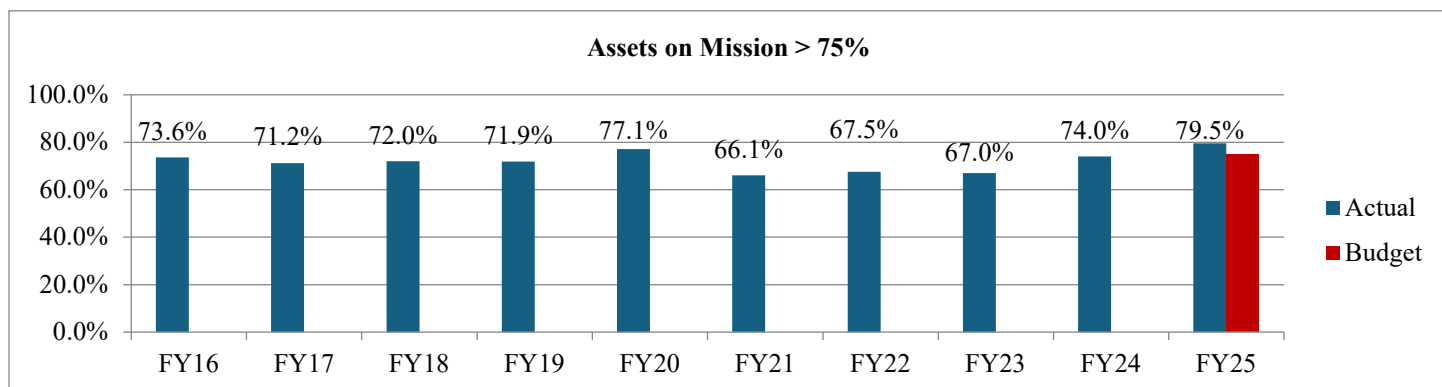
This ratio is an indicator of the Housing Authority's financial strength and ability to increase debt to acquire assets.



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.

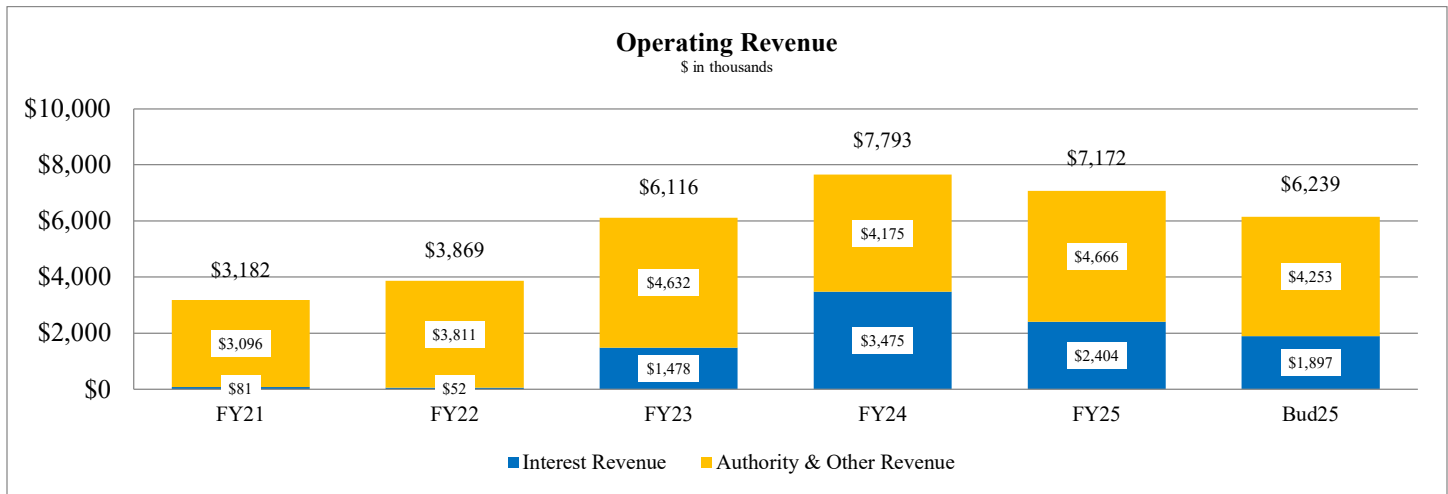
Balance Sheet	Housing Authority (Rollup)						
	Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	455,714,110	482,150,650	(26,436,541)	-5.5	447,511,357	8,202,752	1.8
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	1,735,079,100	1,543,149,837	191,929,262	12.4	1,316,861,957	418,217,142	31.8
Line of Credit	25,867,318	19,992,094	5,875,224	29.4	27,762,281	(1,894,963)	-6.8
Loans - net of reserve for losses	149,702,330	186,999,167	(37,296,837)	-19.9	137,997,351	11,704,979	8.5
Capital Assets (net of accumulated depreciation)	12,951,102	15,931,351	(2,980,249)	-18.7	13,157,780	(206,679)	-1.6
Other Assets	63,520,092	40,881,005	22,639,087	55.4	55,875,826	7,644,265	13.7
Deferred Outflows	3,870,385	3,138,009	732,376	23.3	3,294,749	575,636	17.5
Total Assets and Deferred Outflows	2,446,704,435	2,292,242,113	154,462,322	6.7	2,002,461,302	444,243,133	22.2
Liabilities, Deferred Inflows, and Equity							
Debt	1,898,854,126	1,762,892,549	135,961,578	7.7	1,519,414,694	379,439,433	25.0
Interest Payable	23,333,631	67,268,053	(43,934,422)	-65.3	15,787,084	7,546,547	47.8
Unearned Revenue	65,682,435	53,866,252	11,816,183	21.9	99,214,868	(33,532,433)	-33.8
Escrow Deposits	11,045,572	10,338,680	706,892	6.8	10,587,401	458,171	4.3
Reserves for Claims	2,090,562	1,580,977	509,585	32.2	1,873,423	217,139	11.6
Accounts Payable & Accrued Liabilities	3,480,427	2,300,333	1,180,094	51.3	3,340,524	139,903	4.2
Other Liabilities	4,982,545	7,538,055	(2,555,509)	-33.9	4,521,046	461,500	10.2
Deferred Inflows	19,907,080	1,557,930	18,349,150	1177.8	18,427,909	1,479,171	8.0
Total Liabilities and Deferred Inflows	2,029,376,379	1,907,342,828	122,033,551	6.4	1,673,166,949	356,209,430	21.3
Equity							
YTD Earnings(Loss)	57,411,525	21,837,421	35,574,104	162.9	(6,411,448)	63,822,973	-995.5
Prior Years Earnings	366,703,214	362,982,398	3,720,816	1.0	335,705,801	30,997,413	9.2
Transfers	(6,786,683)	79,465	(6,866,149)	-8640.4	(0)	(6,786,683)	0.0
Total Equity	417,328,056	384,899,284	32,428,772	8.4	329,294,353	88,033,703	26.7
Total Liabilities, Deferred Inflows, and Equity	2,446,704,435	2,292,242,113	154,462,322	6.7	2,002,461,302	444,243,133	22.2

Income Statement	Housing Authority (Rollup)													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	8,666,846	6,922,201	1,744,645	25.2	6,904,223	1,762,623	25.5	81,980,375	65,538,796	16,441,579	25.1	62,497,721	19,482,654	31.2
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	1,236,449	1,247,479	(11,030)	-0.9	1,289,792	(53,343)	-4.1	16,138,192	14,316,757	1,821,435	12.7	15,079,305	1,058,886	7.0
Other Revenue	124,600	123,967	633	0.5	118,892	5,708	4.8	1,585,771	1,582,867	2,904	0.2	1,564,730	21,041	1.3
Total Operating Revenue	10,027,895	8,293,646	1,734,248	20.9	8,312,907	1,714,988	20.6	99,704,338	81,438,420	18,265,918	22.4	79,141,756	20,562,582	26.0
Operating Expense														
Interest Expense	6,190,447	4,923,207	1,267,241	25.7	4,476,647	1,713,801	38.3	56,627,861	46,786,809	9,841,052	21.0	39,319,464	17,308,398	44.0
Authority Expense	-	-	-	0.0	-	-	0.0	(0)	-	(0)	0.0	(0)	0	-86.8
Employee Expense	982,710	1,108,816	(126,105)	-11.4	1,006,601	(23,891)	-2.4	9,654,285	10,906,327	(1,252,042)	-11.5	9,555,772	98,513	1.0
Shared Expense	600,279	219,870	380,409	173.0	178,878	421,401	235.6	2,984,197	2,882,151	102,046	3.5	2,623,018	361,179	13.8
Marketing Expense	39,343	58,783	(19,440)	-33.1	18,690	20,653	110.5	835,915	989,823	(153,908)	-15.5	766,223	69,692	9.1
Professional Services	322,970	610,381	(287,412)	-47.1	502,292	(179,322)	-35.7	6,995,271	6,163,507	831,764	13.5	5,808,182	1,187,089	20.4
Claim and Loss Expense	(47,452)	18,982	(66,433)	-350.0	568,462	(615,913)	-108.3	712,513	285,730	426,783	149.4	2,246,667	(1,534,154)	-68.3
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	(45,153)	(66,718)	21,564	-32.3	(49,191)	4,037	-8.2	(492,081)	(686,771)	194,690	-28.3	(540,509)	48,428	-9.0
Overhead Allocation	(48,247)	(16,351)	(31,896)	195.1	(13,010)	(35,236)	270.8	(191,146)	(172,793)	(18,354)	10.6	(121,908)	(69,239)	56.8
Total Operating Expense	7,994,897	6,856,970	1,137,927	16.6	6,689,368	1,305,529	19.5	77,126,814	67,154,784	9,972,031	14.8	59,656,909	17,469,906	29.3
Net Operating Income (Loss) Before Grants	2,032,998	1,436,676	596,321	41.5	1,623,539	409,459	25.2	22,577,523	14,283,636	8,293,888	58.1	19,484,848	3,092,676	15.9
Net Grant (Income) Expense														
Grant Revenue	(17,405,363)	(13,349,967)	(4,055,396)	30.4	(11,305,834)	(6,099,529)	54.0	(177,136,327)	(153,269,443)	(23,866,884)	15.6	(124,553,686)	(52,582,641)	42.2
Grant Expense	17,695,764	14,383,358	3,312,406	23.0	11,076,941	6,618,823	59.8	176,955,115	145,715,658	31,239,458	21.4	113,995,221	62,959,894	55.2
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	290,401	1,033,391	(742,990)	-71.9	(228,893)	519,294	-226.9	(181,212)	(7,553,785)	7,372,574	-97.6	(10,558,465)	10,377,254	-98.3
Net Operating Income (Loss) After Grants	1,742,597	403,286	1,339,311	332.1	1,852,432	(109,835)	-5.9	22,758,735	21,837,421	921,314	4.2	30,043,313	(7,284,578)	-24.2
Other Non-Operating (Income) Expense	586,979	-	586,979	0.0	34,615,222	(34,028,243)	-98.3	(34,652,790)	-	(34,652,790)	0.0	36,454,761	(71,107,551)	-195.1
Net Income (Loss)	1,155,617	403,286	752,332	186.6	(32,762,791)	33,918,408	-103.5	57,411,525	21,837,421	35,574,104	162.9	(6,411,448)	63,822,973	-995.5
IFA Home Dept Staff Count	86	93	(7)	-7.0	81	5	6.2	83	92	(9)	-9.9	83	(0)	-0.4
FTE Staff Count	83	100	(17)	-17.2	80	3	3.2	80	100	(19)	-19.3	83	(3)	-3.4

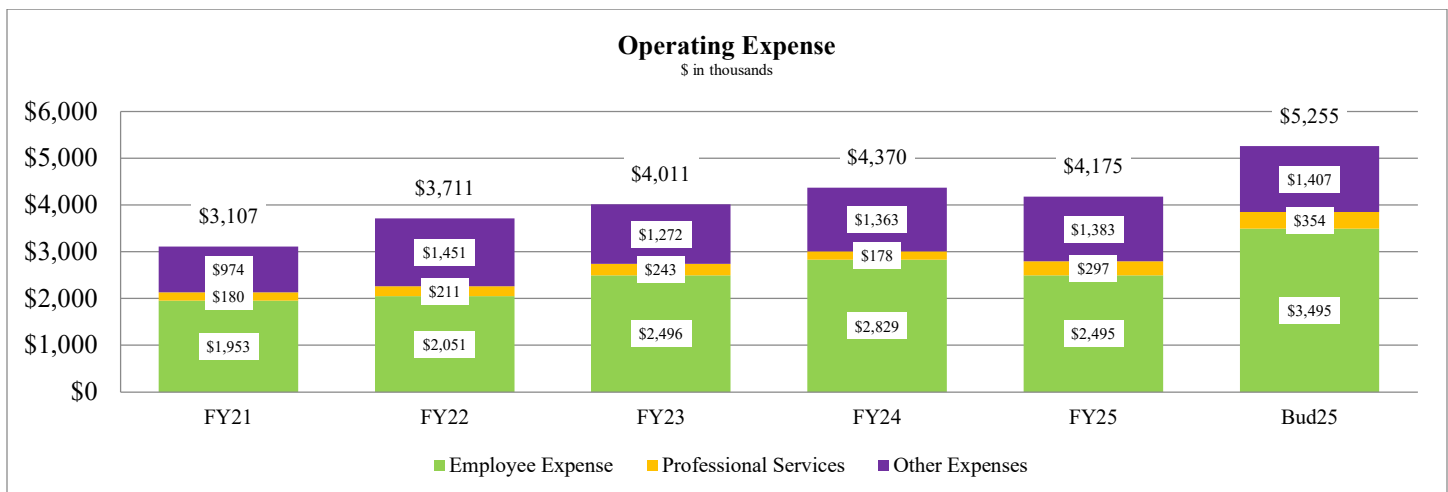
To: IFA Board of Directors
 From: Dan Stout
 Date: May 14, 2025
 Re: April 2025 YTD Overhead Depts Financial Results

Overhead Departments (\$ in thousands)

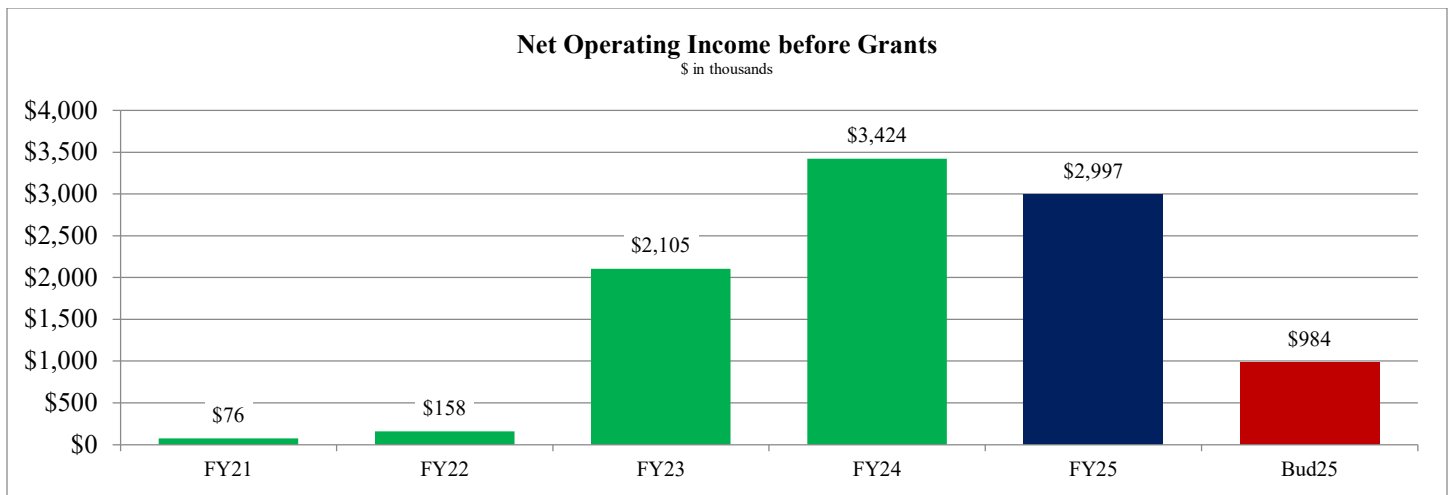
The Overhead Departments operated favorably to budget through ten months of Fiscal Year 2025.



Total Operating Revenue was \$933 or 15.0% favorable to budget and down \$621 or 8.0% compared to last year. Authority & Other Revenue was \$413 or 9.7% favorable to budget and up \$491 or 11.8% compared to last year. Interest Revenue was \$507 or 26.7% favorable to budget and down \$1,071 or 30.8% compared to last year. This decrease from the prior year is due to the interest earned from the IRUAP fund which was closed in September 2023.



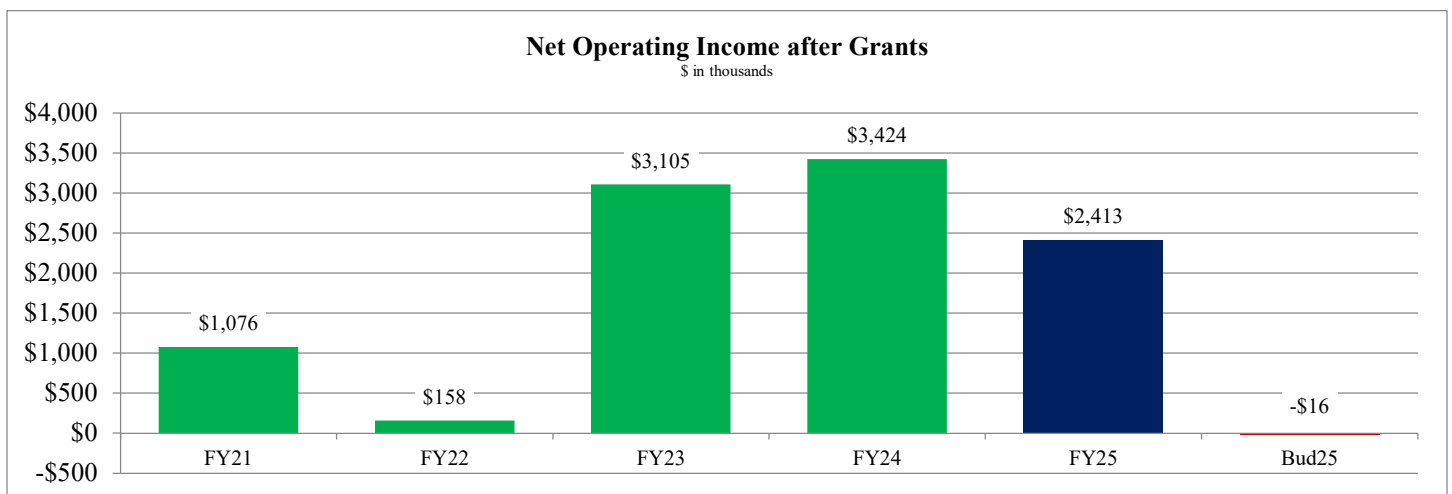
Operating Expense was \$1,080 or 20.6% favorable to budget and down \$195 or 4.4% compared to last year. A portion of the employee accrued vacation and sick leave was allocated from the General Fund to ITG and SRF resulting in a significant decrease to Employee Expense. Professional Services were \$57 or 16.0% favorable to budget and up \$119 or 67.6% to last year. Other Expenses were comparable to budget and to last year.



As a result, Net Operating Income before Grants (NOIBG) was \$2,013 favorable to budget and down \$427 compared to last year.

	Commitment Date	Original Commitment	3/31/2025 Balance	Monthly Activity	4/30/2025 Balance	Remaining Commitment
Grants						
Emergency and Innovation Housing Fund	7/1/2024	2,000,000	1,970,000	-	1,970,000	1,970,000
Permanent Supportive HSG Program	4/1/2024	774,674	220,078	-	220,078	220,078
Total Grants		2,774,674	2,190,078	-	2,190,078	2,190,078
Reserve Funds						
Building Maintenance Fund	7/1/2024	1,100,000	1,100,000	-	1,100,000	1,100,000
Total Reserve Funds		1,100,000	1,100,000	-	1,100,000	1,100,000

\$30K was paid out of the Emergency and Innovation Housing Fund in October 2024. \$554,596 was paid out of the Permanent Supportive HSG Program in December 2024.



As a result, the Net Operating Income after Grants (NOIAG) was \$2,429 favorable to budget and down \$1,011 compared to last year.

General Fund Liquidity

IFA will maintain a minimum of three months of budgeted expenses in the form of cash and cash equivalents in the General Fund. For FY25, this will be \$3.1MM. The current short-term liquidity for April 2025 was \$5.0MM.

IFA will maintain a minimum of twelve 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 FY25, this will be \$15.9MM. The current long-term liquidity for April 2025 was \$21.2MM.

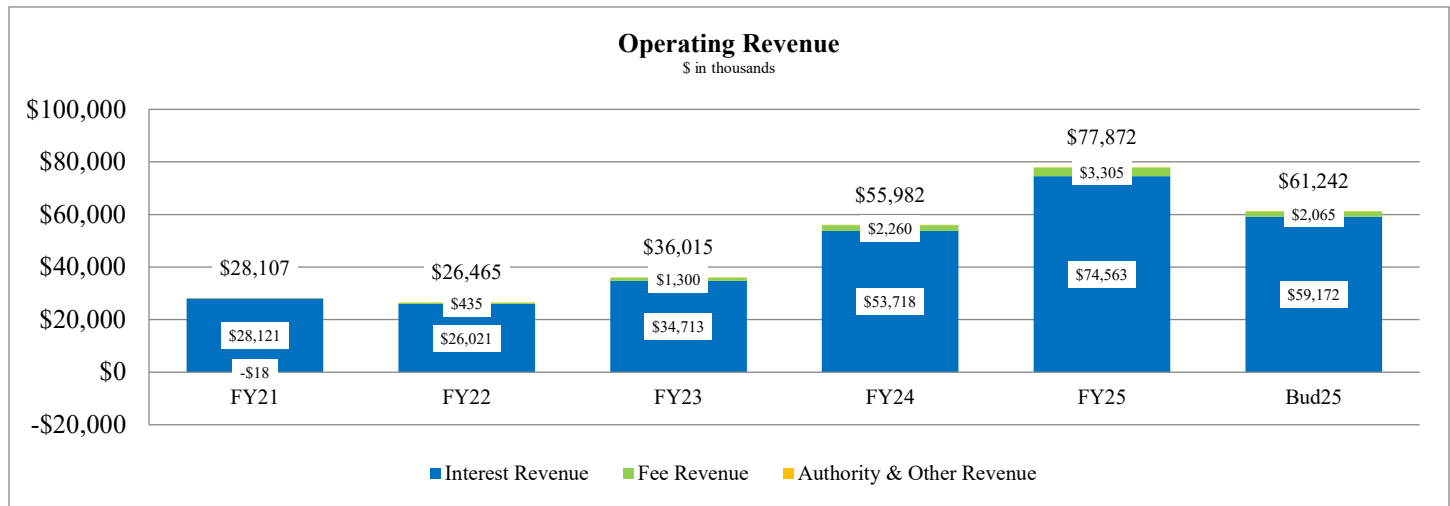
Balance Sheet	Overhead (Rollup)						
	Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	22,247,593	14,418,651	7,828,942	54.3	19,744,805	2,502,788	12.7
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	572,009	522,500	49,509	9.5	656,609	(84,600)	-12.9
Line of Credit	-	500,000	(500,000)	-100.0	-	-	0.0
Loans - net of reserve for losses	307,893	307,835	57	0.0	326,751	(18,859)	-5.8
Capital Assets (net of accumulated depreciation)	12,951,102	15,931,351	(2,980,249)	-18.7	13,157,780	(206,679)	-1.6
Other Assets	2,402,046	6,302,548	(3,900,502)	-61.9	2,178,072	223,974	10.3
Deferred Outflows	1,483,760	1,106,088	377,672	34.1	1,106,088	377,672	34.1
Total Assets and Deferred Outflows	39,964,402	39,088,973	875,429	2.2	37,170,106	2,794,297	7.5
Liabilities, Deferred Inflows, and Equity							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	164,940	(186,789)	351,729	-188.3	238,000	(73,060)	-30.7
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	1,866,640	785,516	1,081,124	137.6	2,256,867	(390,227)	-17.3
Other Liabilities	3,755,246	6,008,656	(2,253,410)	-37.5	3,383,956	371,290	11.0
Deferred Inflows	520,803	506,608	14,195	2.8	864,806	(344,003)	-39.8
Total Liabilities and Deferred Inflows	6,307,629	7,113,991	(806,363)	-11.3	6,743,630	(436,001)	-6.5
Equity							
YTD Earnings(Loss)	2,422,554	(16,086)	2,438,640	-15159.6	3,398,145	(975,591)	-28.7
Prior Years Earnings	30,985,384	29,119,867	1,865,517	6.4	26,141,135	4,844,250	18.5
Transfers	248,836	2,871,201	(2,622,365)	-91.3	887,196	(638,361)	-72.0
Total Equity	33,656,773	31,974,981	1,681,792	5.3	30,426,476	3,230,297	10.6
Total Liabilities, Deferred Inflows, and Equity	39,964,402	39,088,973	875,429	2.2	37,170,106	2,794,296	7.5

Income Statement	Overhead (Rollup)													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	182,877	138,658	44,219	31.9	277,418	(94,541)	-34.1	2,404,039	1,897,230	506,809	26.7	3,474,603	(1,070,564)	-30.8
Authority Revenue	-	-	-	0.0	-	-	0.0	3,093,404	2,676,232	417,171	15.6	2,655,719	437,685	16.5
Fee Revenue	-	400	(400)	-100.0	-	-	0.0	101,886	89,000	12,886	14.5	143,755	(41,869)	-29.1
Other Revenue	123,800	123,800	-	0.0	120,458	3,342	2.8	1,573,041	1,576,701	(3,660)	-0.2	1,519,147	53,894	3.5
Total Operating Revenue	306,677	262,858	43,819	16.7	397,876	(91,199)	-22.9	7,172,370	6,239,163	933,207	15.0	7,793,225	(620,855)	-8.0
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	270	-	270	0.0	-	270	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expense	283,409	349,282	(65,873)	-18.9	274,370	9,039	3.3	2,494,747	3,494,684	(999,938)	-28.6	2,829,356	(334,610)	-11.8
Shared Expense	578,241	195,028	383,214	196.5	158,353	419,888	265.2	2,471,284	2,361,834	109,450	4.6	2,046,720	424,564	20.7
Marketing Expense	4,840	23,250	(18,410)	-79.2	2,299	2,542	110.6	419,911	553,250	(133,339)	-24.1	442,772	(22,861)	-5.2
Professional Services	28,844	31,900	(3,056)	-9.6	21,720	7,124	32.8	297,422	353,870	(56,448)	-16.0	177,509	119,913	67.6
Claim and Loss Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	(45,153)	(66,718)	21,564	-32.3	(49,026)	3,872	-7.9	(491,988)	(686,771)	194,783	-28.4	(539,059)	47,071	-8.7
Overhead Allocation	(415,748)	(71,521)	(344,227)	481.3	(56,166)	(359,582)	640.2	(1,016,427)	(821,618)	(194,809)	23.7	(587,684)	(428,743)	73.0
Total Operating Expense	434,433	461,221	(26,788)	-5.8	351,550	82,883	23.6	4,175,218	5,255,249	(1,080,031)	-20.6	4,369,614	(194,395)	-4.4
Net Operating Income (Loss) Before Grants	(127,756)	(198,364)	70,607	-35.6	46,326	(174,082)	-375.8	2,997,151	983,914	2,013,238	204.6	3,423,611	(426,460)	-12.5
Net Grant (Income) Expense														
Grant Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	500,000	(500,000)	-100.0	-	-	0.0	584,596	2,000,000	(1,415,404)	-70.8	-	584,596	0.0
Intra-Agency Transfers	-	(500,000)	500,000	-100.0	-	-	0.0	-	(1,000,000)	1,000,000	-100.0	-	-	0.0
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	584,596	1,000,000	(415,404)	-41.5	-	584,596	0.0
Net Operating Income (Loss) After Grants	(127,756)	(198,364)	70,607	-35.6	46,326	(174,082)	-375.8	2,412,555	(16,086)	2,428,642	-15097.5	3,423,611	(1,011,056)	-29.5
Other Non-Operating (Income) Expense	(451)	-	(451)	0.0	18,802	(19,253)	-102.4	(9,998)	-	(9,998)	0.0	25,466	(35,464)	-139.3
Net Income (Loss)	(127,305)	(198,364)	71,059	-35.8	27,524	(154,829)	-562.5	2,422,554	(16,086)	2,438,640	-15159.6	3,398,145	(975,591)	-28.7
IFA Home Dept Staff Count	25	25	1	2.0	22	3	13.6	25	25	-	0.0	23	1	5.6
FTE Staff Count	18	30	(12)	-38.8	19	(0)	-1.4	18	30	(11)	-38.4	20	(2)	-7.8

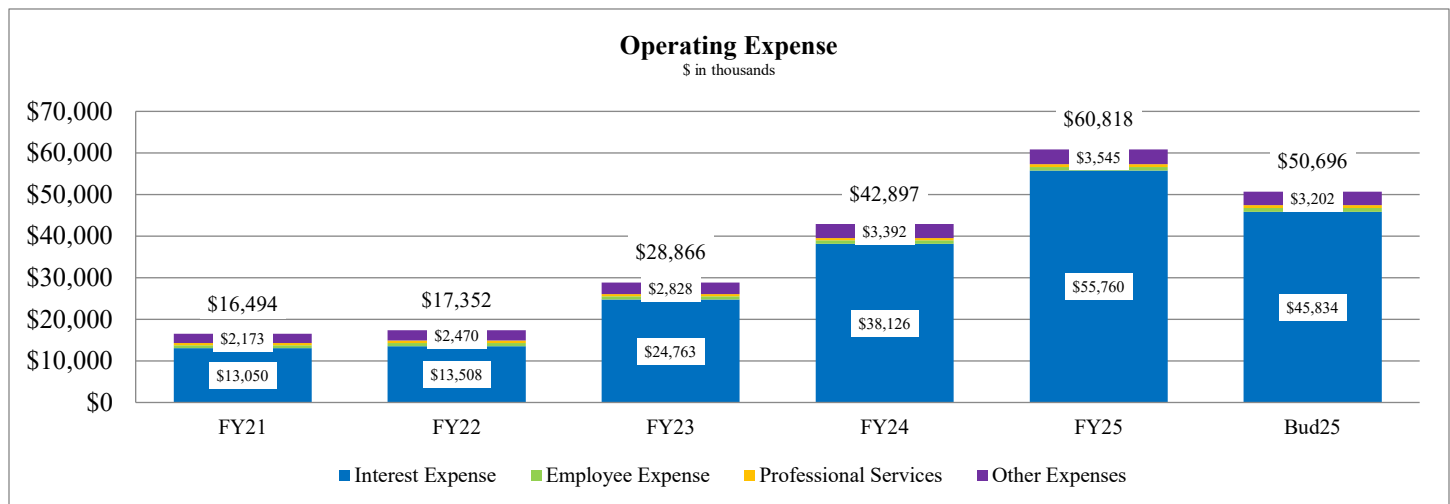
To: IFA Board of Directors
 From: David Morrison/Linda Day
 Date: May 14, 2025
 Re: April 2025 YTD Single Family Financial Results

Single Family Results (\$ in thousands)

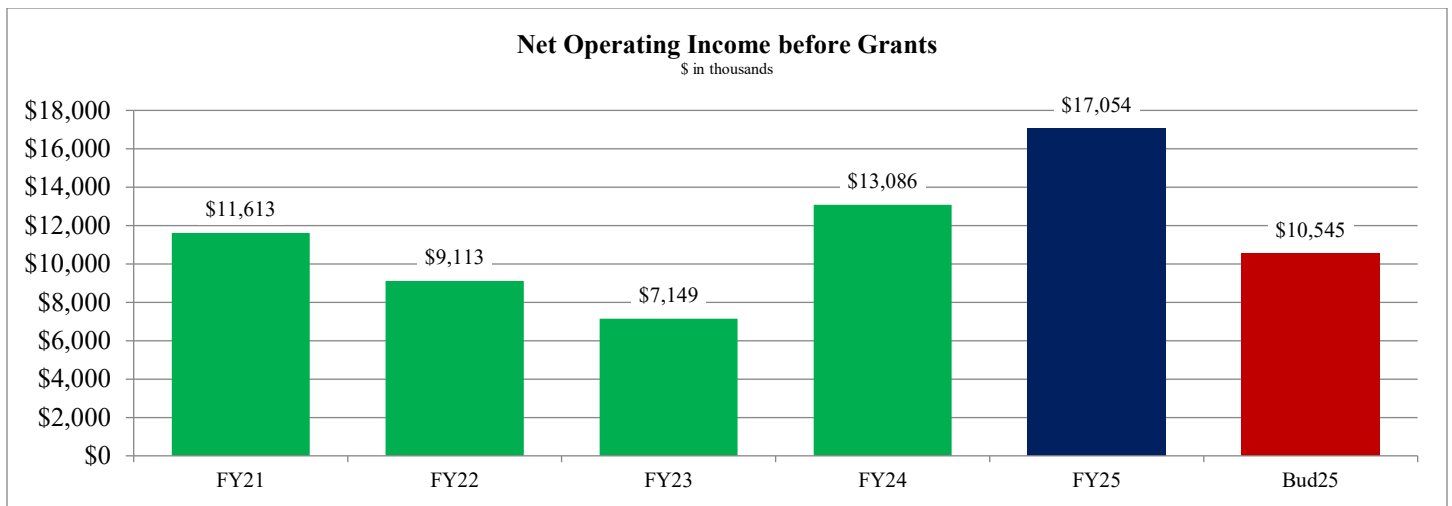
Single Family program operated favorably to budget through ten months of Fiscal Year 2025. Note: Single Family has issued bonds in September for \$125M, November for \$97.5M and February for \$115M.



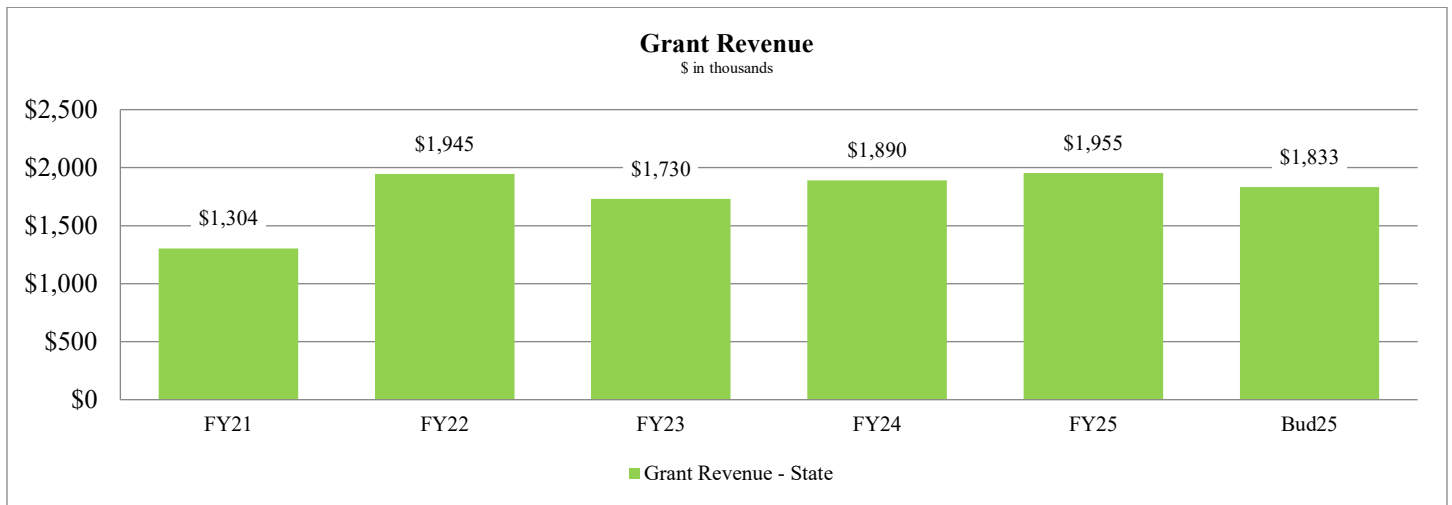
Operating Revenue was favorable to budget by \$16,630 or 27.2% and \$21,890 or 39.1% higher than last year. Interest Revenue earned from higher mortgage rates and investments balances is responsible for most of the favorable variance. Fee Revenue was \$1,240 above budget due mainly to higher Loan Servicing and Risk Based Pricing fees from Fannie Mae and Freddie Mac.



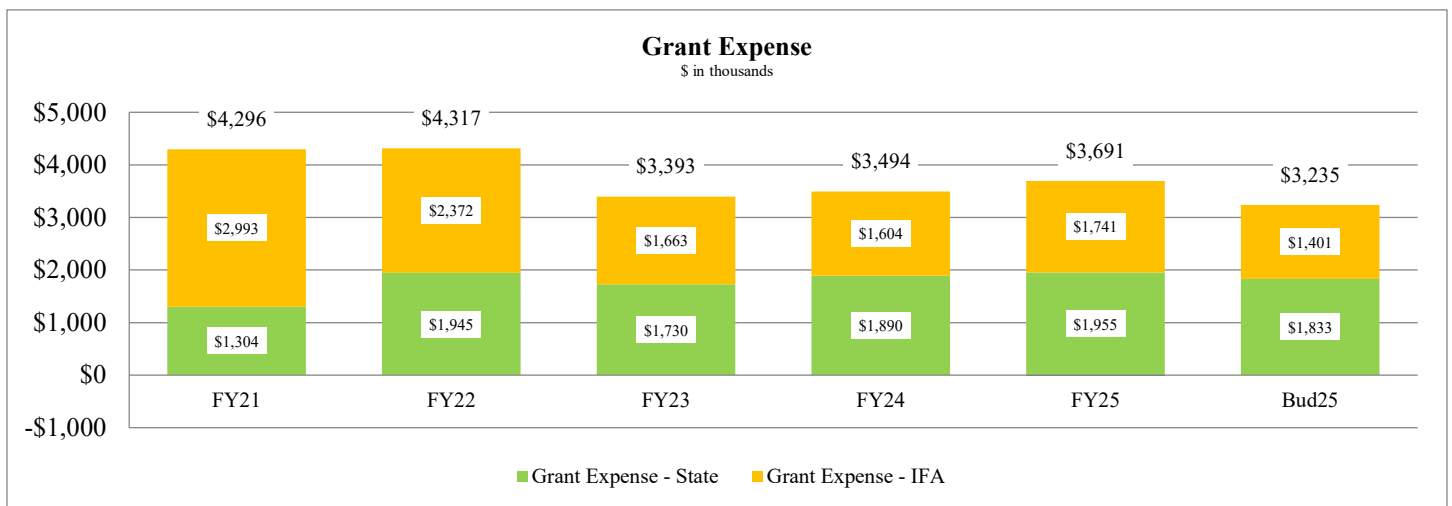
Operating Expense was unfavorable to budget, \$10,122 or 20.0% and \$17,921 or 41.8% above last year. Interest expense accounts for \$9,926 of the unfavorable variance due to higher interest costs on bonds.



As a result, Net Operating Income before Grants (NOIBG) was \$6,509 favorable to budget and up \$3,968 over last year.



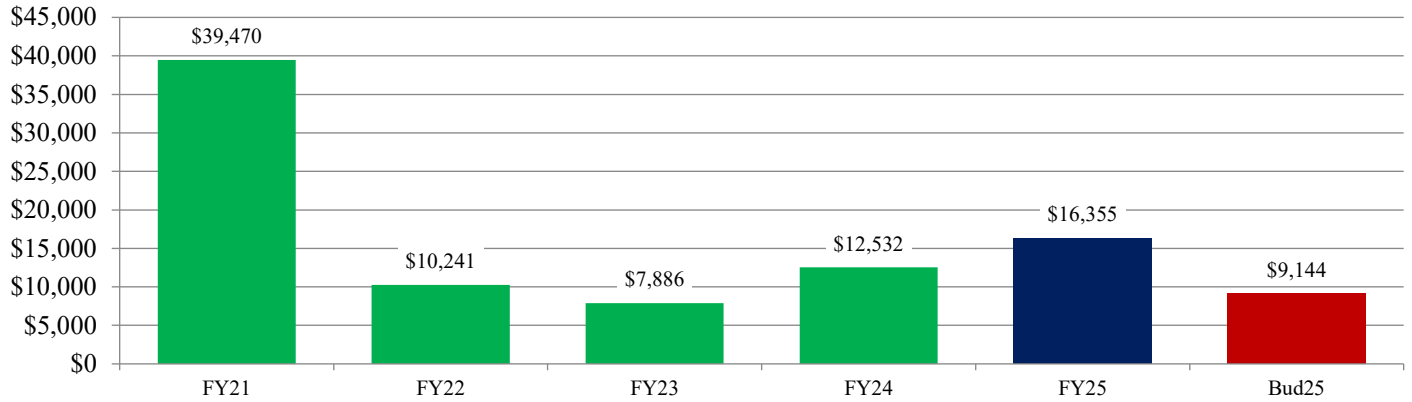
Grant Revenue was \$122 or 6.6% favorable to budget but \$65 or 3.4% higher than the prior year. Grant Revenue is solely made up of military DPA.



Grant expense was \$456 or 14.1% unfavorable to budget and \$197 or 5.6% higher than last year. Grant Expense – State is made up of military DPA grants. Grant Expense – IFA is made up of DPA amortization.

Net Operating Income after Grants

\$ in thousands



As a result, Net Operating Income after Grants (NOIAG) was \$7,211 or 78.9% favorable to budget.

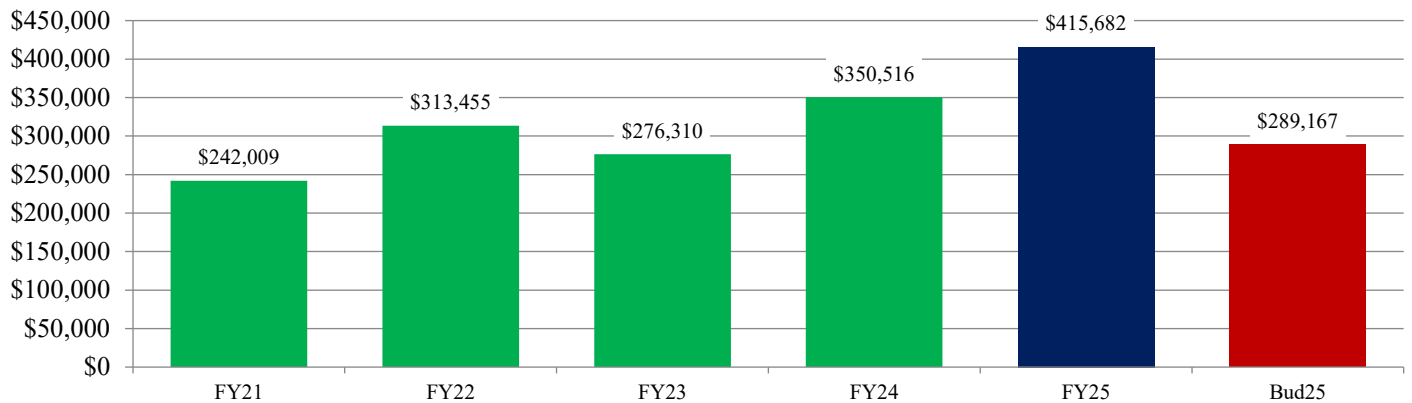
MBS YTD Activity (\$ in thousands)

Series	Purchased	Sold	Net	DPA Grant	Funds Available
RHF Security (034)	-	-	-	-	11,866
RHF Program (053)	-	-	-	318	2,088
Retired MBS (058)	-	-	-	-	8,103
2015 ABC - 2023 EF (059 thru 080)	-	-	-	-	97,924
2023 GH (081)	612	-	612	3	4,100
2024 AB (082)	929	-	929	3	4,440
2024 CD (083)	67,273	-	67,273	53	5,984
2024 EF (084)	62,061	-	62,061	120	3,313
2024 GH (085) *	38,563	-	38,563	93	2,611
2025 AB (086) *	36,592	-	36,592	80	52,492
SF Warehouse Acct (054)	209,652	(22,286)	187,366	53	42,903
Total Single Family	415,682	(22,286)	393,396	721	235,824

*Bond proceeds available for MBS purchases.

MBS Purchases

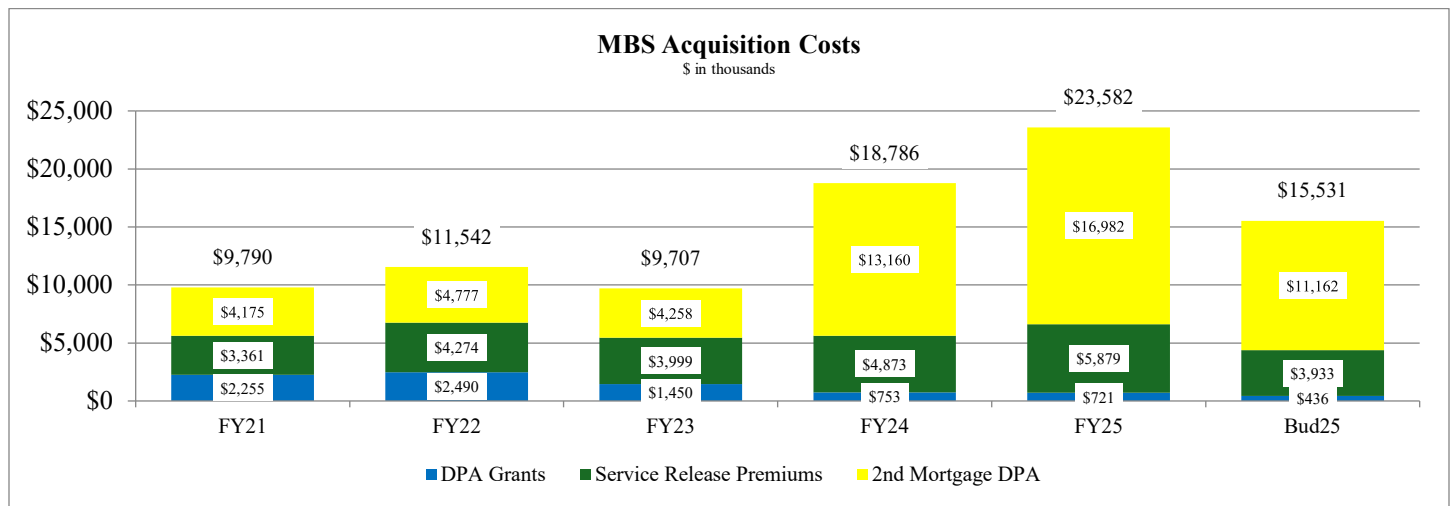
\$ in thousands



MBS purchases exceed budget by \$126,515.

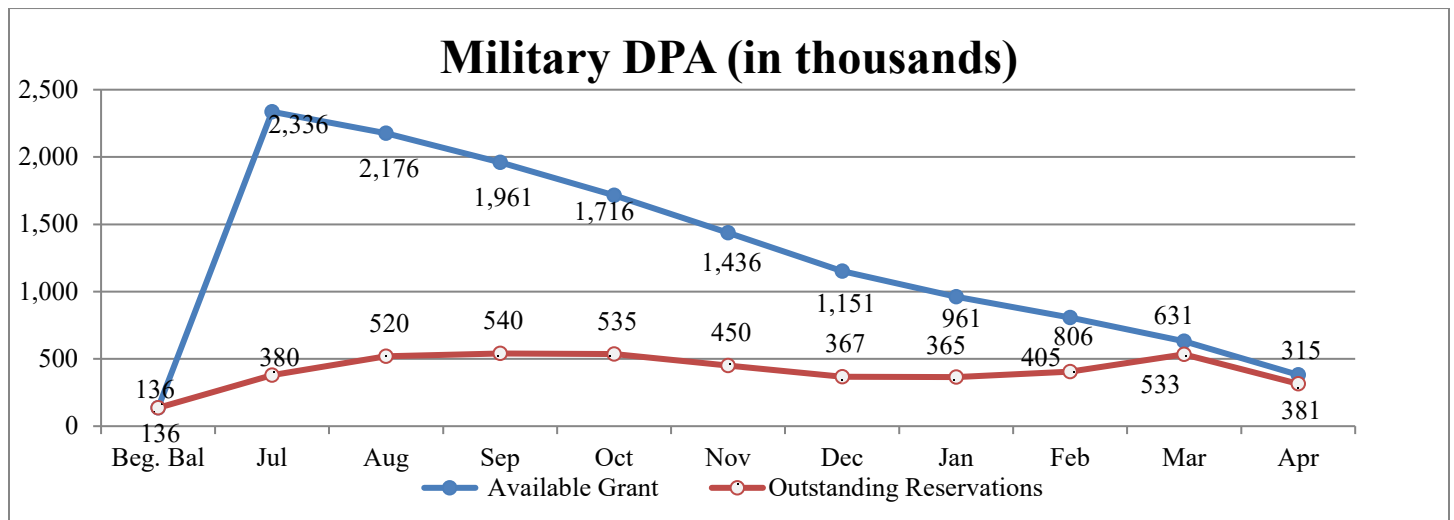
SF Portfolio Analysis (\$ in thousands)

Description	6/30/24 Balance	Additions	Reduction	YTD FY25	
				Balance	Chg
Mortgage Backed Sec - Cost	1,505,722	393,395	(98,128)	1,800,989	20%
Other SF Loans (net of reserve)	300	0	111	411	37%
SF Second Mortgage DPA (net of reserve)	37,603	18,336	(1,516)	54,424	45%
Warehouse Loans - LOC	30,492	430,523	(435,148)	25,867	-15%
Subtotal	1,574,117	842,255	(534,680)	1,881,691	20%
MBS - FMVA	(101,738)	35,256	-	(66,482)	-35%
Total Portfolio	1,472,379	877,510	(534,680)	1,815,209	23%

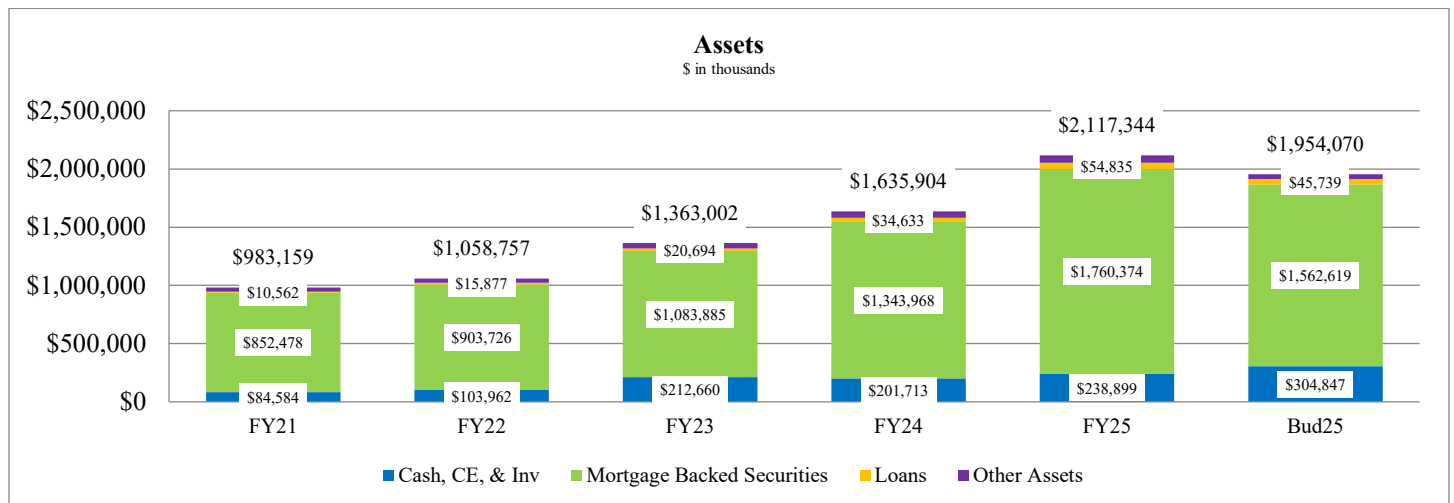


MBS Acquisition Costs exceed budget by \$8,051 due to increased 2nd Mortgage DPA Loan activity and resulting higher than planned Service Release Premiums.

Other Activity



Total disbursements to date \$1,955, available grants \$381 and carry-over reservations of \$136.



Total assets and deferred outflows were 8.4% above budget. Asset growth is primarily due to an increased MBS portfolio.

Balance Sheet	Single Family (Rollup)						
	Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	238,899,345	304,847,172	(65,947,827)	-21.6	201,712,599	37,186,746	18.4
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	1,734,507,090	1,542,627,337	191,879,753	12.4	1,316,205,348	418,301,742	31.8
Line of Credit	25,867,318	19,992,094	5,875,224	29.4	27,762,281	(1,894,963)	-6.8
Loans - net of reserve for losses	54,834,633	45,739,221	9,095,412	19.9	34,632,561	20,202,072	58.3
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	61,263,990	39,152,328	22,111,662	56.5	53,722,628	7,541,362	14.0
Deferred Outflows	1,971,952	1,711,526	260,426	15.2	1,868,266	103,686	5.5
Total Assets and Deferred Outflows	2,117,344,328	1,954,069,679	163,274,649	8.4	1,635,903,683	481,440,645	29.4
Liabilities, Deferred Inflows, and Equity							
Debt	1,879,512,357	1,735,833,938	143,678,420	8.3	1,488,928,909	390,583,449	26.2
Interest Payable	23,237,928	67,161,944	(43,924,016)	-65.4	15,657,462	7,580,466	48.4
Unearned Revenue	381,339	(1,621,952)	2,003,292	-123.5	419,714	(38,375)	-9.1
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	(227,410)	(106,843)	(120,567)	112.8	(256,439)	29,029	-11.3
Other Liabilities	182,780	195,342	(12,562)	-6.4	195,342	(12,562)	-6.4
Deferred Inflows	19,223,148	830,054	18,393,094	2215.9	17,251,035	1,972,113	11.4
Total Liabilities and Deferred Inflows	1,922,310,143	1,802,292,482	120,017,660	6.7	1,522,196,023	400,114,120	26.3
Equity							
YTD Earnings(Loss)	50,998,131	9,143,959	41,854,172	457.7	(23,897,001)	74,895,132	-313.4
Prior Years Earnings	150,152,339	141,123,729	9,028,611	6.4	136,296,000	13,856,339	10.2
Transfers	(6,116,285)	1,509,509	(7,625,795)	-505.2	1,308,661	(7,424,946)	-567.4
Total Equity	195,034,185	151,777,197	43,256,988	28.5	113,707,660	81,326,525	71.5
Total Liabilities, Deferred Inflows, and Equity	2,117,344,328	1,954,069,679	163,274,649	8.4	1,635,903,683	481,440,645	29.4

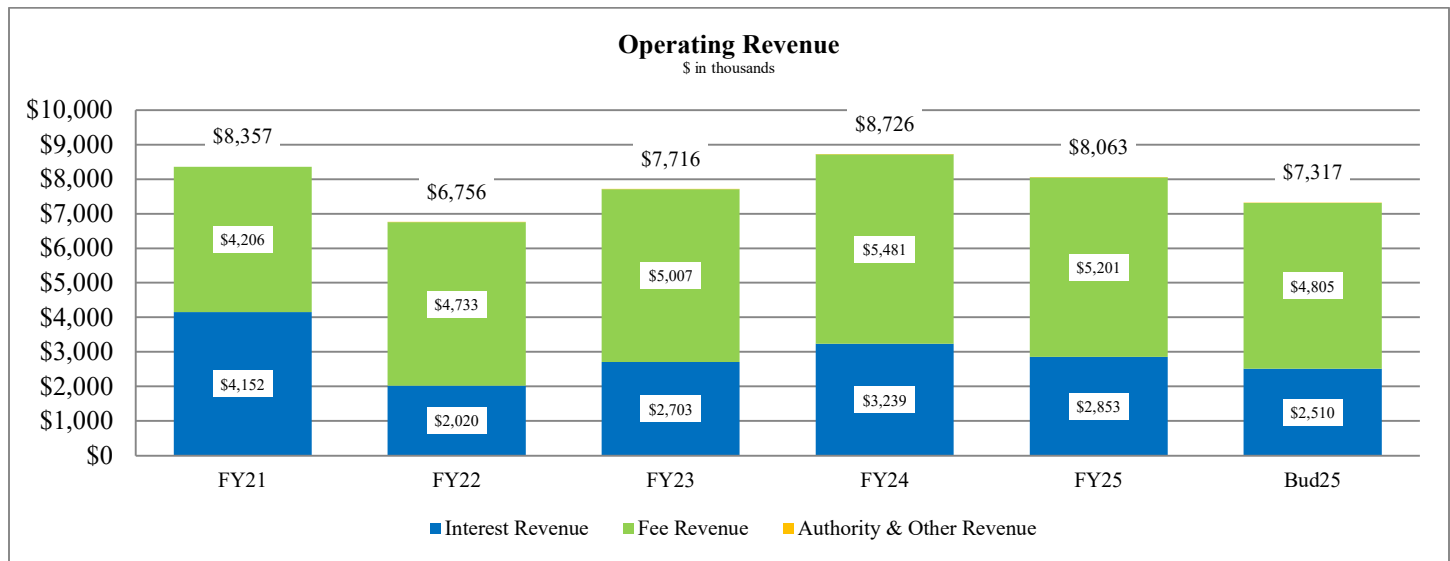
Income Statement	Single Family (Rollup)													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	8,011,384	6,353,438	1,657,946	26.1	6,095,301	1,916,083	31.4	74,563,213	59,171,666	15,391,546	26.0	53,717,900	20,845,312	38.8
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	272,910	206,545	66,365	32.1	247,430	25,480	10.3	3,305,325	2,065,447	1,239,878	60.0	2,260,062	1,045,264	46.2
Other Revenue	-	-	-	0.0	-	-	0.0	3,000	4,500	(1,500)	-33.3	4,500	(1,500)	-33.3
Total Operating Revenue	8,284,294	6,559,983	1,724,311	26.3	6,342,731	1,941,563	30.6	77,871,538	61,241,613	16,629,925	27.2	55,982,462	21,889,076	39.1
Operating Expense														
Interest Expense	6,091,316	4,830,486	1,260,831	26.1	4,356,497	1,734,820	39.8	55,759,908	45,834,244	9,925,665	21.7	38,126,413	17,633,496	46.3
Authority Expense	-	-	-	0.0	-	-	0.0	3,000,715	2,568,666	432,049	16.8	2,532,860	467,855	18.5
Employee Expense	82,556	96,093	(13,537)	-14.1	93,204	(10,648)	-11.4	875,913	951,223	(75,310)	-7.9	877,403	(1,489)	-0.2
Shared Expense	3,371	3,404	(33)	-1.0	1,109	2,262	204.0	110,384	96,488	13,896	14.4	93,809	16,575	17.7
Marketing Expense	29,030	30,417	(1,387)	-4.6	16,113	12,917	80.2	344,211	379,217	(35,006)	-9.2	288,335	55,876	19.4
Professional Services	55,473	99,184	(43,711)	-44.1	60,468	(4,994)	-8.3	636,882	708,908	(72,025)	-10.2	500,719	136,163	27.2
Claim and Loss Expense	9,825	-	9,825	0.0	25,062	(15,237)	-60.8	8,488	100,000	(91,512)	-91.5	435,681	(427,193)	-98.1
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	41,098	4,438	36,659	826.0	3,677	37,421	1017.7	81,116	57,582	23,534	40.9	41,439	39,677	95.7
Total Operating Expense	6,312,669	5,064,022	1,248,647	24.7	4,556,128	1,756,540	38.6	60,817,618	50,696,326	10,121,292	20.0	42,896,659	17,920,959	41.8
Net Operating Income (Loss) Before Grants	1,971,626	1,495,962	475,664	31.8	1,786,603	185,022	10.4	17,053,919	10,545,287	6,508,632	61.7	13,085,803	3,968,116	30.3
Net Grant (Income) Expense														
Grant Revenue	(250,000)	(183,333)	(66,667)	36.4	(250,000)	-	0.0	(1,954,774)	(1,833,333)	(121,441)	6.6	(1,890,000)	(64,774)	3.4
Grant Expense	421,763	321,541	100,222	31.2	408,676	13,086	3.2	3,690,812	3,234,661	456,151	14.1	3,493,509	197,303	5.6
Intra-Agency Transfers	-	500,000	(500,000)	-100.0	-	-	0.0	(1,037,458)	-	(1,037,458)	0.0	(1,050,000)	12,542	-1.2
Total Net Grant (Income) Expense	171,763	638,208	(466,445)	-73.1	158,676	13,086	8.2	698,581	1,401,328	(702,748)	-50.1	553,509	145,072	26.2
Net Operating Income (Loss) After Grants	1,799,863	857,754	942,109	109.8	1,627,927	171,936	10.6	16,355,339	9,143,959	7,211,380	78.9	12,532,294	3,823,045	30.5
Other Non-Operating (Income) Expense	587,431	-	587,431	0.0	34,596,421	(34,008,990)	-98.3	(34,642,792)	-	(34,642,792)	0.0	36,429,295	(71,072,087)	-195.1
Net Income (Loss)	1,212,432	857,754	354,678	41.3	(32,968,494)	34,180,926	-103.7	50,998,131	9,143,959	41,854,172	457.7	(23,897,001)	74,895,132	-313.4
IFA Home Dept Staff Count	6	7	(1)	-14.3	7	(1)	-14.3	6	7	(1)	-18.6	6	(1)	-9.5
FTE Staff Count	7	9	(1)	-16.0	9	(2)	-18.3	8	9	(1)	-14.9	8	(1)	-9.3

To: IFA Board Members
From: Andy Gjerstad
Date: May 09, 2025
Re: April 2025 YTD Multi-Family Financial Results

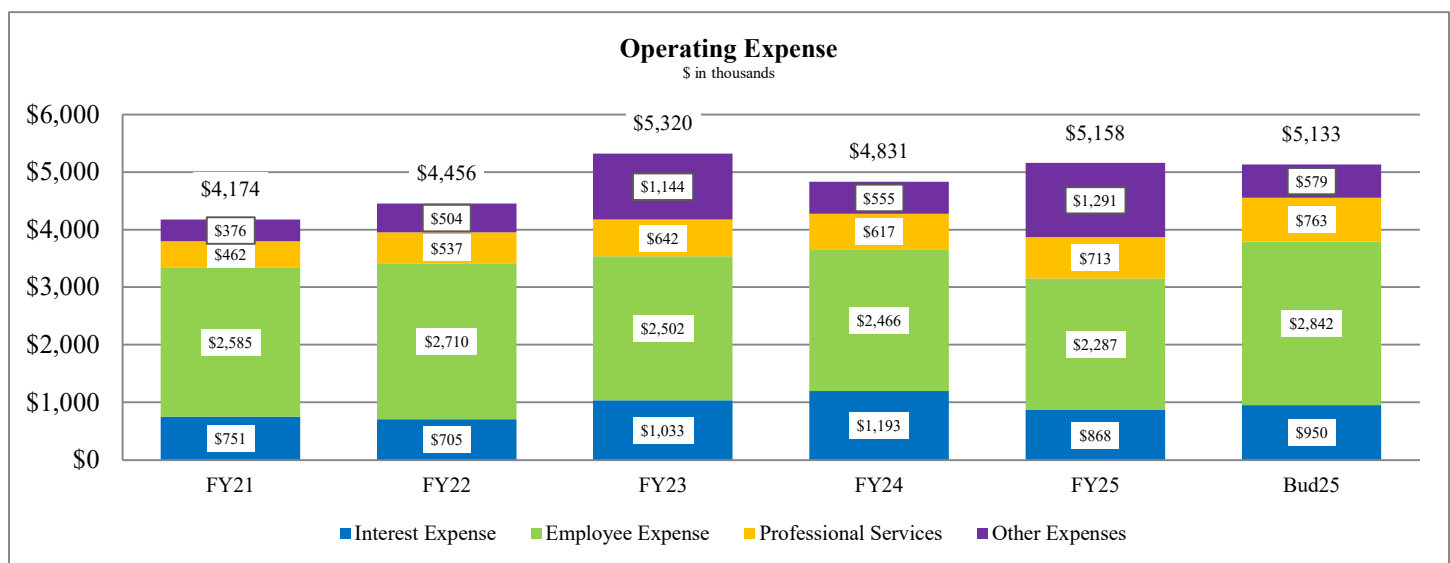


Multi-Family Results (\$ in thousands)

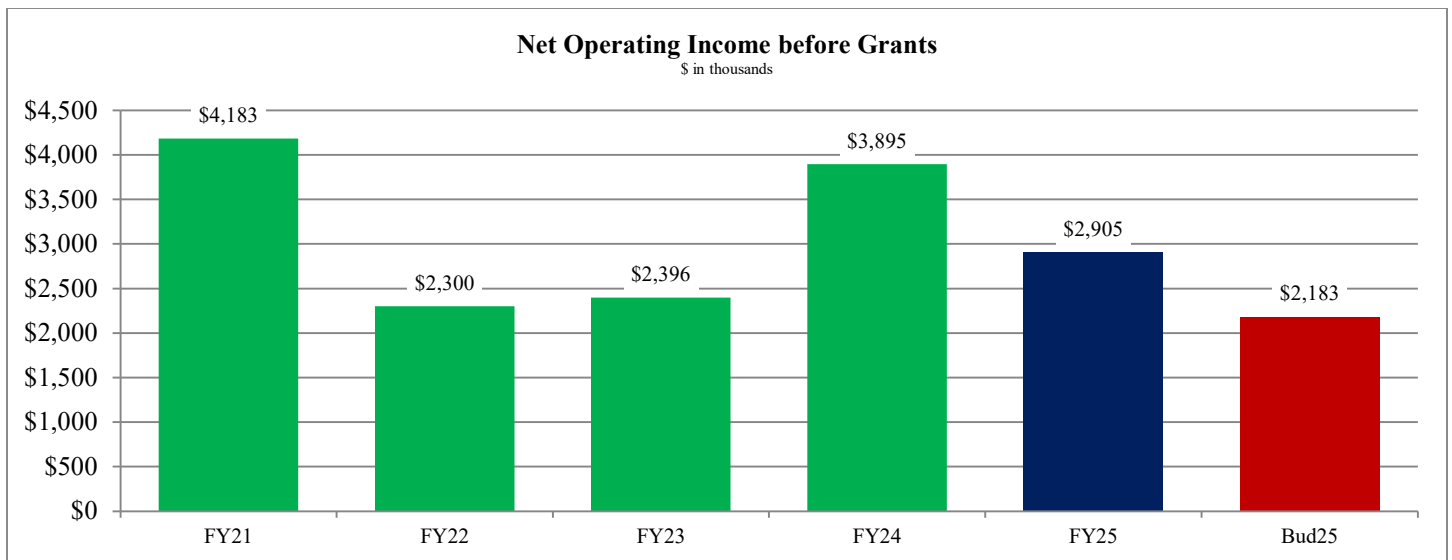
Multi-Family programs operated favorably to budget through April 2025.



Operating Revenue was \$746 or 10.2% favorable to budget but \$663 or 7.6% below last year. Interest revenue was \$343 favorable to budget due to the higher interest rate environment.



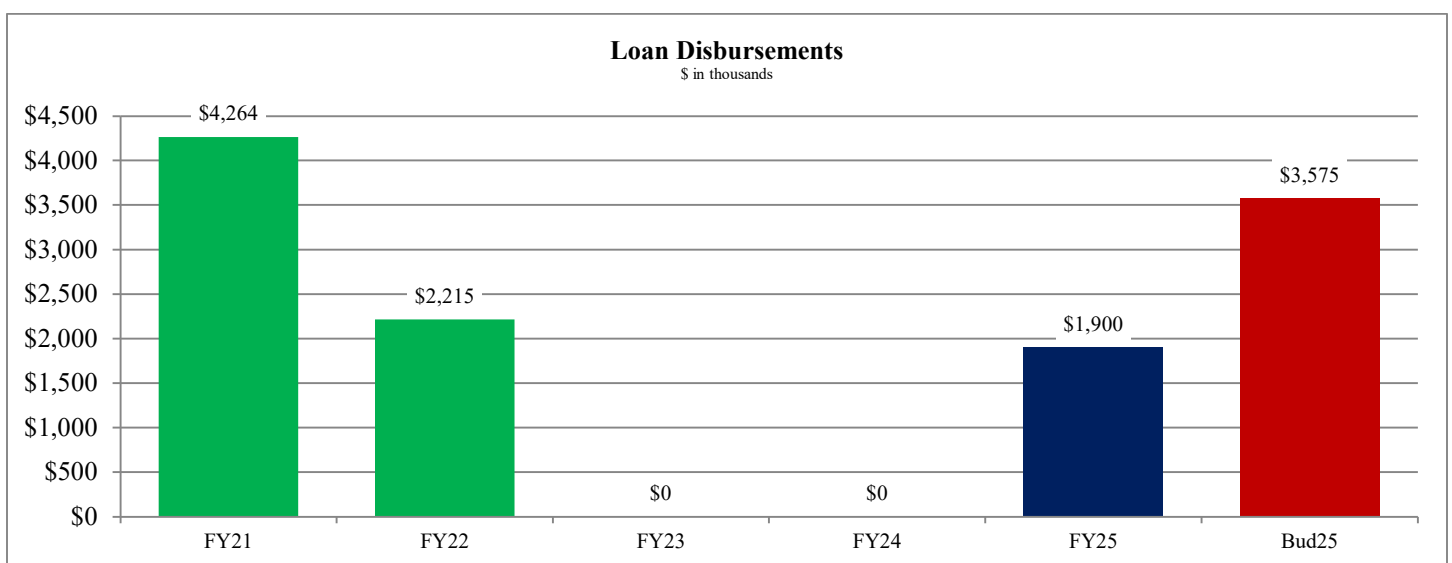
Operating Expense was \$25 or 0.5% unfavorable to budget and \$327 or 6.8% above last year. Employee expense was \$555 favorable to budget due to open positions in the Section 8 program. Claim and Loss expense is \$721 unfavorable to budget related to a delinquent Multi-Family loan.



As a result, Net Operating Income before Grants (NOIBG) was \$722 favorable to budget but \$990 below last year.

MF Portfolio Analysis (\$ in whole dollars)

	#	6/30/2024	Additions	Transfers	Reductions	End Bal	CHG	#
Multifamily Program Loans	38	22,919,985	1,900,000	0	(1,075,036)	23,744,949	4%	40
Multifamily Loans	4	27,113,338	0	0	(8,055,760)	19,057,578	-30%	3
	42	50,033,323	1,900,000	0	(9,130,795)	42,802,528		43
Loan Reserves		(1,995,000)	(720,975)	0	0	(2,715,975)	36%	
Capitalized Interest Reserves		0	0	0	0	0	0%	
Total Portfolio		48,038,323	1,179,025	0	(9,130,795)	40,086,552	-17%	



MF Commitments (\$ in whole dollars)

	Commitment Date	Original Commitment	3/31/2025 Balance	Monthly Activity	4/30/2025 Balance	Remaining Commitment
Grants						
Mobile Response Team - FY24	10/2/2023	100,000	100,000	0	100,000	100,000
ICARE	12/1/2023	475,200	406,438	(4,426)	402,012	402,012
Total Grants		575,200	506,438	(4,426)	502,012	502,012
Construction Loans						
					0	0
Total Construction		0	0	0	0	0
Permanent Loans						
MF-XX-XXX - Hiawatha Arro LLC	7/5/2023	1,995,000	1,995,000	0	0	1,995,000
MF-XX-XXX - The Crossing Apts	7/5/2023	2,300,000	2,300,000	0	0	2,300,000
MF-XX-XXX - NEX Senior	7/5/2023	1,850,000	1,850,000	0	0	1,850,000
MF-XX-XXX - Emri Apartments	9/3/2024	1,805,000	1,805,000	0	0	1,805,000
Total Permanent		7,950,000	7,950,000	0	0	7,950,000
Totals		8,525,200	8,456,438	(4,426)	502,012	8,452,012

Balance Sheet	Multi Family (Rollup)						
	Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	37,637,544	34,388,995	3,248,550	9.4	35,745,296	1,892,248	5.3
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	40,086,552	51,057,627	(10,971,075)	-21.5	51,775,229	(11,688,677)	-22.6
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	122,680	86,367	36,313	42.0	274,510	(151,829)	-55.3
Deferred Outflows	-	11,169	(11,169)	-100.0	11,169	(11,169)	-100.0
Total Assets and Deferred Outflows	77,846,777	85,544,158	(7,697,382)	-9.0	87,806,204	(9,959,428)	-11.3
Liabilities, Deferred Inflows, and Equity							
Debt	19,341,769	27,058,611	(7,716,842)	-28.5	30,485,785	(11,144,016)	-36.6
Interest Payable	95,703	102,067	(6,364)	-6.2	129,622	(33,919)	-26.2
Unearned Revenue	17,100	-	17,100	0.0	-	17,100	0.0
Escrow Deposits	10,143,881	9,948,854	195,027	2.0	10,027,749	116,133	1.2
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	38,099	153,311	(115,212)	-75.1	19,804	18,294	92.4
Other Liabilities	-	11,169	(11,169)	-100.0	11,169	(11,169)	-100.0
Deferred Inflows	601	69,163	(68,561)	-99.1	69,163	(68,561)	-99.1
Total Liabilities and Deferred Inflows	29,637,154	37,343,175	(7,706,021)	-20.6	40,743,293	(11,106,139)	-27.3
Equity							
YTD Earnings(Loss)	2,784,724	1,783,234	1,001,489	56.2	3,756,345	(971,621)	-25.9
Prior Years Earnings	47,297,687	47,165,684	132,003	0.3	45,314,639	1,983,048	4.4
Transfers	(1,872,788)	(747,935)	(1,124,853)	150.4	(2,008,072)	135,284	-6.7
Total Equity	48,209,623	48,200,983	8,639	0.0	47,062,912	1,146,711	2.4
Total Liabilities, Deferred Inflows, and Equity	77,846,777	85,544,158	(7,697,382)	-9.0	87,806,204	(9,959,428)	-11.3

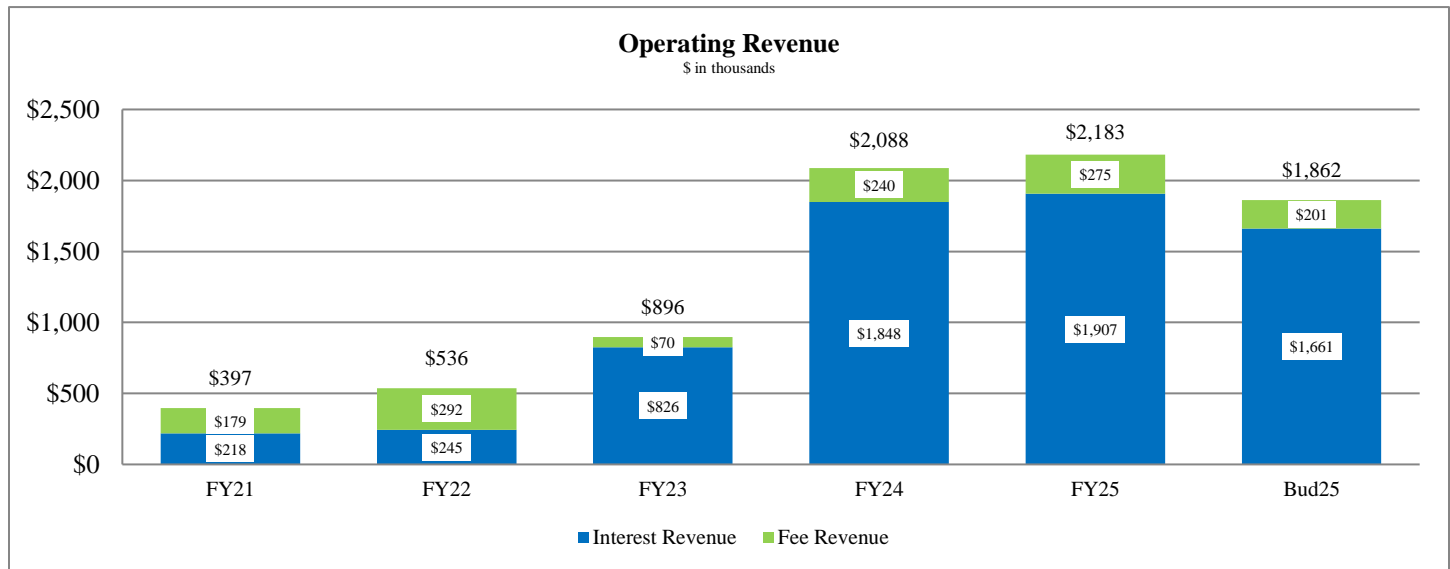
Income Statement	Multi Family (Rollup)													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	276,898	242,870	34,028	14.0	327,945	(51,047)	-15.6	2,852,872	2,509,711	343,161	13.7	3,238,711	(385,839)	-11.9
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	309,034	385,268	(76,234)	-19.8	396,260	(87,226)	-22.0	5,201,197	4,805,344	395,854	8.2	5,480,532	(279,334)	-5.1
Other Revenue	1,500	167	1,333	800.0	-	1,500	0.0	9,000	1,667	7,333	440.0	6,500	2,500	38.5
Total Operating Revenue	587,432	628,305	(40,873)	-6.5	724,205	(136,773)	-18.9	8,063,069	7,316,722	746,348	10.2	8,725,742	(662,673)	-7.6
Operating Expense														
Interest Expense	99,131	92,304	6,827	7.4	120,150	(21,019)	-17.5	867,683	950,274	(82,591)	-8.7	1,193,051	(325,368)	-27.3
Authority Expense	-	-	-	0.0	-	-	0.0	92,689	107,567	(14,878)	-13.8	122,859	(30,170)	-24.6
Employee Expense	229,680	288,981	(59,301)	-20.5	291,298	(61,618)	-21.2	2,286,688	2,841,998	(555,311)	-19.5	2,465,816	(179,129)	-7.3
Shared Expense	368	540	(172)	-31.9	583	(215)	-36.9	166,358	162,668	3,690	2.3	218,310	(51,952)	-23.8
Marketing Expense	-	-	-	0.0	-	-	0.0	624	-	624	0.0	-	624	0.0
Professional Services	90,740	89,584	1,157	1.3	72,790	17,950	24.7	712,608	762,681	(50,073)	-6.6	616,990	95,618	15.5
Claim and Loss Expense	(4,493)	-	(4,493)	0.0	-	(4,493)	0.0	720,975	-	720,975	0.0	11,000	709,975	6454.3
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	(165)	165	-100.0	(190)	-	(190)	0.0	(1,450)	1,260	-86.9
Overhead Allocation	125,697	27,206	98,491	362.0	20,333	105,364	518.2	310,812	308,301	2,512	0.8	204,321	106,492	52.1
Total Operating Expense	541,123	498,614	42,508	8.5	504,989	36,134	7.2	5,158,247	5,133,488	24,759	0.5	4,830,897	327,350	6.8
Net Operating Income (Loss) Before Grants	46,309	129,691	(83,382)	-64.3	219,216	(172,907)	-78.9	2,904,823	2,183,234	721,588	33.1	3,894,846	(990,023)	-25.4
Net Grant (Income) Expense														
Grant Revenue	(6,380,319)	(6,100,000)	(280,319)	4.6	(6,010,724)	(369,595)	6.1	(62,500,557)	(61,000,000)	(1,500,557)	2.5	(59,621,229)	(2,879,328)	4.8
Grant Expense	6,384,826	6,150,000	234,826	3.8	6,014,789	370,038	6.2	62,620,656	61,400,000	1,220,656	2.0	59,759,730	2,860,926	4.8
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	4,507	50,000	(45,493)	-91.0	4,065	443	10.9	120,099	400,000	(279,901)	-70.0	138,501	(18,402)	-13.3
Net Operating Income (Loss) After Grants	41,802	79,691	(37,889)	-47.5	215,152	(173,350)	-80.6	2,784,724	1,783,234	1,001,489	56.2	3,756,345	(971,621)	-25.9
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	41,802	79,691	(37,889)	-47.5	215,152	(173,350)	-80.6	2,784,724	1,783,234	1,001,489	56.2	3,756,345	(971,621)	-25.9
IFA Home Dept Staff Count	24	30	(6)	-18.6	23	1	4.3	22	30	(7)	-24.7	24	(2)	-7.5
FTE Staff Count	21	26	(5)	-18.6	18	3	14.7	19	26	(7)	-25.1	21	(1)	-6.4

To: IFA Board Members
 From: Tammi Dillavou
 Date: May 14, 2025
 Re: April 2025, YTD Financial Results

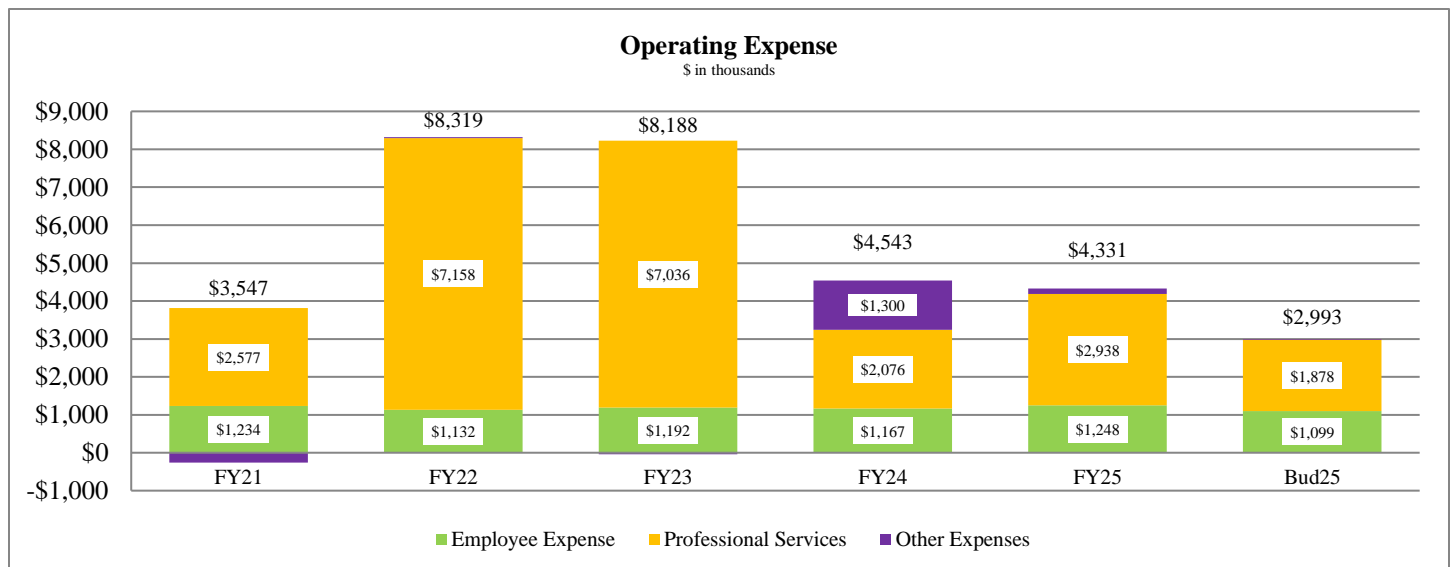


Federal and State Programs (\$ in thousands)

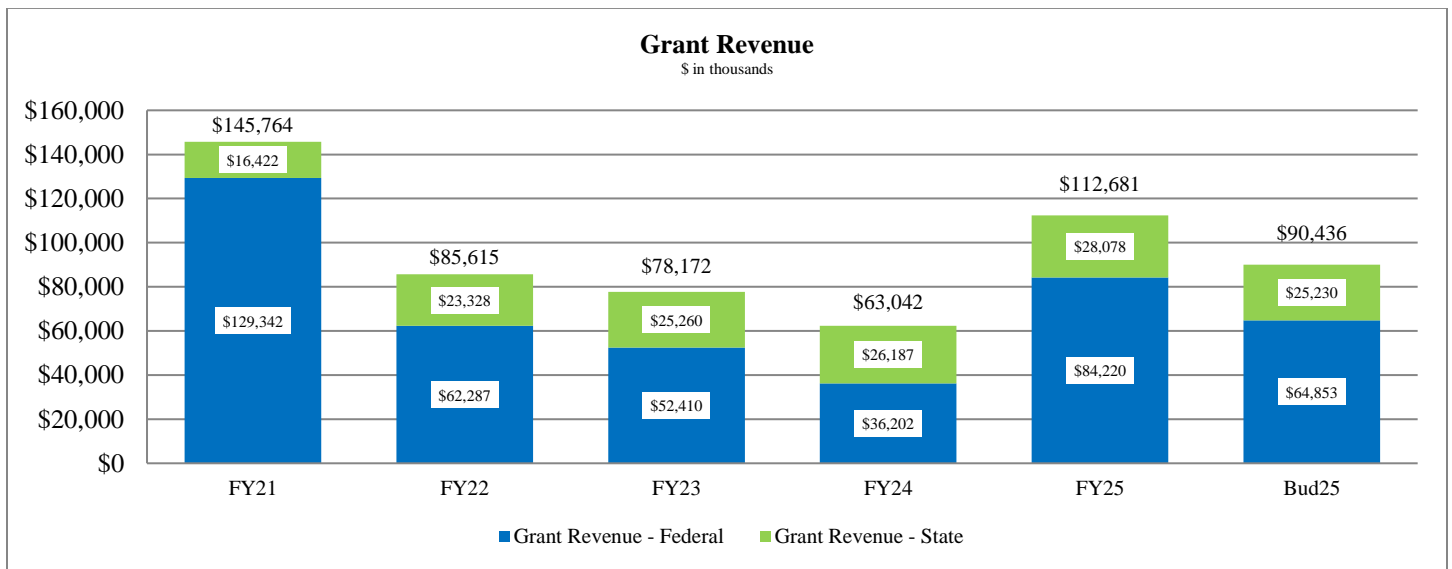
Federal and State programs operated unfavorably to budget through April 2025.



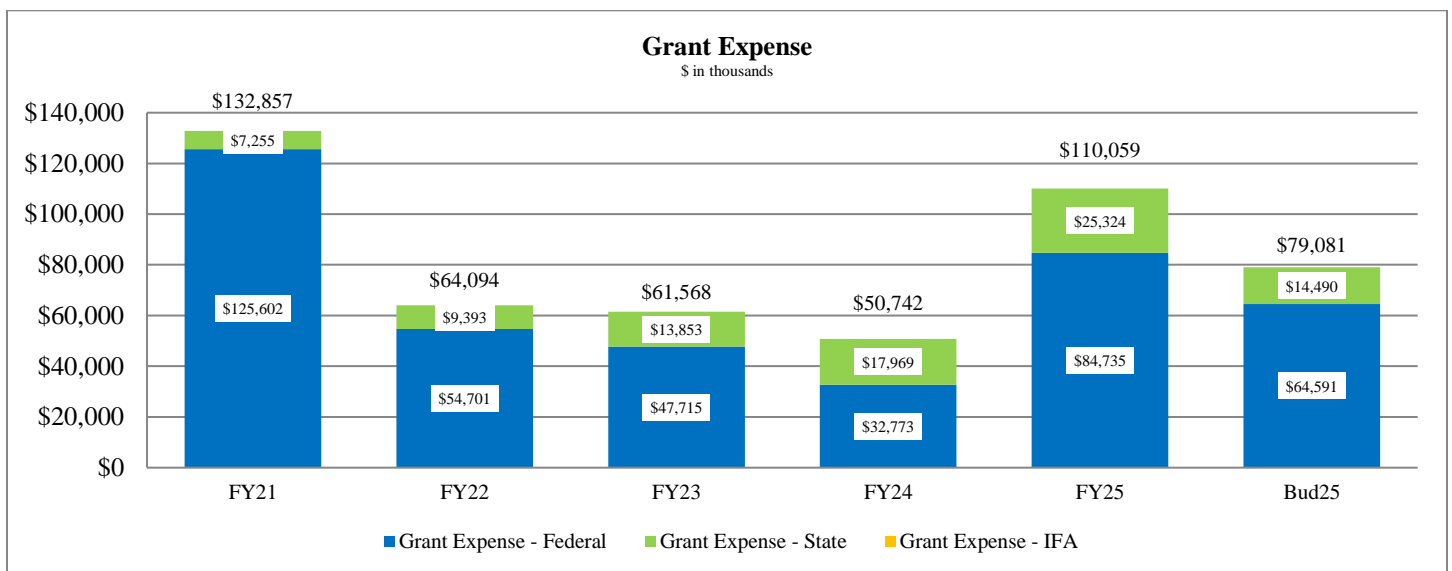
Operating Revenue was \$321 or 17.2% favorable to budget and up \$95 or 4.5% compared to last year. Interest Revenue was \$246 favorable to budget as a result of a higher rate of return on investments. Interest Revenue was derived from Iowa Title Guaranty and the State Housing Trust Fund.



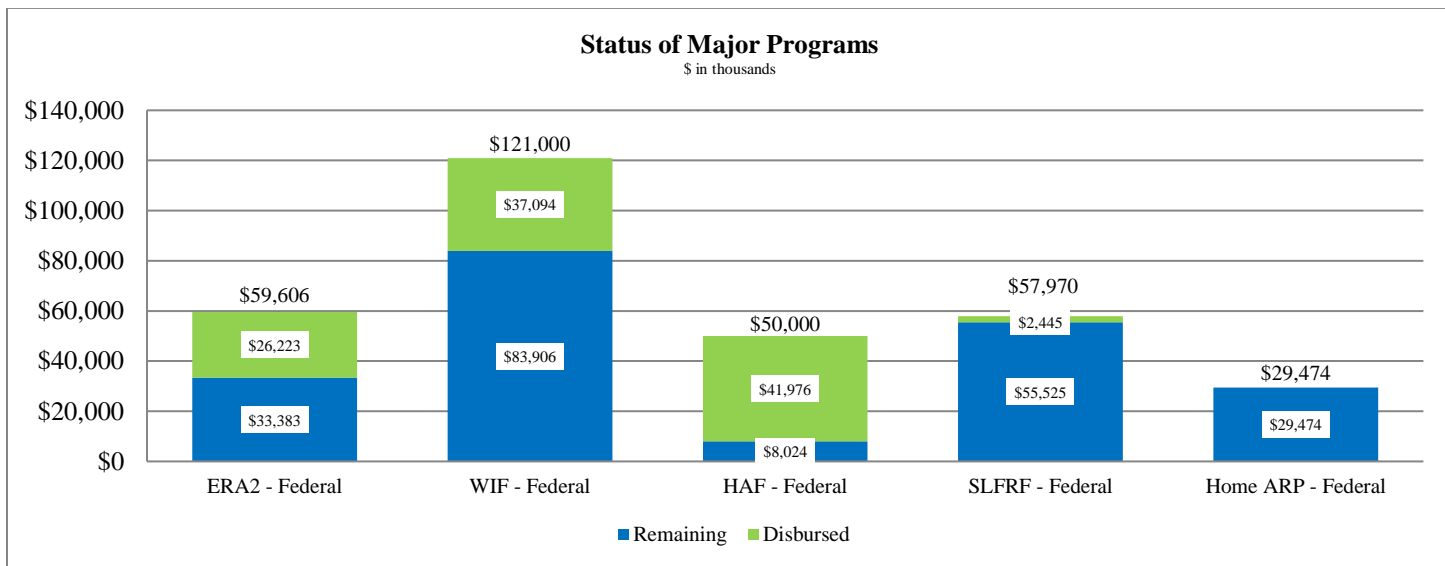
Operating Expense was \$1,338 or 44.7% unfavorable to budget, but down \$212 or 4.7% compared to last year. Professional Services was \$1,060 unfavorable to budget and up \$862 compared to last year. Employee Expense was \$149 unfavorable to budget and up \$81 compared to last year.



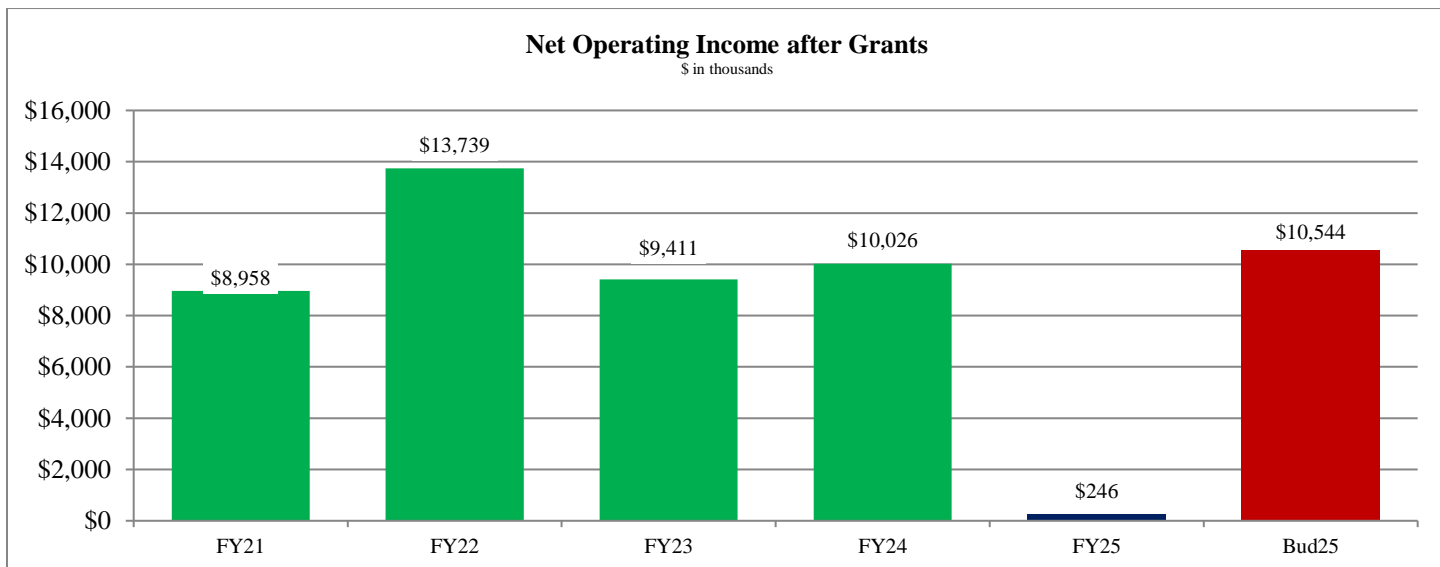
Grant Revenue was \$22,245 or 24.6% favorable to budget and up \$49,639 or 78.7% compared to last year. Part of this variance is due to ARPA LIHTC funding which began in the 4th Quarter of Fiscal Year 2024, and the DRHAP program.



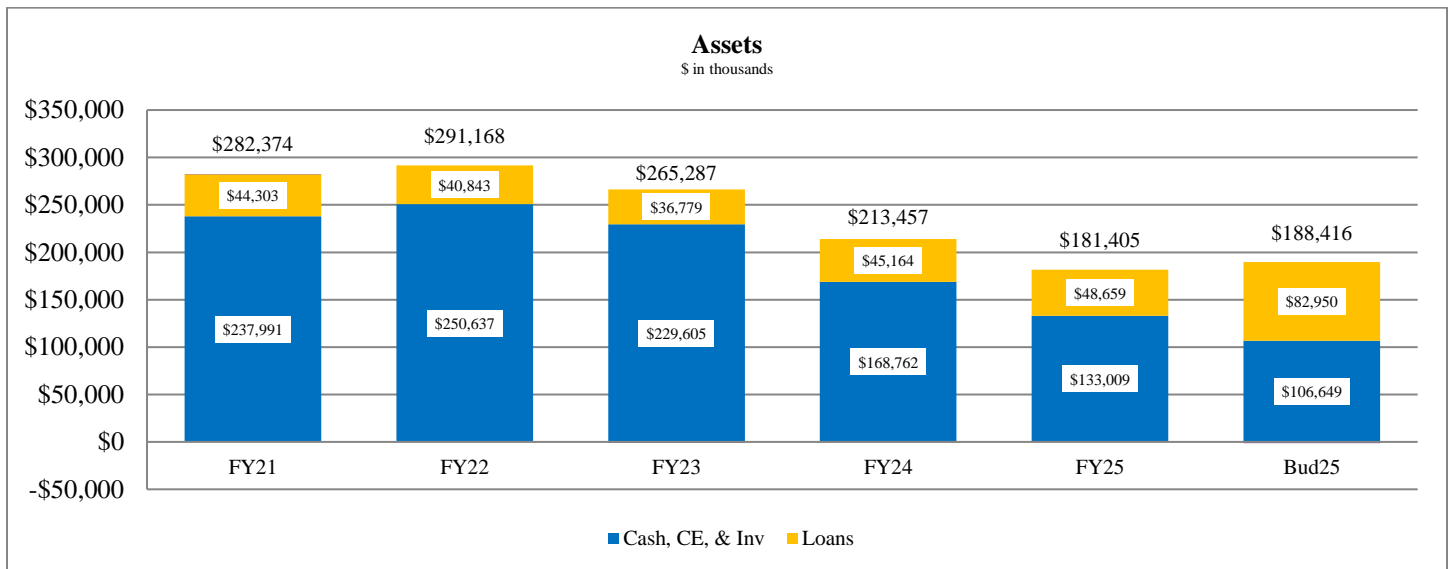
Grant Expense was \$30,978 or 39.2% unfavorable to budget and up \$59,317 compared to last year. Part of this variance is due to ARPA LIHTC funding, as explained above, and the DRHAP program.



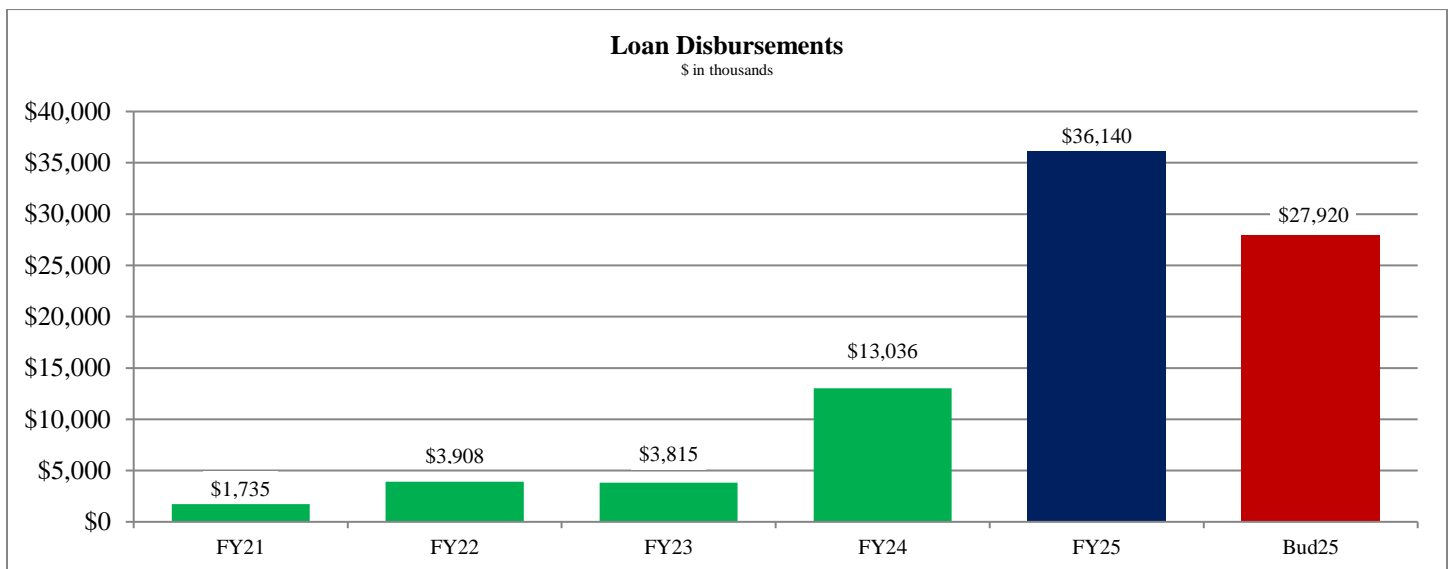
ERA2 consists of Rapid Rehousing Project (RRH), Refugee Resettlement Assistance (RRA), and Coordinated Entry (CE) programs. SLFRF consists of the Home Rehab Block Grant, ARPA LIHTC, and Iowa Home Grant programs.



Net Operating Income after Grants (NOIAG) was unfavorable to budget by \$10,298 and down from last year by \$9,780. This variance is attributed to the reclassification of LIHTC loan reserves to grant expense.



Total Assets are slightly behind of budget at 3.7%. The largest assets in Cash are from the Emergency Rental Assistance II Programs (ERA 2), Water Infrastructure Fund and Homeowner Assistance Fund.



Loan disbursements are above budget by \$8,220 and above last year by \$23,104. This variance is due to the timing of the ARPA – LIHTC Loans.

FSP Loan Portfolio by Series	March 31, 2025				APRIL 30, 2025 BALANCE		
	#	Balance			Balance	Chg	#
500-047 SHTF - Loans	9	1,563,057		(4,347)	1,558,710	-0.3%	9
500-047 SHTF - Cash Flow Loans	1	217,209		-	217,209	0.0%	1
500-049 Senior Living Trust Lns	16	9,323,474	-	(28,077)	9,295,397	-0.3%	16
500-050 Home & Comm Tr Lns	7	1,046,122		(12,032)	1,034,090	-1.2%	7
500-051 Transitional Housing Lns	2	632,865		(3,977)	628,888	-0.6%	2
500-057 TCAP Loans	12	17,584,435		(64,167)	17,520,268	-0.4%	12
500-058 HOME Loans	195	113,626,801	571,629	(4,707)	114,193,723	0.5%	195
500-062 CHS Loans	8	1,691,754	-	(2,799)	1,688,955	-0.2%	8
500-067 Water Quality Loans (WQFA)	3	10,549,358	548,064	-	11,097,422	5.2%	3
500-083 ARPA LIHTC Loans	15	29,838,871	2,421,036	-	32,259,907	8.1%	15
Total Portfolio before Cap Int & Reserves		186,073,946	3,540,729	(120,106)	189,494,569	1.8%	
Loan Capitalized Interest Reserve		(7,709,858)	-	(56,985)	(7,766,843)	0.7%	
Loan Reserves		(130,737,281)	-	(2,331,136)	(133,068,417)	1.8%	
Total Portfolio	268	47,626,807	3,540,729	(2,508,227)	48,659,309	2.2%	268

Cash, Cash Equiv & Investments						State Loan Funds
	Senior Living Housing Program		Fund 049			223,786
	Home Community Based Trust		Fund 050			234,766
	Transitional Housing Fund		Fund 051			2,198,792
	Community Housing & Services		Fund 062			736,488
						3,393,832
	Commitment Date	Original Commitment	03/31/2025 Balance	Monthly Activity	04/30/2025 Balance	Remaining Commitment
Loan Commitments						
Shenandoah Senior Villas	9/8/2021	1,000,000	1,000,000		1,000,000	1,000,000
Hope Haven	9/11/2023	405,000	38,812		38,812	38,812
The Residence at Veteran's Park	7/3/2024	1,000,000	1,000,000		1,000,000	1,000,000
Jefferson School Lofts	7/3/2024	500,000	500,000		500,000	500,000
Total Commitments		2,905,000	2,538,812	-	2,538,812	2,538,812
Net Funds Available						855,020

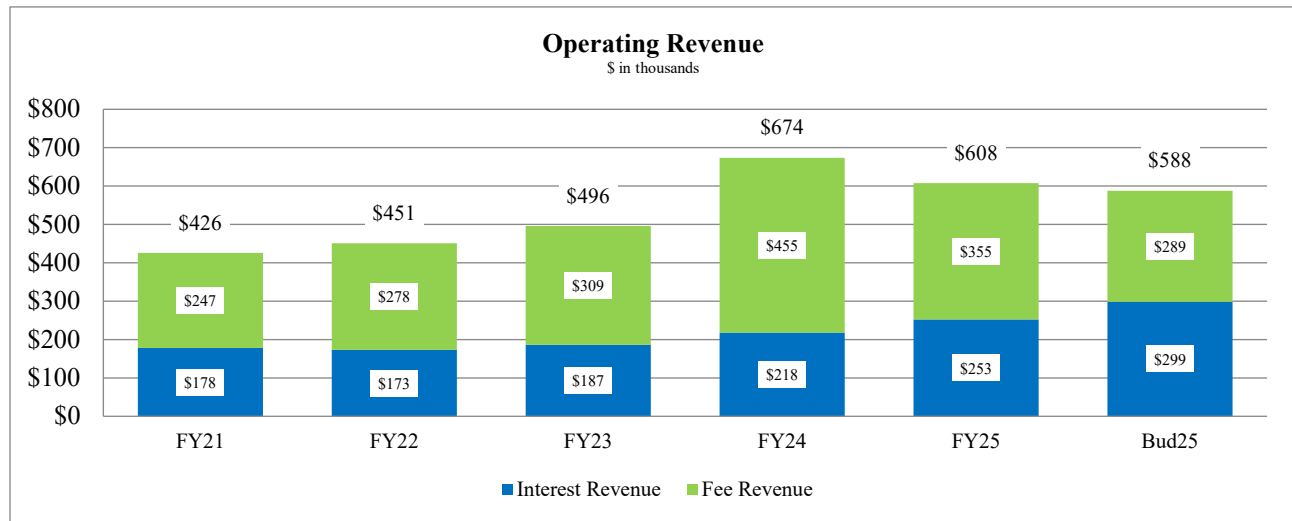
Balance Sheet	Federal and State Grant Programs (Rollup)						
	Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	133,009,039	106,648,787	26,360,252	24.7	168,761,515	(35,752,476)	-21.2
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	48,659,309	82,949,935	(34,290,626)	-41.3	45,163,848	3,495,460	7.7
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	(263,357)	(1,182,609)	919,251	-77.7	(468,049)	204,692	-43.7
Deferred Outflows	-	-	-	0.0	-	-	0.0
Total Assets and Deferred Outflows	181,404,990	188,416,113	(7,011,123)	-3.7	213,457,314	(32,052,324)	-15.0
Liabilities, Deferred Inflows, and Equity							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	65,119,056	55,674,994	9,444,063	17.0	98,557,154	(33,438,098)	-33.9
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	55,578	6,000	49,578	826.3	-	55,578	0.0
Other Liabilities	-	-	-	0.0	-	-	0.0
Deferred Inflows	-	-	-	0.0	-	-	0.0
Total Liabilities and Deferred Inflows	65,174,635	55,680,994	9,493,641	17.1	98,557,154	(33,382,519)	-33.9
Equity							
YTD Earnings(Loss)	246,197	10,544,036	(10,297,839)	-97.7	10,025,986	(9,779,790)	-97.5
Prior Years Earnings	115,030,605	122,244,393	(7,213,789)	-5.9	105,061,959	9,968,645	9.5
Transfers	953,555	(53,310)	1,006,864	-1888.7	(187,785)	1,141,340	-607.8
Total Equity	116,230,356	132,735,120	(16,504,764)	-12.4	114,900,161	1,330,195	1.2
Total Liabilities, Deferred Inflows, and Equity	181,404,990	188,416,113	(7,011,123)	-3.7	213,457,314	(32,052,324)	-15.0

Income Statement	Federal and State Grant Programs (Rollup)													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	172,081	158,070	14,011	8.9	180,706	(8,625)	-4.8	1,907,467	1,661,499	245,968	14.8	1,848,102	59,366	3.2
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	16,250	18,583	(2,333)	-12.6	24,500	(8,250)	-33.7	275,402	200,833	74,568	37.1	239,978	35,424	14.8
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	188,331	176,653	11,678	6.6	205,206	(16,875)	-8.2	2,182,869	1,862,332	320,537	17.2	2,088,080	94,789	4.5
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expense	130,519	109,105	21,414	19.6	118,628	11,892	10.0	1,248,301	1,098,616	149,685	13.6	1,166,510	81,791	7.0
Shared Expense	1,053	633	419	66.2	598	455	76.2	16,879	8,228	8,651	105.1	10,501	6,378	60.7
Marketing Expense	-	417	(417)	-100.0	-	-	0.0	-	4,167	(4,167)	-100.0	3,839	(3,839)	-100.0
Professional Services	(51,754)	175,122	(226,875)	-129.6	174,885	(226,638)	-129.6	2,938,444	1,877,657	1,060,787	56.5	2,075,855	862,588	41.6
Claim and Loss Expense	(65,306)	(12,000)	(53,306)	444.2	150,000	(215,306)	-143.5	(49,956)	(120,000)	70,044	-58.4	1,181,000	(1,230,956)	-104.2
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	69,007	11,034	57,973	525.4	9,813	59,194	603.2	177,492	124,743	52,749	42.3	104,863	72,629	69.3
Total Operating Expense	83,519	284,310	(200,792)	-70.6	453,923	(370,404)	-81.6	4,331,159	2,993,410	1,337,750	44.7	4,542,569	(211,409)	-4.7
Net Operating Income (Loss) Before Grants	104,812	(107,657)	212,469	-197.4	(248,717)	353,530	-142.1	(2,148,291)	(1,131,078)	(1,017,213)	89.9	(2,454,489)	306,198	-12.5
Net Grant (Income) Expense														
Grant Revenue	(10,775,044)	(7,066,634)	(3,708,410)	52.5	(5,045,110)	(5,729,934)	113.6	(112,680,996)	(90,436,110)	(22,244,886)	24.6	(63,042,457)	(49,638,539)	78.7
Grant Expense	10,889,175	7,411,817	3,477,358	46.9	4,653,476	6,235,699	134.0	110,059,051	79,080,997	30,978,054	39.2	50,741,982	59,317,069	116.9
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	227,458	(320,000)	547,458	-171.1	(180,000)	407,458	-226.4
Total Net Grant (Income) Expense	114,131	345,183	(231,052)	-66.9	(391,634)	505,764	-129.1	(2,394,487)	(11,675,113)	9,280,626	-79.5	(12,480,475)	10,085,988	-80.8
Net Operating Income (Loss) After Grants	(9,318)	(452,840)	443,522	-97.9	142,917	(152,235)	-106.5	246,197	10,544,036	(10,297,839)	-97.7	10,025,986	(9,779,790)	-97.5
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	(9,318)	(452,840)	443,522	-97.9	142,917	(152,235)	-106.5	246,197	10,544,036	(10,297,839)	-97.7	10,025,986	(9,779,790)	-97.5
IFA Home Dept Staff Count	8	8	1	6.7	7	1	14.3	7	8	(0)	-2.7	8	(0)	-3.9
FTE Staff Count	12	10	2	17.0	11	1	10.0	11	10	1	9.1	11	0	4.0

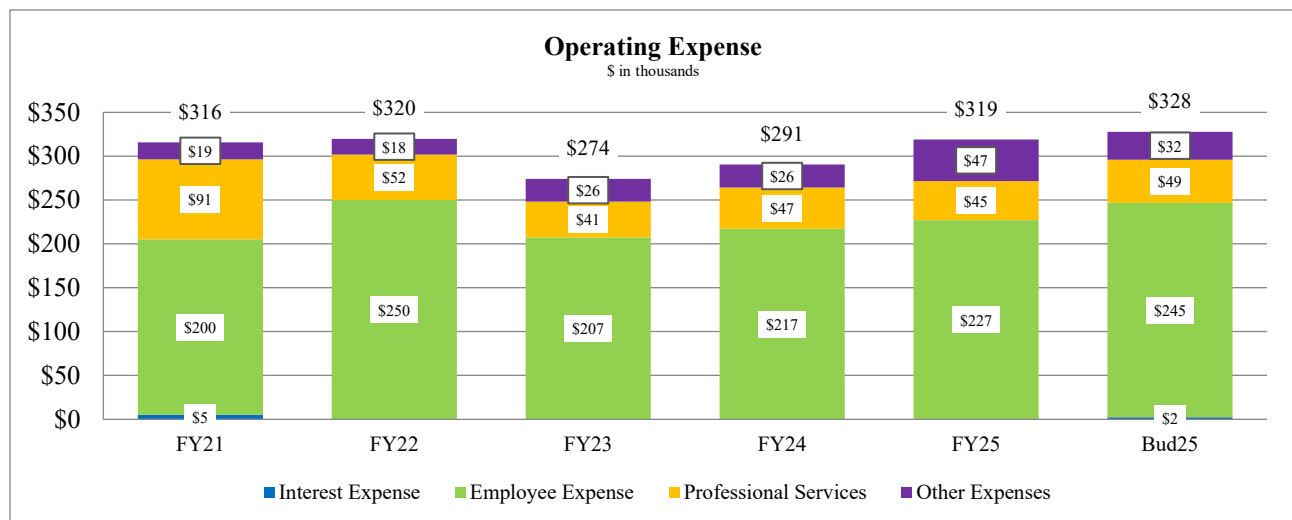
To: IFA and IADD Board Members
 From: Becky Wu
 Date: May 12, 2025
 Re: April 2025 YTD IADD Financial Results

Iowa Agricultural Development Division Results (\$ in thousands)

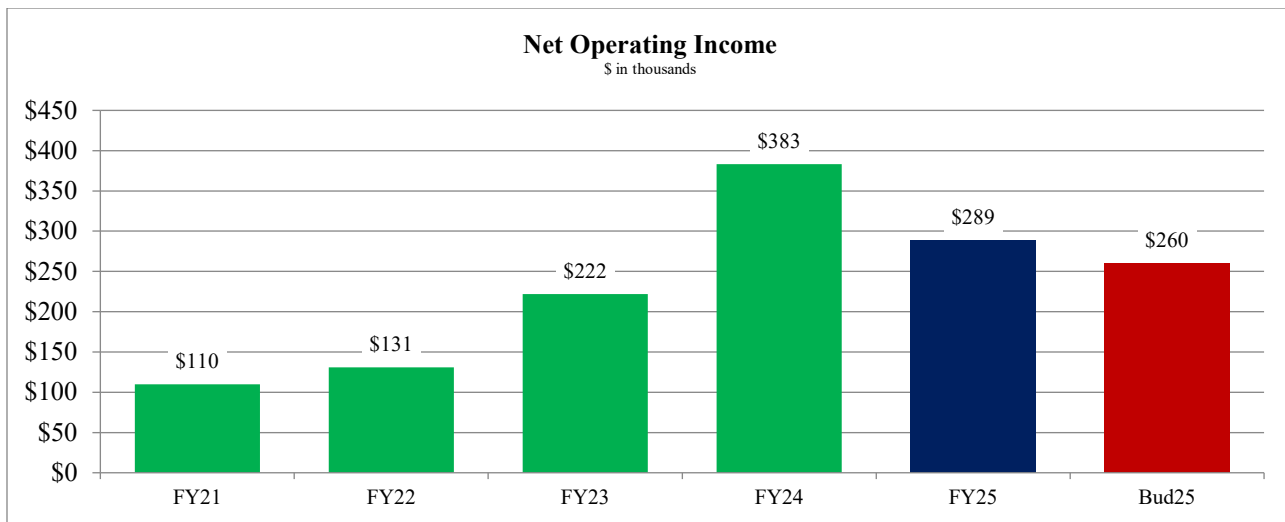
The Iowa Agriculture Development program operated favorably to budget as of April 2025.



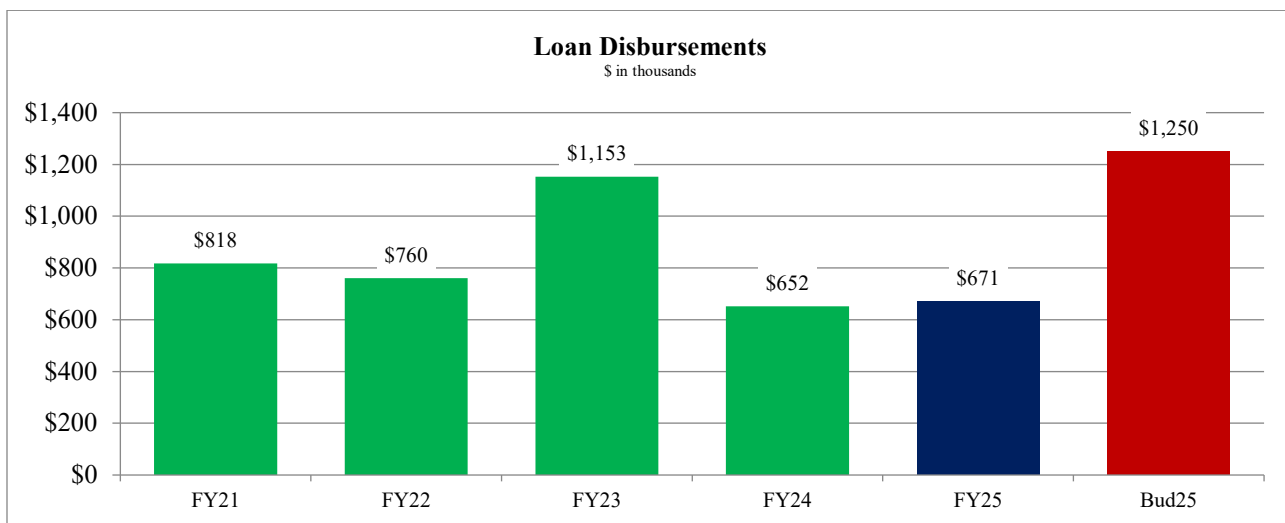
Operating Revenue was \$20 or 3.4% favorable to the budget but \$66 or 9.8% below last year. Fee Revenue was favorable to budget due to timing on BFLP loan closings. Interest Revenue was unfavorable to budget due to early loan payoffs, paydown and timing on new LPP loan closings.



Operating Expense was \$9 or 2.7% favorable to budget, but \$28 or 9.8% above last year. Employee Expense was \$18 or 7.2% favorable to budget.



As a result, Net Operating Income was \$29 or 11.2% favorable to budget but \$96 or 24.7% below last year.



Notes:

- There was \$1 million available for administrative expenses.
- Restricted Rural Rehab Trust funds (LPP loan funds, including cash and LPP loan repayments) balance was \$1.1 million.
- The LPP loan balance was \$5,873. Loan reserves were \$59. The loan balance net of reserves was \$5,814.

LPP Loan Commitments

LPP	Bank	Commitment Date	Anticipated Closing Date	Original Commitment (\$ in actual)
P0326	American Bank, N.A.	6/5/2024	6/1/2025	200,000
P0329	Central Bank Illinois	9/3/2024	6/1/2025	200,000
P0335	Premier Bank	4/2/2025	5/9/2025	196,500
Total Commitment				596,500

Balance Sheet	Agriculture Development Division (Rollup)						
	Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	2,048,038	1,426,406	621,632	43.6	1,419,508	628,529	44.3
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	5,813,944	6,944,549	(1,130,606)	-16.3	6,098,961	(285,018)	-4.7
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	74,393	56,819	17,574	30.9	94,648	(20,255)	-21.4
Deferred Outflows	-	-	-	0.0	-	-	0.0
Total Assets and Deferred Outflows	7,936,375	8,427,774	(491,400)	-5.8	7,613,118	323,257	4.2
Liabilities, Deferred Inflows, and Equity							
Debt	-	500,000	(500,000)	-100.0	-	-	0.0
Interest Payable	-	4,042	(4,042)	-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	7,000	5,657	1,344	23.8	4,000	3,000	75.0
Other Liabilities	-	-	-	0.0	-	-	0.0
Deferred Inflows	-	-	-	0.0	-	-	0.0
Total Liabilities and Deferred Inflows	7,000	509,698	(502,698)	-98.6	4,000	3,000	75.0
Equity							
YTD Earnings(Loss)	288,604	259,625	28,979	11.2	383,152	(94,548)	-24.7
Prior Years Earnings	7,640,771	7,658,451	(17,680)	-0.2	7,225,966	414,805	5.7
Transfers	-	-	-	0.0	-	-	0.0
Total Equity	7,929,375	7,918,076	11,298	0.1	7,609,118	320,257	4.2
Total Liabilities, Deferred Inflows, and Equity	7,936,375	8,427,774	(491,400)	-5.8	7,613,118	323,257	4.2

Income Statement	Agriculture Development Division (Rollup)													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	23,606	29,165	(5,559)	-19.1	22,853	753	3.3	252,784	298,690	(45,906)	-15.4	218,405	34,379	15.7
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	55,392	31,583	23,809	75.4	45,874	9,518	20.7	354,798	288,833	65,965	22.8	455,248	(100,450)	-22.1
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	78,998	60,748	18,250	30.0	68,727	10,271	14.9	607,582	587,523	20,059	3.4	673,652	(66,070)	-9.8
Operating Expense														
Interest Expense	-	417	(417)	-100.0	-	-	0.0	-	2,292	(2,292)	-100.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expense	21,873	23,986	(2,113)	-8.8	21,697	175	0.8	226,950	244,678	(17,727)	-7.2	217,094	9,857	4.5
Shared Expense	560	905	(345)	-38.2	538	22	4.1	1,441	5,175	(3,734)	-72.2	6,241	(4,800)	-76.9
Marketing Expense	134	1,000	(866)	-86.6	-	134	0.0	20,558	6,300	14,258	226.3	8,233	12,325	149.7
Professional Services	1,153	4,917	(3,764)	-76.6	4,347	(3,194)	-73.5	44,729	49,167	(4,438)	-9.0	47,294	(2,565)	-5.4
Claim and Loss Expense	(612)	982	(1,593)	-162.3	1,000	(1,612)	-161.2	(273)	5,730	(6,003)	-104.8	-	(273)	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	13,022	1,122	11,900	1060.5	955	12,066	1263.0	25,574	14,557	11,017	75.7	11,639	13,935	119.7
Total Operating Expense	36,128	33,328	2,800	8.4	28,537	7,591	26.6	318,978	327,898	(8,920)	-2.7	290,501	28,478	9.8
Net Operating Income (Loss) Before Grants	42,870	27,420	15,449	56.3	40,190	2,679	6.7	288,604	259,625	28,979	11.2	383,152	(94,548)	-24.7
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	42,870	27,420	15,449	56.3	40,190	2,679	6.7	288,604	259,625	28,979	11.2	383,152	(94,548)	-24.7
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	42,870	27,420	15,449	56.3	40,190	2,679	6.7	288,604	259,625	28,979	11.2	383,152	(94,548)	-24.7
IFA Home Dept Staff Count	2	2	-	0.0	2	-	0.0	2	2	-	0.0	2	-	0.0
FTE Staff Count	2	2	0	5.3	2	(0)	-0.4	2	2	0	5.8	2	0	1.7

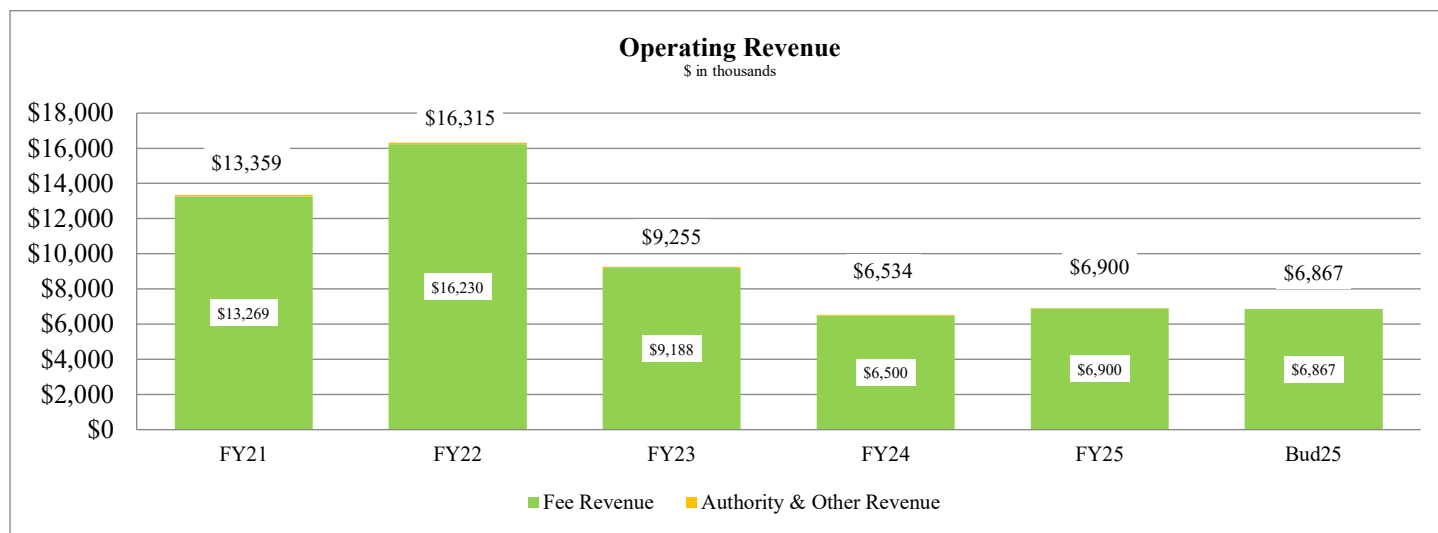
Income Statement	Agriculture Development Division (Rollup)													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	Difference	%	Last Year	Difference	%
Operating Income														
Interest Revenue - Loans	17,144	19,697	(2,553)	-13.0%	17,843	(700)	-4%	179,615	190,668	(11,053)	-6%	178,220	1,394	1%
Interest Revenue - CE & Inv	6,462	9,467	(3,005)	-31.7%	5,009	1,453	29%	73,169	108,022	(34,853)	-32%	40,184	32,985	82%
Fee Inc - BFLP	43,242	20,833	22,409	107.6%	32,512	10,730	33%	287,241	208,333	78,907	38%	376,383	(89,142)	-24%
Fee Inc - LPP	3,000	1,750	1,250	71.4%	2,913	88	3%	11,058	17,500	(6,443)	-37%	10,265	793	8%
Fee Inc - BFTC	9,150	9,000	150	1.7%	10,450	(1,300)	-12%	56,500	63,000	(6,500)	-10%	68,600	(12,100)	-18%
Fee Inc - BFCH TC	-	-	-	0.0%	-	-	0%	-	-	-	0%	-	-	0%
Total Operating Income	78,998	60,748	18,250	30.0%	68,727	10,271	15%	607,582	587,523	20,059	3%	673,652	(66,070)	-10%
Operating Expense														
Employee Expense	21,873	23,986	(2,113)	-8.8%	21,697	175	1%	226,950	244,678	(17,727)	-7%	217,094	9,857	5%
Shared Expense	560	905	(345)	-38.2%	538	22	4%	1,441	5,175	(3,734)	-72%	6,241	(4,800)	-77%
Marketing Expense	134	1,000	(866)	-86.6%	-	134	0%	20,558	6,300	14,258	226%	8,233	12,325	150%
Professional Services	1,153	4,917	(3,764)	-76.6%	4,347	(3,194)	-73%	44,729	49,167	(4,438)	-9%	47,294	(2,565)	-5%
Claim and Loss Expense	(612)	982	(1,593)	-162.3%	1,000	(1,612)	-161%	(273)	5,730	(6,003)	-105%	-	(273)	0%
Operating Expense	36,128	33,328	2,800	8.4%	28,537	7,591	27%	318,978	327,898	(8,920)	-3%	290,501	28,478	10%
Net Grant (Income) Expense	-	-	-	0.0%	-	-	0%	-	-	-	0%	-	-	0%
Net Income (Loss)	42,870	27,420	15,449	56.3%	40,190	2,679	7%	288,604	259,625	28,979	11%	383,152	(94,548)	-25%

Balance Sheet	Admin	RRTF	Total
Assets			
Cash & Cash Equivalents	997,707	1,050,330	2,048,038
Investments	-	-	-
Loans - net of reserves	40,246	5,773,697	5,813,944
Other Assets	(31,519)	105,912	74,393
Total Assets	1,006,435	6,929,940	7,936,375
Liabilities and Equity			
A/P - STATE	-	-	-
A/P - IFA	-	-	-
A/P - MISC	7,000	-	7,000
Total Liabilities	7,000	-	7,000
Current Years Earnings	72,460	216,144	288,604
Prior Years Earnings	926,975	6,713,795	7,640,771
Equity	999,435	6,929,940	7,929,375
Total Liabilities and Equity	1,006,435	6,929,940	7,936,375

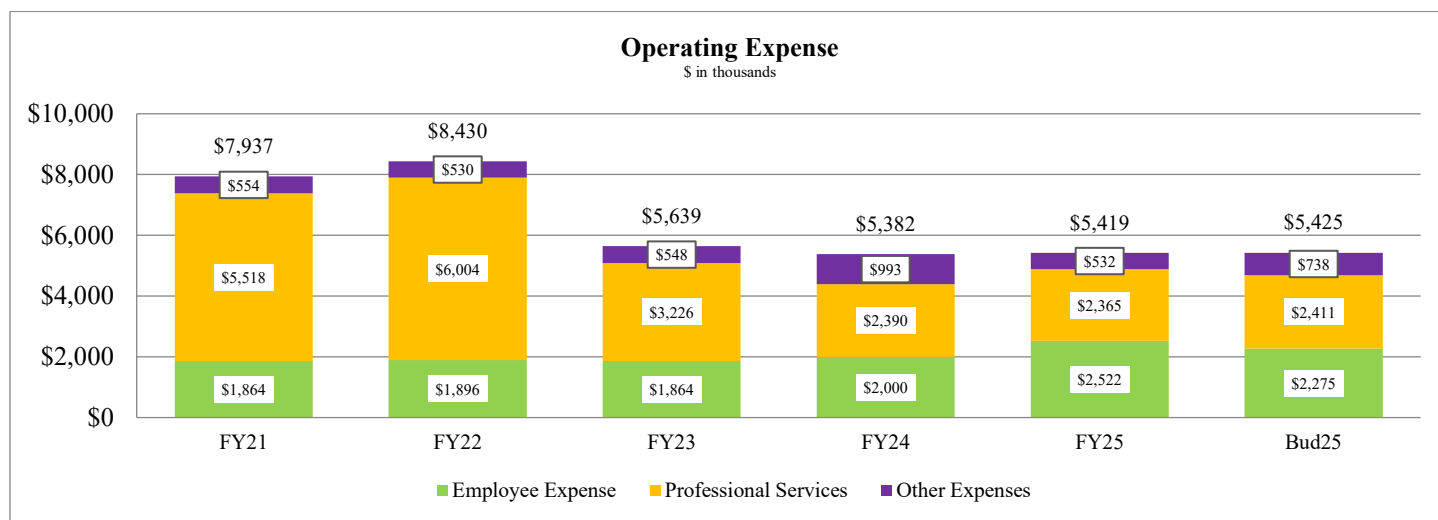
To: IFA & ITG Board Members
 From: Rick Andriano
 Date: May 12, 2025
 RE: April 2025 YTD Financial Results

Iowa Title Guaranty Financial Results (\$ in thousands)

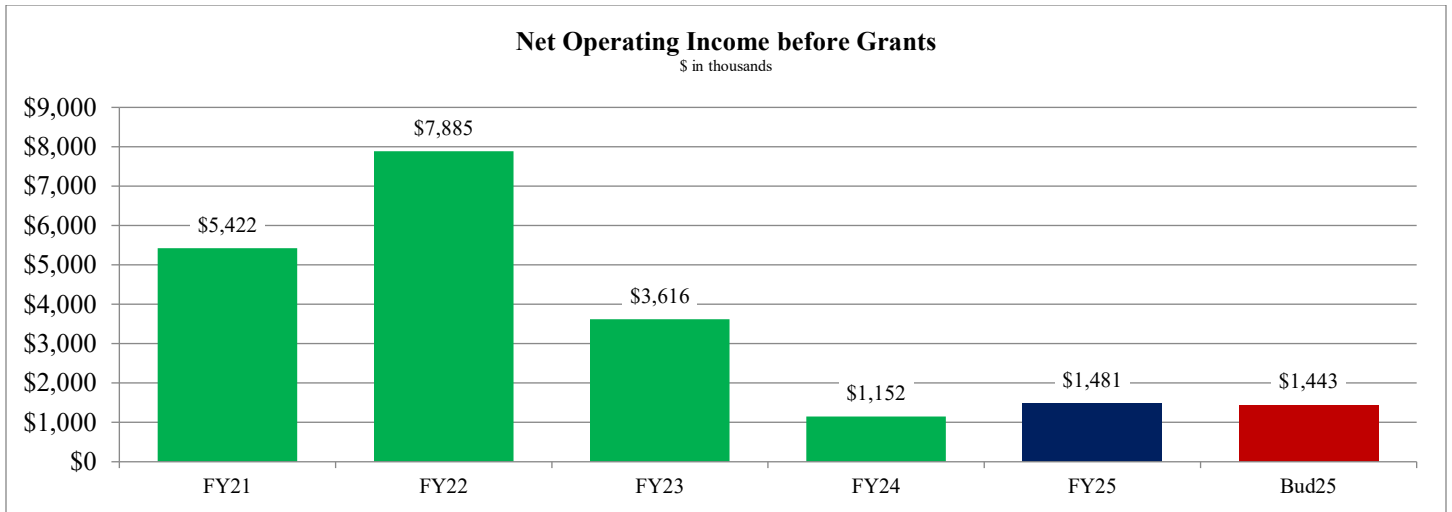
ITG operated favorably to budget through ten months of Fiscal Year 2025.



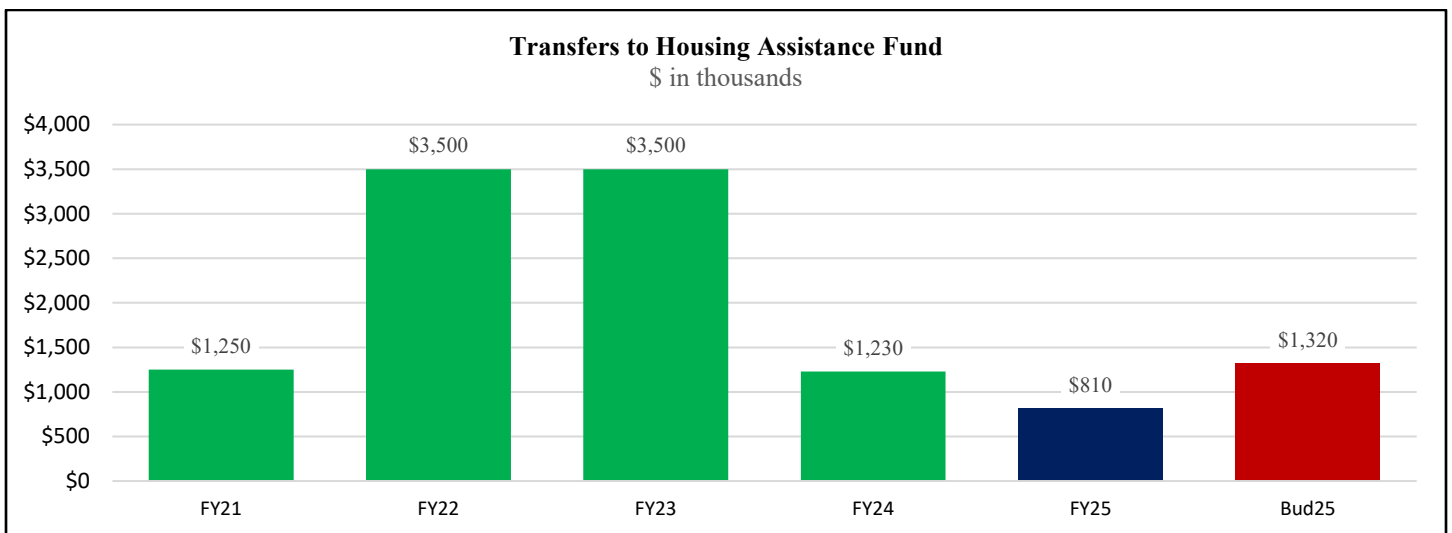
Operating Revenue was \$33 or 0.5% favorable to budget. Revenue was \$366 or 5.6% ahead of the prior year. Year-to-date revenue was \$6,900 of which \$6,040 was generated from residential transactions and \$860 from commercial transactions. Residential exceeded budget by .5% while commercial activity exceeded budget by 0.2% through April.



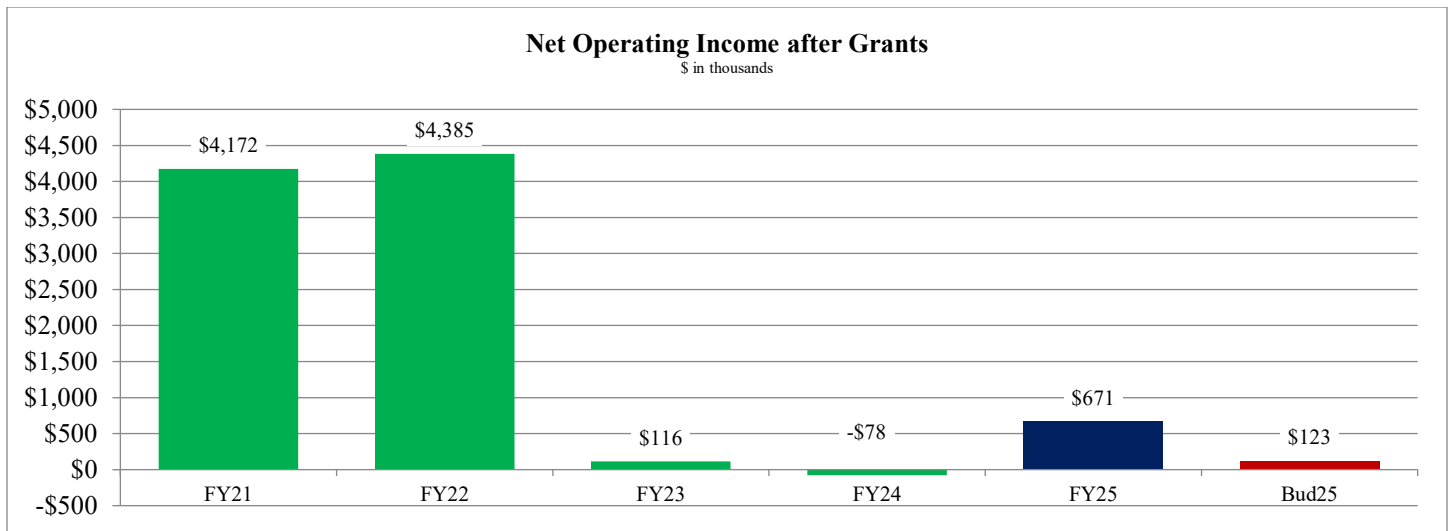
Operating Expense was \$6 or 0.1% favorable to budget. Expenses were \$37 or 0.7% more than the prior year. Employee Expense exceeded budget by \$247 or 10.8%. Accrued vacation and sick leave, a component of Employee Expense, was moved to ITG's financials in October resulting in an unplanned expense of \$271 through April. Included in Other Expenses, Claims and Losses, net of recoupments, was favorable to budget by \$267 or 88.9%.



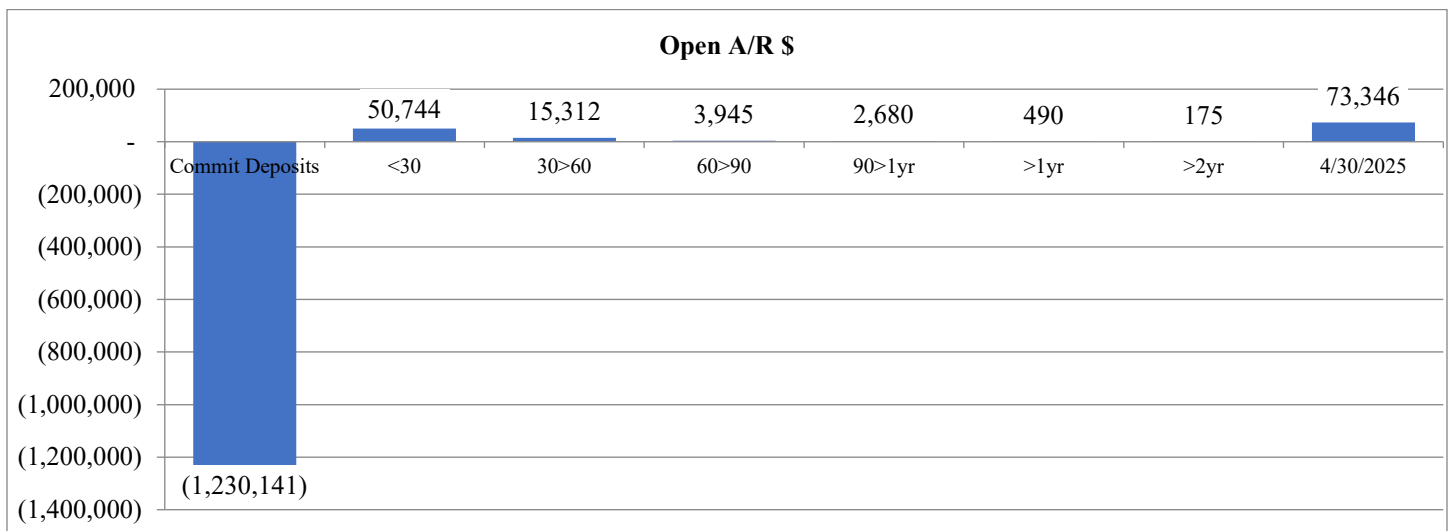
Net Operating Income before Grants (NOIBG) was favorable to budget by \$38. NOIBG was above last year by \$329.



The first fiscal year transfer to the Housing Assistance Fund (HAF) from Title Guaranty for \$250 occurred in December. A second transfer to the Housing Assistance Fund (HAF) occurred in March for \$560 totaling \$810. Per State Code, the interest earned on ITG funds held by the State Treasurer are deposited directly to the State Housing Trust Fund (SHTF) monthly. The fiscal year interest earned on ITG funds was \$765 through April.

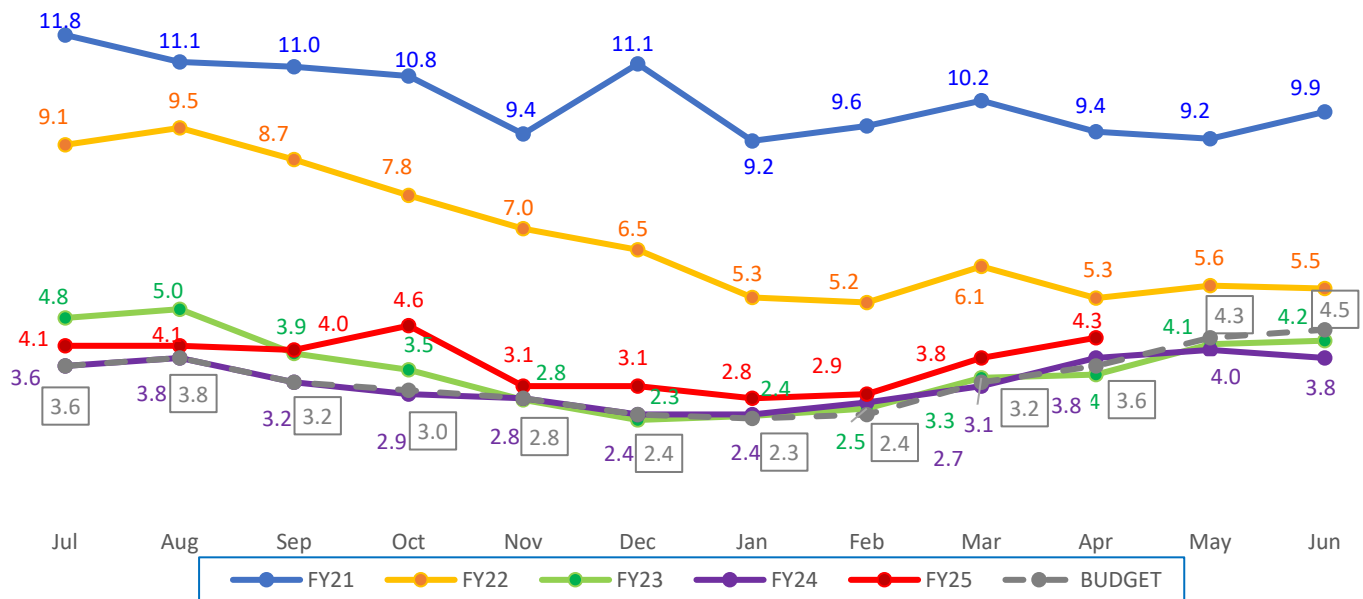


Net Operating Income after Grants (NOIAG) was favorable to budget by \$549. NOIAG was \$749 ahead of the previous year.



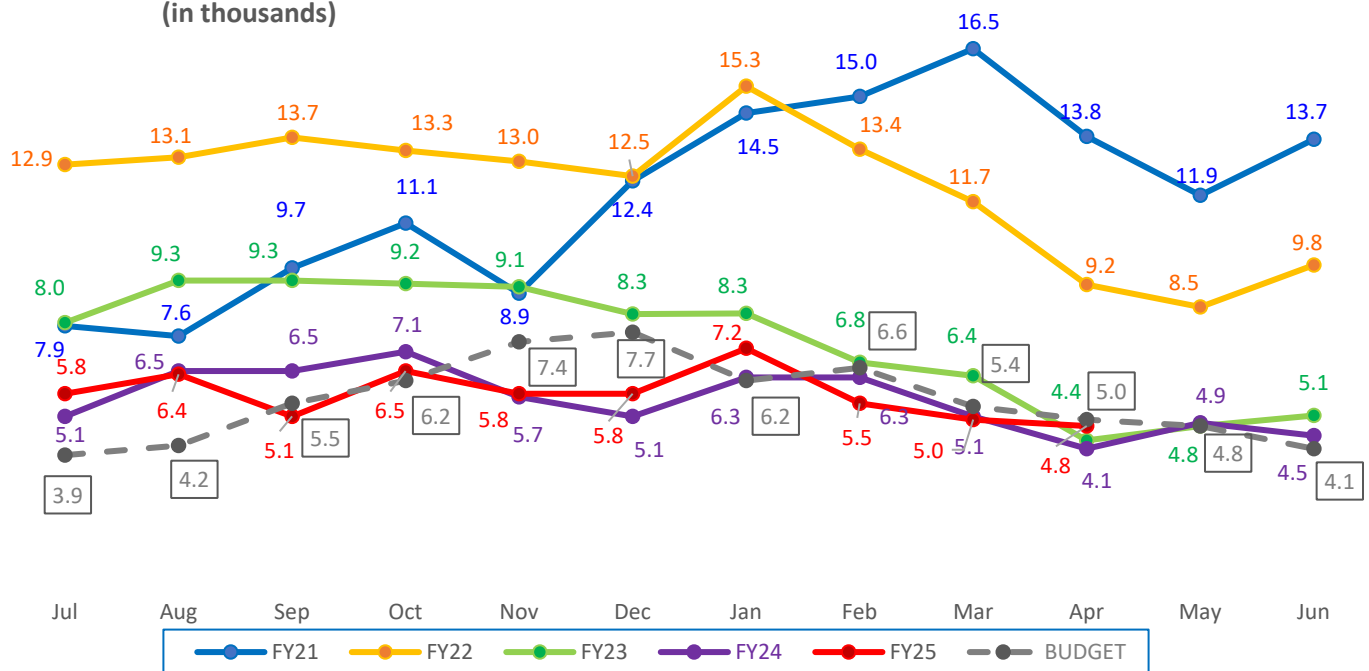
April receivables decreased 11% from the March balance (\$73.3 vs \$82.7), while commitments increased 7% from the prior month (\$1,230 vs \$1,146). The fiscal year average balance for receivables was \$85.3 and commitments were \$1,347.

Commitments Issued - 5 Year Monthly Trend
(in thousands)



Fiscal year actual commitments issued of 36.8 compared to 30.3 budget and 30.7 in prior year.

Certificates Issued - 5 Year Monthly Trend
(in thousands)



Fiscal year actual certificates issued of 57.9 compared to 58.1 budget and 57.8 in prior year.

Balance Sheet	Iowa Title Guaranty Division (Rollup)						
	Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	21,872,550	20,420,639	1,451,911	7.1	20,127,633	1,744,917	8.7
Investments	-	-	-	0.0	-	-	0.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	-	-	-	0.0	-	-	0.0
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	(79,660)	(3,534,449)	3,454,789	-97.7	74,019	(153,678)	-207.6
Deferred Outflows	414,673	309,225	105,448	34.1	309,225	105,448	34.1
Total Assets and Deferred Outflows	22,207,564	17,195,415	5,012,149	29.1	20,510,877	1,696,687	8.3
Liabilities, Deferred Inflows, and Equity							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	901,691	389,826	511,865	131.3	559,653	342,038	61.1
Reserves for Claims	2,090,562	1,580,977	509,585	32.2	1,873,423	217,139	11.6
Accounts Payable & Accrued Liabilities	1,740,520	1,456,693	283,827	19.5	1,316,291	424,229	32.2
Other Liabilities	1,044,519	1,322,887	(278,368)	-21.0	930,578	113,941	12.2
Deferred Inflows	162,527	152,105	10,422	6.9	242,905	(80,378)	-33.1
Total Liabilities and Deferred Inflows	5,939,819	4,902,488	1,037,331	21.2	4,922,850	1,016,969	20.7
Equity							
YTD Earnings(Loss)	671,317	122,654	548,663	447.3	(78,075)	749,392	-959.8
Prior Years Earnings	15,596,428	15,670,273	(73,846)	-0.5	15,666,102	(69,674)	-0.4
Transfers	-	(3,500,000)	3,500,000	-100.0	-	-	0.0
Total Equity	16,267,745	12,292,927	3,974,817	32.3	15,588,027	679,718	4.4
Total Liabilities, Deferred Inflows, and Equity	22,207,564	17,195,415	5,012,149	29.1	20,510,877	1,696,687	8.3

Income Statement	Iowa Title Guaranty Division (Rollup)													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	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	582,863	605,099	(22,236)	-3.7	575,728	7,135	1.2	6,899,584	6,867,299	32,285	0.5	6,499,731	399,853	6.2
Other Revenue	(700)	-	(700)	0.0	(1,566)	866	-55.3	730	-	730	0.0	34,583	(33,852)	-97.9
Total Operating Revenue	582,163	605,099	(22,936)	-3.8	574,163	8,001	1.4	6,900,314	6,867,299	33,015	0.5	6,534,314	366,000	5.6
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expense	234,673	241,369	(6,696)	-2.8	207,405	27,269	13.1	2,521,686	2,275,128	246,558	10.8	1,999,593	522,093	26.1
Shared Expense	16,687	19,360	(2,673)	-13.8	17,699	(1,011)	-5.7	217,852	247,759	(29,907)	-12.1	247,437	(29,586)	-12.0
Marketing Expense	5,339	3,700	1,639	44.3	279	5,060	1814.4	50,612	46,890	3,722	7.9	23,044	27,568	119.6
Professional Services	198,513	209,675	(11,162)	-5.3	168,083	30,430	18.1	2,365,185	2,411,225	(46,040)	-1.9	2,389,814	(24,629)	-1.0
Claim and Loss Expense	13,135	30,000	(16,865)	-56.2	392,399	(379,264)	-96.7	33,278	300,000	(266,722)	-88.9	618,986	(585,708)	-94.6
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	97	-	97	0.0	0	97	
Overhead Allocation	118,678	11,370	107,308	943.8	8,377	110,301	1316.6	230,287	143,644	86,644	60.3	103,515	126,772	122.5
Total Operating Expense	587,026	515,475	71,552	13.9	794,242	(207,216)	-26.1	5,418,997	5,424,645	(5,648)	-0.1	5,382,389	36,608	0.7
Net Operating Income (Loss) Before Grants	(4,863)	89,624	(94,488)	-105.4	(220,079)	215,216	-97.8	1,481,317	1,442,654	38,663	2.7	1,151,925	329,392	28.6
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	810,000	1,320,000	(510,000)	-38.6	1,230,000	(420,000)	-34.1
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	810,000	1,320,000	(510,000)	-38.6	1,230,000	(420,000)	-34.1
Net Operating Income (Loss) After Grants	(4,863)	89,624	(94,488)	-105.4	(220,079)	215,216	-97.8	671,317	122,654	548,663	447.3	(78,075)	749,392	-959.8
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	(4,863)	89,624	(94,488)	-105.4	(220,079)	215,216	-97.8	671,317	122,654	548,663	447.3	(78,075)	749,392	-959.8
IFA Home Dept Staff Count	21	22	(1)	-4.5	20	1	5.0	21	21	(0)	-1.4	20	1	5.5
FTE Staff Count	22	23	(1)	-5.3	21	1	3.5	21	22	(1)	-4.1	21	0	1.6

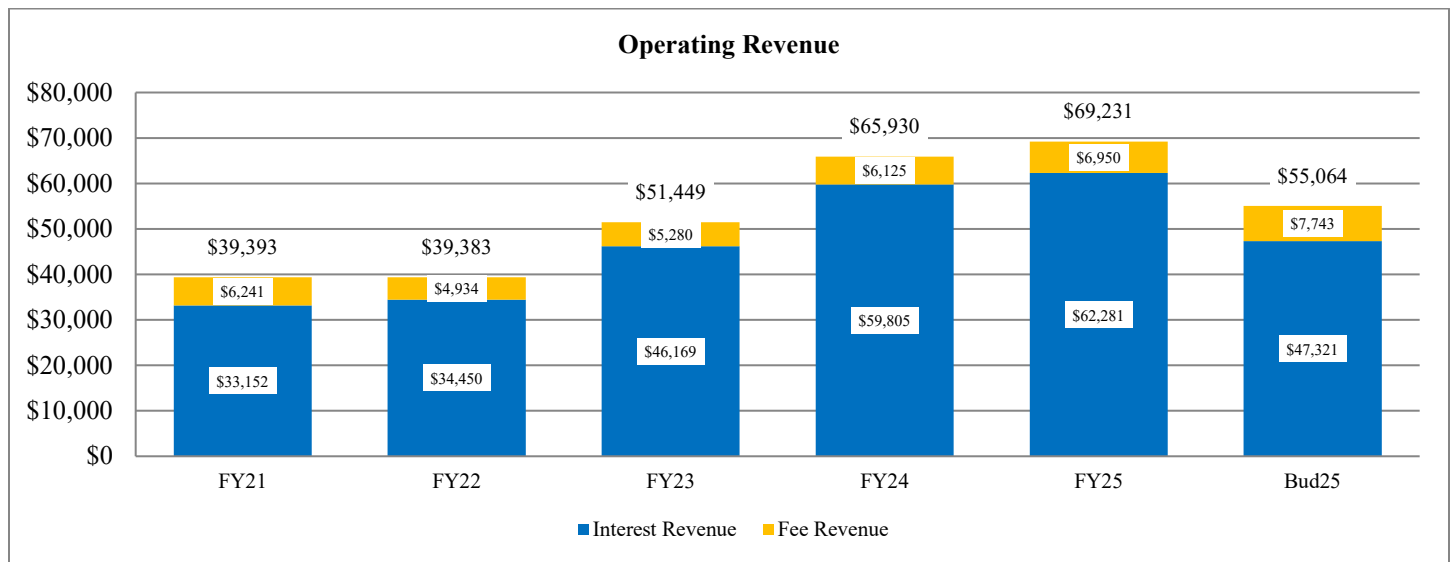
Income Statement	800-020 Residential													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	505,085	524,174	(19,089)	-3.6	424,983	80,102	18.8	6,040,180	6,009,299	30,881	0.5	5,740,091	300,089	5.2
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	505,085	524,174	(19,089)	-3.6	424,983	80,102	18.8	6,040,180	6,009,299	30,881	0.5	5,740,091	300,089	5.2
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expense	177,223	185,956	(8,733)	-4.7	165,210	12,013	7.3	1,883,773	1,771,731	112,042	6.3	1,590,381	293,393	18.4
Shared Expense	16,365	18,760	(2,396)	-12.8	17,293	(928)	-5.4	207,439	231,424	(23,985)	-10.4	235,182	(27,743)	-11.8
Marketing Expense	5,339	3,200	2,139	66.8	279	5,060	1814.4	36,598	27,040	9,558	35.3	13,093	23,505	179.5
Professional Services	198,513	208,925	(10,412)	-5.0	168,083	30,430	18.1	2,365,185	2,408,225	(43,040)	-1.8	2,389,814	(24,629)	-1.0
Claim and Loss Expense	13,135	30,000	(16,865)	-56.2	392,399	(379,264)	-96.7	33,278	300,000	(266,722)	-88.9	618,986	(585,708)	-94.6
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	97	-	97	0.0	-	97	0.0
Overhead Allocation	94,173	8,627	85,546	991.6	6,772	87,401	1290.7	182,475	111,928	70,547	63.0	83,623	98,853	118.2
Total Operating Expense	504,748	455,468	49,280	10.8	750,036	(245,288)	-32.7	4,708,846	4,850,348	(141,502)	-2.9	4,931,079	(222,233)	-4.5
Net Operating Income (Loss) Before Grants	337	68,706	(68,369)	-99.5	(325,053)	325,390	-100.1	1,331,334	1,158,951	172,383	14.9	809,012	522,322	64.6
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	810,000	1,320,000	(510,000)	-38.6	1,230,000	(420,000)	-34.1
Total Net Grant (Income) Expense	-	-	-	0.0	-	-	0.0	810,000	1,320,000	(510,000)	-38.6	1,230,000	(420,000)	-34.1
Net Operating Income (Loss) After Grants	337	68,706	(68,369)	-99.5	(325,053)	325,390	-100.1	521,334	(161,049)	682,383	-423.7	(420,988)	942,322	-223.8
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	337	68,706	(68,369)	-99.5	(325,053)	325,390	-100.1	521,334	(161,049)	682,383	-423.7	(420,988)	942,322	-223.8
IFA Home Dept Staff Count	17	17	-	0.0	16	1	6.3	17	17	0	0.6	16	1	6.9
FTE Staff Count	17	17	(0)	-0.9	17	0	1.6	17	17	(0)	-2.5	17	(0)	-0.3

Income Statement	800-030 Commercial													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	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	77,778	80,925	(3,147)	-3.9	150,745	(72,967)	-48.4	859,404	858,000	1,404	0.2	759,640	99,764	13.1
Other Revenue	(700)	-	(700)	0.0	(1,566)	866	-55.3	730	-	730	0.0	34,583	(33,852)	-97.9
Total Operating Revenue	77,078	80,925	(3,847)	-4.8	149,180	(72,101)	-48.3	860,134	858,000	2,134	0.2	794,223	65,911	8.3
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expense	57,451	55,414	2,037	3.7	42,195	15,256	36.2	637,913	503,397	134,516	26.7	409,212	228,701	55.9
Shared Expense	323	600	(277)	-46.2	406	(83)	-20.4	10,413	16,335	(5,922)	-36.3	12,255	(1,842)	-15.0
Marketing Expense	-	500	(500)	-100.0	-	-	0.0	14,014	19,850	(5,836)	-29.4	9,951	4,063	40.8
Professional Services	-	750	(750)	-100.0	-	-	0.0	-	3,000	(3,000)	-100.0	-	-	0.0
Claim and Loss Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	0	(0)	-100.0
Overhead Allocation	24,505	2,743	21,762	793.4	1,606	22,899	1426.2	47,812	31,716	16,097	50.8	19,892	27,920	140.4
Total Operating Expense	82,278	60,006	22,272	37.1	44,206	38,073	86.1	710,152	574,297	135,854	23.7	451,310	258,841	57.4
Net Operating Income (Loss) Before Grants	(5,200)	20,919	(26,119)	-124.9	104,974	(110,174)	-105.0	149,982	283,703	(133,720)	-47.1	342,912	(192,930)	-56.3
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	(5,200)	20,919	(26,119)	-124.9	104,974	(110,174)	-105.0	149,982	283,703	(133,720)	-47.1	342,912	(192,930)	-56.3
Other Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Net Income (Loss)	(5,200)	20,919	(26,119)	-124.9	104,974	(110,174)	-105.0	149,982	283,703	(133,720)	-47.1	342,912	(192,930)	-56.3
IFA Home Dept Staff Count	4	5	(1)	-20.0	4	-	0.0	4	4	(0)	-9.1	4	-	0.0
FTE Staff Count	4	6	(1)	-18.9	4	0	11.5	4	5	(0)	-10.0	4	0	9.4

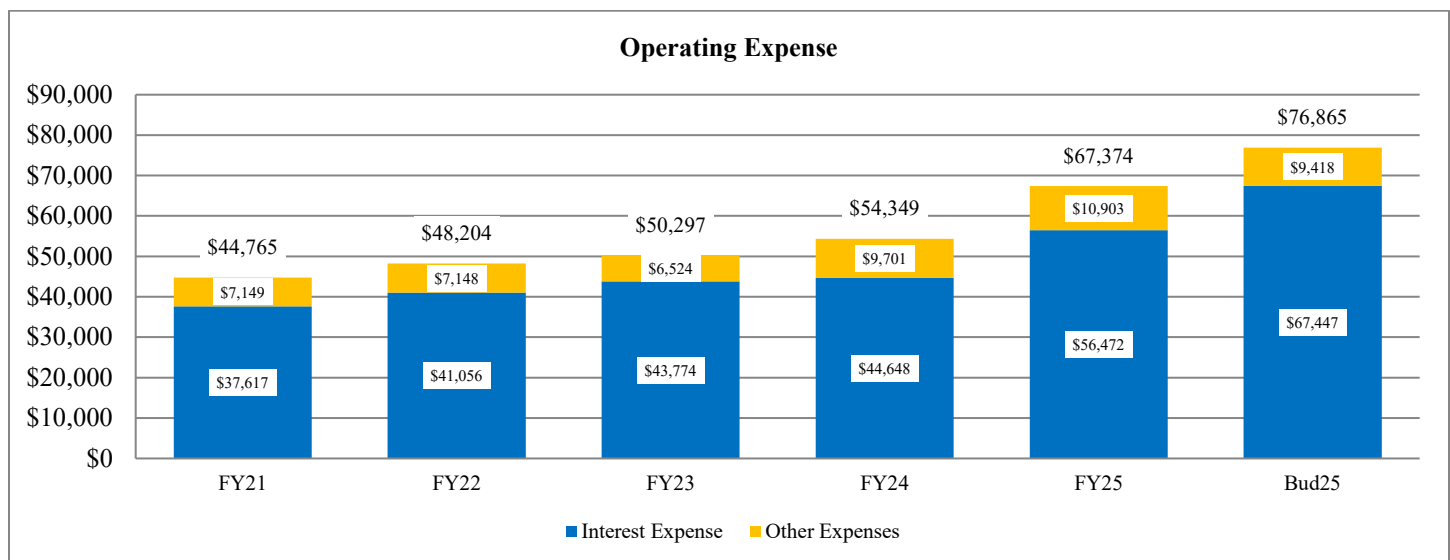
To: IFA Board Members
 From: Michelle Bodie
 Date: May 16, 2025
 Re: April 2025 YTD SRF Financial Results

State Revolving Fund Results (\$ in thousands)

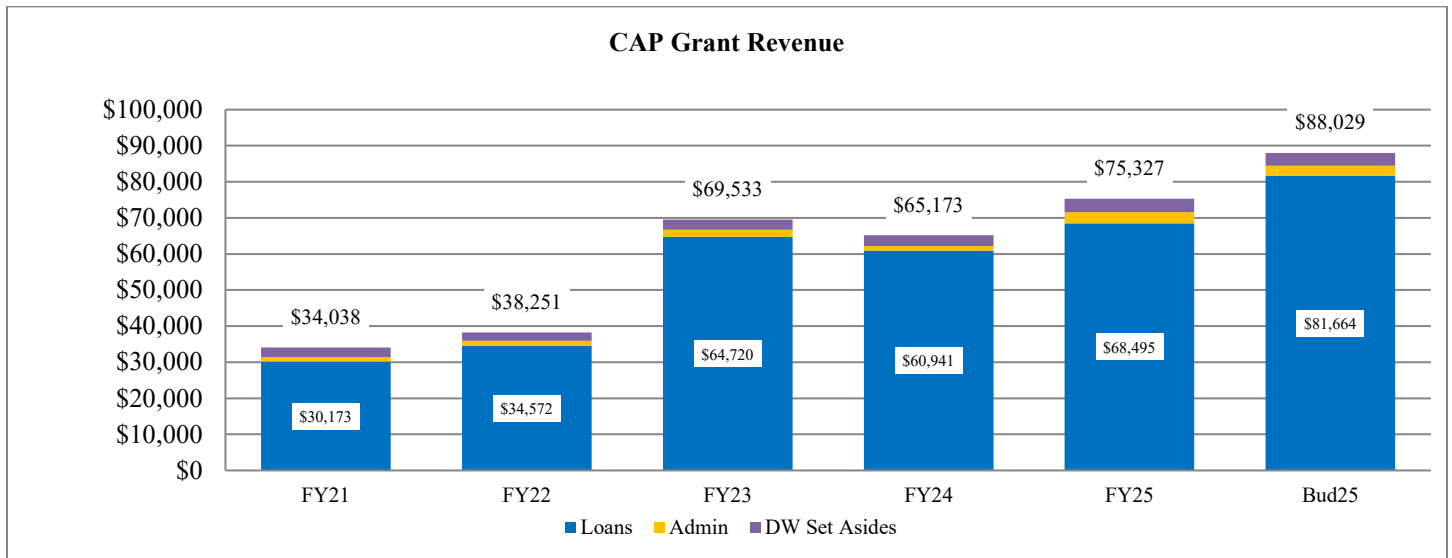
The State Revolving Fund program operated favorably to budget through ten months of Fiscal Year 2025. Note: The SRF's Series 2025AB bonds for \$166.5M closed on January 30, 2025.



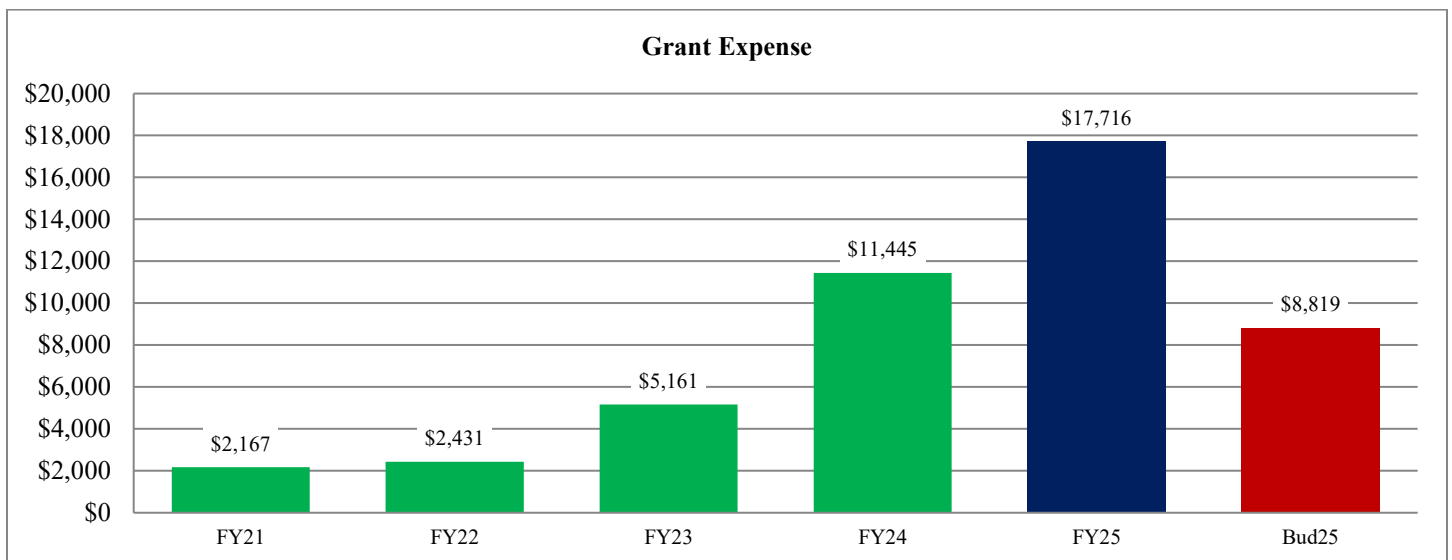
Operating Revenue was \$14,167 or 25.7% favorable to budget and \$3,301 or 5.0% above last year. Interest Revenue was \$14,960 or 31.6% favorable to budget due to a larger investment balance and higher interest rate of return on investments than planned.



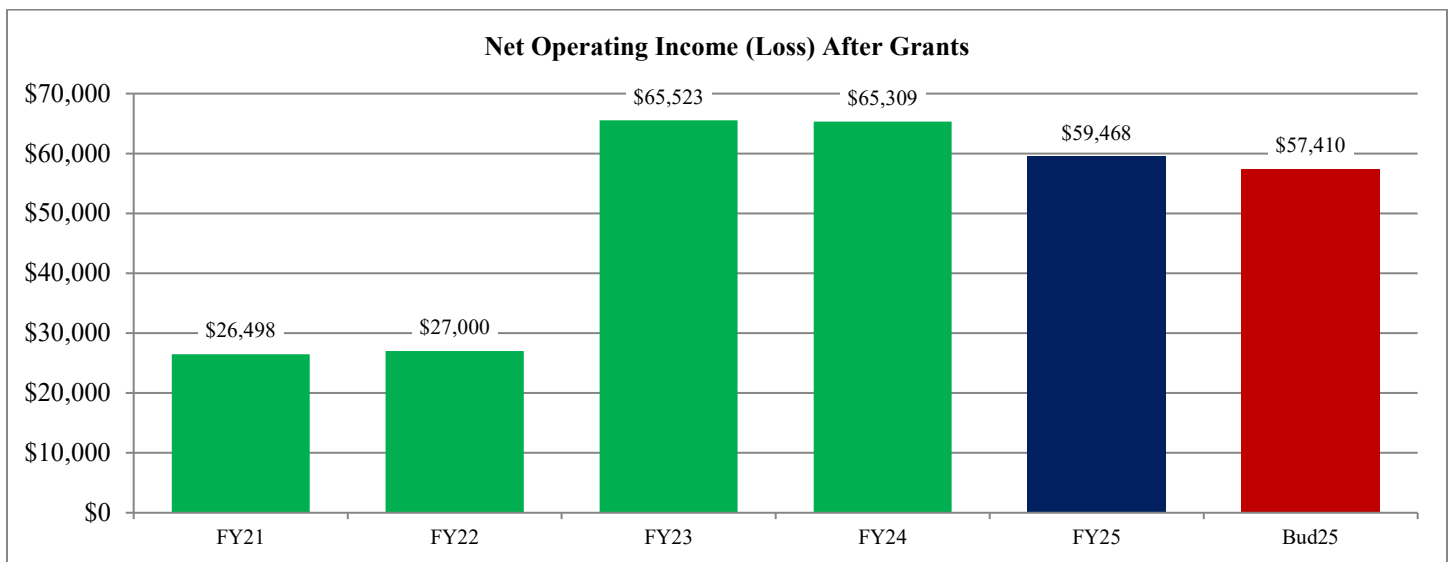
Operating Expense was \$9,491 or 12.3% favorable to budget but \$13,025 or 24.0% higher than last year. Actual interest expense was below budget and above the prior year by about \$11 Million. Other Expenses includes the DNR administrative expense reimbursement which was above both budget and prior year by 17.8% and 11.3%, respectively.



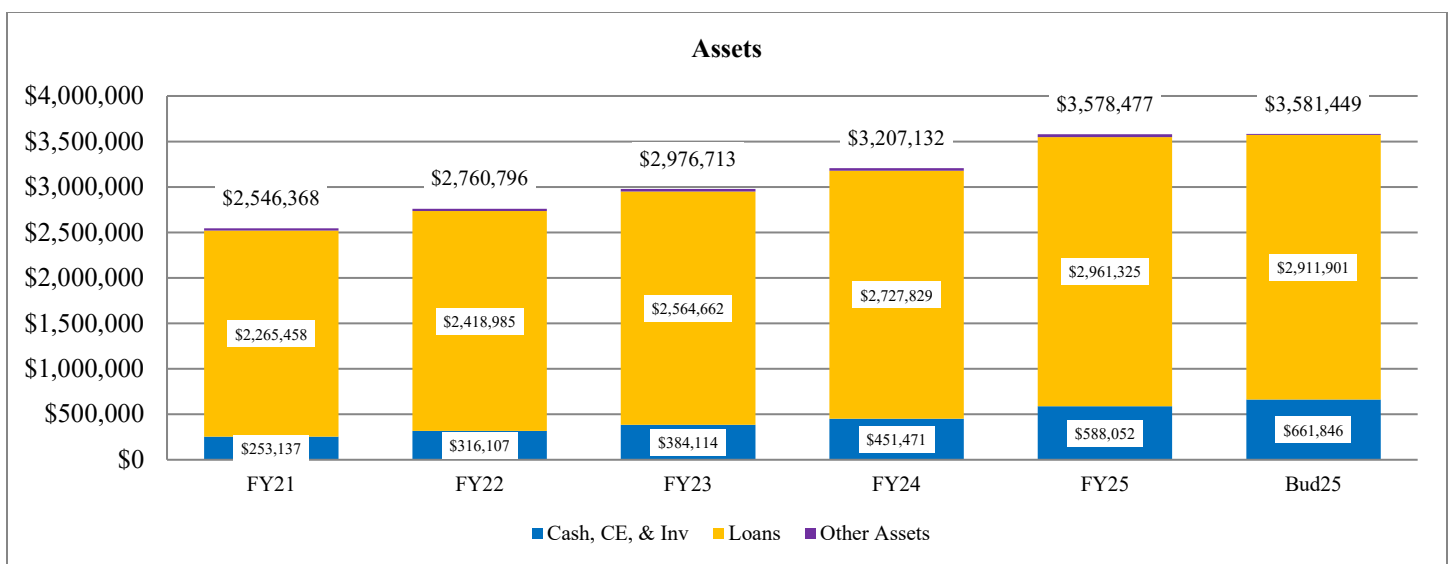
CAP Grant Revenue was \$12,702 or 14.4% unfavorable to budget but \$10,154 or 15.6% above last year. The CAP Grant budget was based on application and award date; but the availability and receipt of funds varies. Although Lead Service Line Loans were included in the budget, no loans have been issued to date.



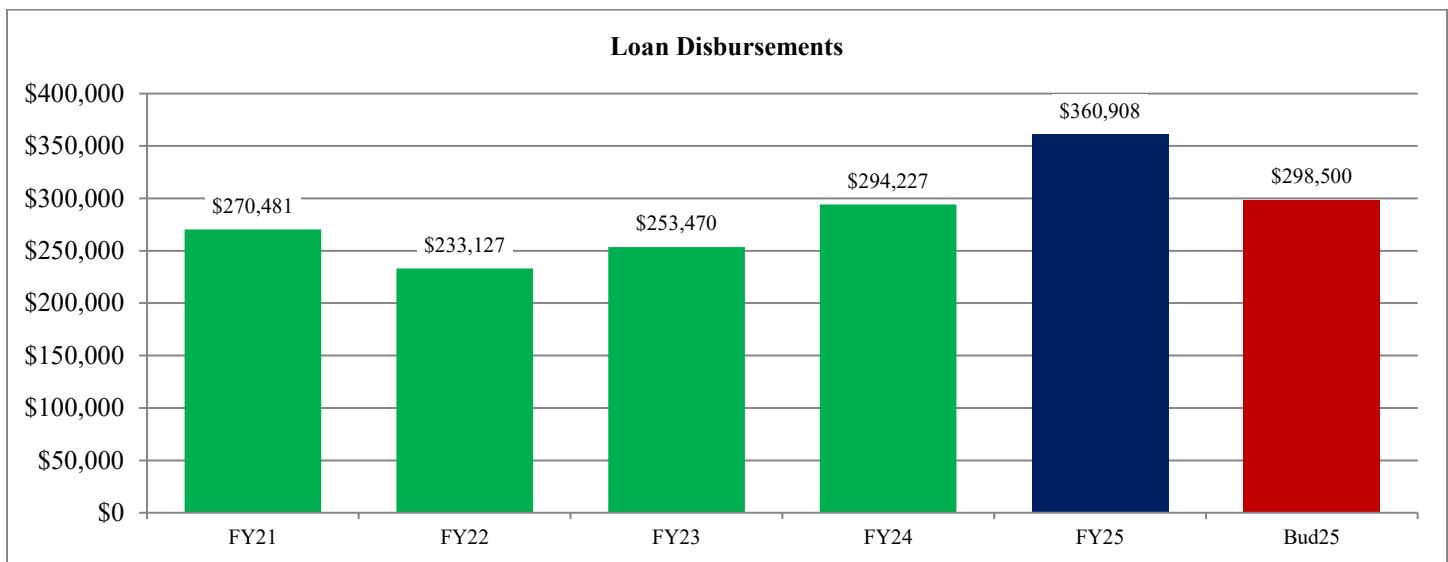
Grant Expense was \$8,897 or 100.9% unfavorable to budget, and \$6,271 or 54.8% ahead of last year. Grant Expense relates to the forgivable portion of specific SRF loans which was applied upon project completion. Included in the expense is a reserve for forgiveness expected to be used, prorated based on funds disbursed to date.



As a result, Net Operating Income After Grants (NOIAG) was \$2,058 favorable to budget but \$5,841 behind the prior year.



Assets of \$3.6 billion are slightly behind budget but higher than last year by \$371 million or 11.6% due to continued portfolio growth. The FY25 Loans balance of nearly \$3.0 billion is shown net of reserves for loans and fees of \$33 million.



Year-to-date loan disbursements were \$62,408 or 20.9% above budget and \$66,681, or 22.7% above last year. April loan disbursements were \$42,751 and total loan commitments were \$497,456 at the end of the month.

Equity/Program/Admin Fund Balances					
<u>Program</u>	<u>Uses</u>	<u>Account</u>	<u>Balance at 3/31/2025</u>	<u>Net Cash Inflows</u>	<u>Balance at 4/30/2025</u>
Equity Fund	Construction Loans Debt Service				
Clean Water Equity		12069250/1	291,255	(27,844)	263,411
Clean Water Revenue		12069208/09	221	0	221
Drinking Water Equity		12069253/4	193,290	1,048	194,338
Drinking Water Revenue		12069211/12	324	2	326
Total			485,090	(26,794)	458,296
Program Fund	P&D, CW GNPS, DW SWP				
Clean Water		22546000	27,035	(2,367)	24,668
Drinking Water		22546001	8,592	136	8,728
Total			38,576	(2,230)	33,397
Administration Fund	Administrative Expenses				
Clean Water		22546002	20,609	(42)	20,567
Drinking Water		22546003	24,310	(161)	24,149
Total			44,919	(203)	44,716

Federal Capitalization Grants						
4/30/2025						
Clean Water			Drinking Water		Total SRF	
Grant Award Year	EPA Awards	Remaining	EPA Awards	Remaining	EPA Awards	Remaining
Prior Years	635,308	-	361,697	-	997,005	-
2021	21,505	-	17,427	-	38,932	-
2022	40,938	1,250	100,609	60,797	141,547	62,047
2023	41,240	2,878	79,886	49,105	121,126	51,983
2024	41,827	630	41,565	12,748	83,392	13,378
Total	780,818	4,758	601,184	122,650	1,382,002	127,408
Total federal capitalization grants received to date:						\$ 1,254,594
Clean Water			Drinking Water		Total	
Grant Award Year	Available for Loan Draws	Available for Set-asides	Available for Loan Draws	Available for Set-asides	Total	
2021	-	-	-	-	-	
2022	1,250	-	60,797	-	62,047	
2023	2,878	-	40,806	8,299	51,983	
2024	-	630	5,836	6,912	13,378	
Total	4,128	630	107,439	15,211	127,408	

SRF Loan Portfolio	6/30/2022	6/30/2023	6/30/2024	4/30/2025	YTD Increase
Clean Water	1,815,279	1,935,206	2,095,470	2,335,924	11.5%
Drinking Water	528,104	541,873	572,392	658,632	15.1%
Total SRF Loan Portfolio	2,343,383	2,477,079	2,667,862	2,994,556	12.2%

Balance Sheet	State Revolving Fund (Rollup)						
	Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%
Assets and Deferred Outflows							
Cash & Cash Equivalents	430,087,022	604,251,141	(174,164,119)	-28.8	399,510,323	30,576,699	7.7
Investments	157,964,533	57,594,565	100,369,969	174.3	51,960,896	106,003,637	204.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Line of Credit	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	2,961,324,616	2,911,901,154	49,423,462	1.7	2,727,829,310	233,495,306	8.6
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	26,883,651	7,232,146	19,651,504	271.7	25,157,724	1,725,926	6.9
Deferred Outflows	2,216,894	470,065	1,746,829	371.6	2,673,959	(457,065)	-17.1
Total Assets and Deferred Outflows	3,578,476,716	3,581,449,070	(2,972,355)	-0.1	3,207,132,213	371,344,503	11.6
Liabilities, Deferred Inflows, and Equity							
Debt	2,296,387,634	2,309,883,683	(13,496,049)	-0.6	1,997,358,130	299,029,504	15.0
Interest Payable	24,770,226	109,090,320	(84,320,093)	-77.3	20,904,696	3,865,531	18.5
Unearned Revenue	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	1,213,500	1,610,207	(396,706)	-24.6	1,130,916	82,585	7.3
Other Liabilities	340,677	652,102	(311,425)	-47.8	298,290	42,387	14.2
Deferred Inflows	10,828,755	46,597	10,782,158	23139.2	7,899,952	2,928,803	37.1
Total Liabilities and Deferred Inflows	2,333,540,792	2,421,282,908	(87,742,115)	-3.6	2,027,591,983	305,948,810	15.1
Equity							
YTD Earnings(Loss)	60,311,429	57,409,580	2,901,848	5.1	65,704,553	(5,393,124)	-8.2
Prior Years Earnings	1,174,671,381	1,102,756,582	71,914,799	6.5	1,113,874,014	60,797,367	5.5
Transfers	9,953,114	-	9,953,114	0.0	(38,337)	9,991,451	
Total Equity	1,244,935,923	1,160,166,162	84,769,761	7.3	1,179,540,230	65,395,694	5.5
Total Liabilities, Deferred Inflows, and Equity	3,578,476,716	3,581,449,070	(2,972,355)	-0.1	3,207,132,213	371,344,503	11.6

Income Statement	State Revolving Fund (Rollup)													
	Apr-2025							YTD as of Apr-2025						
	Actuals	Bud25	Difference	%	Last Year	Difference	%	Actuals	Bud25	Difference	%	Last Year	Difference	%
Operating Revenue														
Interest Revenue	6,075,178	4,797,511	1,277,667	26.6	5,628,006	447,172	7.9	62,281,446	47,320,888	14,960,558	31.6	59,805,269	2,476,177	4.1
Authority Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Revenue	659,377	828,538	(169,161)	-20.4	640,389	18,988	3.0	6,949,545	7,742,877	(793,332)	-10.2	6,124,868	824,677	13.5
Other Revenue	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Operating Revenue	6,734,555	5,626,049	1,108,506	19.7	6,268,395	466,160	7.4	69,230,992	55,063,765	14,167,226	25.7	65,930,138	3,300,854	5.0
Operating Expense														
Interest Expense	5,915,920	6,569,257	(653,336)	-9.9	4,875,217	1,040,703	21.3	56,471,500	67,447,408	(10,975,908)	-16.3	44,647,743	11,823,757	26.5
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expense	82,484	88,241	(5,757)	-6.5	81,345	1,139	1.4	1,104,496	881,299	223,197	25.3	712,422	392,075	55.0
Shared Expense	50	18,417	(18,367)	-99.7	50	-	0.0	12,131	184,167	(172,036)	-93.4	12,488	(357)	-2.9
Marketing Expense	-	2,292	(2,292)	-100.0	-	-	0.0	2,510	22,917	(20,407)	-89.0	17,698	(15,188)	-85.8
Professional Services	33,555	34,397	(842)	-2.4	58,908	(25,353)	-43.0	388,044	344,019	44,025	12.8	568,295	(180,251)	-31.7
Claim and Loss Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	1,220,368	781,250	439,118	56.2	1,159,769	60,599	5.2	9,204,193	7,812,500	1,391,693	17.8	8,268,664	935,529	11.3
Overhead Allocation	48,247	16,351	31,896	195.1	13,010	35,236	270.8	191,146	172,793	18,354	10.6	121,908	69,239	56.8
Total Operating Expense	7,300,625	7,510,204	(209,580)	-2.8	6,188,300	1,112,325	18.0	67,374,021	76,865,102	(9,491,080)	-12.3	54,349,219	13,024,803	24.0
Net Operating Income (Loss) Before Grants	(566,069)	(1,884,155)	1,318,086	-70.0	80,095	(646,165)	-806.7	1,856,970	(21,801,337)	23,658,307	-108.5	11,580,919	(9,723,949)	-84.0
Net Grant (Income) Expense														
Grant Revenue	(9,199,618)	(9,440,583)	240,965	-2.6	(624,208)	(8,575,411)	1373.8	(75,327,366)	(88,029,417)	12,702,051	-14.4	(65,173,269)	(10,154,097)	15.6
Grant Expense	3,297,217	881,850	2,415,367	273.9	2,077,777	1,219,440	58.7	17,716,158	8,818,500	8,897,658	100.9	11,444,856	6,271,302	54.8
Intra-Agency Transfers	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Total Net Grant (Income) Expense	(5,902,401)	(8,558,733)	2,656,332	-31.0	1,453,570	(7,355,971)	-506.1	(57,611,208)	(79,210,917)	21,599,709	-27.3	(53,728,412)	(3,882,795)	7.2
Net Operating Income (Loss) After Grants	5,336,332	6,674,578	(1,338,246)	-20.0	(1,373,474)	6,709,806	-488.5	59,468,178	57,409,580	2,058,598	3.6	65,309,331	(5,841,154)	-8.9
Other Non-Operating (Income) Expense	(103,867)	-	(103,867)	0.0	177,219	(281,085)	-158.6	(843,251)	-	(843,251)	0.0	(395,222)	(448,029)	113.4
Net Income (Loss)	5,440,198	6,674,578	(1,234,380)	-18.5	(1,550,693)	6,990,891	-450.8	60,311,429	57,409,580	2,901,848	5.1	65,704,553	(5,393,124)	-8.2
IFA Home Dept Staff Count	5	6	(1)	-16.7	6	(1)	-16.7	6	6	(0)	-1.7	5	1	11.3
FTE Staff Count	7	7	(1)	-6.8	7	-	0.0	7	7	(0)	-0.8	6	1	19.9

To: Iowa Finance Authority Board of Directors
From: David Morrison, Cindy Harris, Linda Day, Tammi Dillavou, Dan Stout, Andy Gjerstad, Becky Wu, Michelle Bodie, Rick Andriano
Date: April 18, 2025
Subject: FY26 Budget

FY25 Forecast – Housing Authority

A forecast for the remainder of FY25 has been prepared in conjunction with the FY26 Budget. It considers the first eight months of actual results and four months of projections using current trends and input from program leaders. This creates the starting point for the FY26 Budget and is used for all FY25 to FY26 comparisons.

The Housing Authority is forecast to trail the FY25 Budget.

- **Total Operating Revenue** of \$116.2MM (million) is forecast to exceed FY25 Budget by \$18.1MM or 18.5%. Higher interest rates resulting in increased interest revenue, along with Single Family service acquisition fee revenue account for most of this favorable variance.
- **Total Operating Expense** of \$95.7MM is forecast to be \$13.5MM or 16.4% above the FY25 Budget. Employee expenses and shared expenses are below budget, offsetting higher than anticipated professional services, claims and loss expense and interest expense.
- **Net Grant Expense (Income)** of \$0.5MM is forecast to be \$8.5MM above FY25 Budget.
- As a result, **Net Income** of \$20.1MM trails FY25 Budget by \$3.8MM. Primarily due to reserves for ARPA/LIHTC loans.
- **General Fund Liquidity** required no transfers of funds from Single Family during FY25. This is \$1.0MM less than the FY25 budget anticipated.
- **Capital Spend**

Item	Forecast	FY25 Budget
Enterprise Management System	\$ 2,775 k	\$ 6,500 k
Miscellaneous	\$ 35 k	\$ 150 k
Total	\$ 2,810 k	\$ 6,650 k

FY26 Budget - Housing Authority

Summary

We continue to administer fiscal recovery programs providing funding through FY26 and beyond. Interest rates are expected to remain consistent at the current higher rates through the start of the fiscal year, after which we anticipate seeing a gradual decline of .25% each quarter in rates through the end of the fiscal year.

- **Total Operating Revenue** of \$128.7MM is \$12.5MM or 11% above FY25. Continued higher interest earnings account for this increase.
- **Total Operating Expense** of \$117.0MM is \$21.3MM or 22% above FY25.
 - Interest expense increases \$19.0MM or 27% in connection with new debt issuance and projected sustained higher interest rates through the first part of the fiscal year.
 - Employee expenses increased \$1.7MM or 14%. This includes assumptions of a 2% across the board increase on July 1, 2025, and 3% in-grade step increases throughout the fiscal year.
 - Shared expenses and Professional Services increase \$0.3MM and \$0.4MM, respectively, to account for rising costs being experienced globally across all sectors of the economy.
- **Net Grant Income** of \$9.8MM 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 \$21.5MM is \$1.4MM higher than FY25.
- **Total Assets** of \$3.0 billion are 14% above FY25.
- **Debt** will increase \$343MM with Single Family bond issuances totaling \$400MM, netted against scheduled payments on existing debt.
- **General Fund Liquidity** target of \$15.9MM requires a transfer of \$1.0MM from single family.
- **Emergency and Innovative Housing Fund** has been established starting in FY25 to effectively respond to emergency housing needs, as well as to allow for IFA participation in creative and innovative initiatives related to supporting affordable housing.
- **Building Reserve Fund** has been established starting in FY25 to accumulate a reserve to be used for future building repair or replacement projects at 1963 Bell Avenue. The reserve is funded with an amount equal to projected total depreciation expense included in the current budget. Total FY26 budgeted depreciation expense is \$1.1MM.
- **Capital Spend** planned for FY26:

Item	FY26 Budget
Enterprise Management System	\$ 3,539 k
Miscellaneous - Basement/interior renovations, etc.	\$ 150 k
Total	\$ 3,689 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 FY26 Budget from the FY25 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 \$7.3MM, decreased \$0.4MM or 5% due to the projected decrease in interest earnings on currently held federal funds as these funds are deployed on mission and the cash balances decrease.

Overhead expenses of \$6.3MM, increased \$1.0MM, or 20%, a result of increases in all categories due to economic factors and a trend in rising costs.

This group requires an additional \$1.0MM in transfers to meet General Fund liquidity requirements of \$15.9MM.

Single Family

The FY26 SF production target is \$400.0MM. The plan is to issue \$377.3MM of bonds and sell \$40.0MM of MBS into the secondary market. Our MBS portfolio is planned to increase \$271.4MM or 16%.

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 \$16.9MM of DPA loans and \$0.7MM of grants.

Operating revenue is budgeted to increase \$14.0MM or 15% due to a rise in interest revenue. Interest rates are expected to remain consistently higher at the start of FY26, with a planned level decrease in the rate throughout the fiscal year, which aligns with anticipated Fed rate cuts.

Operating expenses are planned to increase \$19.5MM or 26% due to an anticipated rise in debt interest expenses related to additional bond issuances. Authority Fee Expense, the amount allowed to be taken out of bond indentures to fund operating expenses, is expected to decrease slightly compared to FY25.

Grant Revenue of \$2.2MM is the Military Homeownership Assistance (MHOA) received from the State; Grant Expense of \$3.9MM includes \$1.7MM of Authority funded DPA and \$2.2MM of MHOA.

Intra-Agency transfers of \$0.85MM from ITG to the Housing Assistance Fund and \$1.0MM going to the General Fund to meet liquidity requirements.

Multifamily

FY26 Budget assumes \$1.8MM in multi-family loan disbursements and \$11.2MM of loan repayments resulting in a decrease in the loan portfolio.

Operating revenue declines \$0.6MM or 7%, related to an anticipated gradual decline in interest rates over the course of the fiscal year.

Operating expenses increase by \$0.1MM or 1% due in part to employee expenses and planned step and across the board increases.

Net Operating Income before Grants of \$2.8MM is \$0.6MM or 18% below FY25.

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 FY26 Budget assumes \$2.2MM revenue, a slight decrease from FY25 due to planned interest rates remaining consistently higher to start the fiscal year compared to lower cash balances.

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 FY25 Net Operating Income after Grants is budgeted for \$10.6MM.

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 \$0.3MM. The FY26 IADD budget assumes the department will not need to borrow on 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 4% to \$7.7MM due to a projected decrease in residential and commercial premiums.

Operating expenses remain consistent with the prior year at \$6.8MM, a 4% increase over FY25 related to a planned increase in employee expense by \$0.1MM or 3%, due to across the board and step increase assumptions.

Operating Income after Grants is \$0.86MM of which \$0.85MM 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:

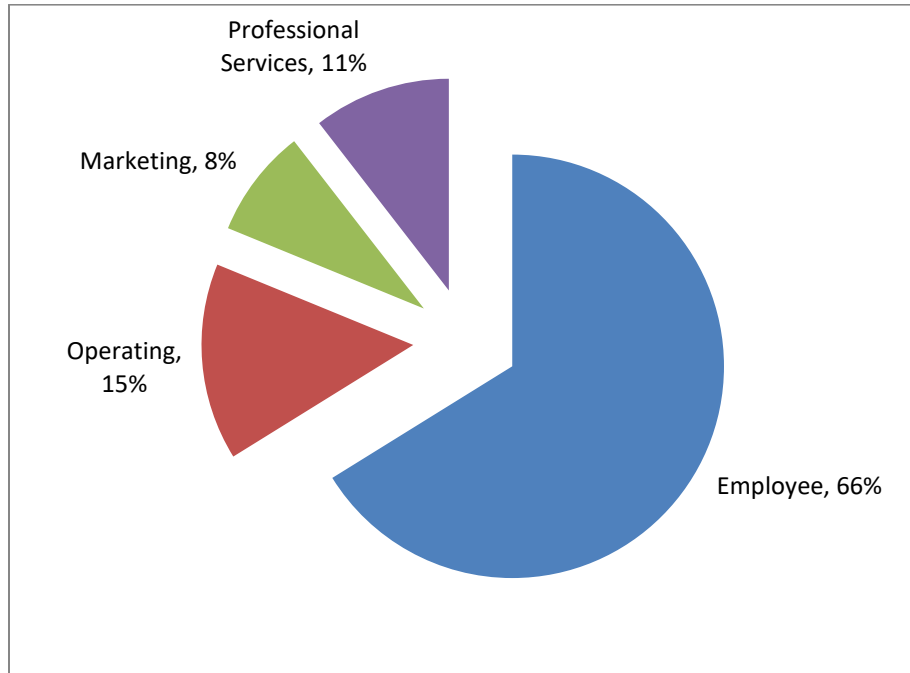
- Section 8 tenant based rental assistance program administration
- Low Income Housing Tax credit program administration
- Private activity bond application and origination
- Multi Family loan application and origination
- Conference registrations

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 FY26 is \$12,445,842 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 FY26 this would be \$3,110,602.

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 FY26 this would be \$15,942,407.

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.

To: IFA Board Members
 From: Dan Stout
 Date: April 18, 2025
 Re: FY26 Budget – Overhead Departments

A forecast for the remainder of FY25 has been prepared in conjunction with the FY26 Budget. It considers the first eight months of actual results and four months of projections using current trends and input from program leaders. This creates the starting point for the FY26 Budget and is used for all FY25 to FY26 comparisons.

The General Fund (GF) FY25 Forecast compared to FY25 Budget and FY25 Forecast compared to FY26 Budget are summarized below (presented in millions, MM):

FY25 - Financial Statement Highlights (FY25 Forecast compared to FY25 Budget)

Total Operating Revenue is forecasted to be \$0.9MM or 14% higher than budget due to an increase in Interest Revenue from the Emergency Rental Assistance Federal Programs and from an increase in Authority Revenue for Single Family program due to higher MBS balances.

Total Operating Expense is forecasted to be \$0.9MM or 15% lower than budget.

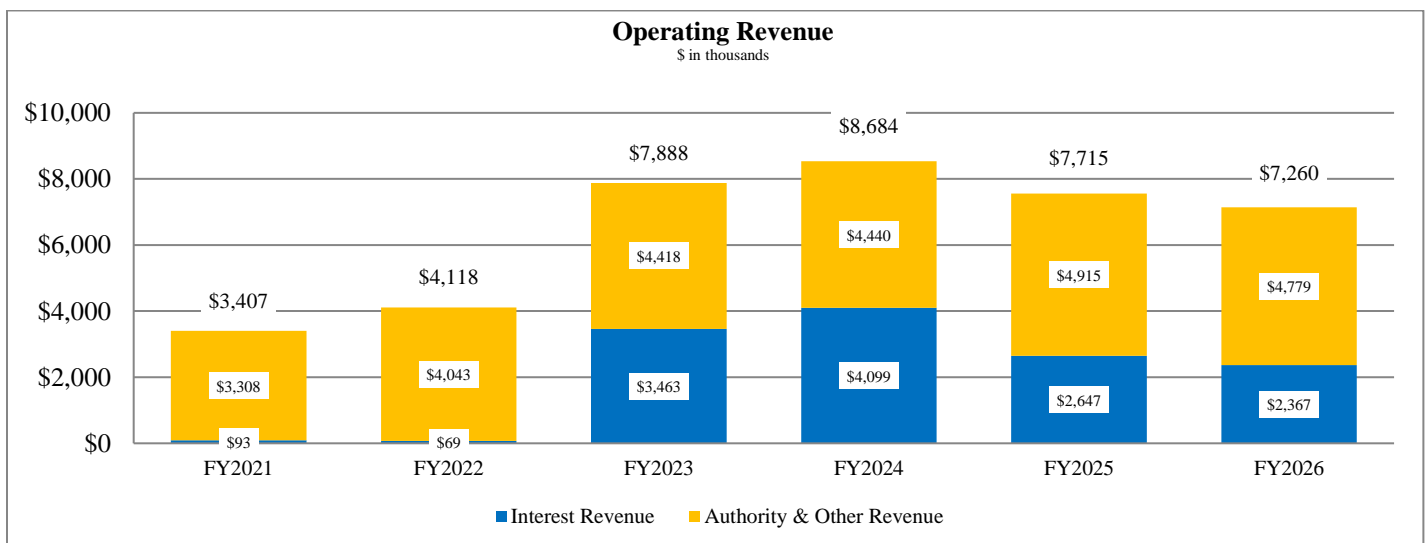
As a result, **Net Operating Income Before Grants** is forecast to be \$1.9MM higher than budget.

Total Assets are forecasted to be \$5.6MM or 14% higher than budget due to higher interest rates and investment activity.

FY26 - Budget Assumptions

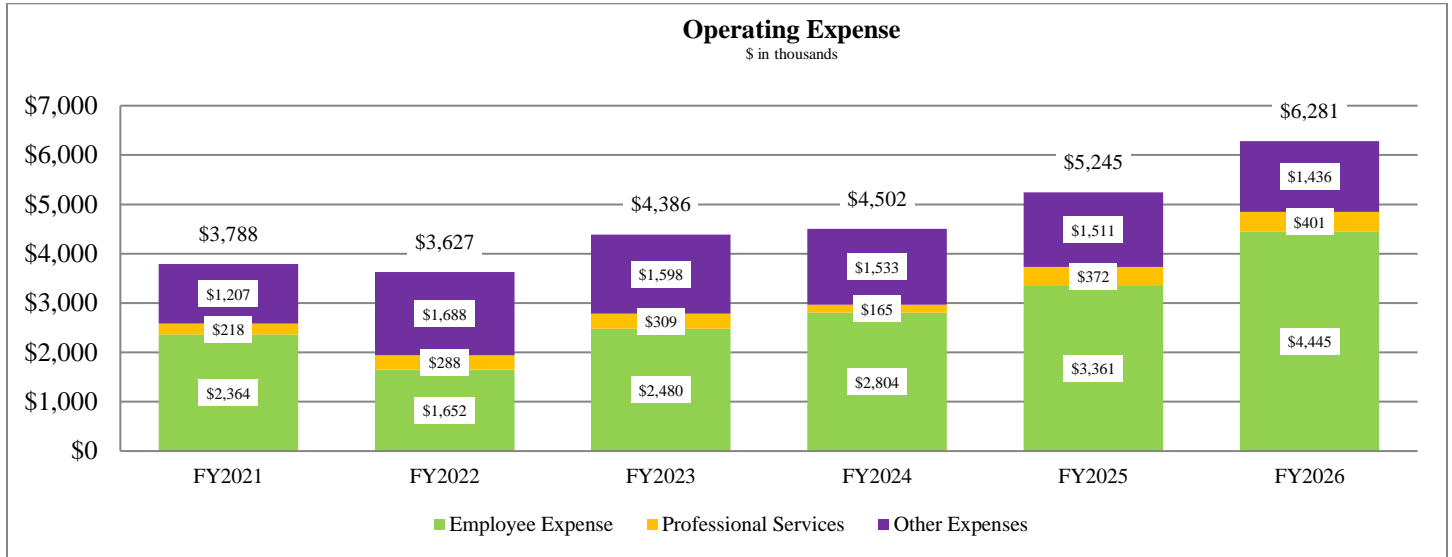
- All open positions projected to be filled
- \$1MM in Intra-Agency Transfers

FY26 - Financial Statement Highlights (FY26 Budget compared to FY25 Forecast)



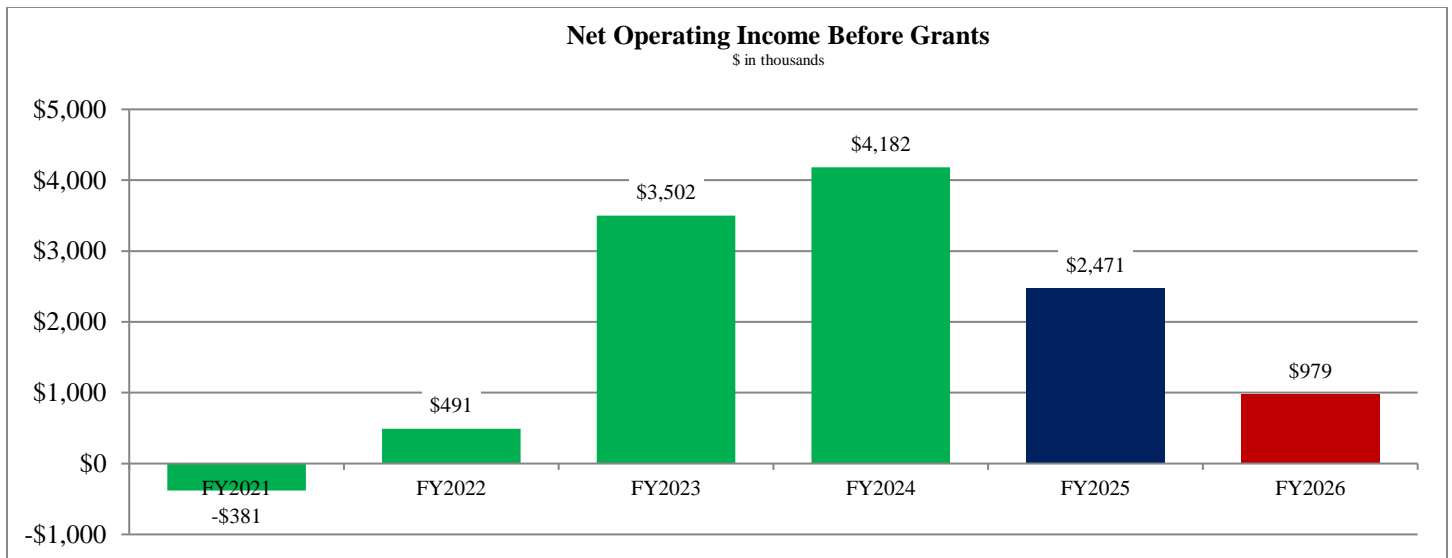
Total Operating Revenue of \$7.3MM is budgeted to decrease \$0.4MM or 6%.

- Interest Revenue decreased \$0.3MM or 11% due to the Emergency Rental Assistance interest payments decreasing monthly.
- Authority Revenue is comparable to FY25 forecast.
- Other Revenue is budgeted to increase slightly due to an increase in Tenant Rent. Base Rent will increase 1% for IEDA and 3% for IID. CAM will increase 2% for IEDA and 5% for IID.

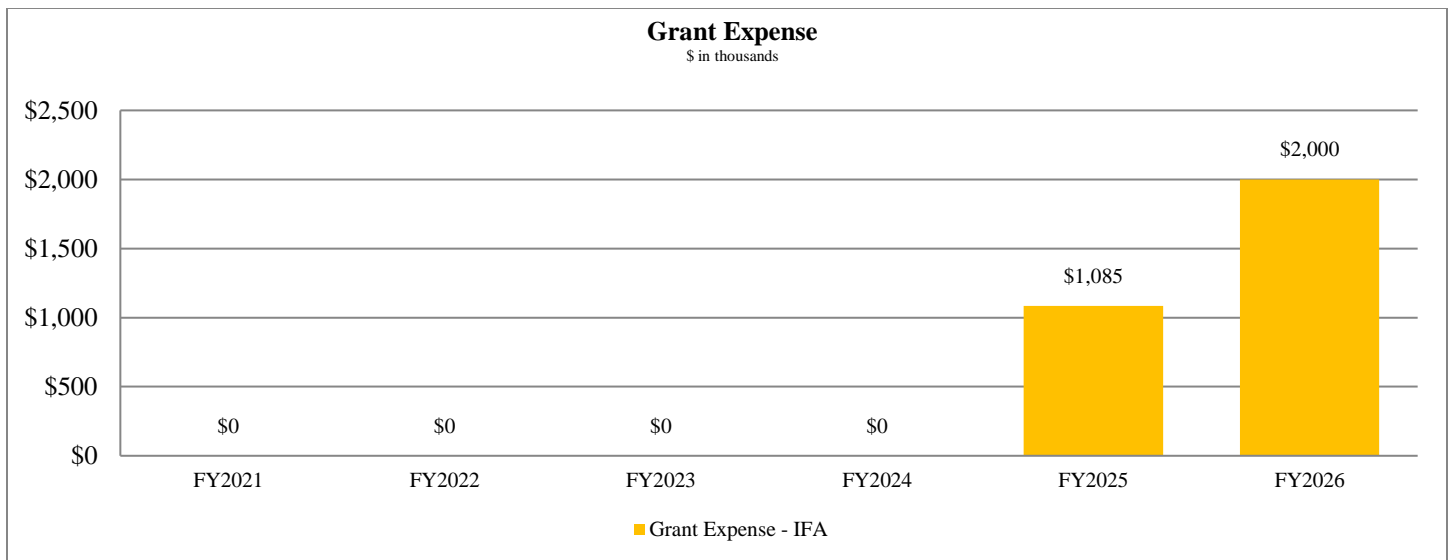


Operating Expense of \$6.3MM is budgeted to increase \$1.0MM or 20%.

- Employee expense is budgeted to increase \$1.1MM or 32% due to planned 2% across the board and 3% step increases. Also, in FY25, there was a one-time reallocation of accrued vacation and sick leave from the General Fund to ITG and SFR that resulted in a significant decrease to Employee Expense.
- Both Professional Services and Other Expenses are comparable to FY25 forecast.

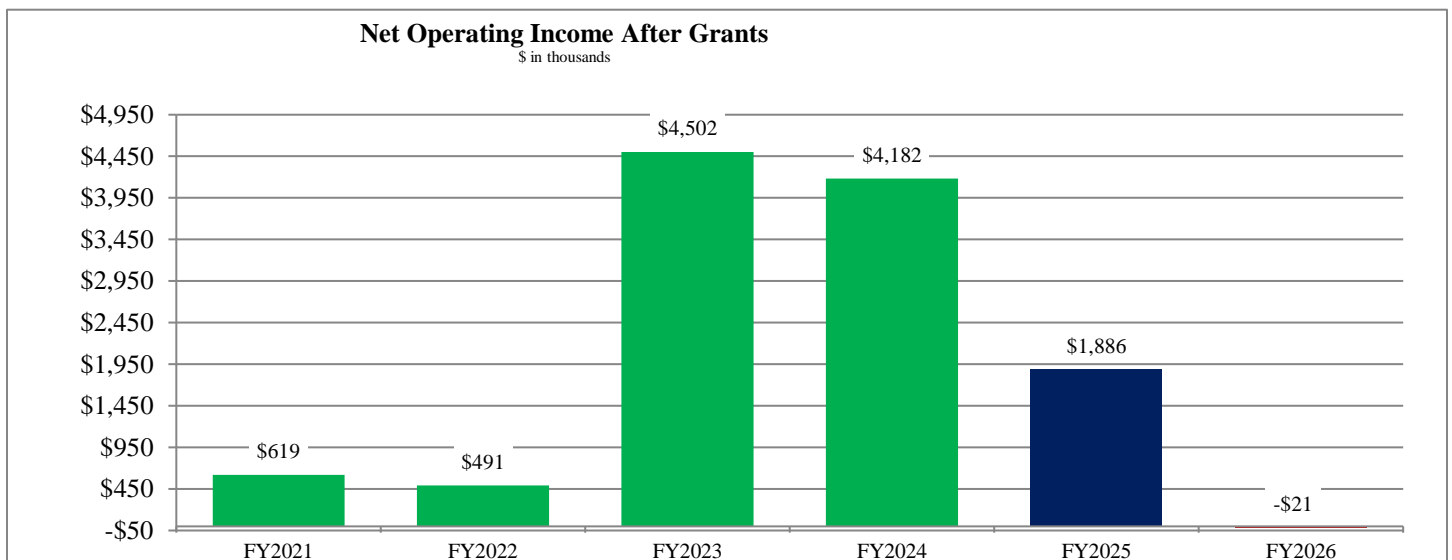


As a result, Net Operating Income Before Grants of \$1.0MM is budgeted to decrease \$1.5MM or 60%.



Total Net Grant (Income) Expense of \$1.0MM is budgeted to increase \$0.4MM or 71%.

- Grant expense is budgeted to increase \$0.9MM or 84% compared to FY25 forecast
- Intra-Agency Transfers is budgeted to increase \$0.5M or 100% from \$0.5MM to \$1.0MM.



As a result, Net Operating Income After Grants of -\$.02MM is budgeted to decrease \$1.9MM.

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 FY26 this would be \$3,105,279.

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 FY26 this would be \$15,921,117

Balance Sheet	Bud26 Overhead (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivalents	10,495,260	10,701,772	11,355,092	11,608,123	15,709,804	19,776,509	25,005,912	25,311,278	305,366	1%
Investments	365,372	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	1,060,764	887,489	1,330,238	987,143	809,012	657,504	541,606	423,277	(118,329)	-22%
Line of Credit	1,434,700	799,700	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	397,606	600,370	392,762	367,419	341,908	323,660	304,609	285,102	(19,507)	-6%
Capital Assets (net)	4,663,610	13,568,065	13,955,882	14,012,386	13,085,065	13,126,717	14,856,410	17,455,945	2,599,535	17%
Other Assets	1,463,877	1,390,373	1,268,655	873,625	2,075,915	2,537,686	4,230,265	6,480,265	2,250,000	53%
Deferred Outflows	1,368,390	1,092,499	1,144,197	1,942,580	1,106,088	1,483,760	1,483,760	1,483,760	-	0%
Total Assets and Deferred Outflows	21,249,579	29,040,268	29,446,826	29,791,275	33,127,793	37,905,837	46,422,562	51,439,626	5,017,065	11%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	8,750,894	8,731,012	8,771,135	8,451,195	6,986,658	6,920,452	7,443,683	7,092,299	(351,384)	-5%
Equity	12,498,685	20,309,257	20,675,691	21,340,080	26,141,135	30,985,384	38,978,879	44,347,327	5,368,449	14%
Total Liabilities, Deferred Inflows, and Equity	21,249,579	29,040,268	29,446,826	29,791,275	33,127,793	37,905,837	46,422,562	51,439,626	5,017,065	11%
Income Statement	Bud26 Overhead (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Operating Revenue										
Interest Revenue	271,451	212,922	92,960	69,457	3,463,412	4,099,323	2,647,231	2,366,962	(280,269)	-11%
Authority Revenue	1,553,030	1,825,214	2,149,506	2,487,267	2,788,907	2,655,719	3,093,404	2,945,256	(148,148)	-5%
Fee Revenue	6,399	7,394	5,955	6,292	6,294	144,609	152,950	114,800	(38,150)	-25%
Other Revenue	264,001	583,648	1,158,755	1,555,433	1,629,065	1,784,502	1,821,571	1,833,394	11,823	1%
Total Operating Revenue	2,094,881	2,629,178	3,407,175	4,118,450	7,887,678	8,684,153	7,715,156	7,260,412	(454,744)	-6%
Operating Expense										
Interest Expense	15,474	-	-	(940)	-	-	270	-	(270)	-100%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expense	2,439,082	2,195,897	2,363,815	1,651,769	2,479,529	2,803,902	3,361,351	4,444,737	1,083,386	32%
Shared Expense	997,836	2,232,177	2,609,216	2,493,953	2,426,091	2,722,126	2,505,537	2,791,078	285,541	11%
Marketing Expense	419,083	557,002	173,280	326,876	425,268	486,893	493,105	567,500	74,395	15%
Professional Services	455,207	206,090	218,011	288,113	308,784	164,734	372,071	400,610	28,539	8%
Claim and Loss Expense	(2,000)	(2,000)	(111,000)	-	-	-	-	-	-	0%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	19,868	(88,357)	(447,735)	(287,969)	(419,973)	(725,060)	(681,772)	(977,681)	(295,910)	43%
Overhead Allocation	(311,380)	(1,299,676)	(1,017,098)	(844,398)	(833,595)	(950,474)	(805,967)	(945,203)	(139,236)	17%
Total Operating Expense	4,033,170	3,801,133	3,788,489	3,627,404	4,386,105	4,502,121	5,244,596	6,281,041	1,036,445	20%
Net Operating Income (Loss) Before Grants	(1,938,290)	(1,171,956)	(381,314)	491,046	3,501,573	4,182,032	2,470,560	979,371	(1,491,189)	-60%
Net Grant (Income) Expense										
Grant Revenue	-	-	-	-	-	-	-	-	-	0%
Grant Expense	-	-	-	-	-	-	1,084,596	2,000,000	915,404	84%
Intra-Agency Transfers	(11,150,000)	(10,500,000)	(1,000,000)	-	(1,000,000)	-	(500,000)	(1,000,000)	(500,000)	100%
Total Net Grant (Income) Expense	(11,150,000)	(10,500,000)	(1,000,000)	-	(1,000,000)	-	584,596	1,000,000	415,404	71%
Net Operating Income (Loss) After Grants	9,211,710	9,328,044	618,686	491,046	4,501,573	4,182,032	1,885,964	(20,629)	(1,906,593)	-101%
Non-Operating (Income) Expense	4,176,022	(7,669)	7,579	116,685	36,530	10,097	(12,269)	-	12,269	-100%
Net Income (Loss)	5,035,688	9,335,713	611,107	374,361	4,465,044	4,171,935	1,898,233	(20,629)	(1,918,862)	-101%
IFA Staff Count by Home Dept	22.1	22.5	25.0	23.1	23.8	23.3	23.7	22.0	-1.7	-7%
Contractor Staff Count by Home Dept	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	18.8	17.0	17.9	17.9	19.6	19.7	22.7	31.2	8.5	37%

To: IFA Board of Directors
From: David Morrison
Date: April 18, 2025
Re: FY26 Single Family Budget

FY25 - Financial Statement Highlights (FY25 Forecast compared to FY25 Budget)

For the remainder of FY25, a forecast has been prepared in conjunction with the FY26 Budget. It incorporates the first eight months of actual results and four months of projections using current trends. This is the starting point for the FY26 Budget and all FY25 to FY26 comparisons.

Single Family is forecast to exceed the FY25 Budget as indicated below.

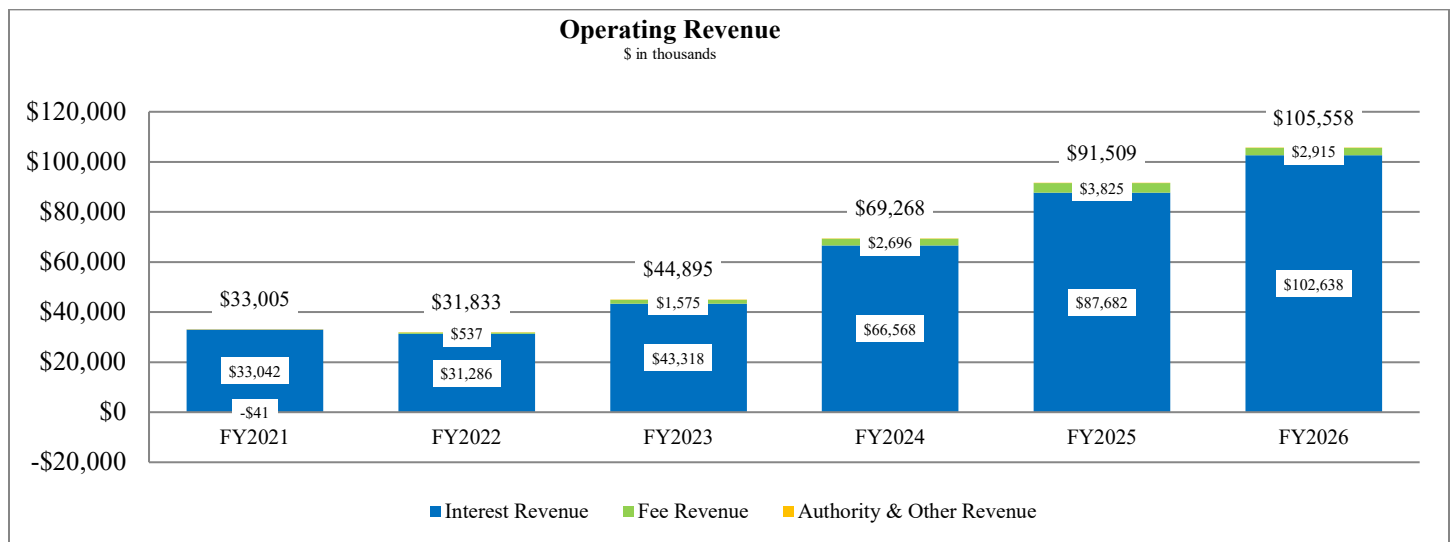
- **Total Operating Revenue** of \$91.5MM is forecast to exceed FY25 Budget by \$16.8MM or 22.5%. Interest on MBS and Investments accounts for much of this favorable variance.
- **Total Operating Expense** of \$75.9MM is forecast at \$14.0MM or 22.5% above the FY25 Budget. Interest Expense (Debt and Bond Premium Amortization) account for this unfavorable forecast.
- As a result, **Net Operating Income before Grants** of \$15.6MM is forecast to exceed the FY25 Budget by \$2.9MM.
- **Net Grant Expense** of \$0.8MM is forecast to be \$0.9MM below FY25 Budget. Grant Revenue is only made up of Military DPA. This also includes Intra-Agency transfers of \$1.7MM from F&S offset by transfers to GF of \$0.5MM not needed in FY25.
- This resulted in **Net Income** of \$14.8MM which exceeds FY25 Budget by \$3.7MM.

FY26 – Budget Assumptions

The FY26 production target is \$400.0MM and 13% below the FY25 forecast. The plan is to fund production by issuing \$377.0MM of bonds and selling \$40.0MM of MBS into the secondary market. Our MBS portfolio is planned to increase by \$271.4MM or 16%.

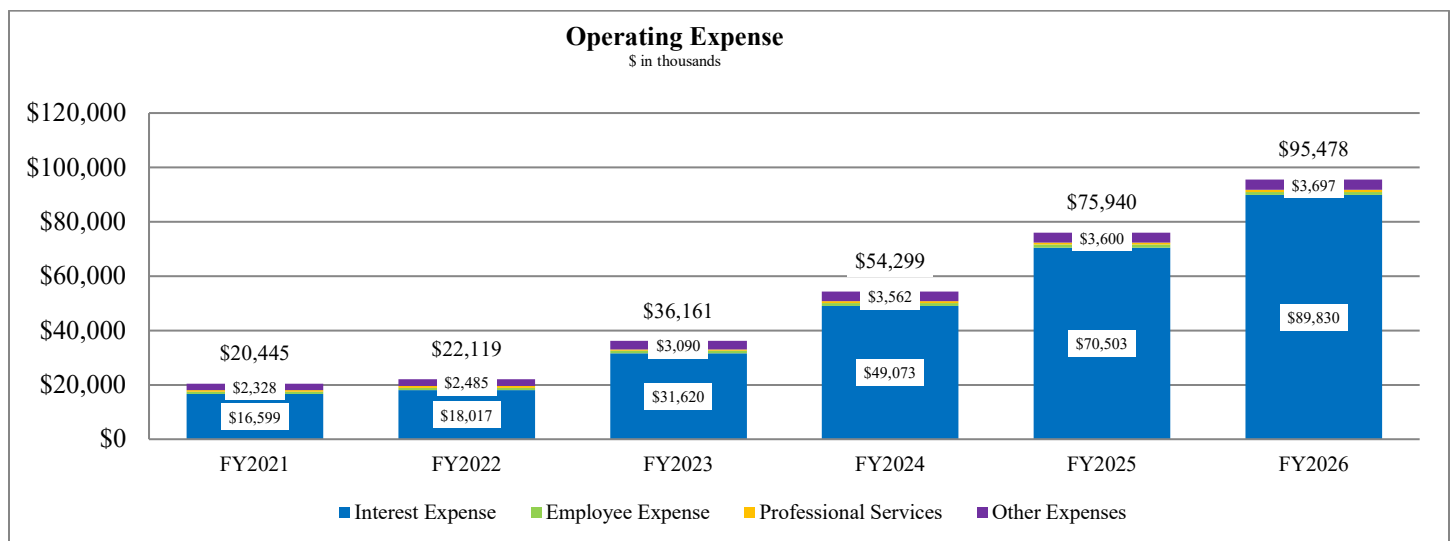
Two down payment assistance (DPA) programs will be available to homebuyers; the second mortgage program providing up to 5% interest free and the traditional \$2,500 DPA grant program. The FY26 budget assumes \$16.9MM of DPA loans and \$0.7MM of grants.

FY26 - Financial Statement Highlights (FY26 Budget compared to FY25 Forecast)



Total Operating Revenue is budgeted at \$14.0MM or 15.4% above FY25 Forecast. This is mainly due to a rise in Interest Revenue.

- Short-term and long-term interest rates are expected to remain high, leading to high Interest Revenue on MBS portfolio. Also, there is a planned slight increase in MBS sales over FY25.
- Fee Revenue is projected to slightly decrease to FY25 forecast primarily due to lower rebates on FNMA and FMAC Risk Base Pricing and increased Service Acquisition Expense.

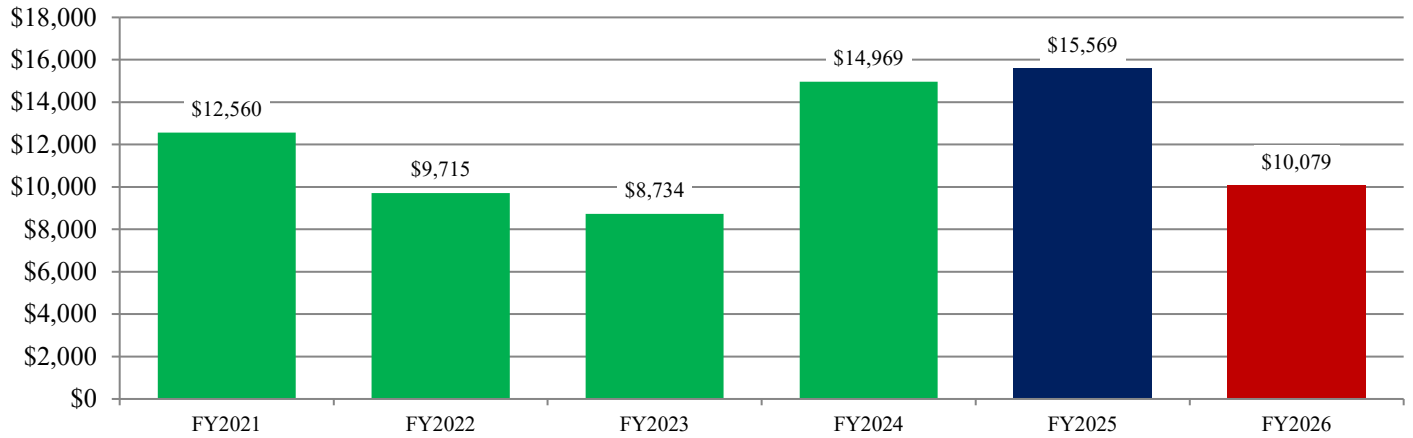


Planned Total Operating Expense is \$19.5MM or 25.7% above FY25 Forecast.

- Interest expense is budgeted to increase by \$19.3MM or 27.4% in FY26 due to an anticipated rise in debt interest due to additional bond issuance.
- Increase in Employee Expense is due to Step and Across the Board increases.
- Increase in Other Expenses is related to Loan reserve adjustments compared to forecast.

Net Operating Income Before Grants

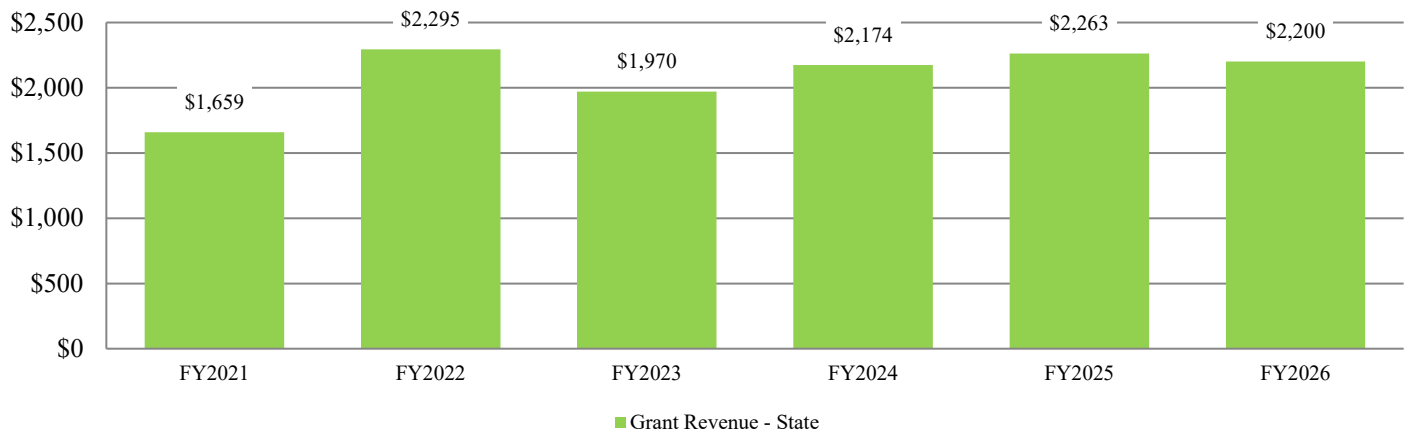
\$ in thousands



Consequently, Net Operating Income Before Grants is \$5.5MM or 35.3% below FY25 Forecast.

Grant Revenue

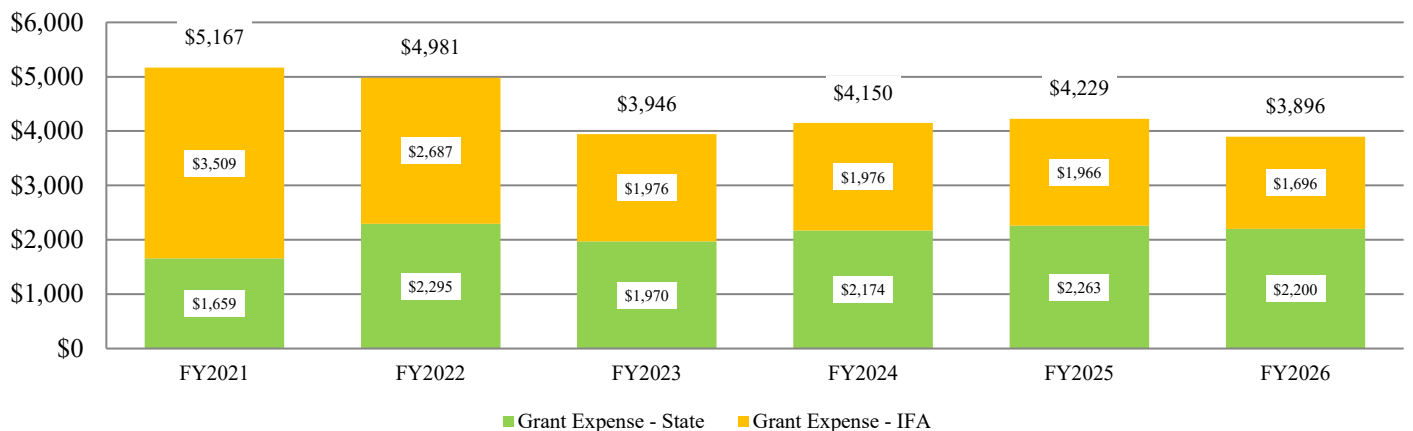
\$ in thousands



Military DPA of \$2.2MM is expected from the State and any undisbursed allocation from FY25 will be carried over to FY26.

Grant Expense

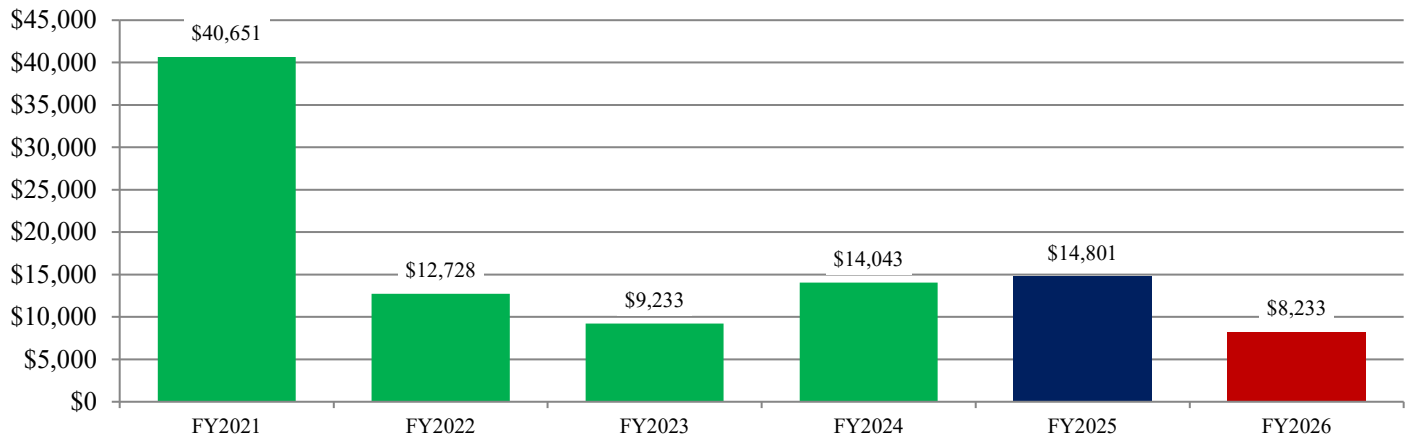
\$ in thousands



Grant Expense is budgeted at \$0.3MM or 7.9% below FY25 Forecast because of a drop in DPA on MBS Sales.

Net Operating Income After Grants

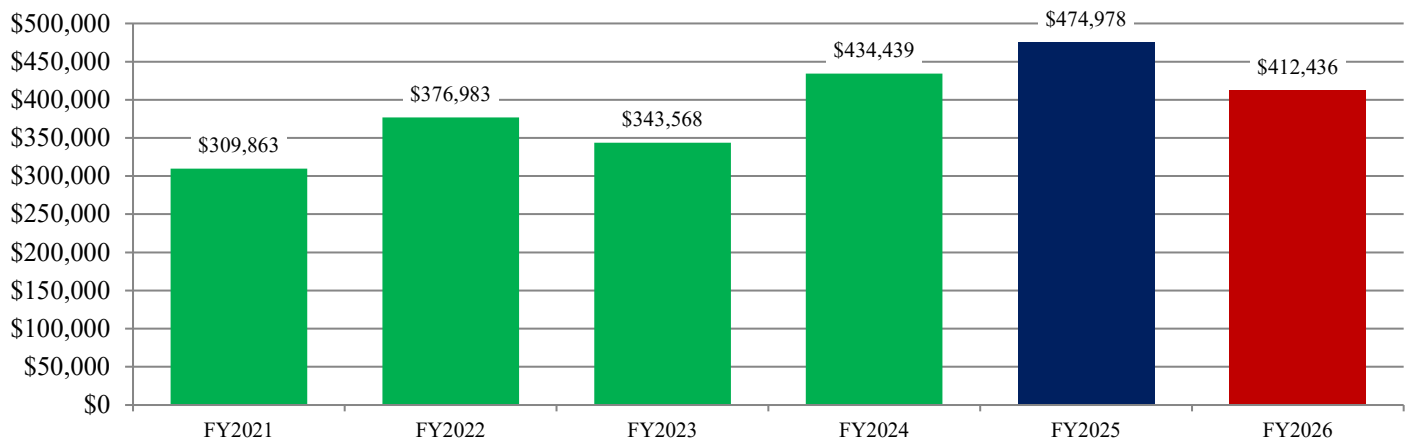
\$ in thousands



Budgeted Net Operating Income after Grants of \$6.6MM, a decrease of 44.4% to forecast, is largely due to Intra-Agency Transfers of \$1.0MM to General Fund for liquidity are offset by \$0.9MM from F&S for IFA DPA grants.

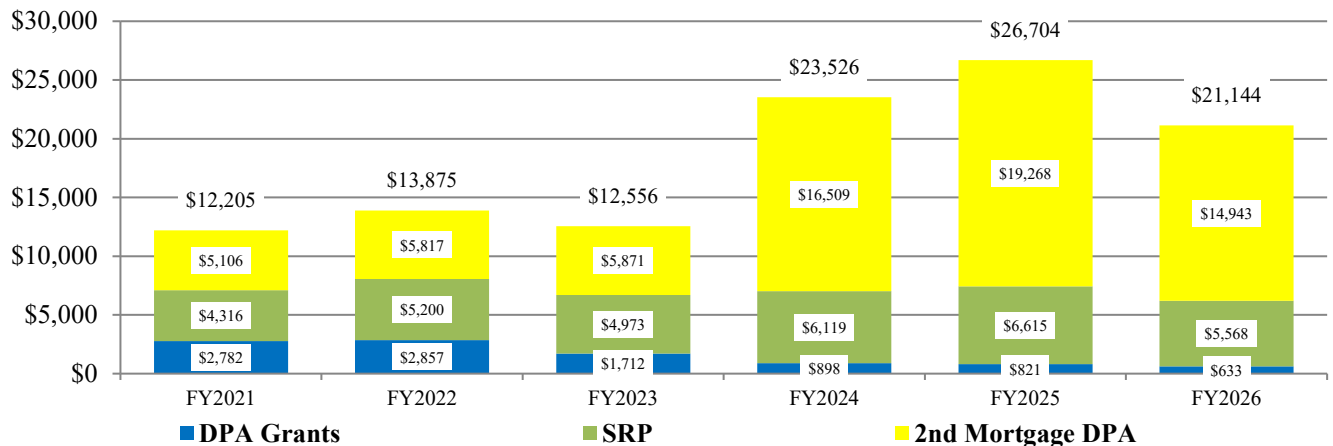
MBS Purchases

\$ in thousands

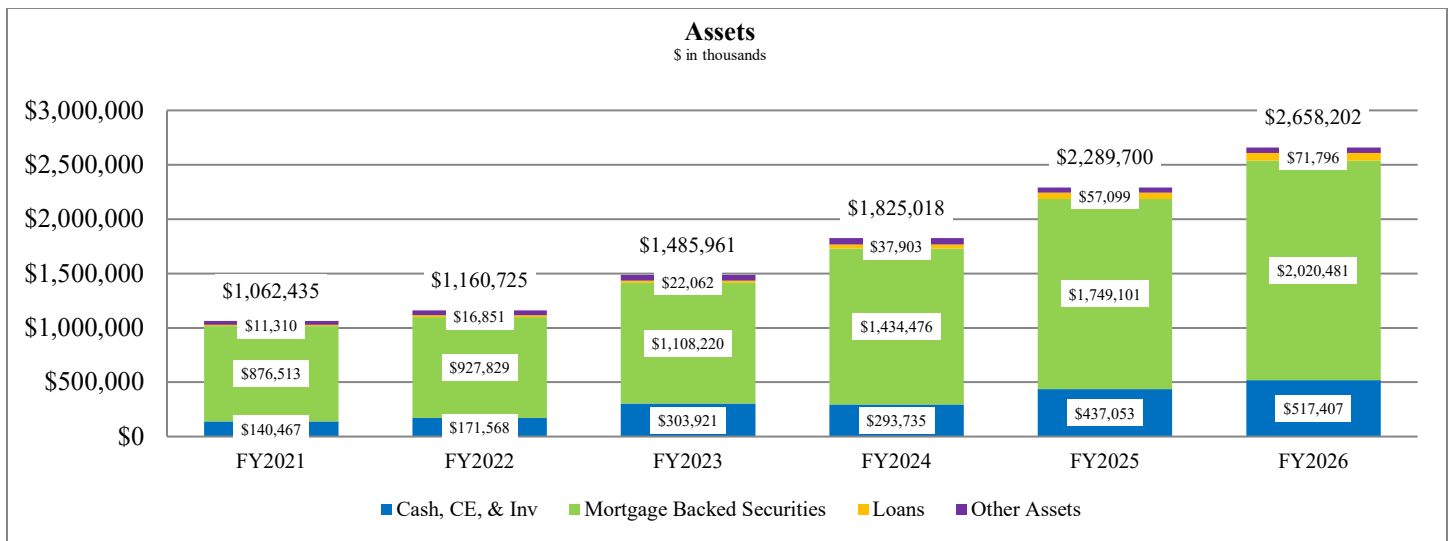


MBS Acquisition Costs

\$ in thousands



MBS Acquisition costs decline in SRP due to lower planned MBS purchases and decrease in DPA grants than FY25 Forecast.



Total Assets and Deferred Outflows are planned to increase by \$368.5MM or 16.1% above FY25 Forecast.

- MBS projected \$271.4MM or 15.7% above FY25 forecast due to planned purchases and a drop in MBS Sales.
- Cash and Cash Equivalents are projected at \$80.4MM or 18.4% above FY25 Forecast due to higher planned issuances in 2026.

Balance Sheet	Bud26 Single Family (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivalents	134,896,671	90,643,251	140,467,120	161,601,056	303,921,175	293,734,927	437,052,698	517,406,910	80,354,212	18.4%
Investments	3,008,805	1,003,950	-	9,967,050	-	-	-	-	-	0.0%
Mortgage Backed Securities	575,172,569	788,334,168	847,284,642	903,947,775	1,088,602,797	1,403,983,888	1,728,864,041	2,000,244,362	271,380,321	15.7%
Line of Credit	23,196,543	16,173,595	29,228,712	23,881,627	19,617,226	30,491,992	20,236,634	20,236,634	-	0.0%
Loans - net of reserve for losses	2,527,223	6,707,504	11,309,908	16,851,455	22,061,635	37,903,056	57,098,898	71,795,800	14,696,902	25.7%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0.0%
Other Assets	20,664,248	27,050,286	26,668,929	42,019,783	49,622,090	57,146,714	44,471,106	46,665,025	2,193,919	4.9%
Deferred Outflows	7,028,659	11,082,397	7,475,290	2,456,656	2,135,716	1,756,997	1,976,506	1,853,116	(123,390)	-6.2%
Total Assets and Deferred Outflows	766,494,718	940,995,152	1,062,434,602	1,160,725,403	1,485,960,639	1,825,017,574	2,289,699,883	2,658,201,847	368,501,965	16.1%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0.0%
Liabilities and Deferred Inflows	591,144,954	724,488,701	810,656,393	996,013,948	1,349,671,049	1,682,228,641	2,092,322,534	2,450,792,919	358,470,385	17.1%
Equity	175,349,764	216,506,452	251,778,209	164,711,454	136,289,590	142,788,932	197,377,348	207,408,928	10,031,580	5.1%
Total Liabilities, Deferred Inflows, and Equity	766,494,718	940,995,152	1,062,434,602	1,160,725,403	1,485,960,639	1,825,017,574	2,289,699,883	2,658,201,847	368,501,965	16.1%
Income Statement	Bud26 Single Family (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Operating Revenue										
Interest Revenue	25,425,655	31,311,453	33,041,560	31,286,436	43,317,775	66,567,618	87,681,715	102,638,045	14,956,331	17.1%
Authority Revenue	-	-	-	-	-	-	-	-	-	0.0%
Fee Revenue	859,416	426,230	(40,874)	537,203	1,575,455	2,695,732	3,824,746	2,915,058	(909,689)	-23.8%
Other Revenue	5,183	346,676	4,000	9,761	2,000	4,500	3,000	4,500	1,500	50.0%
Total Operating Revenue	26,290,255	32,084,359	33,004,686	31,833,400	44,895,230	69,267,850	91,509,461	105,557,603	14,048,142	15.4%
Operating Expense										
Interest Expense	14,754,446	18,556,540	16,598,796	18,017,091	31,620,053	49,072,951	70,502,597	89,830,243	19,327,646	27.4%
Authority Expense	1,418,208	1,692,512	2,019,067	2,359,210	2,663,372	2,532,860	3,000,715	2,870,085	(130,630)	-4.4%
Employee Expense	856,958	858,723	821,853	912,874	959,645	1,053,891	1,079,018	1,140,584	61,566	5.7%
Shared Expense	178,183	81,234	82,093	93,265	101,593	105,016	116,930	103,295	(13,635)	-11.7%
Marketing Expense	197,515	62,574	44,564	78,897	38,431	341,625	396,320	451,375	55,055	13.9%
Professional Services	485,031	614,413	696,180	703,479	491,555	609,427	758,505	810,493	51,988	6.9%
Claim and Loss Expense	17,674	(1,000)	97,000	(100,000)	229,600	499,681	34,298	212,000	177,702	518.1%
Service Release Premium	-	-	-	-	-	-	-	-	-	0.0%
Miscellaneous Operating Expense	322	60	40	127	-	-	-	-	-	0.0%
Overhead Allocation	-	126,048	85,143	53,805	57,044	83,054	51,976	60,045	8,068	15.5%
Total Operating Expense	17,908,336	21,991,104	20,444,736	22,118,749	36,161,294	54,298,505	75,940,359	95,478,120	19,537,761	25.7%
Net Operating Income (Loss) Before Grants	8,381,919	10,093,255	12,559,949	9,714,651	8,733,936	14,969,345	15,569,101	10,079,482	(5,489,619)	-35.3%
Net Grant (Income) Expense										
Grant Revenue	(2,288,899)	(1,412,887)	(1,658,702)	(2,294,668)	(1,969,832)	(2,173,601)	(2,263,107)	(2,200,000)	63,107	-2.8%
Grant Expense	4,901,591	4,314,718	5,167,493	4,981,266	3,945,650	4,149,765	4,228,956	3,896,102	(332,854)	-7.9%
Intra-Agency Transfers	4,650,000	(85,000)	(31,600,000)	(5,700,000)	(2,475,000)	(1,050,000)	(1,197,458)	150,000	1,347,458	-112.5%
Total Net Grant (Income) Expense	7,262,692	2,816,831	(28,091,209)	(3,013,402)	(499,182)	926,164	768,391	1,846,102	1,077,711	140.3%
Net Operating Income (Loss) After Grants	1,119,227	7,276,424	40,651,159	12,728,053	9,233,118	14,043,181	14,800,711	8,233,381	(6,567,330)	-44.4%
Non-Operating (Income) Expense	(17,653,247)	(32,891,741)	6,459,883	100,919,346	38,818,501	9,137,073	(38,120,288)	-	38,120,288	-100.0%
Net Income (Loss)	18,772,475	40,168,164	34,191,276	(88,191,293)	(29,585,382)	4,906,108	52,920,999	8,233,381	(44,687,618)	-84.4%
IFA Staff Count by Home Dept	6.5	6.6	4.6	5.6	6.0	6.4	6.1	7.0	0.9	15.1%
Contractor Staff Count by Home Dept	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Staff Count by FTE	7.9	8.2	6.3	7.4	8.0	8.5	7.9	8.4	0.5	7.0%

To: IFA Board of Directors
From: Andy Gjerstad
Date: April 18, 2025
Re: **FY26 Multi Family Budget Overview**

A forecast for the remainder of FY25 has been prepared in conjunction with the FY26 Budget. It considers the first eight months of actual results and four months of projections using current trends and input from program leaders. This creates a starting point for the FY26 Budget and is used for all FY25 to FY26 comparisons.

The Multi Family (MF) FY25 Forecast compared to FY25 Budget and FY25 Forecast compared to FY26 Budget are summarized below (presented in millions, MM):

FY25 - Financial Statement Highlights (FY25 Forecast compared to FY25 Budget)

Total Assets of \$78.6MM - \$6.8MM less than budget of \$85.4MM.

- Cash \$3.3MM above budget due to a .6MM loan payoff, loan disbursements of 1.8MM budgeted in FY25, but will occur in FY26
- Loans \$10.3MM below budget related to unplanned loan payoffs

Total Liabilities of \$29.8MM - \$7.5MM less than budget of \$37.3MM.

- Bonds Payable were \$7.7MM below budget

Total Operating Revenue is above budget at \$8.8MM, \$.4MM greater than budget of \$8.4MM.

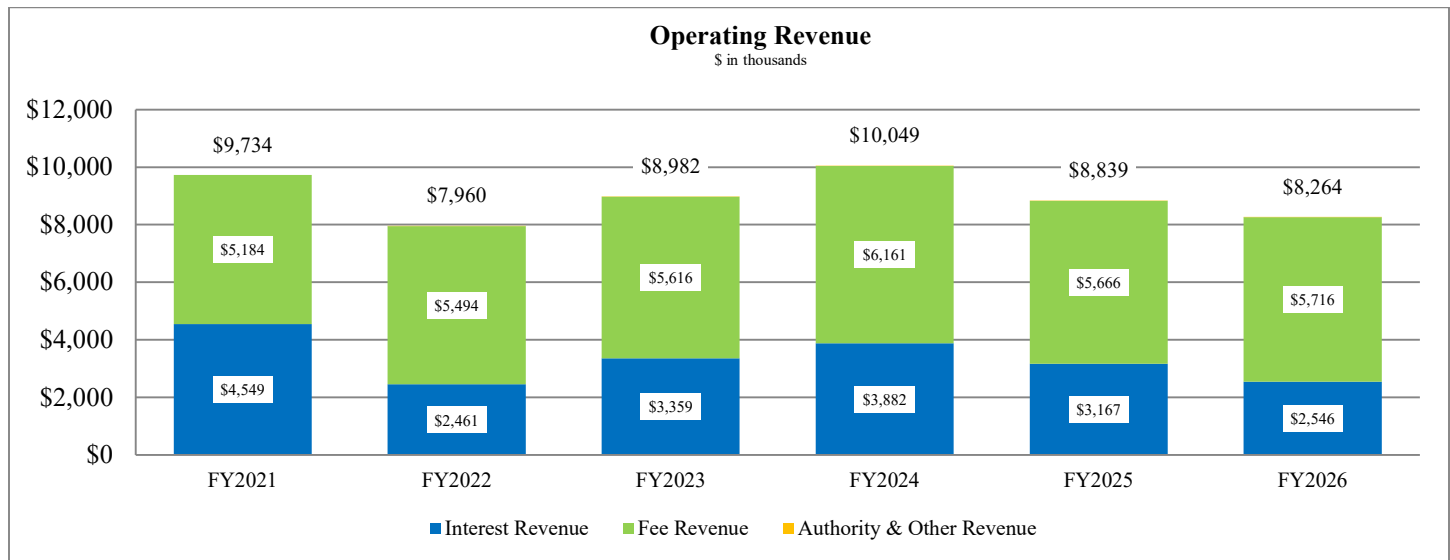
Operating Expenses of \$5.4MM are below budget of \$6.1MM.

Net Operating Income Before Grants of \$3.5MM is forecasted to be above budget by \$1.1MM or 47%.

FY26 - Budget Assumptions

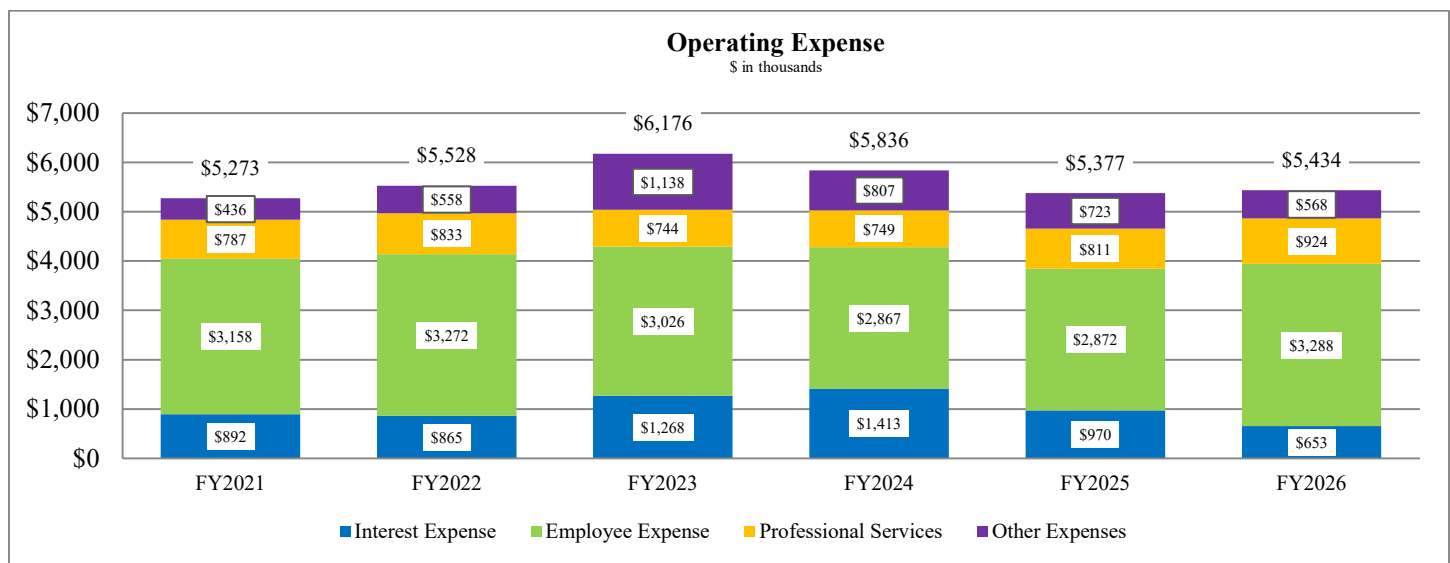
- Loan disbursements of \$1.8MM:
 - \$1.8MM to be distributed for 1606 Brady Refi by June 2026
 - Loan repayments are estimated to be \$11.2MM
 - Compliance Annual Billing of \$.5MM
 - Estimated LIHTC fee revenues of \$1.7MM
-

FY26 - Financial Statement Highlights (FY26 Budget compared to FY25 Forecast)



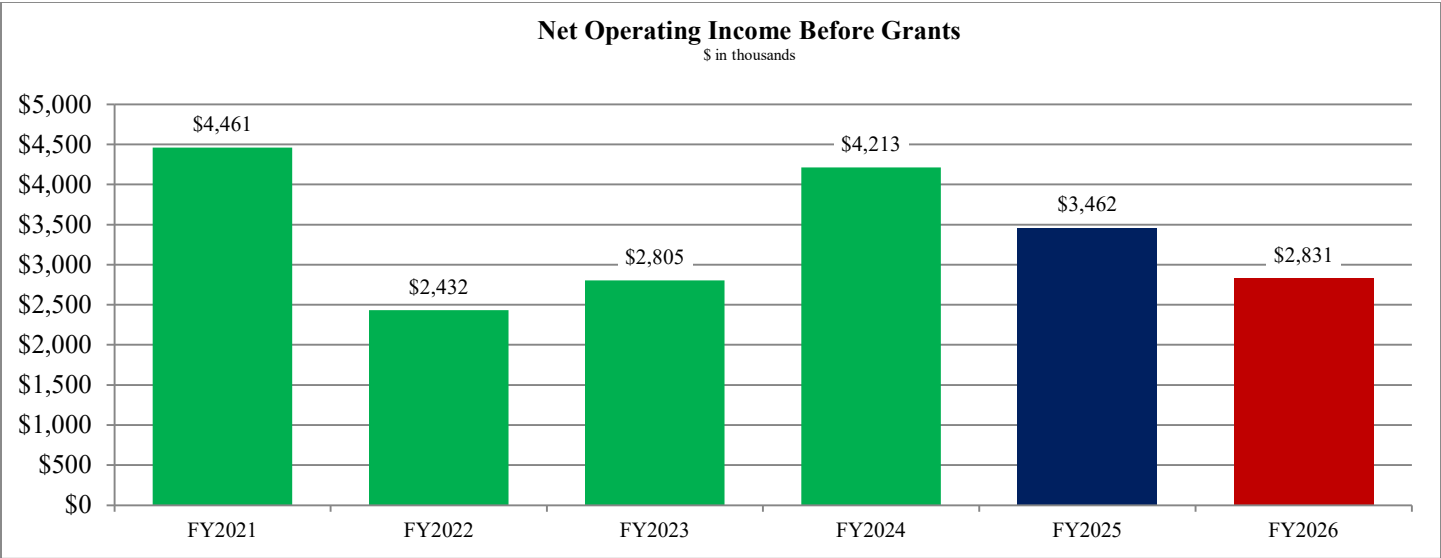
Budgeted total Operating Income of \$8.3MM - \$.5MM or 7% decrease

- Decrease in Interest Revenue due to anticipated gradual decline in interest rates

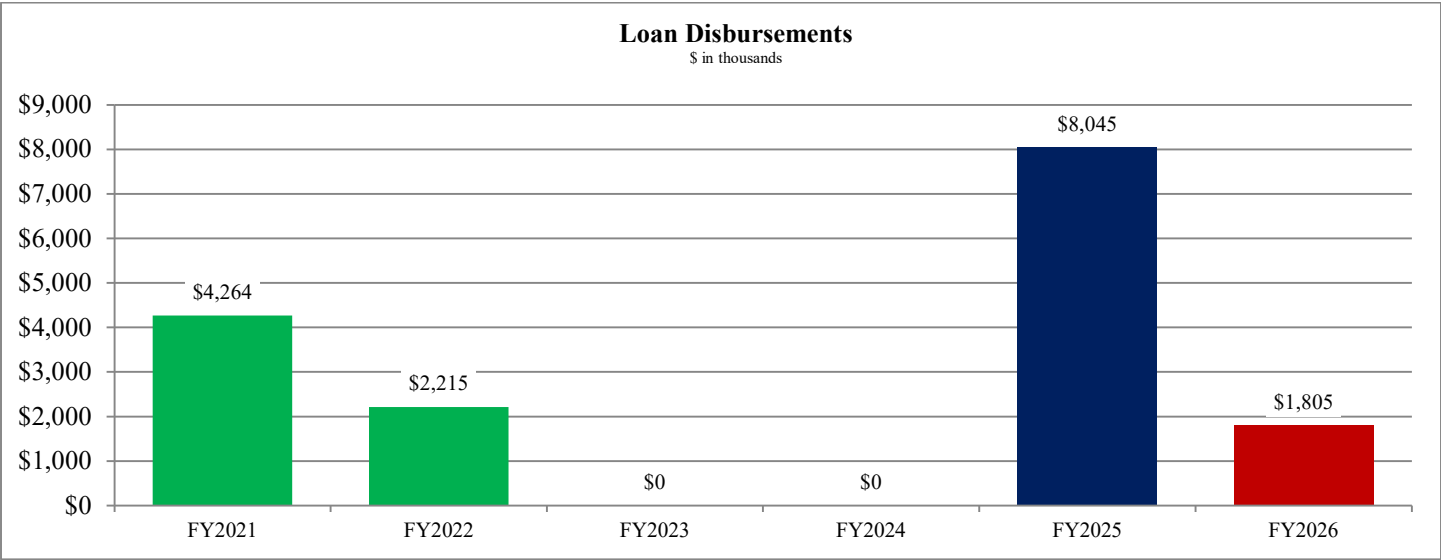


Budgeted total Operating Expense of \$5.4MM - \$0.1MM or 1% increase

- Employee expense increase of \$.5MM due to planned 2% across the board and 3% step increases respectively
- Interest expense decrease of \$.3MM due to the anticipated reduction in interest rates

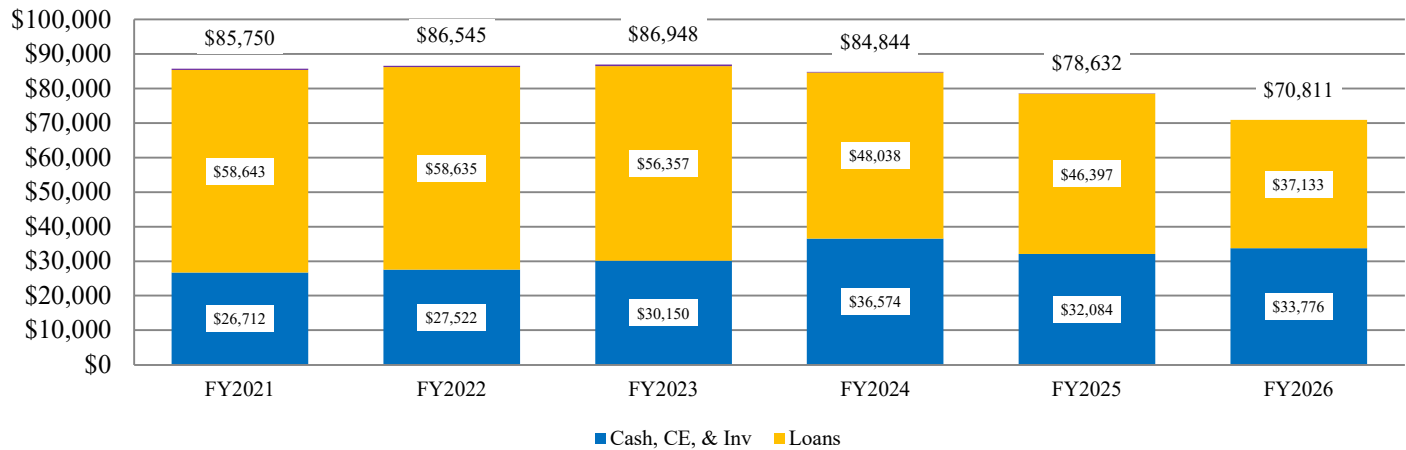


Budgeted Net Operating Income Before Grants of \$2.8MM - \$.6MM or 18% decrease



Budgeted Loan Disbursements of \$1.8MM - \$6.2MM decrease compared to FY25 forecasted \$8MM in loan disbursements

Assets
\$ in thousands



Budgeted Total Assets of \$70.8MM

Budgeted Total Liabilities of \$21.0MM

- There is a \$7.8MM or 10% decrease in assets and a \$8.8MM or 30% decrease in liabilities

Balance Sheet	Bud26 Multi Family (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivalents	60,057,471	54,707,399	26,552,338	24,827,640	30,150,033	36,574,203	32,084,357	33,776,231	1,691,874	5%
Investments	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	56,528,957	56,618,635	58,642,794	58,635,290	56,357,441	48,038,323	46,396,673	37,133,290	(9,263,383)	-20%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	899,171	577,739	62,382	298,639	429,029	231,887	151,042	(98,958)	(250,000)	-166%
Deferred Outflows	418,267	466,677	332,311	89,379	11,169	-	-	-	-	0%
Total Assets and Deferred Outflows	120,294,167	113,255,040	85,749,825	86,545,472	86,947,673	84,844,413	78,632,072	70,810,563	(7,821,509)	-10%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	45,377,217	43,546,636	42,735,090	42,601,860	41,633,033	37,546,725	29,769,515	20,965,599	(8,803,916)	-30%
Equity	74,916,950	69,708,403	43,014,735	43,943,612	45,314,639	47,297,687	48,862,557	49,844,964	982,407	2%
Total Liabilities, Deferred Inflows, and Equity	120,294,167	113,255,040	85,749,825	86,545,472	86,947,673	84,844,413	78,632,072	70,810,563	(7,821,509)	-10%
Income Statement	Bud26 Multi Family (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Operating Revenue										
Interest Revenue	6,178,554	5,439,838	4,549,153	2,460,882	3,358,697	3,881,533	3,166,783	2,545,535	(621,247)	-20%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	4,884,200	3,890,478	5,184,452	5,493,623	5,615,920	6,161,057	5,666,030	5,715,731	49,701	1%
Other Revenue	46,722	8,500	-	5,500	7,050	6,500	6,500	3,000	(3,500)	-54%
Total Operating Revenue	11,109,477	9,338,816	9,733,604	7,960,005	8,981,667	10,049,089	8,839,313	8,264,266	(575,046)	-7%
Operating Expense										
Interest Expense	1,372,609	1,216,001	892,072	865,366	1,268,462	1,412,996	970,396	653,325	(317,071)	-33%
Authority Expense	134,822	132,702	130,439	128,057	125,535	122,859	92,689	75,171	(17,518)	-19%
Employee Expense	2,985,823	3,068,916	3,157,759	3,271,694	3,025,564	2,867,285	2,872,488	3,288,270	415,782	14%
Shared Expense	450,841	132,623	149,765	124,345	165,893	220,250	170,249	166,145	(4,104)	-2%
Marketing Expense	395	4,802	815	549	4,206	-	624	-	(624)	-100%
Professional Services	711,060	810,755	786,851	832,606	743,838	748,856	810,889	923,834	112,945	14%
Claim and Loss Expense	(264,000)	(45,000)	(233,000)	(13,000)	525,000	158,000	200,275	-	(200,275)	-100%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	13,372	170	222	172	(2,465)	(1,825)	(145)	-	145	-100%
Overhead Allocation	122,399	485,834	388,046	317,836	320,222	307,463	259,367	326,970	67,602	26%
Total Operating Expense	5,527,321	5,806,804	5,272,969	5,527,624	6,176,254	5,835,885	5,376,832	5,433,715	56,883	1%
Net Operating Income (Loss) Before Grants	5,582,156	3,532,013	4,460,635	2,432,380	2,805,413	4,213,205	3,462,480	2,830,551	(631,929)	-18%
Net Grant (Income) Expense										
Grant Revenue	(63,947,792)	(66,028,864)	(68,749,701)	(69,098,612)	(71,534,618)	(71,687,087)	(74,088,794)	(73,200,000)	888,794	-1%
Grant Expense	64,258,329	66,308,327	69,364,922	69,618,612	71,534,855	71,841,608	74,291,351	73,650,000	(641,351)	-1%
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	237	154,520	202,557	450,000	247,443	122%
Net Operating Income (Loss) After Grants	(378,381)	(5,747,450)	(25,955,423)	1,912,380	2,805,176	4,058,684	3,259,923	2,380,551	(879,372)	-27%
Non-Operating (Income) Expense	41,974	16,565	9,295	2,893	(2,893)	-	-	-	-	0%
Net Income (Loss)	(420,355)	(5,764,015)	(25,964,718)	1,909,488	2,808,069	4,058,684	3,259,923	2,380,551	(879,372)	-27%
IFA Staff Count by Home Dept	25.8	25.1	25.8	25.5	25.6	23.4	24.0	28.5	4.5	19%
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	24.2	23.5	23.6	23.9	23.1	20.6	21.0	25.0	4.0	19%

To: IFA Board of Directors
From: Tammi Dillavou
Date: April 18, 2025
Re: FY26 Federal & State Programs Budget Overview

A forecast for the remainder of FY25 has been prepared in conjunction with the FY26 budget. It considers the first eight months of actual results and four months of projections using current trends and input from program leaders. This creates a starting point for the FY26 Budget and is used for all FY25 to FY26 comparisons. All numbers are reported in millions (MM). Federal & State programs (F&S) FY25 Forecast compared to FY25 Budget and FY25 Forecast compared to FY26 Budget are summarized below:

FY25 - Financial Statement Highlights (FY25 Forecast compared to FY25 Budget)

Total Operating Income of \$2.5 MM is \$0.3 MM above budget

- Interest Revenue of \$2.2 MM is an increase of \$0.2 MM due to the increase in interest rates

Total Operating Expenses of \$5.3 MM are over budget by \$1.5 MM

- Professional Services (Consulting) are over budget by \$1.1 MM, due to unbudgeted contract services and increases in anticipated costs for the Homeowners Assistance Fund (HAF).

Net Grant Income of \$2.5 MM is below budget by \$10.0 MM

- Grant Revenue of \$118.5 MM is above budgeted revenue of \$107.0 MM by \$11.4 MM or 11%
 - Federal Grant Revenue of \$88.3 MM is above budget by \$10.4 MM or 13% due to increased disbursements for Emergency Solutions Grants (ESGP), Homeowners Assistance Fund (HAF), Rapid Rehousing Project (RRH), and the timing of ARPA LIHTC grants disbursements
 - State Grant Revenue of \$29.7 MM is above budget by \$1.7 MM or 6% due to Water Quality Programs (WQFP/WQFAF) and Disaster Recovery Housing Assistance (DRHAP)
- Grant Expense of \$115.7 MM is above budget by \$20.8 MM or 22%
 - Federal Grant Expense of \$90.3 MM is higher than budgeted by \$12.7 MM or 16% due to increased disbursements for Emergency Solutions Grants (ESGP), Community Based Trust Loans, Homeowners Assistance Fund (HAF), Rapid Rehousing Project (RRH), and Iowa Home Grants
 - State Grant Expense of \$25.4 MM is higher than the budgeted amount of \$17.3 MM due to increased disbursements for State Housing Trust (SHTF), Water Quality Programs (WQFP/WQFAF) and Disaster Recovery Housing Assistance (DRHAP)

Net Operating Income (Loss) after Grants of (\$0.2 MM) is forecasted to be below budget by \$11.2 MM.

Total Assets and Deferred Outflows of \$173.3 MM are lower than budgeted by \$12.1 MM or 7%, as a result of higher than anticipated grant funding disbursements.

FY26 - Budget Assumptions

Homelessness Programs:

- SAF revenue is projected at \$1.5 MM with administrative costs of 3%
- HOPWA revenue is projected at \$1.2 MM with administrative costs of 5.5%
- ESG revenue is projected at \$3.4 MM with estimated administrative cost of 4%

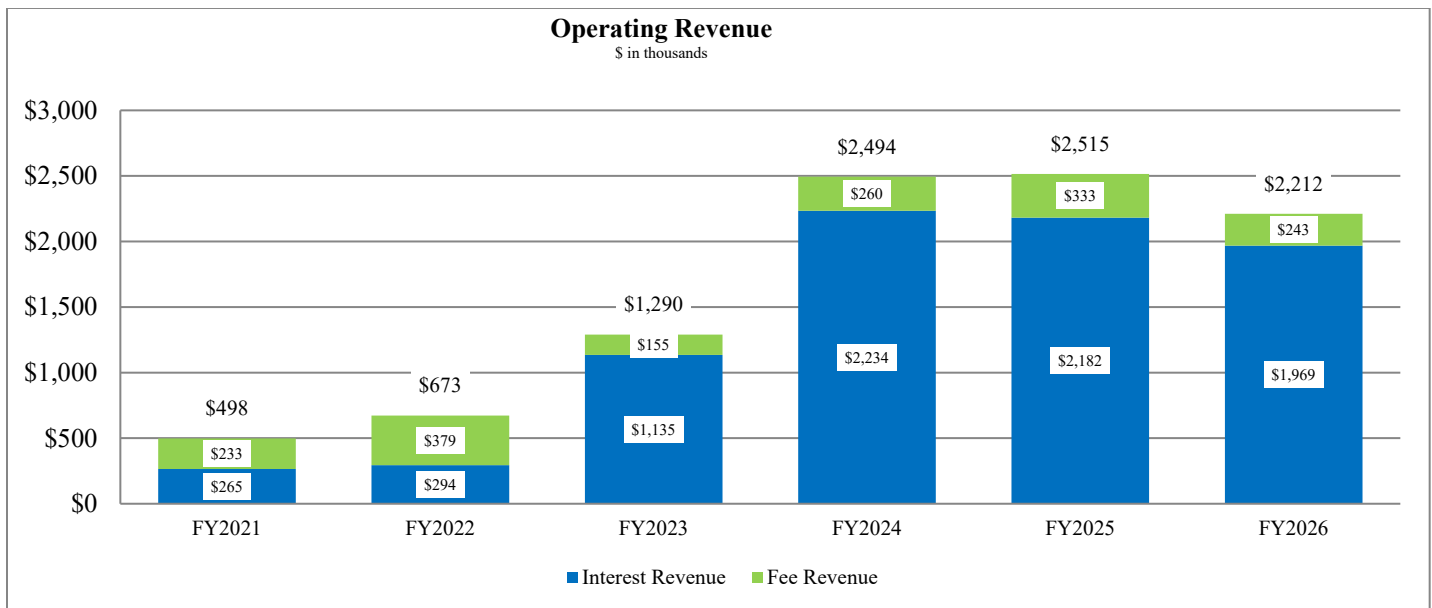
Other Programs:

- Housing Assistance Fund is budgeted to receive \$1.0 MM in transfers from Iowa Title Guaranty, of which \$0.9 MM will be transferred to the Single-Family program for down payment assistance
- State Housing Trust Fund assumes state appropriations of \$3.0 MM, Real Estate Transfer Tax of \$10.2 MM
- HOME Investment Partnership Program assumes Federal grant income of \$7.5 MM and program income of \$1.5 MM
- State funding for water quality grant and loan programs is projected to increase slightly from FY25 budget amount of \$16.0 MM to a total of \$16.3 MM 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):

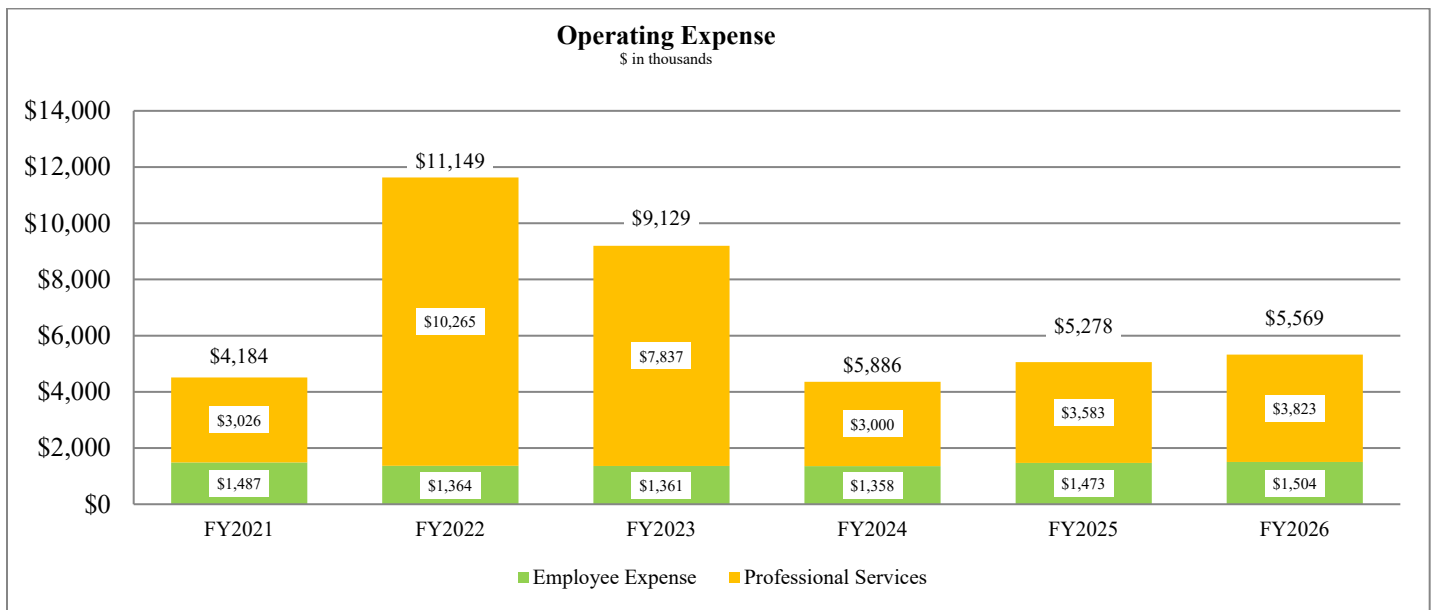
- Infrastructure funds for water (WIF Programs) totaling \$18 MM in FY25 were allocated to the following programs with the remainder in parentheses: Economically Significant (\$2.6 MM), Watershed Protection (\$1.1 MM), Industrial Water Reuse/Conservation (\$1.5 MM), Wastewater Infrastructure for Unsewered Communities (WIUC) for Onsite Septic Grants (\$0.08 MM), and WIUC for Community Grants (\$3.6 MM). These will be disbursed through FY26.
- Homeowner's Assistance Fund (HAF) has \$8.8 MM of the \$50 MM remaining.
- Rapid Rehousing Project (RRH) has \$14.9 MM remaining fund. Coordinated Entry has \$0.2 MM remaining funds
- ARPA funds were allocated to the Coronavirus State and Local Fiscal Recovery Fund (SLF) and the following programs will began in FY25: The remaining balances are: ARPA Home Rehab Block Grant \$4.0 MM, ARPA LIHTC \$19 MM, and Iowa Home Grant \$6.20 MM.

FY26 - Financial Statement Highlights (FY26 Budget compared to FY25 Forecast)



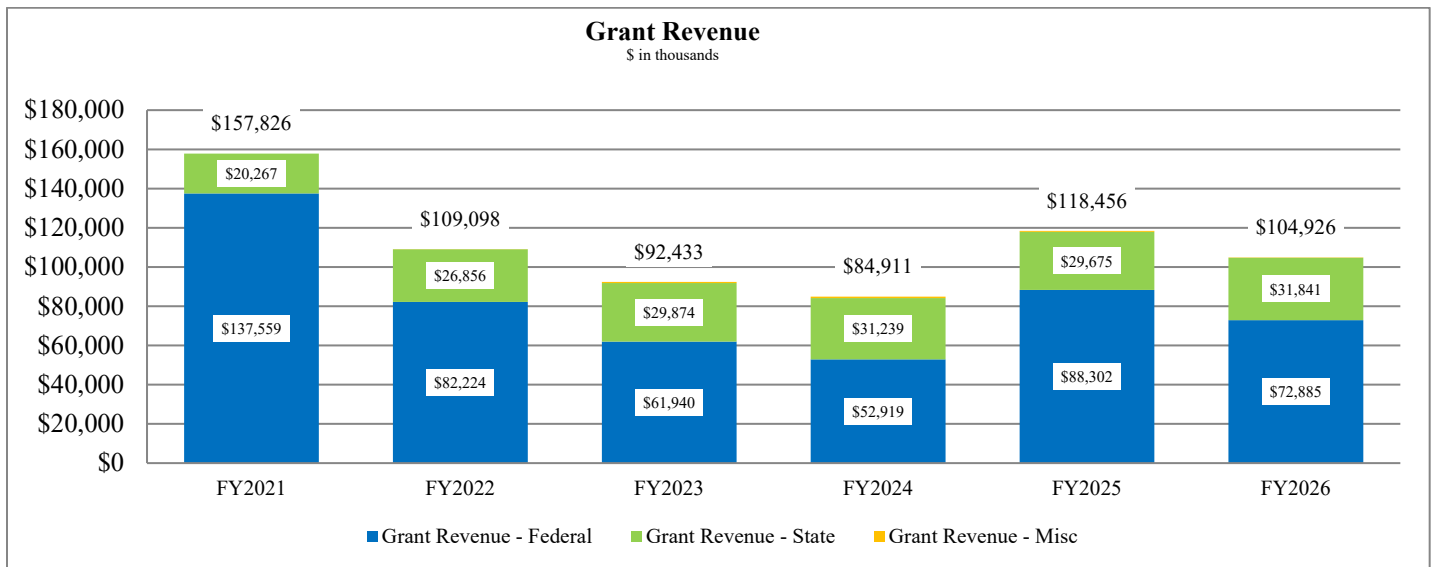
Total Operating Income of \$2.2 MM, a decrease of 12% compared to FY25 Forecast of \$2.5 MM

- Interest Revenue of \$2.0 MM is a decrease of 10% due to slightly lower cash balances throughout the full fiscal year along with consistent planned interest rates from FY25 to FY26, with slight decreases to the rate planned for the latter part of the year
- Budgeted Fee Revenue of \$0.2 MM slight decrease from forecast due the number of projects currently in process for Private Activity Bonds



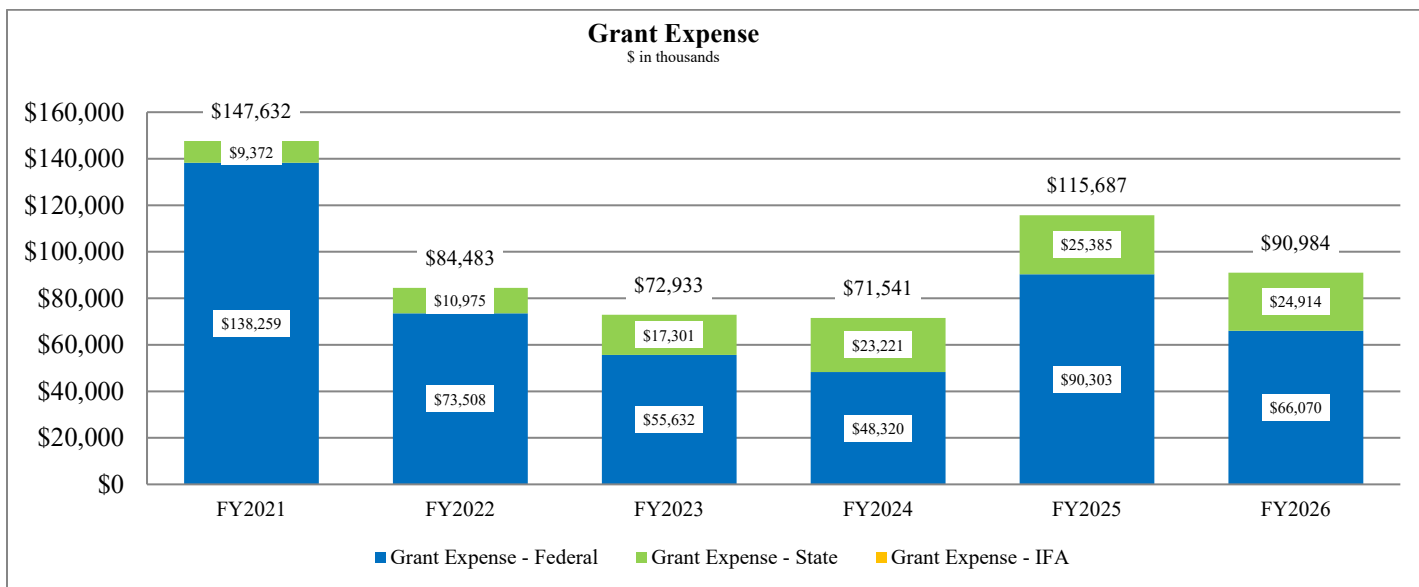
Budgeted Operating Expenses of \$5.6 MM are an increase of 6% from FY25 forecasted Operating Expenses

- This increase is mainly due to a 7% increase in Professional Services, with slight increases in Employee Costs and Overhead allocation.



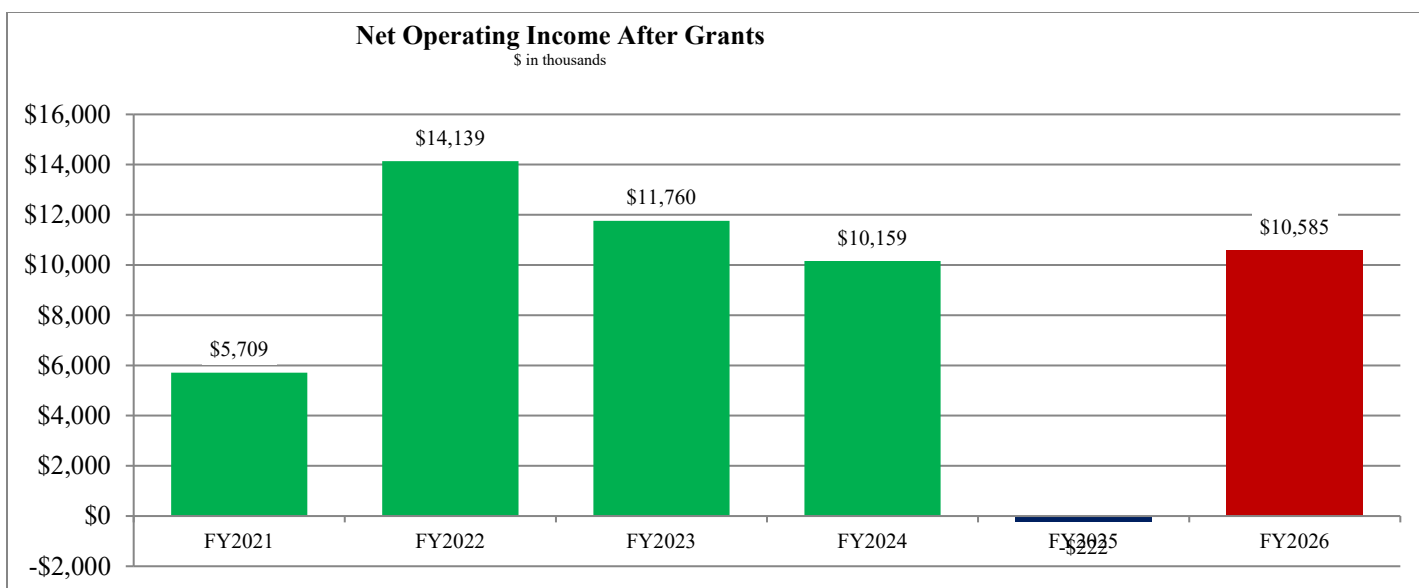
Grant Revenue is budgeted to be \$104.9 MM, a decrease of 11% from FY25 forecast

- Federal Grant Revenue of \$72.9 MM, a decrease of \$15.4 MM or 17%, from FY25 forecast due to the decrease in funding in certain programs due to the end of COVID and a decrease in ARPA funding.
- State Grant Revenue of \$31.8 MM, an increase of \$2.2 MM or 7% over FY25 forecast due to increase in ARPA funding and in Disaster Recovery Housing Assistance.



Grant Expense is budgeted to be \$91 MM, a decrease of \$24.7 MM or 21% below FY25 forecast

- Federal Grant Expense of \$66 MM, a decrease of 27% below FY25 forecast, due to the ending/decrease in COVID and ARPA funding.
- State Grant Expense of \$24.9 MM is a slight decrease of \$0.5 MM, or 2% below FY25 forecast.



Budgeted Net Operating Income after Grants of \$10.6 MM, an increase of \$10.8 over the forecasted loss of \$0.2 MM, is largely due to an increase in disbursements for the ARP LIHTC and water quality grant programs spread out over more than one fiscal year.

Balance Sheet	Bud26 Federal and State Grant Programs (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivalents	22,416,265	49,912,853	238,210,659	250,911,829	233,180,781	160,975,916	113,910,454	98,538,491	(15,371,964)	-13%
Investments	-	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	51,677,290	46,570,098	38,920,347	37,965,492	36,837,545	45,001,737	60,776,890	80,192,687	19,415,797	32%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	270,864	109,775	698,588	(1,822,168)	(5,024)	(554,399)	(1,357,027)	(1,607,027)	(250,000)	18%
Deferred Outflows	-	-	-	-	-	-	-	-	-	0%
Total Assets and Deferred Outflows	74,364,419	96,592,726	277,829,595	287,055,154	270,013,303	205,423,254	173,330,317	177,124,151	3,793,833	2%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	1,442,020	22,535,239	198,170,176	193,690,855	164,951,343	90,392,650	58,701,611	52,064,069	(6,637,543)	-11%
Equity	72,922,398	74,057,487	79,659,419	93,364,299	105,061,959	115,030,605	114,628,706	125,060,082	10,431,376	9%
Total Liabilities, Deferred Inflows, and Equity	74,364,419	96,592,726	277,829,595	287,055,154	270,013,303	205,423,254	173,330,317	177,124,151	3,793,833	2%
Income Statement	Bud26 Federal and State Grant Programs (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Operating Revenue										
Interest Revenue	548,233	646,828	264,895	294,439	1,135,003	2,233,983	2,181,870	1,968,608	(213,262)	-10%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	312,228	170,784	232,664	378,634	155,095	260,078	333,485	243,000	(90,485)	-27%
Other Revenue	-	-	-	-	-	-	-	-	-	0%
Total Operating Revenue	860,461	817,612	497,559	673,073	1,290,098	2,494,061	2,515,355	2,211,608	(303,747)	-12%
Operating Expense										
Interest Expense	-	-	-	2,000	-	-	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expense	1,197,545	1,133,392	1,486,850	1,364,116	1,360,519	1,358,167	1,473,019	1,504,238	31,219	2%
Shared Expense	143,801	11,849	37,558	16,379	14,329	10,801	16,330	10,480	(5,850)	-36%
Marketing Expense	4,411	260	-	178	4,386	3,839	1,667	5,000	3,333	200%
Professional Services	138,883	332,749	3,026,442	10,265,448	7,837,476	3,000,076	3,582,879	3,822,800	239,921	7%
Claim and Loss Expense	(3,576,000)	(217,777)	(541,000)	(645,873)	(214,000)	1,354,000	59,334	60,000	666	1%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	2,207	365	2,713	341	-	-	-	-	-	0%
Overhead Allocation	84,426	219,458	171,705	146,218	126,753	158,811	144,475	166,076	21,600	15%
Total Operating Expense	(2,004,727)	1,480,297	4,184,268	11,148,808	9,129,462	5,885,694	5,277,703	5,568,594	290,891	6%
Net Operating Income (Loss) Before Grants	2,865,188	(662,685)	(3,686,709)	(10,475,735)	(7,839,364)	(3,391,633)	(2,762,348)	(3,356,986)	(594,638)	22%
Net Grant (Income) Expense										
Grant Revenue	(19,730,889)	(24,070,024)	(157,826,234)	(109,097,550)	(92,432,512)	(84,910,751)	(118,455,712)	(104,925,592)	13,530,120	-11%
Grant Expense	18,164,322	22,418,401	147,631,573	84,482,979	72,933,001	71,540,559	115,687,456	90,984,000	(24,703,456)	-21%
Intra-Agency Transfers	(157,327)	(165,000)	799,163	-	(100,000)	(180,000)	227,458	-	(227,458)	-100%
Total Net Grant (Income) Expense	(1,723,894)	(1,816,623)	(9,395,499)	(24,614,571)	(19,599,511)	(13,550,192)	(2,540,798)	(13,941,592)	(11,400,794)	449%
Net Operating Income (Loss) After Grants	4,589,082	1,153,939	5,708,790	14,138,836	11,760,147	10,158,559	(221,550)	10,584,606	10,806,156	-4878%
Non-Operating (Income) Expense	-	-	-	-	-	-	-	-	-	0%
Net Income (Loss)	4,589,082	1,153,939	5,708,790	14,138,836	11,760,147	10,158,559	(221,550)	10,584,606	10,806,156	-4878%
IFA Staff Count by Home Dept	7.9	5.8	7.1	7.8	7.5	7.5	7.6	8.5	0.9	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	10.4	8.4	11.6	10.7	11.1	10.7	11.1	11.3	0.2	1%

To: IFA Board Members
 From: Becky Wu
 Date: April 18, 2025
 Re: FY26 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.

A forecast for the remainder of FY25 has been prepared in conjunction with the FY25 Budget. The forecast considers actual results from the first eight months and creates four months of projections. The forecast will be used as the starting point for the FY26 Budget.

FY25 Financial Statement Highlights (FY 25 Forecast compared to FY25 Budget - in thousands)

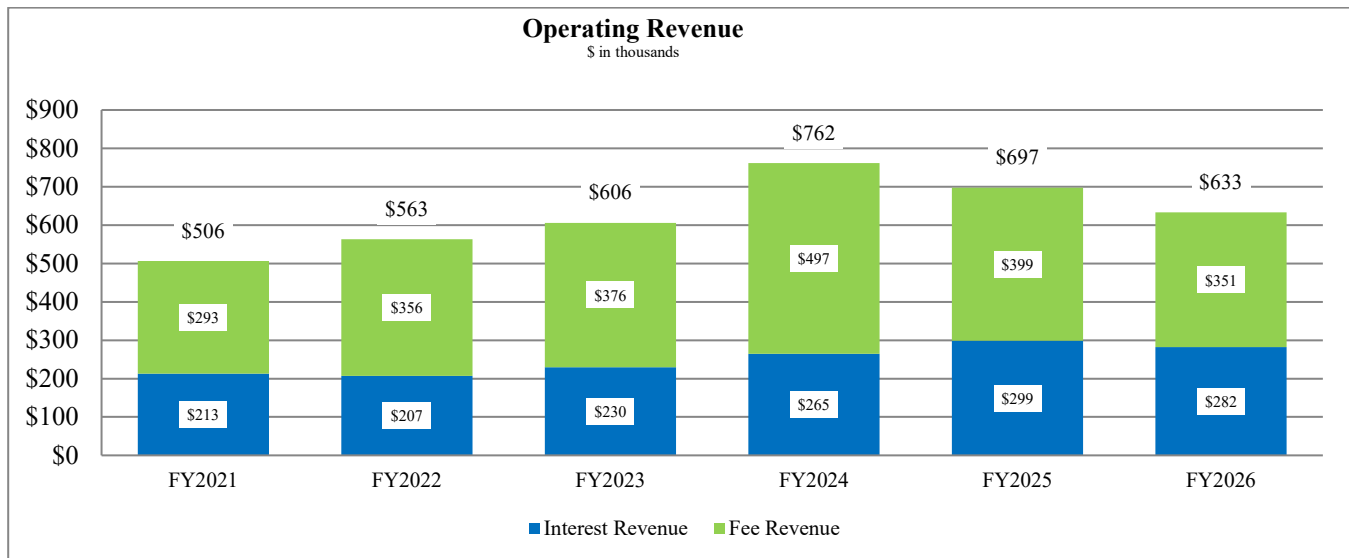
Total Assets of \$7,973 are forecasted to be \$614 or 7% below budget. LPP Loan balance net of reserve for losses is \$6,149 and is \$840 or 12% below budget. Cash and Cash Equivalents are \$218 or 14% above budget.

Total Operating Revenue of \$697 is forecasted to be \$12 or 2% below budget.

Total Operating Expense of \$371 is forecasted to be \$19 or 5% below budget, due to lower Employee expenses.

Net Income of \$325 is forecasted to be favorable to budget by \$8 or 2%.

FY26 - Financial Statement Highlights (FY26 Budget compared to FY25 Forecast - in thousands)



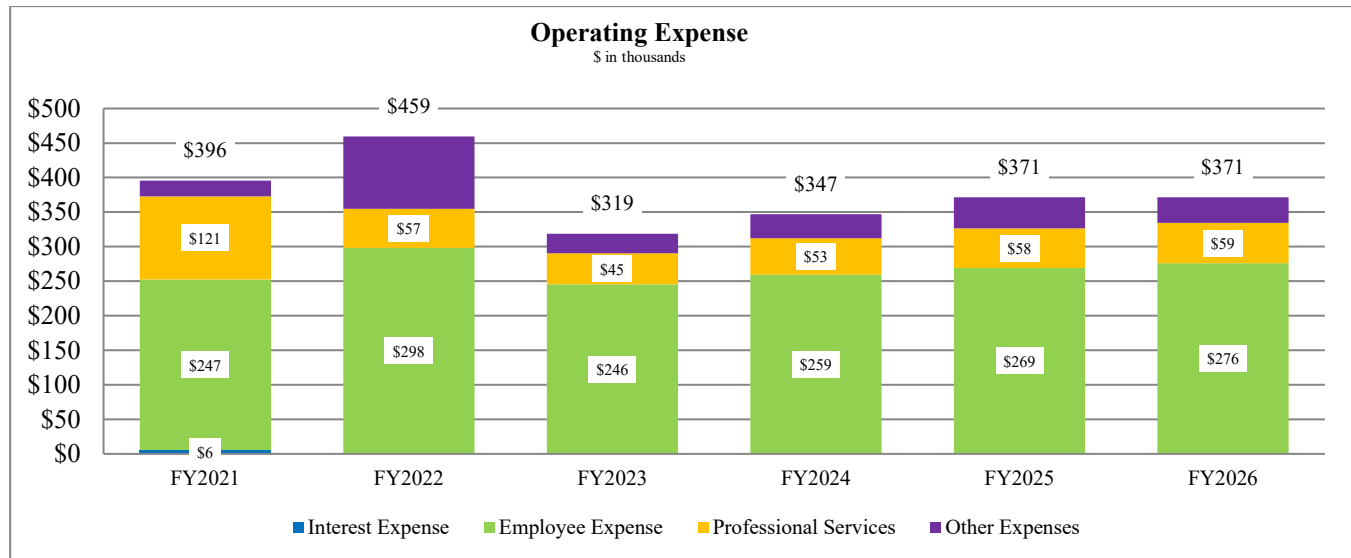
Operating Revenue is budgeted to be \$64 or 9% below FY25 Forecast. The assumption is LPP loan fee revenues will stay the same as FY25, but BFLP and BFTC application fees will decrease.

Fee Revenue is budgeted to decrease \$48 or 12%, primarily due to a decrease in BFLP loan closings.

Interest Revenue is budgeted to decrease \$16 or 6%, due to paydown loans.

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

BFTC Fee Revenue is budgeted to be \$80 with the assumption of new tax law which may reduce BFTC applications in 2025 and 2026. BFTC maximum allocation is still \$12 million.



Operating Expense is budgeted the same as FY25.

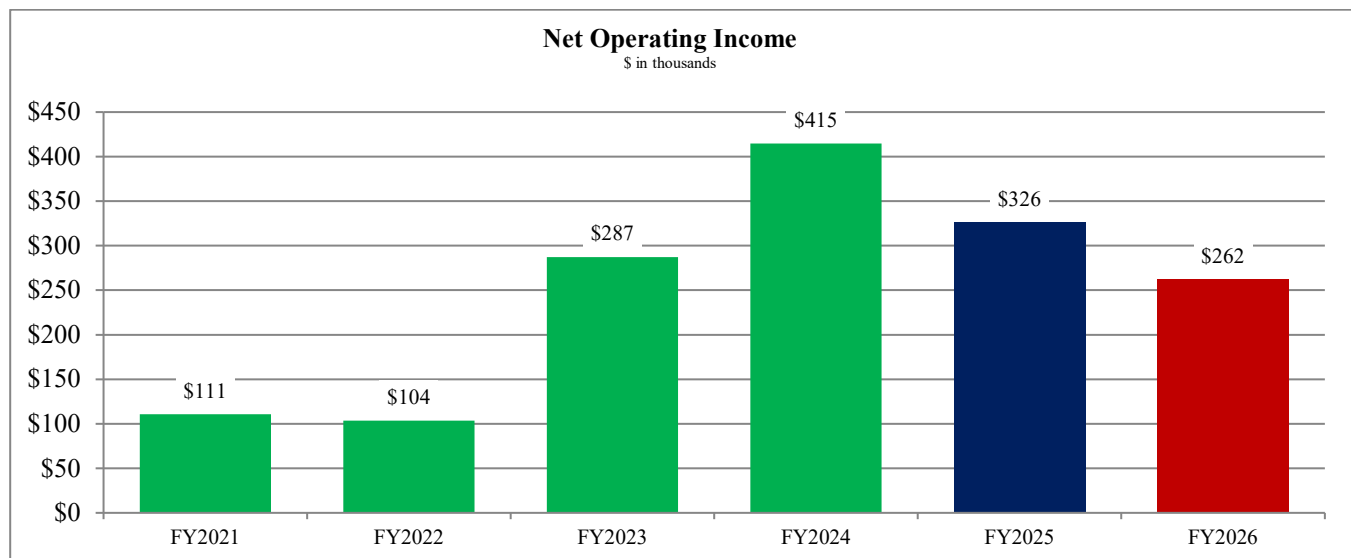
Employee Expense is budgeted to increase \$7 or 3%, due to planned 3% step increase and across the board 2% increases .

Professional Services is budgeted to about the same as FY25. Legal Expense is budgeted at 20% of BFLP and LPP Fee Revenues.

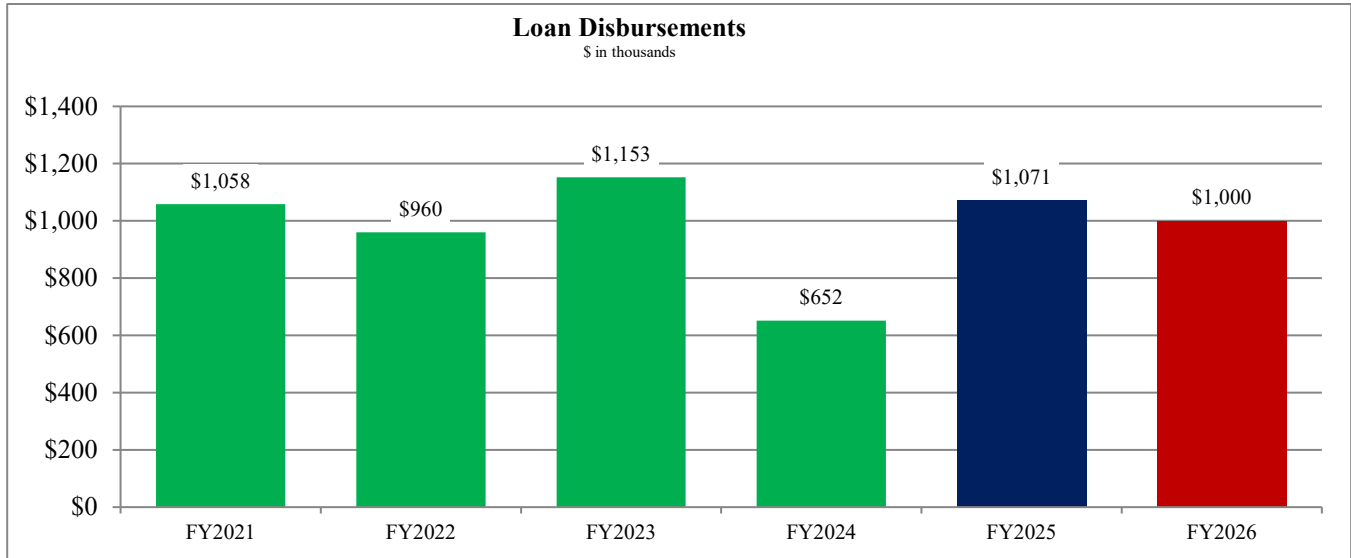
Marketing Expense is budgeted to decrease \$10 or 43%.

Interest Expense is not budgeted. IADD does not anticipate borrowing from the Line of Credit (LOC).

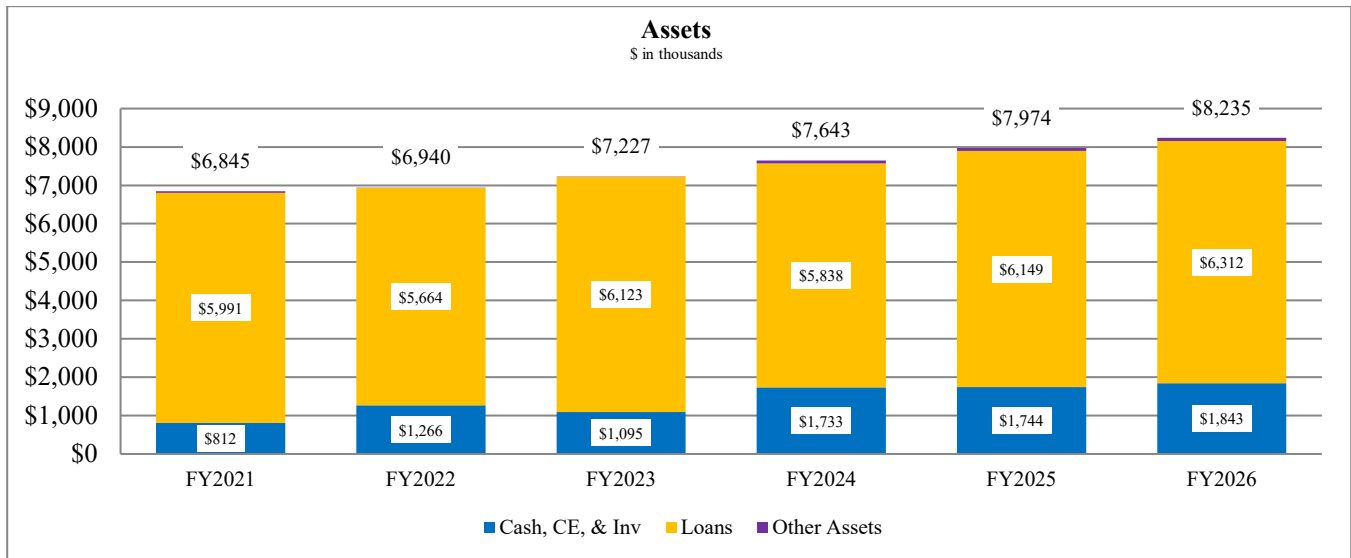
On March 6, 2019, the IFA Board agreed to loan IADD up to \$3 million as a LOC for new LPP loans at 1% annual interest rate and the Resolution has no expiration date.



Net Income is budgeted \$64 or 20% below FY25 Forecast.



Five new LPP loans at \$200 each, totaling \$1million, are projected. The application fee is one hundred dollars each and closing fees are 1.5% of total loan amount.



Total Assets are budgeted to increase \$262 or 3%, due to an increase in loan closings.

Estimated LPP loan principal repayments are \$816.

Balance Sheet	Bud26 Agriculture Development Division (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivalents	709,047	1,199,547	811,623	1,265,581	1,094,792	1,733,409	1,744,161	1,843,109	98,948	6%
Investments	-	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	7,250,151	6,261,062	5,991,370	5,663,838	6,122,875	5,838,281	6,148,936	6,311,874	162,938	3%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	124,785	73,026	41,922	10,084	9,477	70,891	80,427	80,325	(102)	0%
Deferred Outflows	-	-	-	-	-	-	-	-	-	0%
Total Assets and Deferred Outflows	8,083,982	7,533,635	6,844,915	6,939,504	7,227,144	7,642,581	7,973,524	8,235,309	261,785	3%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	1,483,484	809,031	9,740	828	1,178	1,810	7,000	7,000	-	0%
Equity	6,600,498	6,724,604	6,835,175	6,938,676	7,225,966	7,640,771	7,966,524	8,228,309	261,785	3%
Total Liabilities, Deferred Inflows, and Equity	8,083,982	7,533,635	6,844,915	6,939,504	7,227,144	7,642,581	7,973,524	8,235,309	261,785	3%
Income Statement	Bud26 Agriculture Development Division (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Operating Revenue										
Interest Revenue	207,728	243,321	213,231	207,077	230,053	264,717	298,618	282,193	(16,425)	-6%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	477,101	404,513	293,098	355,776	376,046	497,205	398,552	351,000	(47,552)	-12%
Other Revenue	-	-	-	-	-	-	-	-	-	0%
Total Operating Revenue	684,829	647,835	506,329	562,853	606,099	761,921	697,170	633,193	(63,977)	-9%
Operating Expense										
Interest Expense	7,026	13,652	5,572	-	-	-	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expense	268,251	275,714	246,776	298,113	245,539	259,479	269,098	275,939	6,842	3%
Shared Expense	35,984	5,481	2,521	2,897	4,203	6,375	2,447	5,760	3,313	135%
Marketing Expense	8,686	7,017	195	2,603	3,313	8,233	23,524	13,400	(10,124)	-43%
Professional Services	151,823	141,626	120,605	56,552	44,716	52,848	57,649	58,580	931	2%
Claim and Loss Expense	16,000	45,000	(3,000)	82,000	4,128	(3,000)	3,110	1,646	(1,465)	-47%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	-	-	-	-	-	-	-	-	-	0%
Overhead Allocation	-	35,239	23,090	17,188	16,910	23,182	15,589	16,083	494	3%
Total Operating Expense	487,770	523,729	395,758	459,353	318,809	347,117	371,417	371,409	(8)	0%
Net Operating Income (Loss) Before Grants	197,059	124,106	110,571	103,500	287,290	414,805	325,753	261,785	(63,968)	-20%
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	197,059	124,106	110,571	103,500	287,290	414,805	325,753	261,785	(63,968)	-20%
Non-Operating (Income) Expense	-	-	-	-	-	-	-	-	-	0%
Net Income (Loss)	197,059	124,106	110,571	103,500	287,290	414,805	325,753	261,785	(63,968)	-20%
IFA Staff Count by Home Dept	2.0	2.0	2.0	1.8	1.3	2.0	2.0	2.0	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	2.4	2.4	2.1	2.2	2.3	2.4	2.3	2.3	-0.1	-4%

To: IFA & ITG Board Members
 From: Michelle Bodie
 Date: April 18, 2025
 RE: FY26 Iowa Title Guaranty (ITG) Budget Overview

A forecast for the remainder of FY25 has been prepared in conjunction with the FY26 Budget. It considers the first eight months of actual results and four months of projections using current trends and input from ITG leaders. This creates the starting point for the FY26 Budget and is used for all FY25 to FY26 comparisons.

The ITG FY25 Forecast comparison to FY25 Budget and FY25 Forecast comparison to FY26 Budget are summarized below (in millions MM):

FY25 Financial Statement Highlights (FY25 Forecast compared to FY25 Budget)

Total Operating Income of \$8.03MM is comparable with FY25 budget of \$7.96MM.

- Residential premiums increased 1% or \$0.09MM while commercial premiums decreased slightly

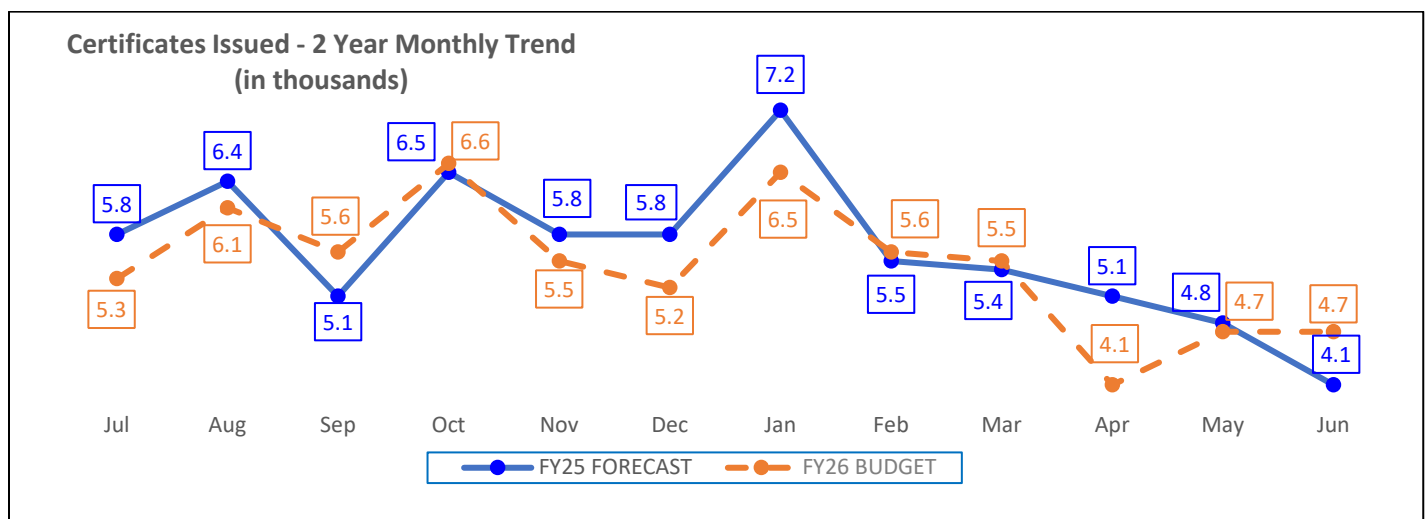
Total Operating Expense of \$6.55MM is comparable with FY25 budget of \$6.50MM.

- Employee Expenses related to staffing, travel and education are higher by \$0.33MM due to moving compensated absences for vacation and sick leave to ITG from General Overhead department
- Claim and Loss Expense is below budget by \$0.22MM
- Marketing, Overhead Allocation, and Shared Expense are lower by a combined \$0.05MM

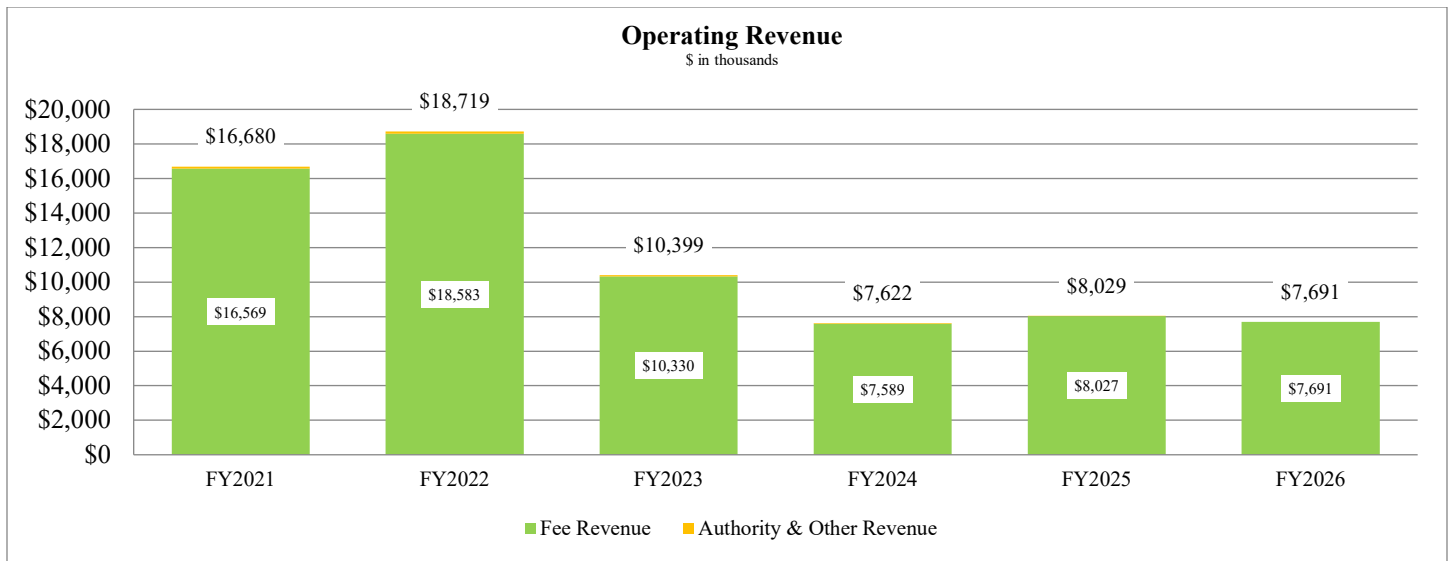
Transfers to Housing Assistance Fund are forecasted to be \$1.47MM, exceeding budget by \$0.02MM.

The result is **Net Operating Income After Grants** is predicted to be similar to budget with both at \$0.01MM.

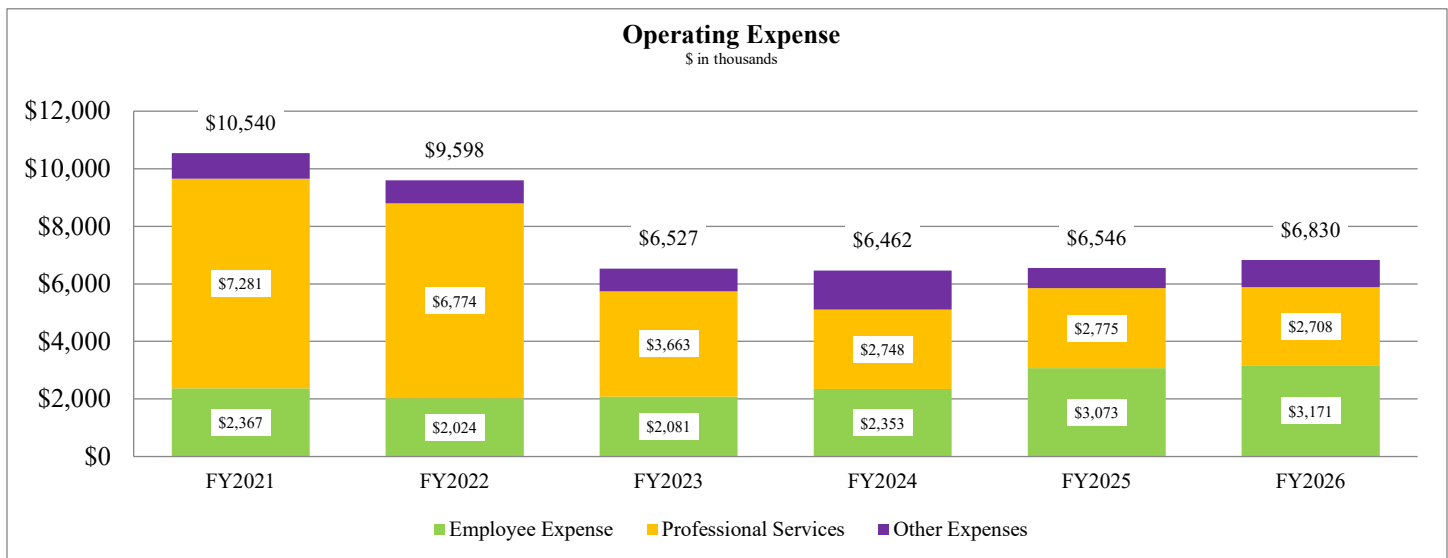
FY26 Financial Statement Highlights (FY26 Budget compared to FY25 Forecast)



Annual certificates issued are expected to total 65.4K in FY26 compared to 67.5K in FY25.



Total Operating Revenue of \$7.70MM is below FY25 Forecast by \$0.33MM or 4%. Both residential and commercial premiums are projected to decrease slightly in FY26. Residential premiums are budgeted \$0.33MM or 5% lower while commercial premiums, net of the charge for reinsurance, are expected to be down 1% or \$0.01MM.



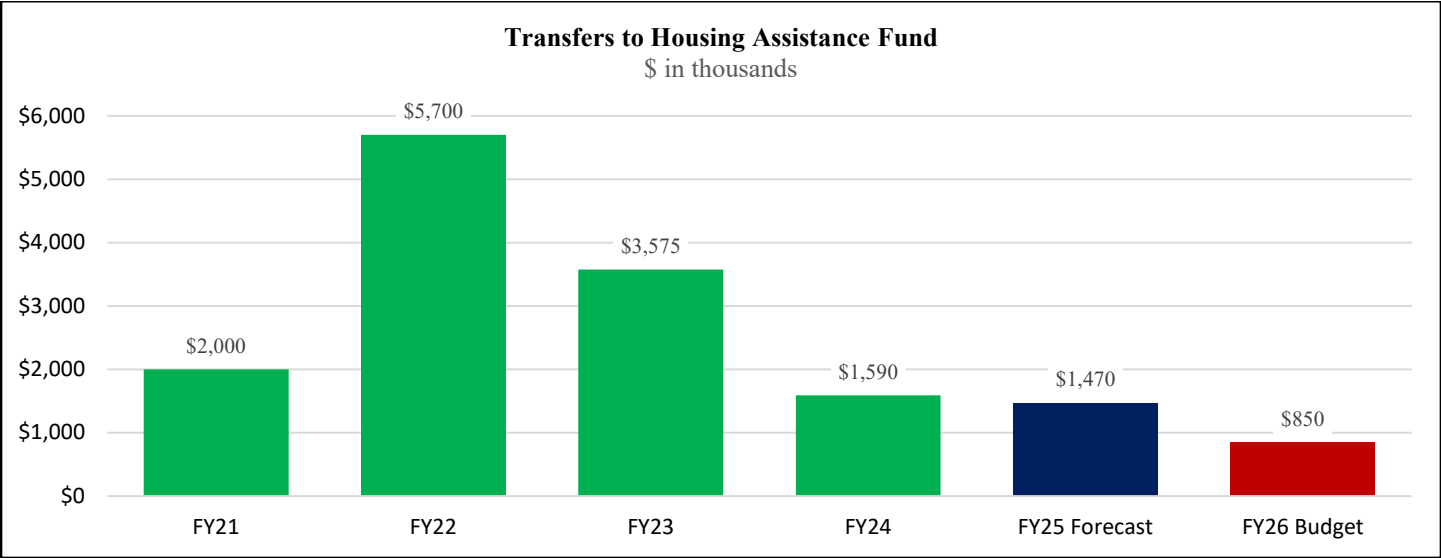
Total Operating Expenses are budgeted to increase \$0.28MM in FY26 or 4% more than the FY25 Forecast. Employee Expense is projected to increase \$0.10MM or 3% compared to FY25, due to:

- Across the Board and Step increases budgeted at 2% and 3%, respectively
- FY26 Budget provides for 2 part-time Interns to be employed during the year

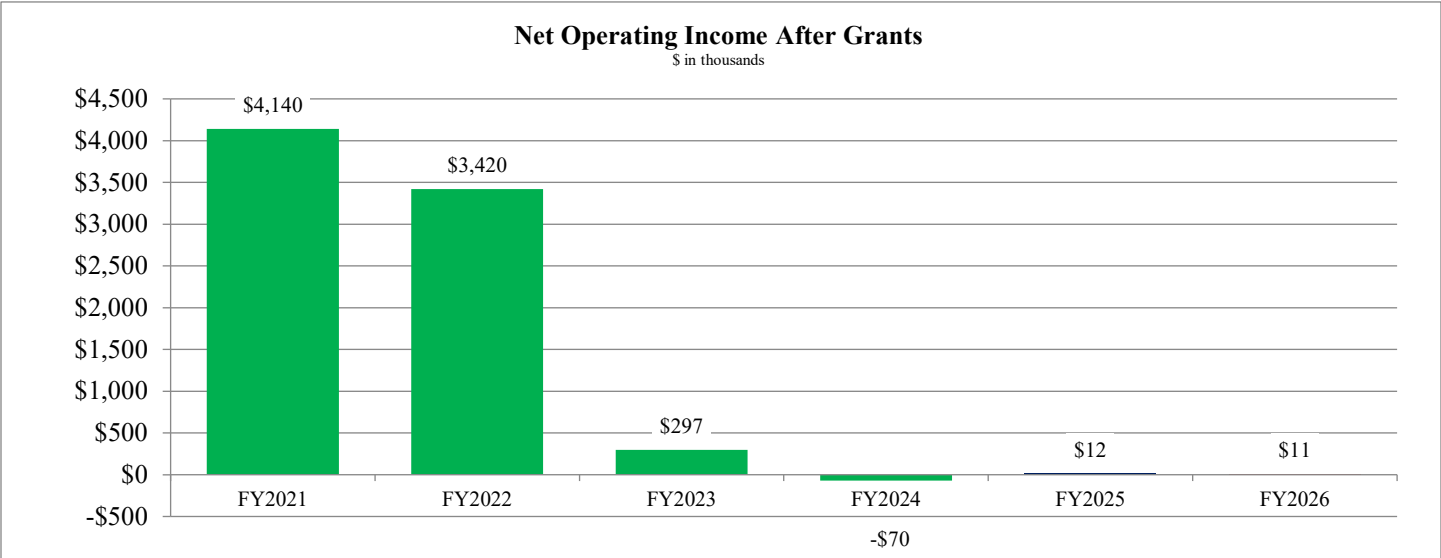
Professional Services are comparable in FY26 to FY25 Forecast:

- Field Issuer Incentive payments, the largest expense in this group, anticipated to be \$2.56MM and \$2.67MM in FY26 and FY25, respectively

- Other Expenses in FY26 are budgeted to be \$0.25MM or 36% higher than FY25 with the following details:
- Claim and Loss Expense anticipated higher by \$0.16MM, with a budget of \$0.40MM compared to \$0.24MM forecast for FY25
 - Increase in Marketing, Overhead Allocation, and Shared Expense of \$.09MM to include \$0.04MM estimated increase in professional liability insurance, \$0.02MM for marketing residential and commercial activities, and \$0.02MM in additional overhead allocation



Transfers to the Housing Assistance Fund from Title Guaranty are estimated to be \$0.85MM in FY26 compared to \$1.47MM in FY25. In addition, Title Guaranty will use \$3.25MM of reserved funds to pay a share of the EMS software system development projected to be split evenly between FY25 and FY26.



As a result, FY26 Budget and FY25 Forecast NOIAG are both minimal in keeping with the intention to distribute reserves to support Iowa Finance Authority’s housing assistance programs.

Balance Sheet	Bud26									
	Iowa Title Guaranty Division (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivalents	11,383,211	13,207,122	22,103,806	23,808,754	21,194,239	21,094,405	20,680,680	19,211,475	(1,469,206)	-7%
Investments	-	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	-	-	-	-	-	-	-	-	-	0%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	157,800	655,647	815,341	102,276	222,187	(89,135)	(107,398)	(107,398)	-	0%
Deferred Outflows	307,669	270,190	317,864	532,199	309,225	414,673	414,673	414,673	-	0%
Total Assets and Deferred Outflows	11,848,680	14,132,960	23,237,011	24,443,229	21,725,651	21,419,943	20,987,955	19,518,749	(1,469,206)	-7%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	5,125,977	6,324,600	11,288,630	9,074,493	6,059,549	5,823,515	7,004,245	7,148,902	144,657	2%
Equity	6,722,703	7,808,360	11,948,381	15,368,736	15,666,102	15,596,428	13,983,710	12,369,848	(1,613,863)	-12%
Total Liabilities, Deferred Inflows, and Equity	11,848,680	14,132,960	23,237,011	24,443,229	21,725,651	21,419,943	20,987,955	19,518,749	(1,469,206)	-7%
Income Statement	Bud26									
	Iowa Title Guaranty Division (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Operating Revenue										
Interest Revenue	157,327	-	-	-	-	-	-	-	-	0%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	6,599,796	9,823,305	16,569,448	18,582,957	10,329,807	7,588,514	8,027,052	7,691,240	(335,812)	-4%
Other Revenue	80,805	98,264	110,475	135,692	69,197	33,406	1,570	-	(1,570)	-100%
Total Operating Revenue	6,837,929	9,921,570	16,679,923	18,718,649	10,399,004	7,621,921	8,028,622	7,691,240	(337,382)	-4%
Operating Expense										
Interest Expense	-	-	-	-	-	-	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expense	1,579,076	1,884,471	2,367,317	2,023,930	2,081,232	2,353,128	3,073,241	3,170,735	97,494	3%
Shared Expense	477,646	241,094	227,612	270,611	280,575	288,388	265,568	309,150	43,582	16%
Marketing Expense	42,830	83,434	18,273	32,245	40,243	28,328	50,702	73,890	23,188	46%
Professional Services	2,823,868	3,985,680	7,280,784	6,773,909	3,662,768	2,747,966	2,774,848	2,708,345	(66,503)	-2%
Claim and Loss Expense	246,273	529,742	335,664	177,369	193,393	842,110	236,551	400,000	163,449	69%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	81,588	101,264	109,661	149,100	108,458	0	97	-	(97)	-100%
Overhead Allocation	-	260,228	200,591	171,129	159,970	201,674	145,332	167,982	22,650	16%
Total Operating Expense	5,251,281	7,085,913	10,539,902	9,598,294	6,526,638	6,461,595	6,546,339	6,830,103	283,763	4%
Net Operating Income (Loss) Before Grants	1,586,648	2,835,657	6,140,021	9,120,355	3,872,366	1,160,326	1,482,283	861,137	(621,145)	-42%
Net Grant (Income) Expense										
Grant Revenue	-	-	-	-	-	-	-	-	-	0%
Grant Expense	-	-	-	-	-	-	-	-	-	0%
Intra-Agency Transfers	1,007,327	1,750,000	2,000,000	5,700,000	3,575,000	1,230,000	1,470,000	850,000	(620,000)	-42%
Total Net Grant (Income) Expense	1,007,327	1,750,000	2,000,000	5,700,000	3,575,000	1,230,000	1,470,000	850,000	(620,000)	-42%
Net Operating Income (Loss) After Grants	579,321	1,085,657	4,140,021	3,420,355	297,366	(69,674)	12,283	11,137	(1,145)	-9%
Non-Operating (Income) Expense	-	-	-	-	-	-	-	-	-	0%
Net Income (Loss)	579,321	1,085,657	4,140,021	3,420,355	297,366	(69,674)	12,283	11,137	(1,145)	-9%
IFA Staff Count by Home Dept	14.4	13.7	18.6	19.7	20.8	20.3	21.4	22.0	0.6	3%
Contractor Staff Count by Home Dept	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	16.1	16.3	20.9	21.2	21.3	21.2	22.0	23.5	1.5	7%

Balance Sheet	Bud26 800-020 Residential									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivalents	11,383,211	13,207,122	22,103,806	23,808,754	21,194,239	21,094,405	20,680,680	19,211,475	(1,469,206)	-7%
Investments	-	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	-	-	-	-	-	-	-	-	-	0%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	157,800	655,647	815,341	102,276	222,187	(89,135)	(107,398)	(107,398)	-	0%
Deferred Outflows	307,669	270,190	317,864	532,199	309,225	414,673	414,673	414,673	-	0%
Total Assets and Deferred Outflows	11,848,680	14,132,960	23,237,011	24,443,229	21,725,651	21,419,943	20,987,955	19,518,749	(1,469,206)	-7%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	5,125,977	6,324,600	11,288,630	9,074,493	6,059,549	5,823,515	7,004,245	7,148,902	144,657	2%
Equity	6,588,327	7,808,360	11,948,381	15,368,736	15,666,102	15,596,428	13,983,710	12,369,848	(1,613,863)	-12%
Total Liabilities, Deferred Inflows, and Equity	11,714,305	14,132,960	23,237,011	24,443,229	21,725,651	21,419,943	20,987,955	19,518,749	(1,469,206)	-7%
Income Statement	Bud26 800-020 Residential									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Operating Revenue										
Interest Revenue	157,327	-	-	-	-	-	-	-	-	0%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	6,053,759	9,151,665	15,813,324	17,572,733	9,378,219	6,697,617	7,028,267	6,704,675	(323,592)	-5%
Other Revenue	-	-	-	-	-	-	-	-	-	0%
Total Operating Revenue	6,211,086	9,151,665	15,813,324	17,572,733	9,378,219	6,697,617	7,028,267	6,704,675	(323,592)	-5%
Operating Expense										
Interest Expense	-	-	-	-	-	-	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expense	1,242,426	1,488,798	1,954,402	1,596,853	1,622,737	1,853,631	2,309,847	2,414,321	104,474	5%
Shared Expense	422,604	221,246	214,099	261,864	261,565	271,239	249,017	288,315	39,298	16%
Marketing Expense	39,130	74,189	10,023	27,745	33,493	18,462	33,938	46,140	12,202	36%
Professional Services	2,820,127	3,984,739	7,276,081	6,773,909	3,660,681	2,747,966	2,773,348	2,674,845	(98,503)	-4%
Claim and Loss Expense	235,672	507,358	310,907	177,369	193,393	842,110	236,551	400,000	163,449	69%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	6,329	10,870	5,585	7,762	6,366	-	97	-	(97)	-100%
Overhead Allocation	-	204,658	161,147	142,732	133,768	161,880	113,882	128,667	14,786	13%
Total Operating Expense	4,766,287	6,491,859	9,932,243	8,988,235	5,912,002	5,895,289	5,716,681	5,952,288	235,608	4%
Net Operating Income (Loss) Before Grants	1,444,799	2,659,806	5,881,081	8,584,497	3,466,217	802,328	1,311,586	752,387	(559,200)	-43%
Net Grant (Income) Expense										
Grant Revenue	-	-	-	-	-	-	-	-	-	0%
Grant Expense	-	-	-	-	-	-	-	-	-	0%
Intra-Agency Transfers	1,007,327	1,750,000	2,000,000	5,700,000	3,575,000	1,230,000	1,470,000	850,000	(620,000)	-42%
Total Net Grant (Income) Expense	1,007,327	1,750,000	2,000,000	5,700,000	3,575,000	1,230,000	1,470,000	850,000	(620,000)	-42%
Net Operating Income (Loss) After Grants	437,472	909,806	3,881,081	2,884,497	(108,783)	(427,672)	(158,414)	(97,613)	60,800	-38%
Non-Operating (Income) Expense	-	-	-	-	-	-	-	-	-	0%
Net Income (Loss)	437,472	909,806	3,881,081	2,884,497	(108,783)	(427,672)	(158,414)	(97,613)	60,800	-38%
IFA Staff Count by Home Dept	10.8	9.8	14.6	15.7	16.9	16.3	17.1	17.0	-0.1	0%
Contractor Staff Count by Home Dept	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	13.0	12.7	17.1	17.4	17.1	17.1	17.3	18.0	0.7	4%

Balance Sheet	Bud26 800-030 Commercial									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivalents	-	-	-	-	-	-	-	-	-	0%
Investments	-	-	-	-	-	-	-	-	-	0%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	-	-	-	-	-	-	-	-	-	0%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	-	-	-	-	-	-	-	-	-	0%
Deferred Outflows	-	-	-	-	-	-	-	-	-	0%
Total Assets and Deferred Outflows	-	-	-	-	-	-	-	-	-	0%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	-	-	-	-	-	-	-	-	-	0%
Equity	134,376	(0)	0	-	-	-	-	-	-	0%
Total Liabilities, Deferred Inflows, and Equity	134,376	(0)	0	-	-	-	-	-	-	0%
Income Statement	Bud26 800-030 Commercial									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Operating Revenue										
Interest Revenue	-	-	-	-	-	-	-	-	-	0%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	546,037	671,641	756,124	1,010,224	951,588	890,897	998,785	986,565	(12,220)	-1%
Other Revenue	80,805	98,264	110,475	135,692	69,197	33,406	1,570	-	(1,570)	-100%
Total Operating Revenue	626,843	769,905	866,599	1,145,916	1,020,785	924,304	1,000,355	986,565	(13,790)	-1%
Operating Expense										
Interest Expense	-	-	-	-	-	-	-	-	-	0%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expense	336,650	395,674	412,915	427,077	458,495	499,498	763,394	756,414	(6,979)	-1%
Shared Expense	55,042	19,847	13,513	8,747	19,010	17,148	16,551	20,835	4,284	26%
Marketing Expense	3,700	9,245	8,250	4,500	6,750	9,866	16,764	27,750	10,986	66%
Professional Services	3,741	941	4,703	-	2,087	-	1,500	33,500	32,000	2133%
Claim and Loss Expense	10,601	22,383	24,757	-	-	-	-	-	-	0%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	75,259	90,394	104,076	141,338	102,092	0	-	-	-	0%
Overhead Allocation	-	55,569	39,445	28,397	26,202	39,794	31,451	39,315	7,864	25%
Total Operating Expense	484,993	594,054	607,659	610,058	614,636	566,306	829,659	877,814	48,156	6%
Net Operating Income (Loss) Before Grants	141,849	175,851	258,940	535,858	406,149	357,998	170,696	108,751	(61,946)	-36%
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	141,849	175,851	258,940	535,858	406,149	357,998	170,696	108,751	(61,946)	-36%
Non-Operating (Income) Expense	-	-	-	-	-	-	-	-	-	0%
Net Income (Loss)	141,849	175,851	258,940	535,858	406,149	357,998	170,696	108,751	(61,946)	-36%
IFA Staff Count by Home Dept	3.6	3.8	4.0	4.0	3.8	4.0	4.3	5.0	0.7	15%
Contractor Staff Count by Home Dept	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	3.1	3.6	3.8	3.8	4.2	4.1	4.8	5.5	0.7	15%

To: IFA Board Members
From: Michelle Bodie
Date: April 18, 2025
Re: FY26 State Revolving Fund (SRF) Budget

A forecast for the remainder of FY25 has been prepared in conjunction with the FY26 Budget. It considers the first eight months of actual results and four months of projections using current trends and input from program leaders. This creates a starting point for the FY26 Budget and is used for all FY25 to FY26 comparisons:

The SRF FY25 Forecast comparison to FY25 Budget and FY25 Forecast comparison to FY26 Budget are summarized below in millions (MM).

FY25 - Financial Statement Highlights (FY25 Forecast compared to FY25 Budget)

Total Operating Revenue of \$81MM is estimated to be \$15MM or 23% above Budget.

Total Operating Expenses of \$80MM are forecast to be \$13MM or 14% below Budget.

Net Grant Income of \$52MM is forecast to be \$42MM or 45% below Budget.

As a result, **Net Operating Income After Grants (NOIAG)** of \$53MM is projected to be under Budget by \$13MM or 20%.

By SRF program, NOIAG for Clean Water is \$31.5MM which is 178% above Budget, while the NOIAG for Drinking Water is \$21.5MM which is 61% below Budget

FY26 - Budget Assumptions and Highlights

New loan commitments are budgeted at \$435MM:

- \$285MM in Clean Water loans
- \$150MM in Drinking Water loans

Loan disbursements of \$465MM:

- \$300MM in disbursements to Clean Water loans
- \$165MM in disbursements to Drinking Water loans

Loan repayments are estimated to be \$340MM:

- \$250MM for Clean Water
- \$90MM for Drinking Water

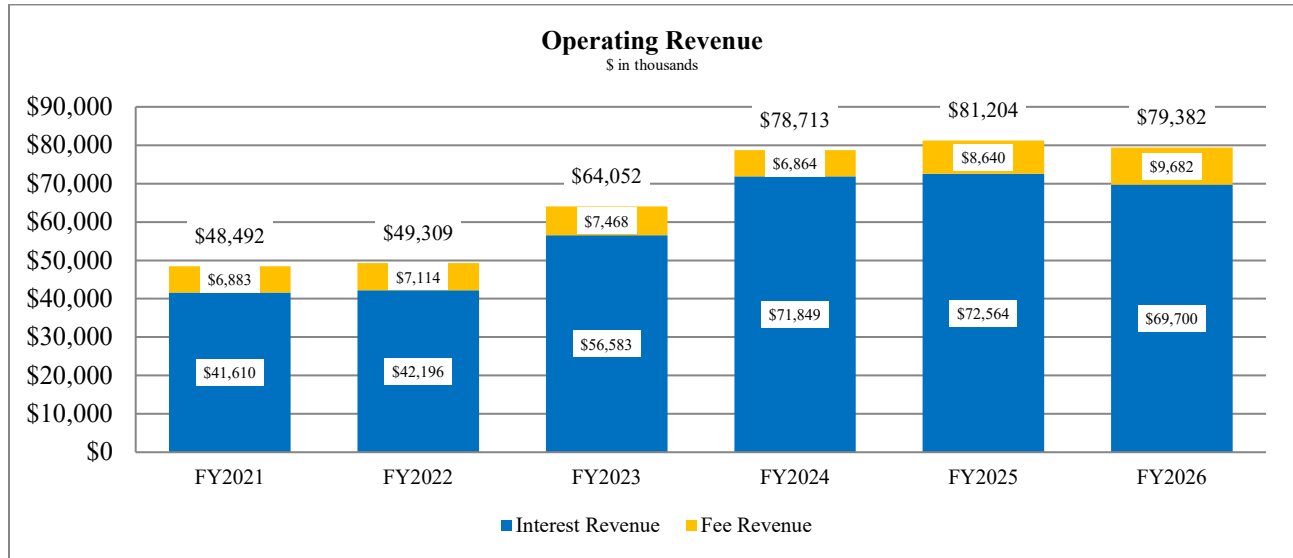
Total Federal Cap Grant funding is expected to be \$96MM:

- \$41MM for Clean Water
- \$35MM for Drinking Water

Two bond issuances are budgeted for in the fiscal year with planned closing in July 2025 and January 2026.

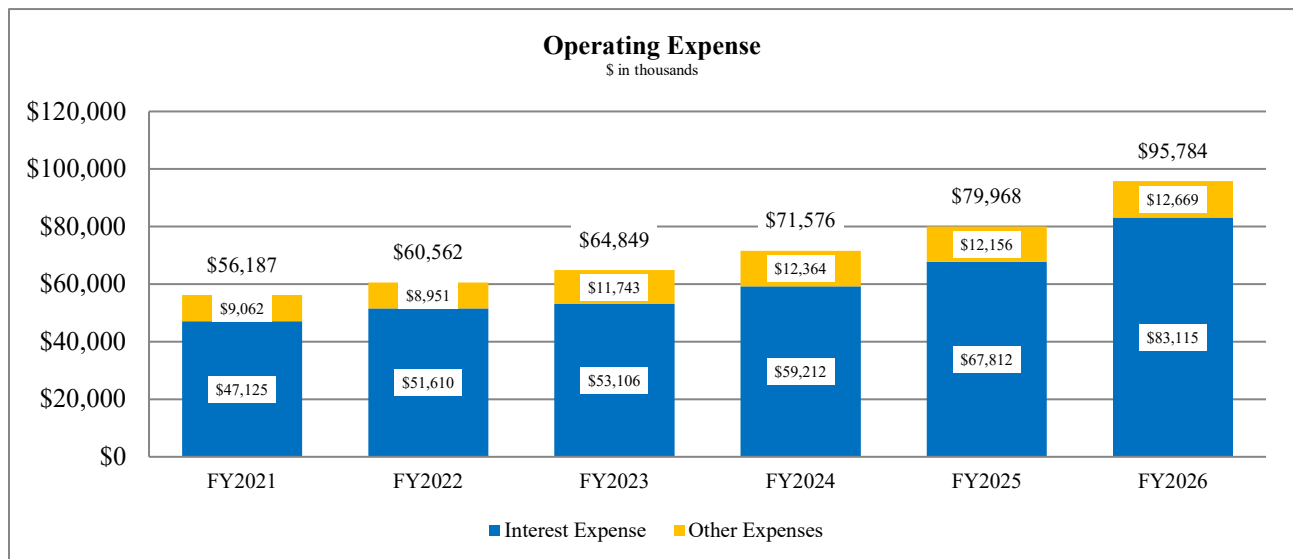
Funding for new EMS software project is budgeted for \$1.3MM during FY26

FY26 - Financial Statement Highlights (FY26 Budget compared to FY25 Forecast)



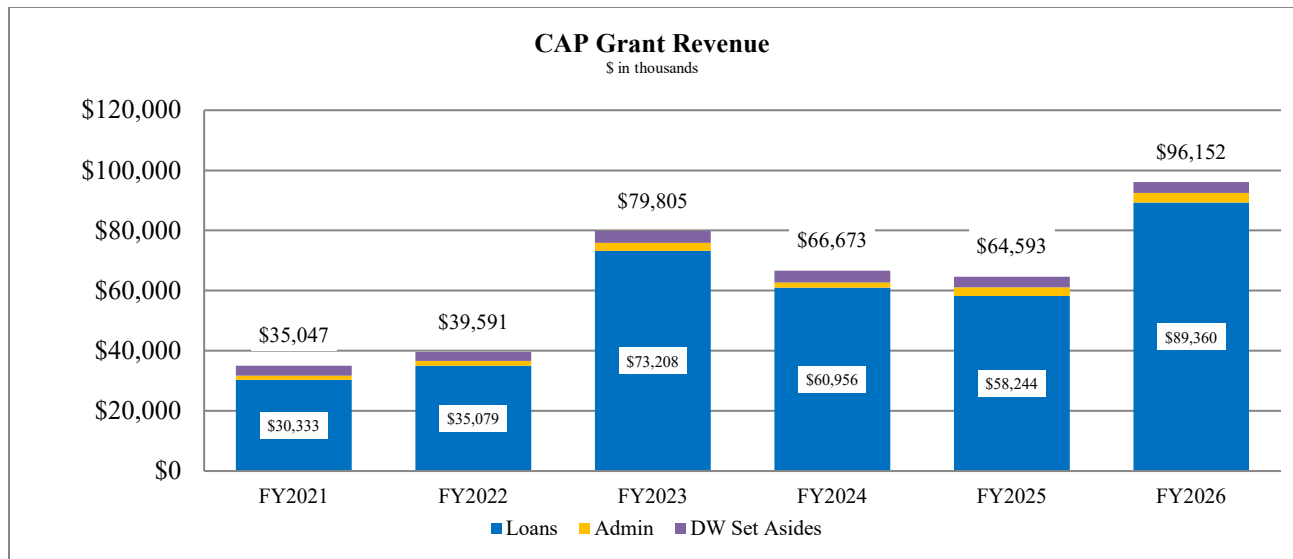
Total Operating Revenue of \$79MM is a decrease of \$2MM or 2%.

- Interest Revenue decrease is due to projected interest rate decline over the year.
- Fee Revenue for initiation fees and loan servicing is expected to grow with the increased loan activity.



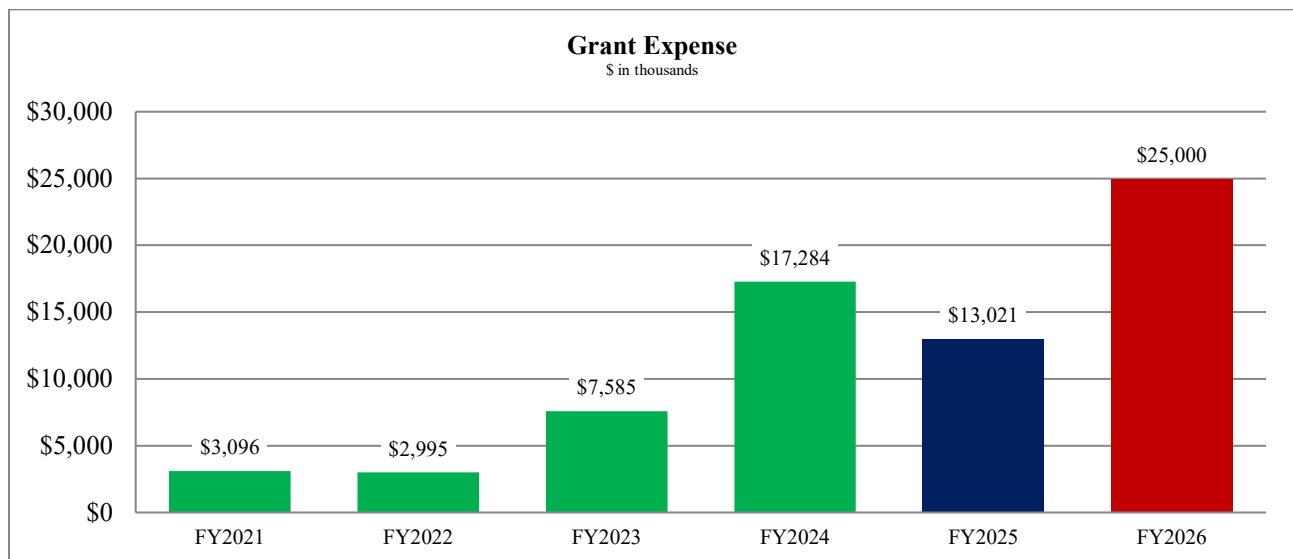
Total Operating Expenses of \$96MM are an increase of \$16MM or 20%.

- Interest Expense is anticipated to increase by \$15MM, due to issuing additional bonds during the year reduced by the impact from scheduled principal payments on outstanding bonds.
- Employee expenses include across the board and step increases at 2% and 3%, respectively.



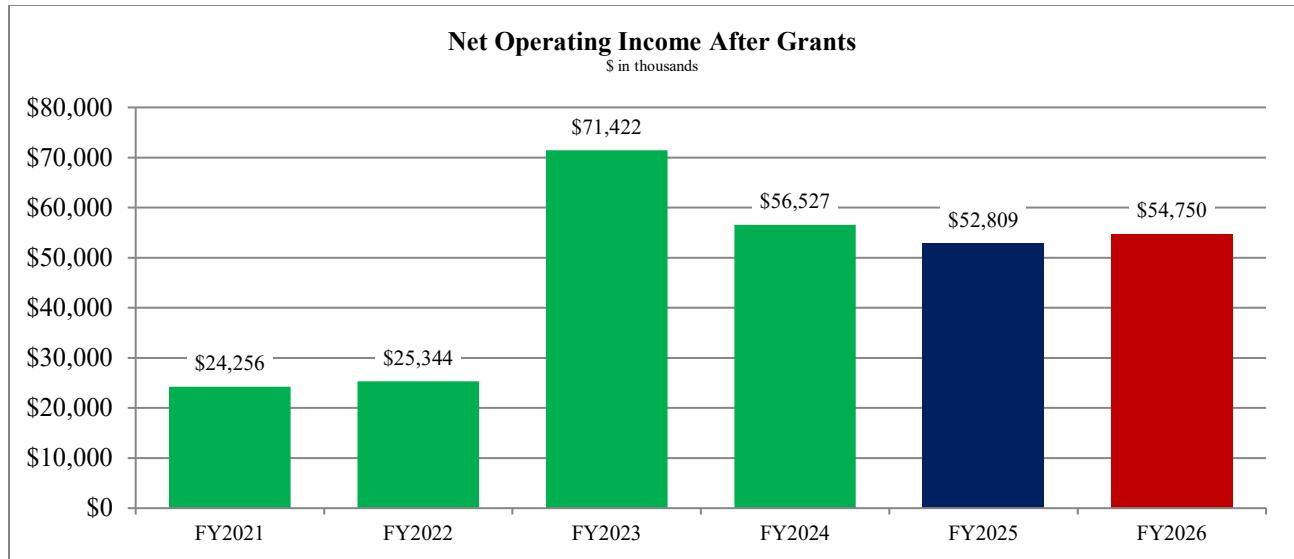
Cap Grant Revenue of \$96MM is an increase of \$32MM or 49%.

- Capitalization Grants are a source of funding for the SRF and help to lower lending rates for the Iowa communities the SRF serves.
- Funding increases include disbursements of unspent federal awards from prior years.

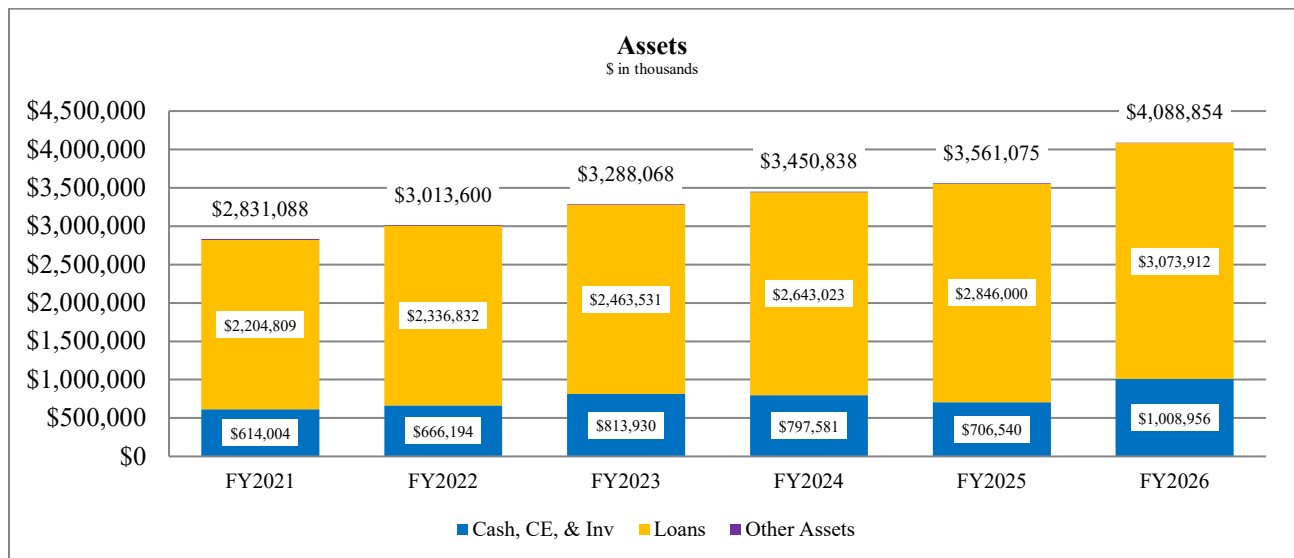


Grant Expense of \$25MM is an increase of \$12MM or 92% due to anticipated increased activity during FY26.

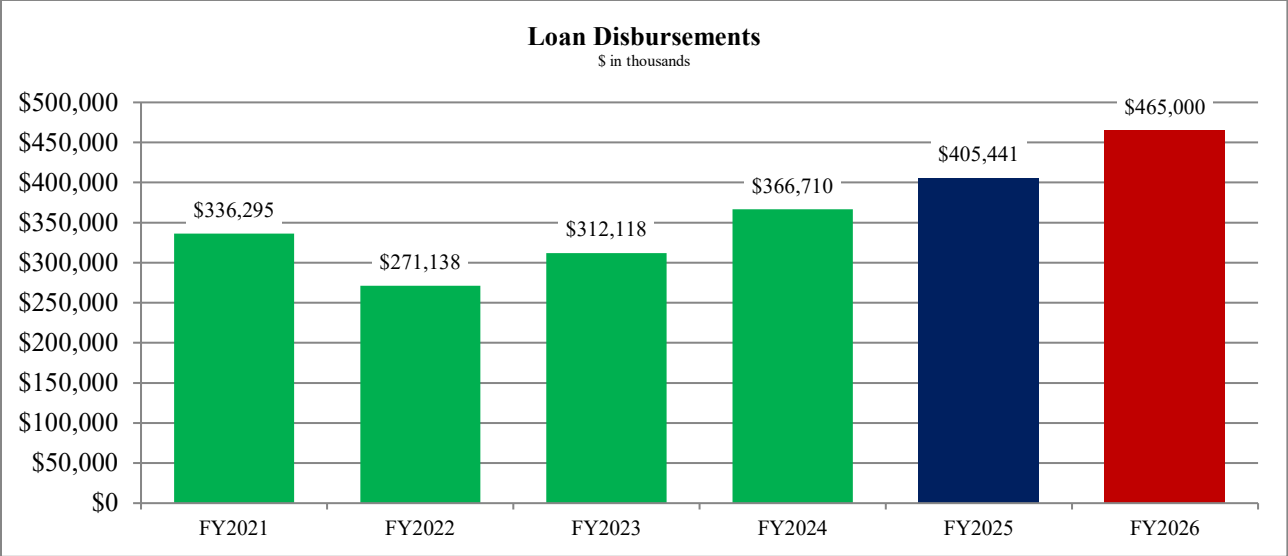
- Grant Expense recognizes the forgivable portion of certain SRF loans.
- Capitalization Grants require a significant percentage of subsidization which is provided in the form of principal forgiveness at loan finalization for qualifying communities.



As a result, **Net Operating Income After Grants** of \$55MM is an increase of \$2MM or 4% over FY25 Forecast.



Budgeted Total Assets are anticipated to reach \$4 Billion which represents an increase of \$528MM or 15%.



Loan Disbursements are expected to be higher than in previous years at \$465MM due to significant projects in the pipeline.

Balance Sheet	Bud26 State Revolving Fund (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Assets and Deferred Outflows										
Cash & Cash Equivalents	449,499,489	513,034,913	555,850,664	597,800,121	722,545,083	679,020,227	561,434,468	858,103,597	296,669,130	53%
Investments	72,920,434	70,042,977	58,153,093	68,393,905	91,385,347	118,561,034	145,105,274	150,852,900	5,747,626	4%
Mortgage Backed Securities	-	-	-	-	-	-	-	-	-	0%
Line of Credit	-	-	-	-	-	-	-	-	-	0%
Loans - net of reserve for losses	1,855,126,852	2,014,433,423	2,204,808,909	2,336,831,531	2,463,530,735	2,643,022,643	2,846,000,360	3,073,912,116	227,911,756	8%
Capital Assets (net)	-	-	-	-	-	-	-	-	-	0%
Other Assets	5,425,116	4,484,589	4,621,436	4,850,018	7,501,507	7,606,380	6,558,498	4,975,292	(1,583,206)	-24%
Deferred Outflows	12,760,340	10,024,940	7,654,194	5,724,481	3,105,663	2,627,876	1,976,621	1,010,338	(966,283)	-49%
Total Assets and Deferred Outflows	2,395,732,232	2,612,020,843	2,831,088,296	3,013,600,056	3,288,068,335	3,450,838,161	3,561,075,221	4,088,854,245	527,779,023	15%
Liabilities, Deferred Inflows, and Equity	-	-	-	-	-	-	-	-	-	0%
Liabilities and Deferred Inflows	1,438,731,713	1,616,330,377	1,811,492,888	1,970,272,024	2,173,633,905	2,279,805,322	2,333,978,954	2,810,321,974	476,343,019	20%
Equity	957,000,518	995,690,466	1,019,595,408	1,043,328,031	1,114,434,429	1,171,032,839	1,227,096,267	1,278,532,271	51,436,004	4%
Total Liabilities, Deferred Inflows, and Equity	2,395,732,232	2,612,020,843	2,831,088,296	3,013,600,056	3,288,068,335	3,450,838,161	3,561,075,221	4,088,854,245	527,779,023	15%

Income Statement	Bud26 State Revolving Fund (Rollup)									
	ACT FY19	ACT FY20	ACT FY21	ACT FY22	ACT FY23	ACT FY24	FCT FY25	FY2026	\$ change	% change
Operating Revenue										
Interest Revenue	45,334,537	44,691,699	41,609,621	42,195,649	56,583,449	71,849,260	72,563,929	69,699,768	(2,864,161)	-4%
Authority Revenue	-	-	-	-	-	-	-	-	-	0%
Fee Revenue	5,867,826	6,329,547	6,882,666	7,113,659	7,468,382	6,863,692	8,640,065	9,682,342	1,042,277	12%
Other Revenue	4	4	-	2	-	-	-	-	-	0%
Total Operating Revenue	51,202,367	51,021,250	48,492,288	49,309,311	64,051,831	78,712,952	81,203,994	79,382,110	(1,821,884)	-2%
Operating Expense										
Interest Expense	38,603,199	44,123,157	47,124,603	51,610,460	53,106,477	59,211,619	67,811,769	83,115,396	15,303,627	23%
Authority Expense	-	-	-	-	-	-	-	-	-	0%
Employee Expense	766,437	846,820	709,292	634,156	799,054	847,337	1,271,561	1,147,958	(123,604)	-10%
Shared Expense	122,496	34,087	17,959	17,258	13,265	14,220	20,732	24,600	3,868	19%
Marketing Expense	10,115	17,015	40,885	13,062	11,564	18,008	9,158	16,940	7,782	85%
Professional Services	462,182	569,478	590,026	635,889	1,513,781	779,701	350,797	496,800	146,003	42%
Claim and Loss Expense	(25,000)	(25,000)	(25,000)	(25,000)	(37,168)	11,000	-	-	-	0%
Service Release Premium	-	-	-	-	-	-	-	-	-	0%
Miscellaneous Operating Expense	8,567,629	7,379,157	7,580,695	7,537,494	9,289,407	10,517,778	10,311,195	10,770,000	458,805	4%
Overhead Allocation	104,556	172,868	148,523	138,221	152,697	176,288	192,458	212,412	19,954	10%
Total Operating Expense	48,611,613	53,117,582	56,186,984	60,561,541	64,849,078	71,575,950	79,967,670	95,784,106	15,816,436	20%
Net Operating Income (Loss) Before Grants	2,590,754	(2,096,332)	(7,694,696)	(11,252,230)	(797,247)	7,137,002	1,236,324	(16,401,996)	(17,638,320)	-1427%
Net Grant (Income) Expense										
Grant Revenue	(37,571,807)	(44,941,715)	(35,047,459)	(39,591,429)	(79,804,759)	(66,673,228)	(64,593,223)	(96,152,000)	(31,558,777)	49%
Grant Expense	3,794,187	4,662,494	3,096,439	2,995,104	7,585,402	17,283,505	13,021,025	25,000,000	11,978,975	92%
Intra-Agency Transfers	-	-	-	-	-	-	-	-	-	0%
Total Net Grant (Income) Expense	(33,777,620)	(40,279,221)	(31,951,020)	(36,596,325)	(72,219,357)	(49,389,723)	(51,572,197)	(71,152,000)	(19,579,803)	38%
Net Operating Income (Loss) After Grants	36,368,374	38,182,888	24,256,324	25,344,094	71,422,110	56,526,725	52,808,522	54,750,004	1,941,482	4%
Non-Operating (Income) Expense	(575,431)	(507,060)	351,382	1,611,471	315,712	(632,100)	(709,515)	-	709,515	-100%
Net Income (Loss)	36,943,804	38,689,948	23,904,942	23,732,623	71,106,398	57,158,825	53,518,036	54,750,004	1,231,968	2%
IFA Staff Count by Home Dept	4.0	3.8	4.1	4.8	5.0	5.4	6.0	6.0	0.0	0%
Contractor Staff Count by Home Dept	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Staff Count by FTE	5.5	5.5	5.5	5.5	6.2	6.4	7.4	7.4	0.0	0%

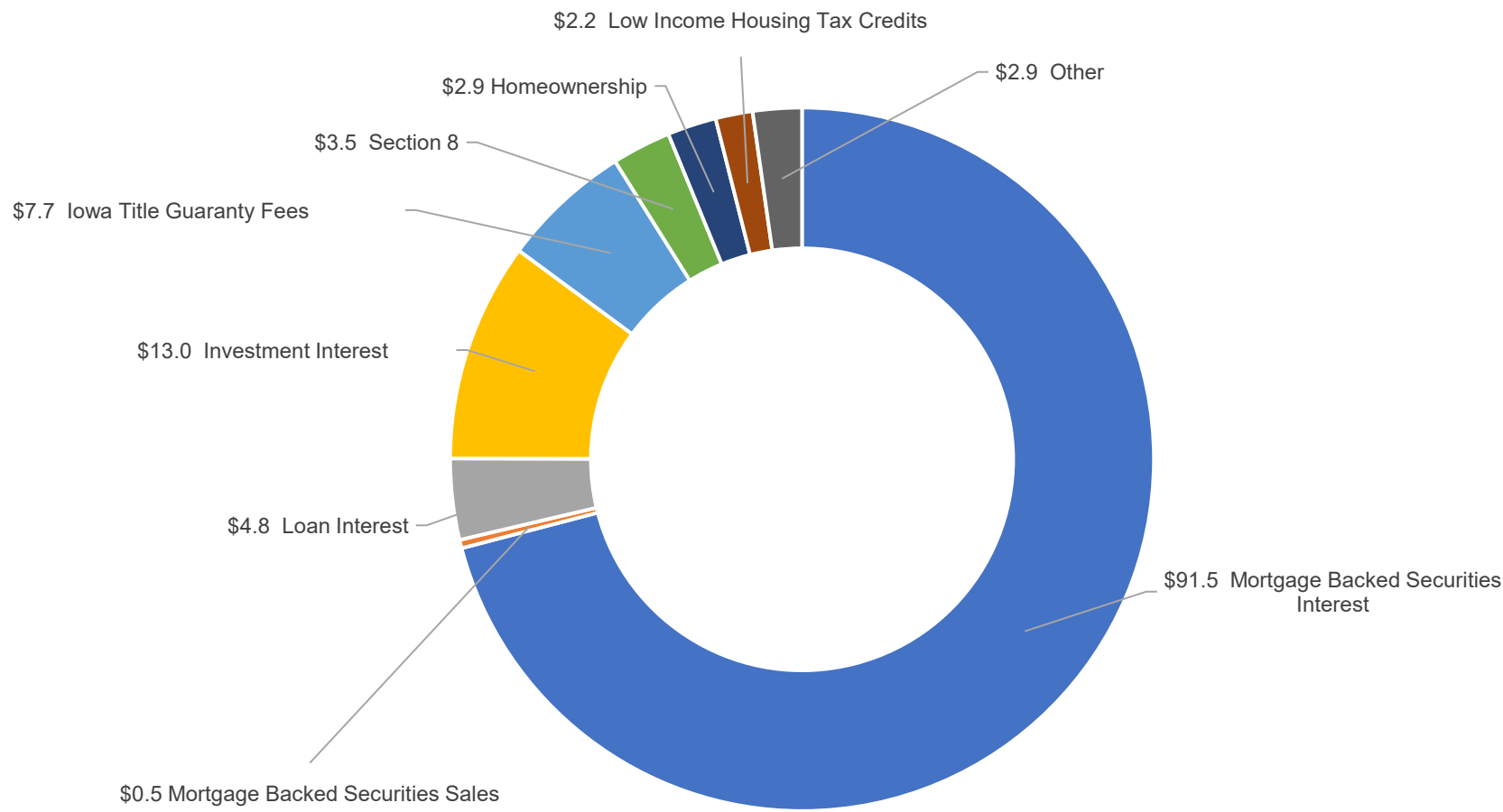


FY26 Budget

May 7, 2025

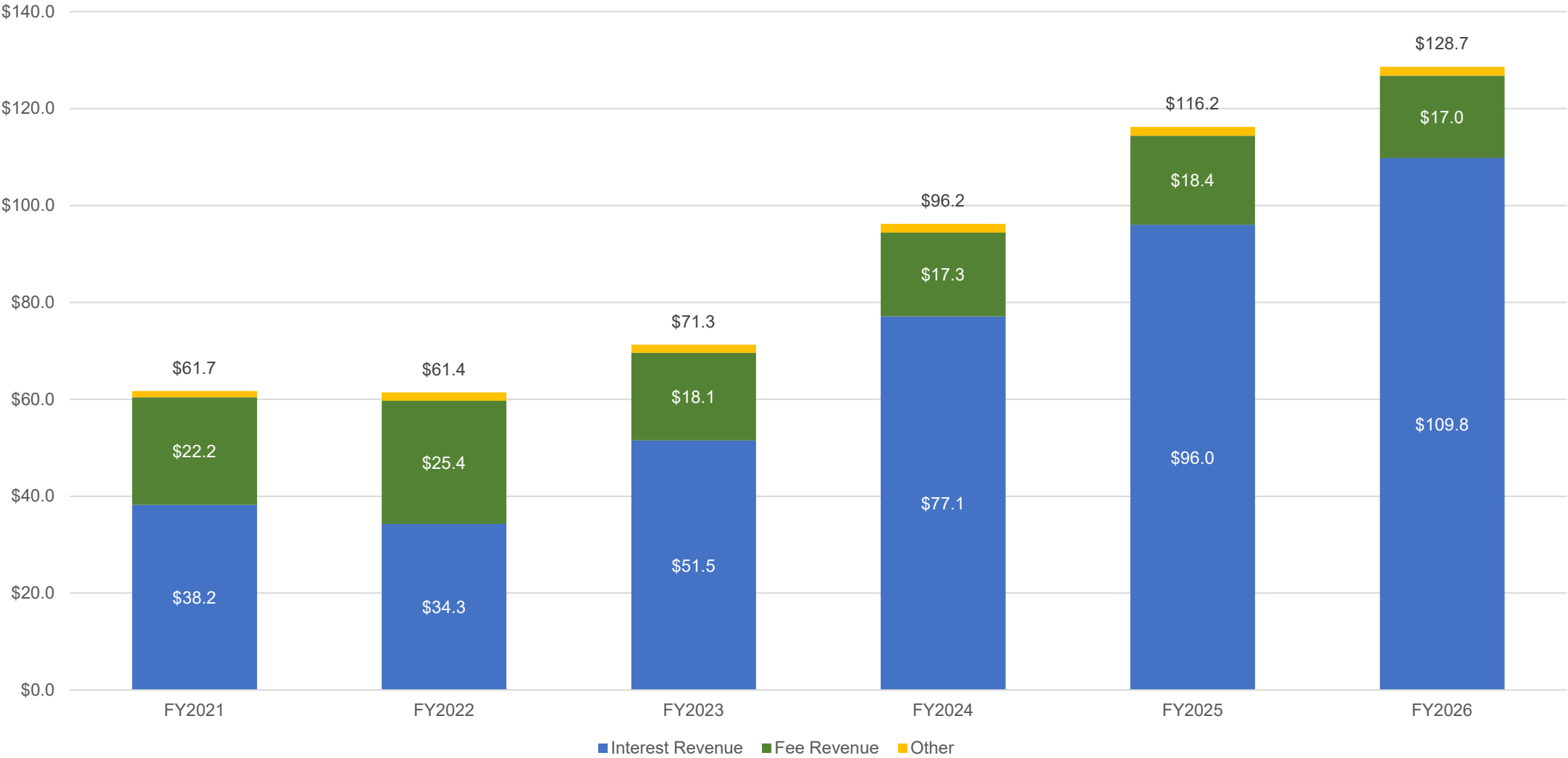
Sources of Revenue – Housing

\$ in millions



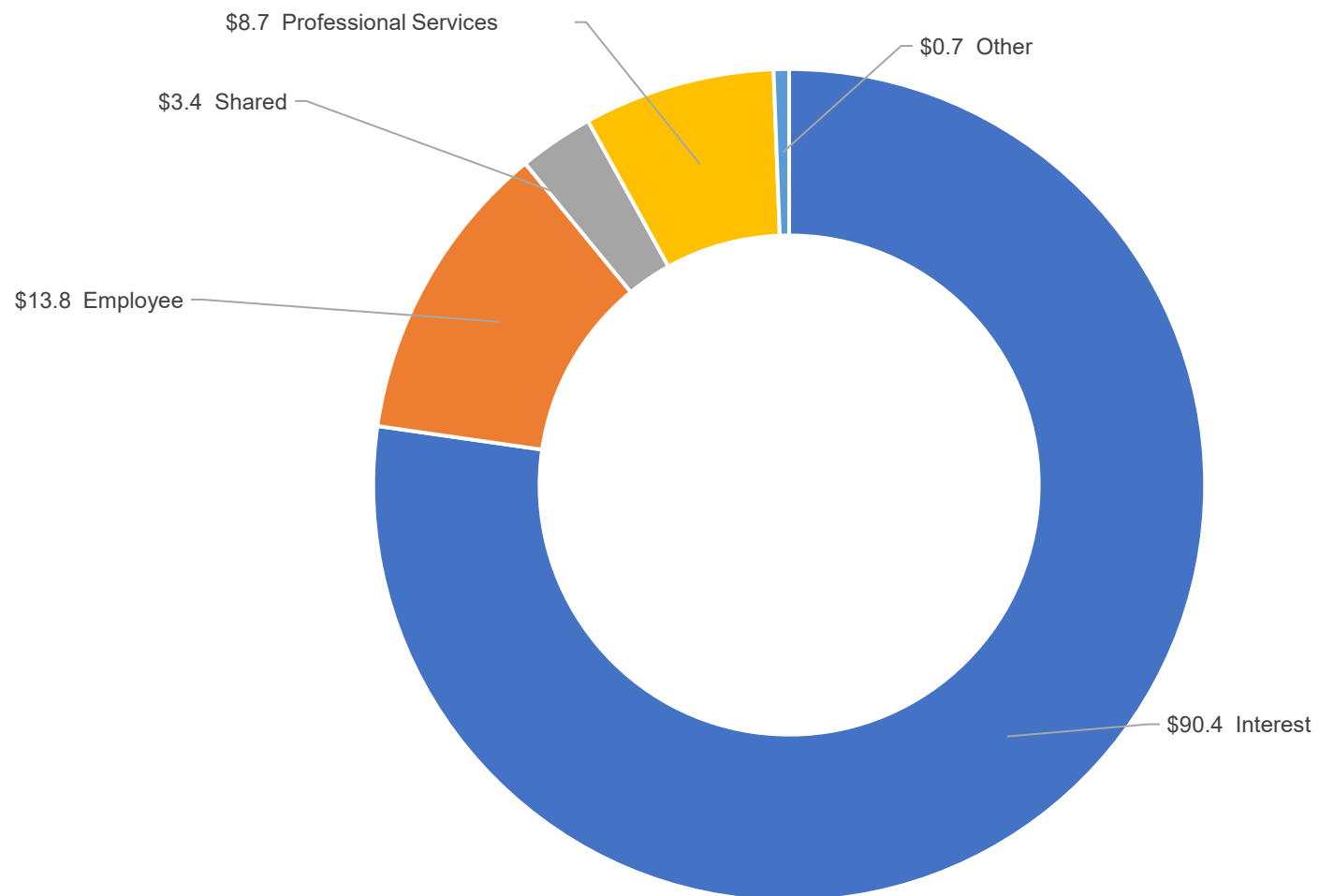
Operating Revenue Trend – Housing

\$ in millions



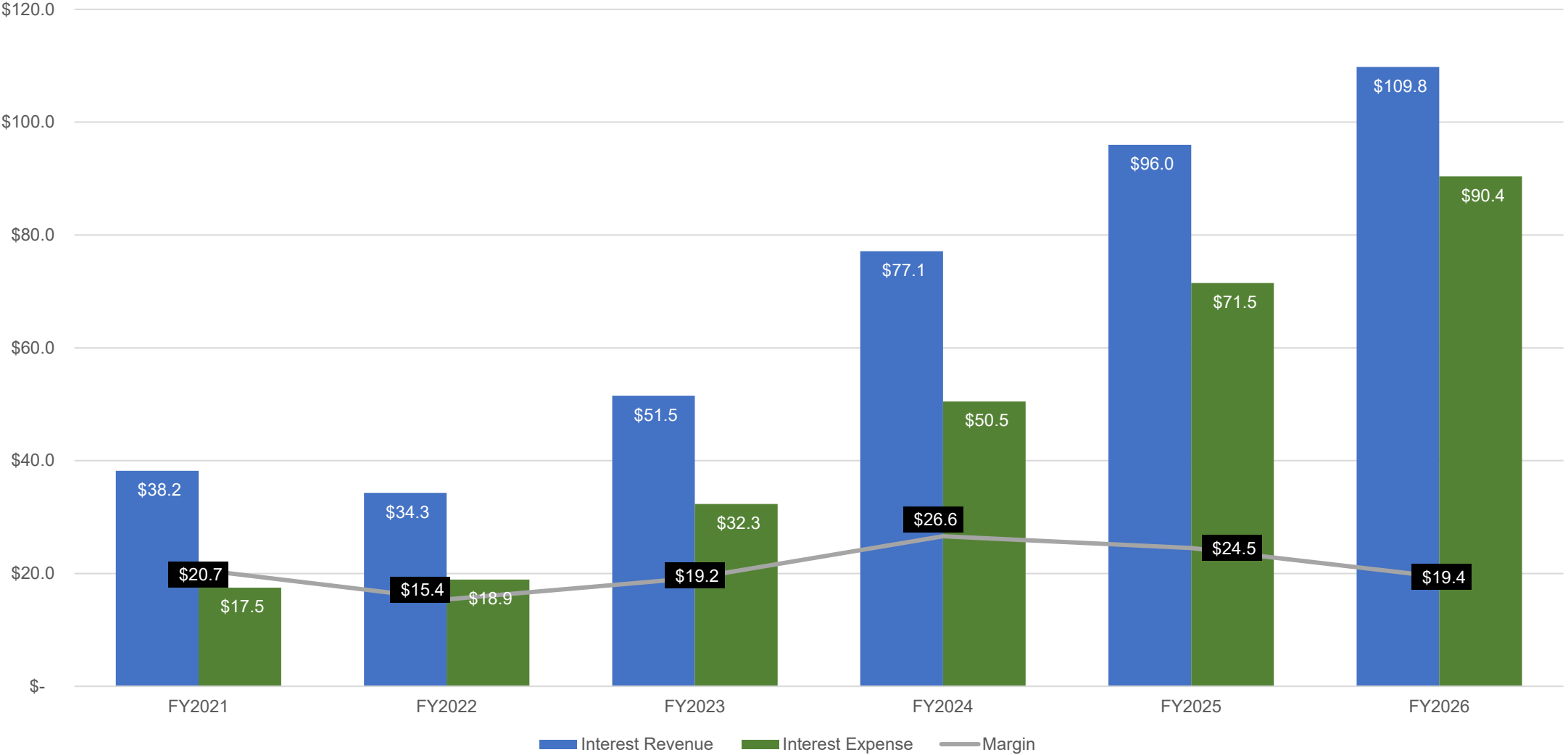
Operating Expenses - Housing

\$ in millions



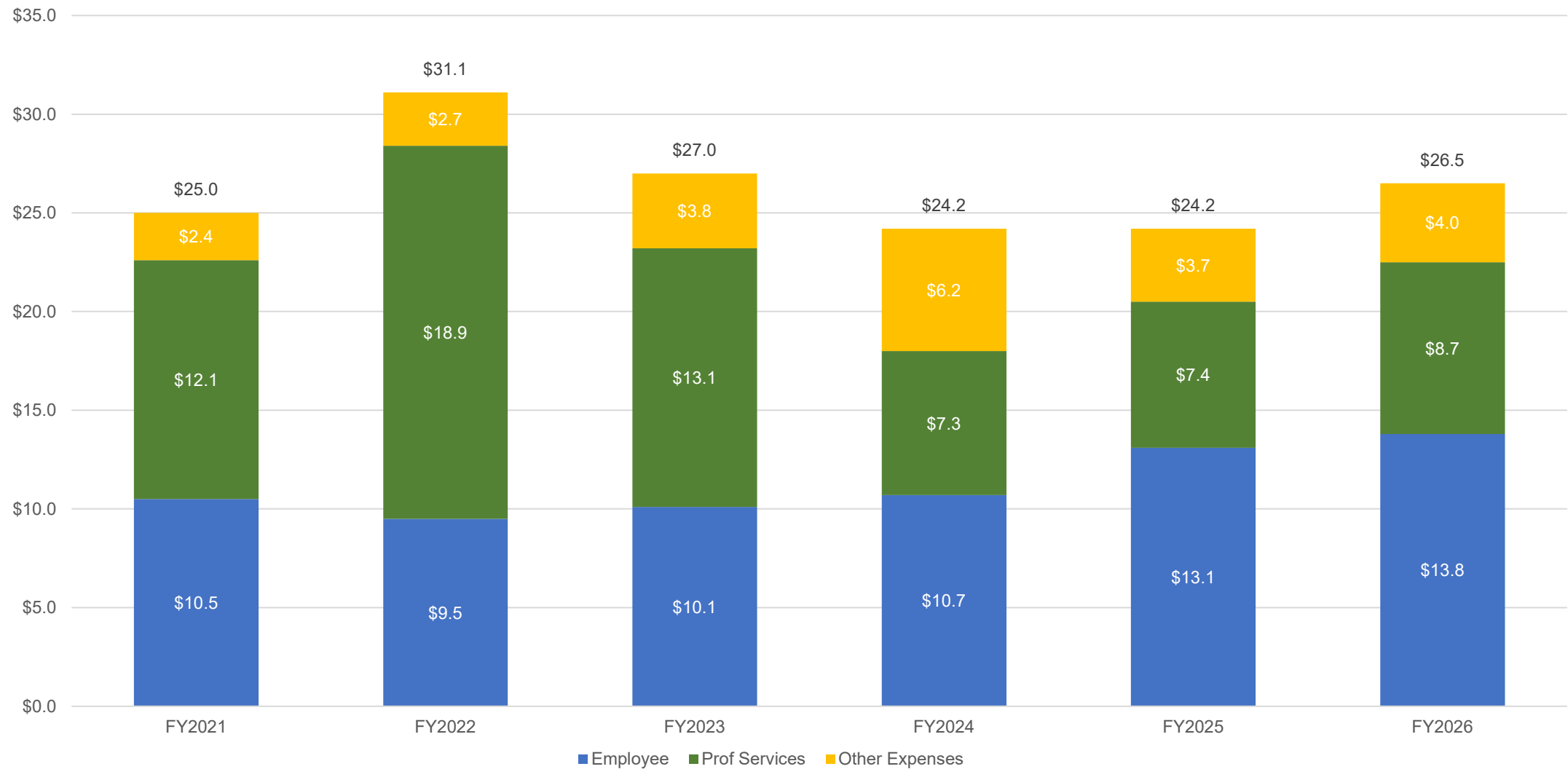
Interest Margin Trend – Housing

\$ in millions



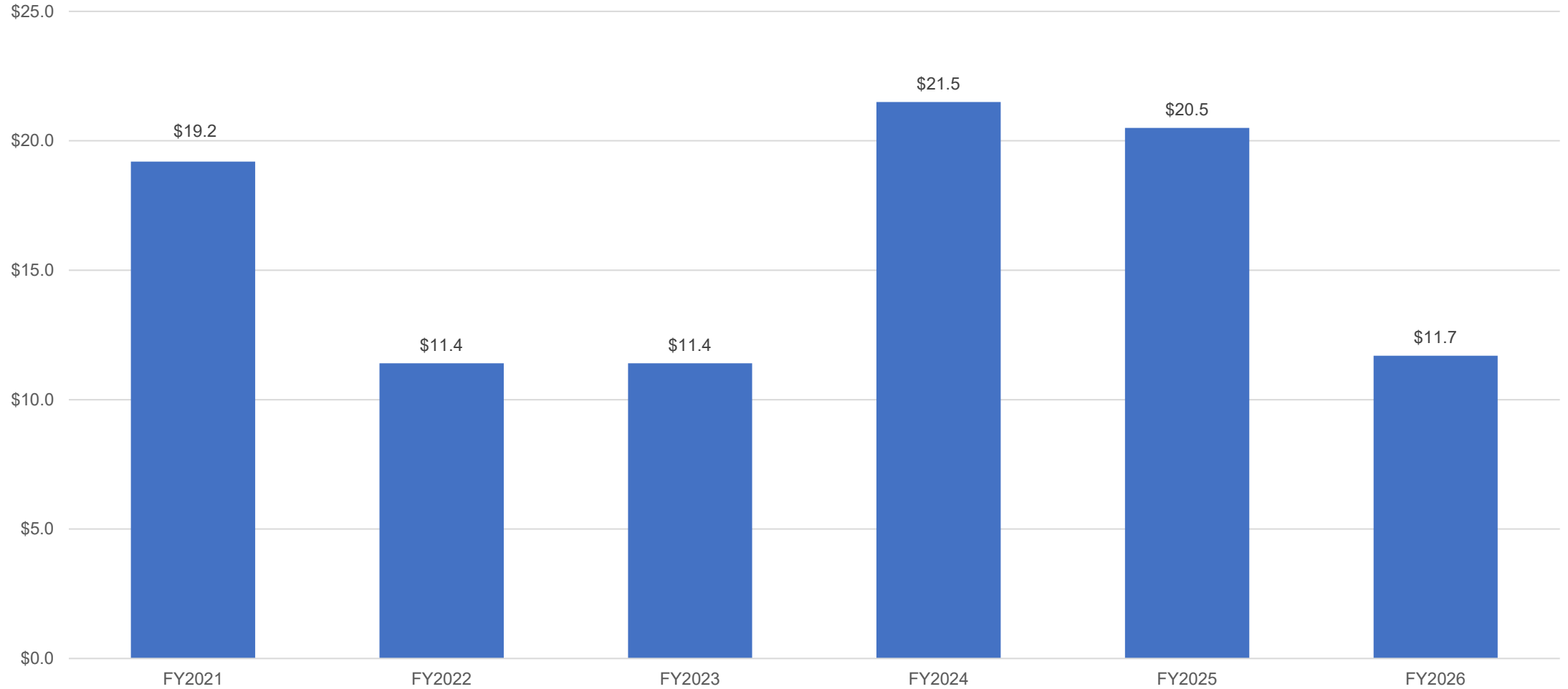
Operating Expense Trend – Housing

\$ in millions



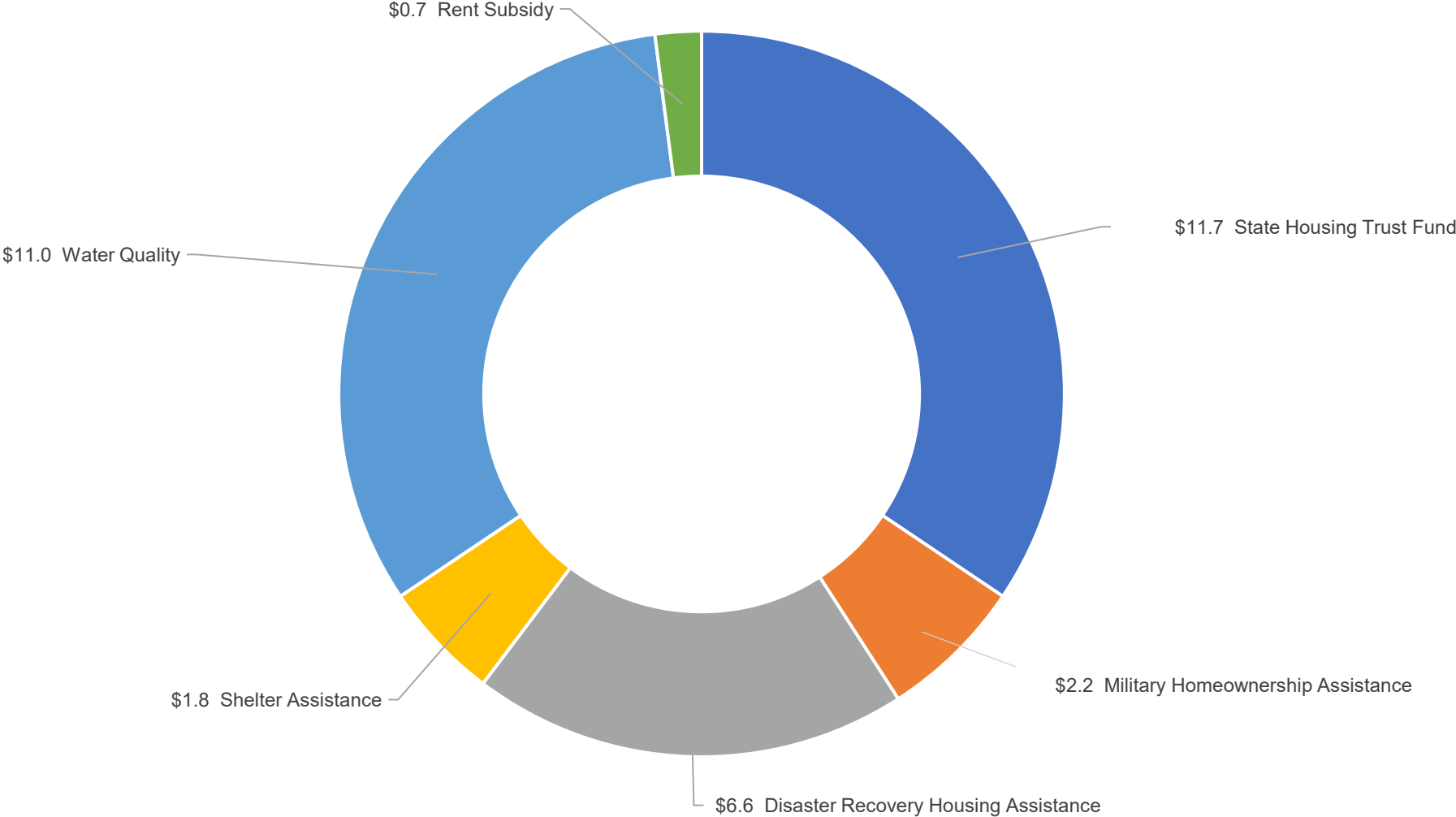
Net Operating Income Before Grants – Housing

\$ in millions



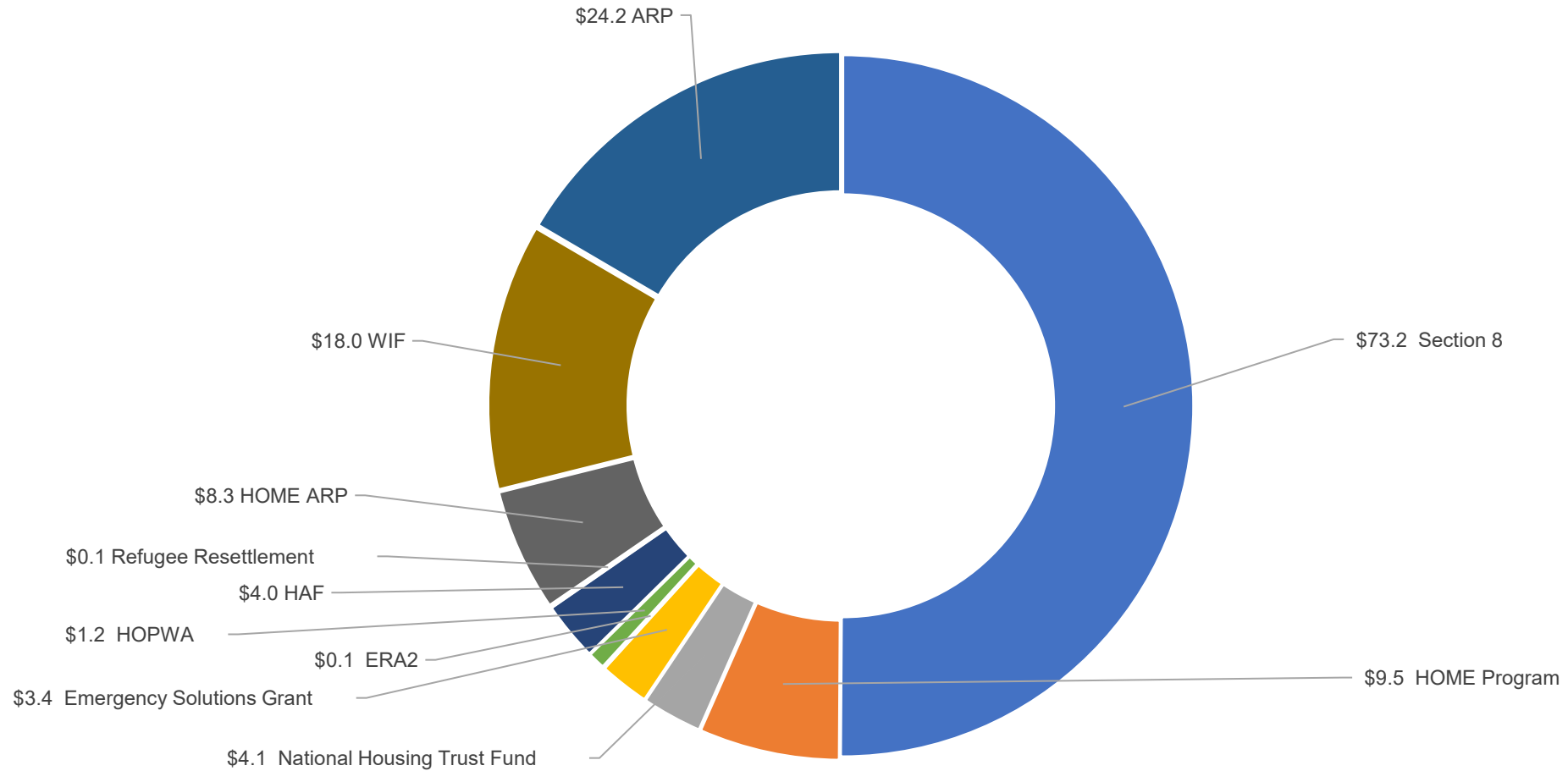
State Grant Revenue

\$ in millions



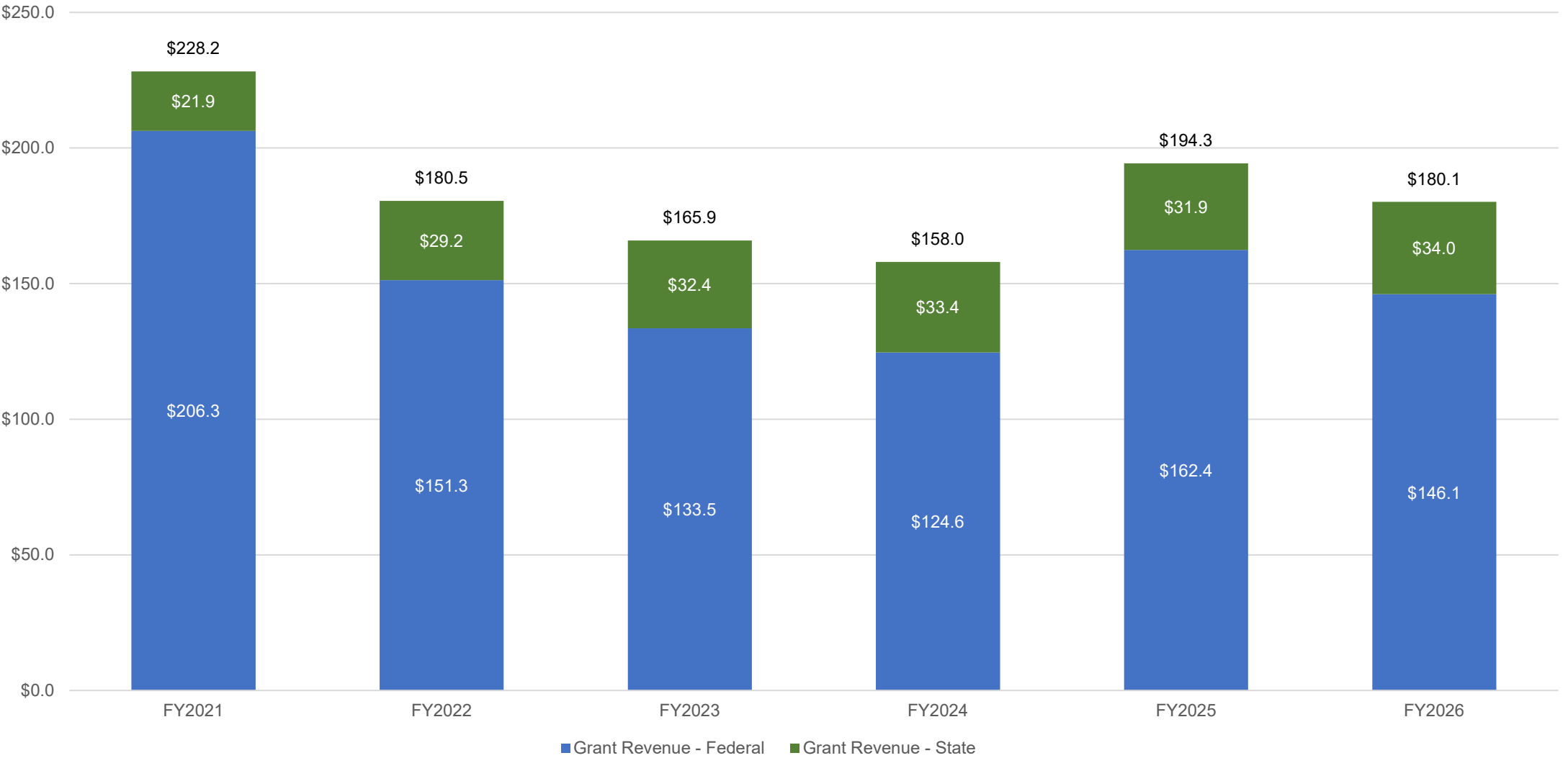
Federal Grant Revenue – Housing

\$ in millions



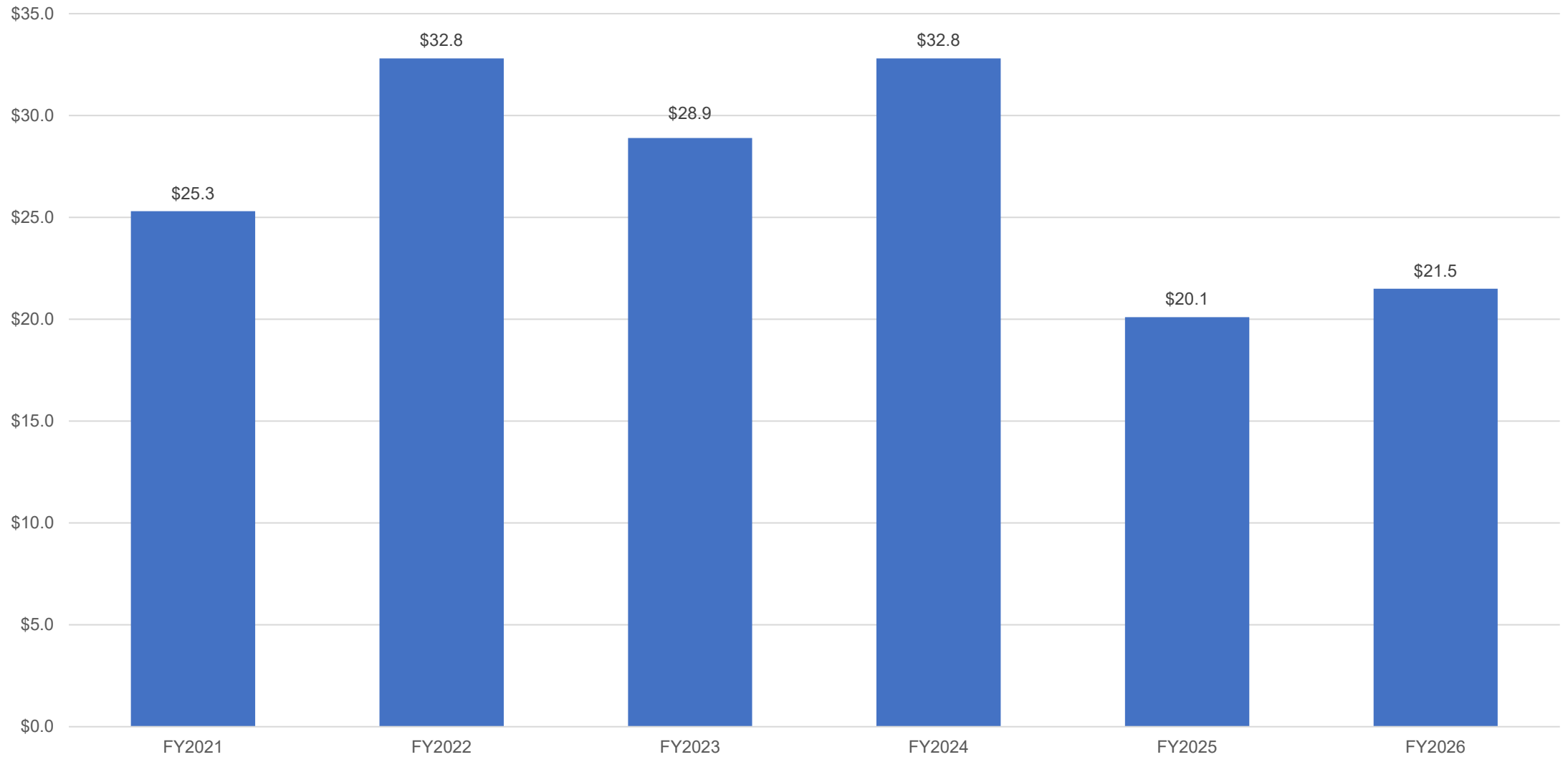
Grant Revenue Trend – Housing

\$ in millions



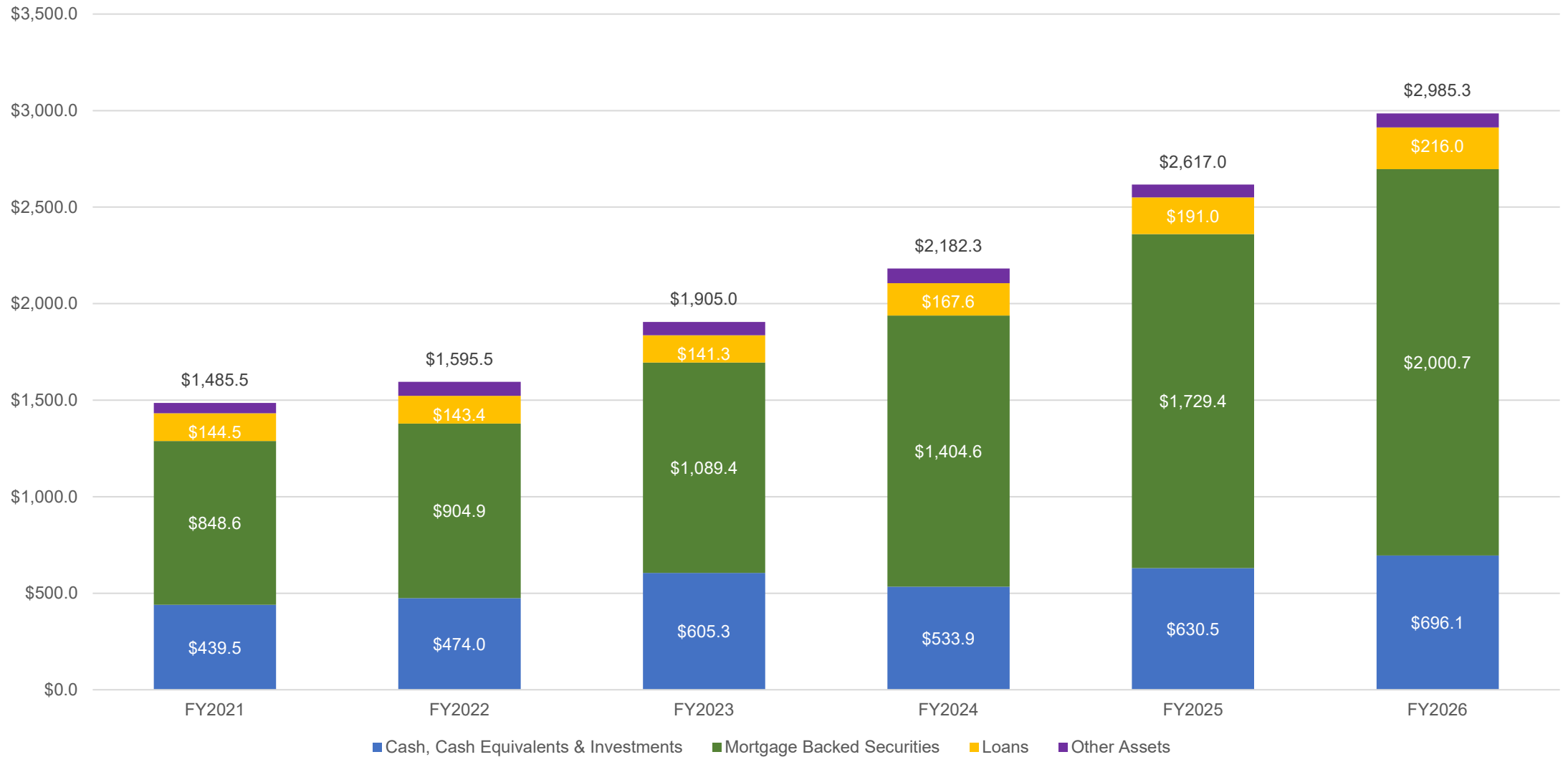
Net Operating Income After Grants – Housing

\$ in millions



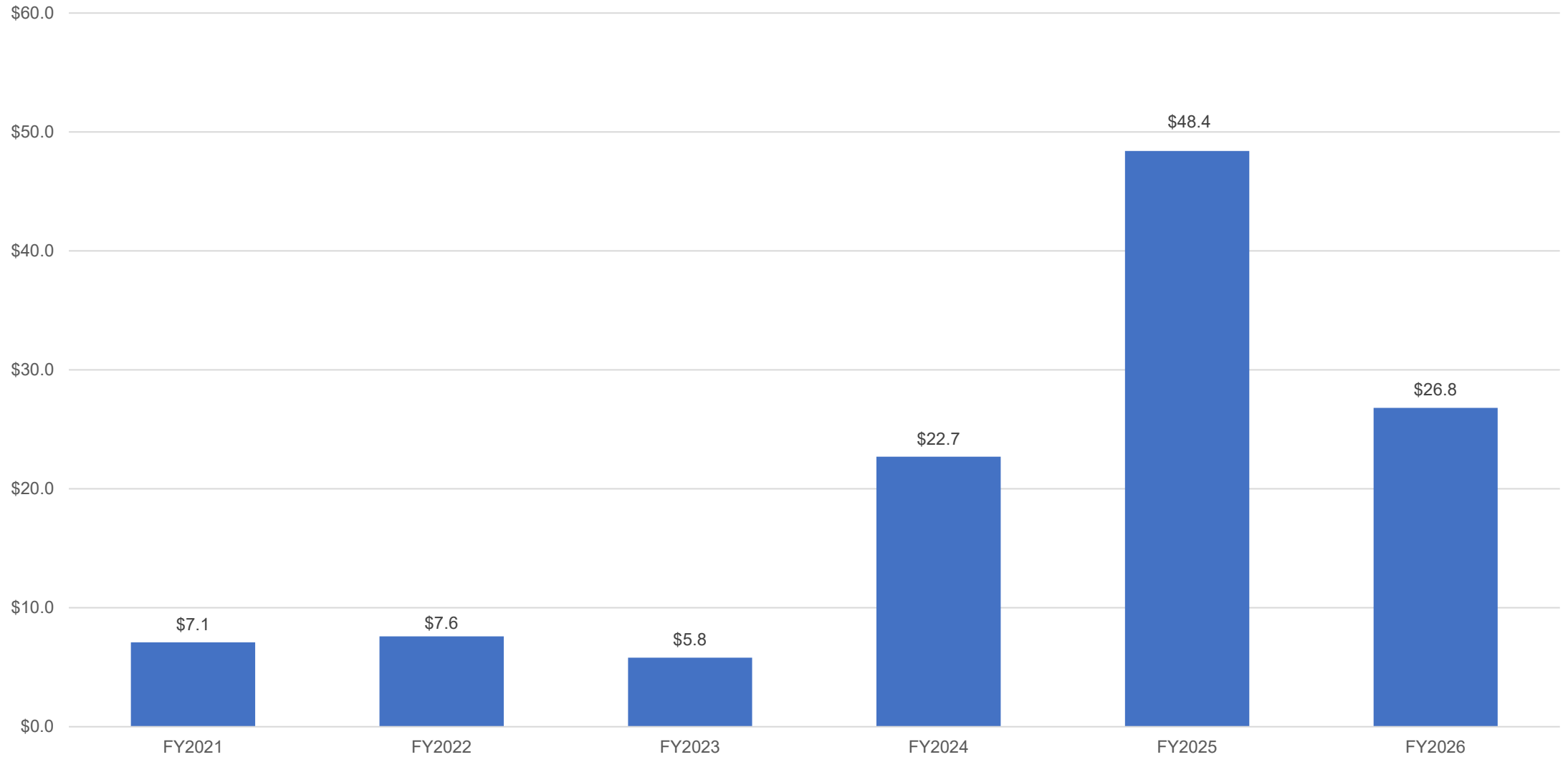
Assets – Housing

\$ in millions

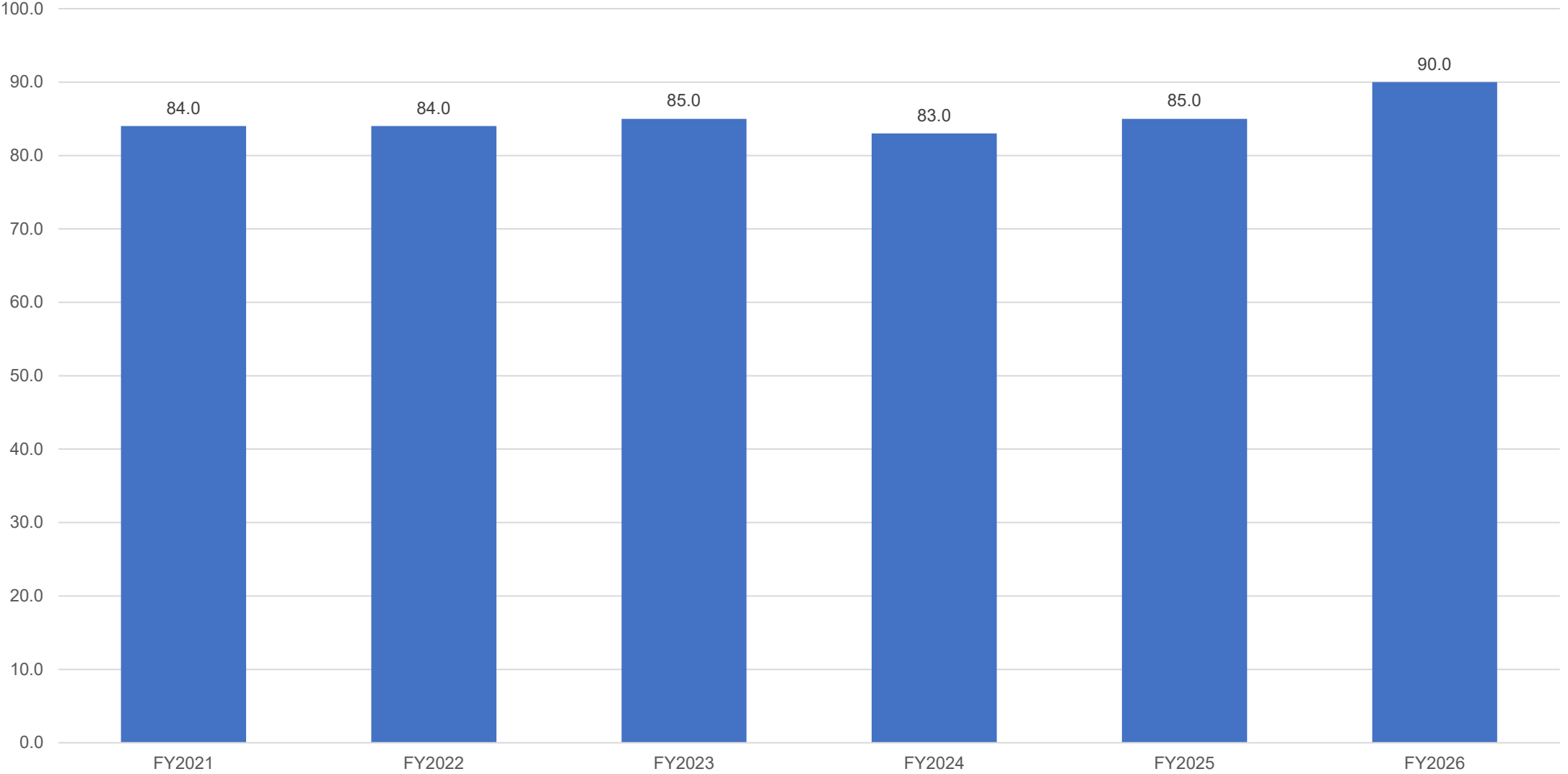


Loan Disbursements – Housing

\$ in millions

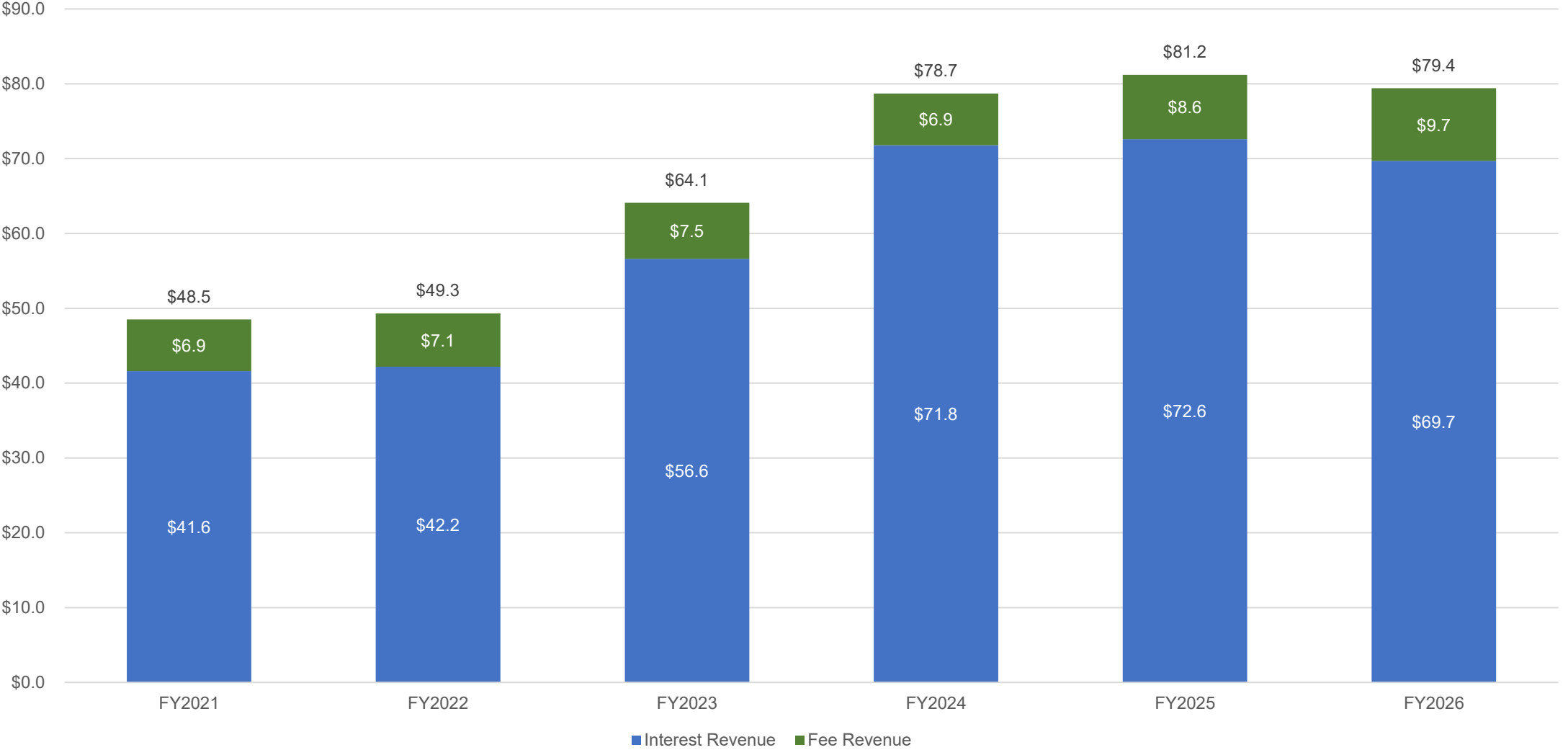


Staff Count – Housing



Operating Revenue Trend – SRF

\$ in millions



Operating Expense Trend – SRF

\$ in millions



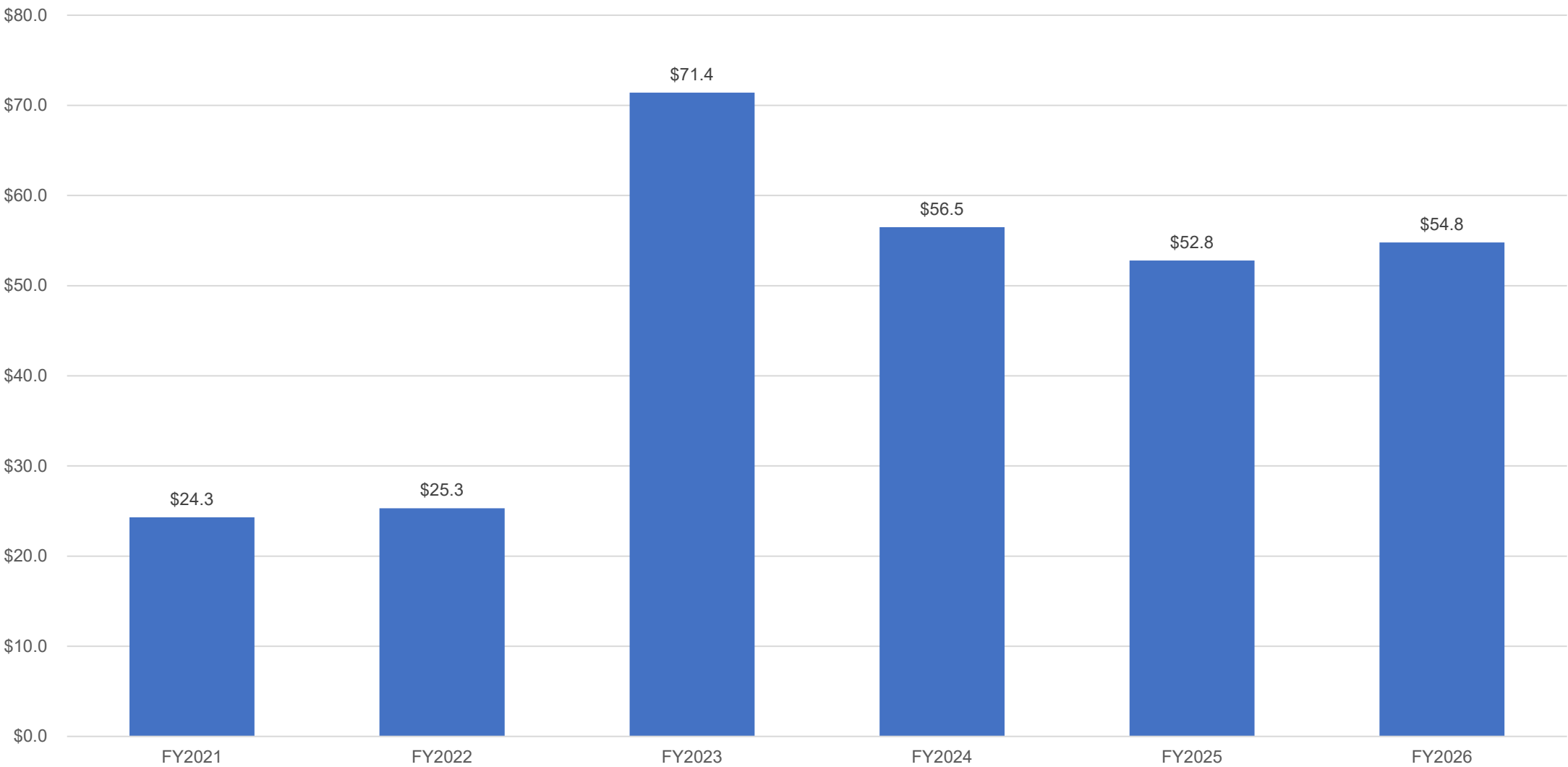
Cap Grant Revenue – SRF

\$ in millions



Net Operating Income After Grants – SRF

\$ in millions



Assets – SRF

\$ in millions

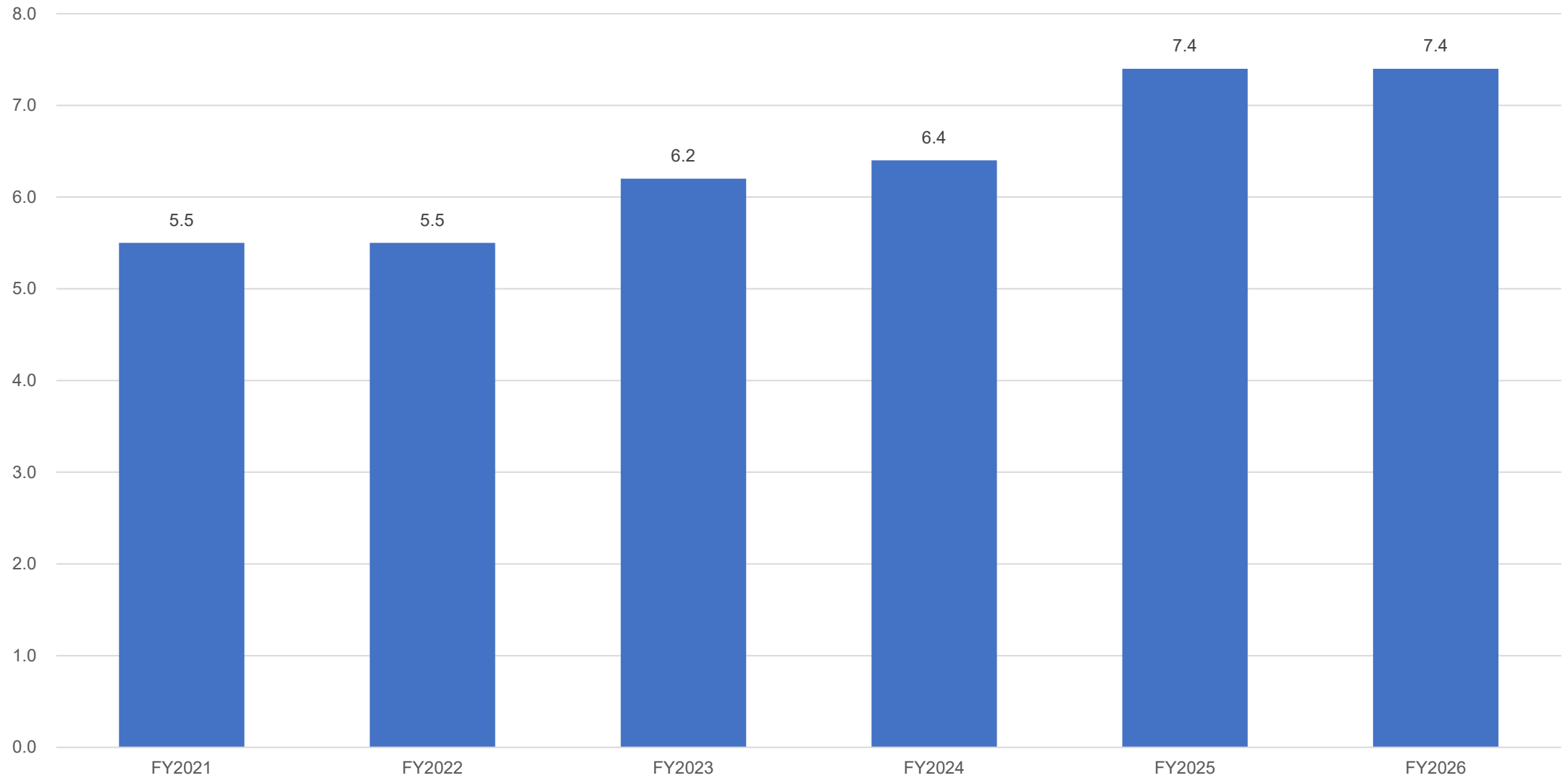


Loan Disbursements – SRF

\$ in millions



Staff Count – SRF



THANK YOU

David Morrison | Accounting Director

David.Morrison@iowafinance.com | 515-452-0475



Special acknowledgements to:

Linda Day
Michelle Bodie
Tammi Dillavou
Andy Gjerstad
Dan Stout
Becky Wu
Rick Andriano

Finance Authority

To: Iowa Finance Authority Board of Directors

From: Brian Sweeney

Date: June 4, 2025

Re: 2025 4% Qualified Allocation Plan

Pursuant to Section 42 of the Internal Revenue Code and Iowa Code section 16.35, the Iowa Finance Authority (the “Authority”) must draft one or more qualified allocation plans which governs the allocation of tax credits under Section 42 of the Code.

- The Authority announced on November 7, 2024 via its website a transition of the 4% federal housing tax credit to a competitive format in response to growing demand for the private activity bond.
- On April 2, 2025, the Authority released the Draft 4% Qualified Allocation Plan on its website for public review and a public comment period commenced. Numerous written comments were submitted.
- On April 23, 2025, the Authority held a formal Public Hearing. Several individuals publicly commented on the QAP.
- Authority staff reviewed and considered all comments received and made revisions to the Draft 2025 QAP based on those comments.

The Authority’s proposed 2025 4% QAP is attached as Exhibit A hereto.

Staff recommendation: Authority staff recommends that the Board approve the 2025 4% QAP as set forth on Exhibit A hereto.

Proposed Motion: Move to approve the 2025 4% QAP as presented.

Submitted By: Brian Sweeney, Tax Credit Director

Attachments:

2025 — SECOND AMENDED 4% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the 2025 4% Low-Income Housing Tax Credit (Tax Credit) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

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INTRODUCTION

This Qualified Allocation Plan (QAP) governs the 2025 federal 4% Low-Income Housing Tax Credit (Tax Credit) 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 federal housing Tax Credit 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 Tax Credit 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. SET-ASIDE, TAX-EXEMPT BONDS, AND CAPS

1.1. SET-ASIDES. The funding round will include the following set-asides. Projects competing in the Rural Set-Aside may compete in the General Set-Aside.

- A. **Rural Set-Aside.** IFA will award no more than one project in the Rural Set-Aside. Refer to Appendix C – QCTs, DDAs, and Rural Counties.
- B. **General Set-Aside.** IFA will award the remaining projects under the General Set-Aside.

1.2 PRIVATE ACTIVITY BOND CAP (Bond Cap). IFA expects to have approximately \$80 million of its 2026 private activity bond cap available to award under this QAP. 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. The Bond Cap Limit for each Project is the lesser of fifty-five percent (55%) of the aggregate basis or \$35 million per Project. If a Project requests to exceed its Bond Cap Limit, the Developer and/or GP/MM or affiliates thereof will lose points in future rounds. The allocation of the bond cap shall be pursuant to IRC Section 146 and Iowa Code Chapter 7C and must occur in calendar year 2026 after the submission of the bond issuance application. If an awardee has not closed on the bond issuance by December 24, 2026, their bond cap allocation is no longer valid, and IFA may use such bond cap for other purposes unless determined otherwise under the sole discretion of IFA. An award of 4% Tax Credits does not constitute a reservation and/or allocation of private activity bond cap.

1.3 DEVELOPER CAP. The maximum award to any one Developer is one Project per 4% Tax Credit round unless total application requests at the time of Application submission for bond cap does not exceed what is available. This restriction does not apply to Developer Application submissions. IFA has the discretion to evaluate capacity and will notify Developers prior to the 4% Tax Credit round.

SECTION 2. APPLICATION PROCESS OVERVIEW

2.1 TAX CREDIT RESERVATION AND BOND INDUCEMENT RESOLUTION SCHEDULE.

To the extent possible, the following schedule applies to the Tax Credit Reservation process and Bond Inducement Resolution process for 4% Tax Credits.

Process Step	Date
Tax Credit Application Package Available	July 2025
Deadline for Bond Inducement Resolution Applications to IFA	July 23, 2025 or August 20, 2025
Tax Credit Application Submission Due Date	September 17, 2025 by 4:30 P.M. Central Time
Tax Credit Application Deficiency Period	Mid/Late October 2025
IFA Tax Credit Reservation recommendations at IFA Board Meeting	December 3, 2025
Bond Issuance Application Submission Deadline	No later than November 1, 2026
Placed in Service Date	24 months from the date of the Bond Issuance Date
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. Adoption of a bond inducement resolution by the IFA Board of Directors does not constitute a commitment by IFA to approve or fund the proposed 4% Tax Credit Project with low-income housing tax credits or other funding sources. A Board-approved bond inducement resolution also does not constitute a reservation of Private Activity Bond Volume Cap or a commitment by the IFA to issue bonds related to the 4% Tax Credit Project.

2.2 FEES. Electronic payment of the fees is required. Fees are nonrefundable. IFA shall collect the fees described below for the 4% Tax Credit Program.

Fee Type	All Applicants
Bond Inducement Resolution Application Fee	\$1,000 for Bond Inducement Requests of \$10 million or less \$2,500 for Bond Inducement Requests greater than \$10 million
4% Tax Credit Application Fee	\$3,500
4% Reservation Fee	1.25% of the total 10-year Tax Credit amount due within 30 calendar days of issuance of IRC Section 42(m) Letter.
Material Change in Application Fee	\$7,500 for material change requests.
IRS Form 8609 Application Fee	\$20,000
Amended IRS Form 8609 Fee	\$1,000
IFA Legal Fees	Legal fees of IFA's in-house counsel related to the Project may be billed at the rate of \$150 per hour. Legal fees of outside counsel related to the Project will be billed at the rate charged to IFA.
Construction Monitoring Fees	A \$3,500 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.
Compliance Monitoring Fee	<p>\$40 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: \$40 per Unit x 24-Unit Project = \$960 paid annually for 30 years.)</p> <p>Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple-building Project on the IRS Form 8609, if eligible to do so.</p> <p>Annual rate increases may apply. Other fees as provided in the IFA compliance manual.</p> <p>The first annual payment shall be submitted with the IRS Form 8609 Application. The Ownership Entity has the option of paying the compliance monitoring fee in advance for the entire Compliance Period and the Extended Use Period (if applicable); however, additional fees may be assessed to the Property during the Compliance Period and Extended Use Period if annual rate increases are applied during that time.</p>

2.3 CONTACT WITH IFA.

- A. **Prior to Application Submittal.** Applicants may submit questions regarding an interpretation or clarification of the QAP, IFA policies, procedures, or rules relating to this Tax Credit 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.

- A. **Bond Inducement Resolution Application.** All Projects using IFA as the Conduit Bond Issuer must have an approved Bond Inducement Resolution from the IFA Board prior to applying for 4% Tax Credits. The Applicant shall complete the Bond Inducement Resolution Application and payment of the Bond Inducement Resolution Application Fee through the online Application. Refer to Appendix A – 4% Tax-Exempt Bond with Federal Housing Tax Credit (LIHTC) Process Overview, for information about Projects not using IFA as the Conduit Bond Issuer.
- B. **Board Approval of Bond Inducement Resolution.** 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. Receipt of an IFA Board Approved Bond Inducement Resolution is not a commitment by IFA to approve or fund the proposed 4% Tax Credit Project with low-income tax credits or other funding sources or a commitment by IFA to issue bonds related to the proposed 4% Tax Credit Project. Approved Bond Inducement Resolutions for Projects that are not awarded 4% Tax Credits under this QAP are valid for this 4% Tax Credit round only unless extended at IFA's sole discretion.
- C. **Tax Credit Application Package.** Applicants shall submit the Application and exhibits through the online Application prior to the Tax Credit Application submission due date. Applicants shall use the forms contained in the Tax Credit Application Package and include all information required by the QAP or as otherwise required. Applicants are advised to check IFA's website periodically for any amendments or modifications to the Application Package.

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 Requirements.

- A. **Market Study Timing.** The Market Study and field survey must have been completed no more than 6 months prior to the application submission.
- 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 in the deficiency report. IFA may reject an Application if the Market Study submitted does not meet the IFA Market Study guidelines.

2.6 COMPLETE APPLICATION.

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.

- A. **Prior Years.** Application determinations made in prior years are not binding on IFA for the current round.
- B. **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.
- C. **Authorization Forms.** IFA may request an executed IRS Form 8821, Tax Information Authorization Form.
- D. **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, and Articles of Incorporation.
- E. **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.
- F. **Local Jurisdiction Notification.** The Applicant shall supply the contact information of the Chief Executive Officer of the Local Jurisdiction.
- G. **Application Deficiency Period.** During the Application deficiency review, IFA may request additional information on the Application through a deficiency report sent 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 scores shall not be allowed. IFA may adjust the underwriting and/or scoring, if applicable. IFA may contact the Applicant in other ways to clarify information contained in the Application.
- H. **Scoring Determination.** IFA shall make the final determination of each Applicant's score.
- I. **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.

Documents that contain tax identification numbers are automatically confidential records and will be withheld from public inspection even without a request for confidential treatment.

- A. **Confidential Request.** An Applicant who desires confidential treatment of information must contact IFA staff prior to requesting confidential treatment or submitting an Application for which confidential treatment is requested. Applicants must contact IFA staff at least 20 business days prior to the Application submission due date. Failure to make the request may result in the complete Application being treated as a public record. Any request for confidential treatment 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.
- B. **Release.** If the Applicant fails to comply with the request process set forth herein, if Applicant's request for confidentiality is unreasonable or inconsistent with applicable laws, 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.
- C. **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 and in the Application. 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.** At least one Developer or General Partner or Managing Member, or 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 Tax Credit Application as a Developer (may be a joint venture) and a Developer or affiliate thereof is currently serving as a GP/MM or sole shareholder/member of the GP/MM of the legal Ownership Entity for at least one Tax Credit 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 GP/MM or an affiliate thereof with at least 50% ownership of the GP/MM of the Ownership Entity of the Project shall have been listed in an awarded Tax Credit Application as a GP/MM, affiliate thereof, or member/manager thereof, and be currently serving as the GP/MM or affiliate thereof of the legal Ownership Entity for at least one Tax Credit Project that has received an IRS Form 8609 prior to the Application submission due date.

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
- Bond Counsel
- Architect
- Energy Consultant
- Tax Attorney
- Tax Accountant
- Contractor
- Engineer
- Development Consultant

C. **New Developer and General Partner/Managing Member to Iowa.** A Developer or GP/MM with no prior Tax Credit awards or with a prior 4% Tax Credit award without an issued 4% IRS Form 8609 in Iowa shall be eligible as listed below. An individual or entity with at least 50% ownership of the GP/MM of the Ownership Entity of the Project or Developer of the Project who has received a 4% Tax Credit award in Iowa and been issued a 4% IRS Form 8609 in Iowa will not be considered a New Developer or New GP/MM. Developers or GP/MMs with experience inside or outside the State of Iowa or experience only in 9% Tax Credits shall be considered New Developers or GP/MMs to Iowa and be eligible pursuant to the chart below.

Developer or GP/MM with no prior 4% Tax Credit Award in any state	Eligible for up to one 4% Tax Credit award in 2025 and shall not be eligible for a second award in any team member role until the Project is issued a 4% IRS Form 8609.
Developer or GP/MM with prior 4% Tax Credit Award in Iowa, but no issued 4% IRS Form 8609	Not eligible for an additional Tax Credit award until the Project awarded Tax Credits in Iowa is issued a 4% IRS Form 8609.

- D. **Direct Investor.** A direct investor shall have a Tax Credit asset management department with at least 3 years' experience.
- E. **Management Company.** The management company shall have at least 3 years of Tax Credit management experience and is currently managing at least 3 Tax Credit 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 an independent Residential Energy Services Network (RESNET) certified individual or a licensed engineer capable of determining applicable building performance standards and ensuring conformance to relevant code requirements.
- 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 Director to participate in the Tax Credit 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, taxes, public health, safety (including workplace safety), environmental laws, or antitrust laws.
- C. Delinquency in the payment of state or local taxes or other substantial noncompliance with Iowa tax law.
- D. Making misrepresentation or providing materially false information in an application.
- E. Allowing an affordable rental housing property to enter into foreclosure.
- F. Exiting a Tax Credit Ownership Entity voluntarily or involuntarily.
- G. Being suspended, debarred, or otherwise excluded from doing business with any federal housing program or pursuant to Iowa Code sections 15.106E or 16.5E.
- H. Not being in good standing with any affordable rental housing program administrator, state agency, or local authority.
- I. A history of lawsuits which demonstrate conduct that is detrimental to the rights and needs of tenants or which would be a violation of existing Tax Credit requirements.
- J. Having been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance.
- K. 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.
- L. Has returned a full credit Allocation or has failed to comply with a Carryover allocation.

3.4 SITE REQUIREMENTS. The proposed Project shall be 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. This includes any special use permits or parking variances required by the proposed Project. 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.
 5. Utility connections.
- B. **Scattered Sites.** The Application shall reflect 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 Ownership Entity and financed under the same agreement(s). For Scattered Site Projects, all Units shall be qualified Tax Credit 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 or an aerial photo 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 that are otherwise unsuitable as a home for Tax Credit 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 with the fee simple owner of the Property, not with a third party that holds a purchase option or contract with the fee simple owner, 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 with the fee simple owner of the Property, not with a third party that holds a purchase option, contract, lease, or option on a lease with the fee simple owner, 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. **Applicable Percentage.** 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.
- B. **Qualified Low-Income Housing Project.** The Applicant shall certify that the Project as proposed is a Qualified Low-Income Housing Project as defined in IRC Section 42(g)(1). IFA may require the Applicant to supply a legal opinion.
- C. **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.
- D. **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 initial submitted 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.** 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, or a Project with a Federal Project Based Rental Assistance Contract.

- E. **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.
- F. **Units.** All Tax Credit 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.
- G. **Market Rate Standards.** Market rate single family homes shall not be allowed in any Project.
- H. **Acquisition/Rehab**
1. **Capital Needs Assessment (CNA).** Acquisition/Rehab or Rehab Project Applications shall include a complete Capital Needs Assessment. 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.
 - 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.

2. **Existing Tax Credit Project Resyndication.** A Project is eligible to apply for Tax Credits following the close of the initial 15-year Compliance Period related to the most recent tax credit award made to a Project.
3. **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.
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)(2).

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 overhead/profit, and development consultant fees, shall not exceed 18%. The Developer Fee is calculated as a percentage of Total Project Costs minus land, existing structures, Developer's Fee, Developer's overhead and profit, Consultant fees, and Project reserves. Developer Fee is not permitted for acquisition costs.
- B. **Builder and General Contractor Fees.** Builder and general contractor fees will be limited to a total of 15% 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. Operating reserves are required to stay with the Project at the time of investor exit or sale of the property.
- 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 otherwise determined by IFA's Tax Credit Director:
 - 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.

An appraisal is not required when land and buildings acquired for \$1.00 with an Identity of Interest.

- 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 loan 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. **Ineligible Predevelopment Costs.** Financing costs on land acquisition or other costs that are not allowable in Eligible Basis.

4.2 PROJECT FUNDING SOURCES.

- A. **Tax Credit Investor Letter of Intent.** Applicant shall provide a letter of intent from the investor for the Tax Credits on the company letterhead with the price and approximate equity amount.
- 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, tax-exempt funding, 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. Financing letters of intent must be valid through six months after the Application submission due date.
- 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 (DSCR).
- D. **Federal and State Historic Tax Credits.** An approved Part 1 for both Federal Historic Tax Credits and State Historic Tax Credits from the State Historic Preservation Office must be provided. If the property is a single building listed in the National Register of Historic Places and it is already a "certified historic structure," and a Part 1 is not needed, documentation the property is listed on the National Registry must be provided. A Part 1 is required for all other properties, including individually listed properties that have more than one building. Projects with historic significance shall use equity invested for the maximum amount available of State and Federal Historic Tax Credits as proposed or awarded by the appropriate allocating agency as a funding source.
- E. **State HOME and National Housing Trust Fund (NHTF).** Neither State HOME or NHTF are allowed to be used on 4% Tax Credit Projects.

4.3 PROJECT OPERATING COSTS AND CASH FLOW.

- A. **Operating Expenses.** Operating expenses are based on thresholds provided by the Tax Credit 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. Replacement reserves are required to stay with the Project at the time of investor exit or sale of the property.

- F. **Subsidy Layering Review.** IFA shall complete a subsidy layering review for each Project that receives HUD housing assistance (other than 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, and Rural Counties.
- H. **Tax Credit Calculation.** IFA shall determine the amount of Tax Credits necessary for the financial feasibility of the Project through the information received in 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.
- I. **Private Activity Bond Cap Calculation.** IFA shall determine the amount of bond cap necessary for the financial feasibility of the Project through the information received during the Application and bond cap availability.

SECTION 5. 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 unless specifically stated in the scoring category. 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. Scoring exhibits are based on point-in-time data and will not be updated after they are posted on the IFA website, except for Disaster Recovery or administrative corrections.

If a project has an existing Tax Credit Land Use Restrictive Covenants Agreement (LURA), all existing LURA requirements must be maintained.

5.1 READINESS TO PROCEED.

- A. **New Construction Projects.** *40 points maximum*
 - 1. **Publicly Accessible Paved Road.** *10 points*

Project includes access to an existing paved road or construction of a road required for the Project will not delay Project construction and any road construction is concurrent with Project construction.
 - 2. **Utilities.** *10 points*

All utilities in place at least to the edge of the Project site and appropriately sized for the Project or utility extension will not delay Project construction.
 - 3. **No Federal funds used (grants or loans).** *15 points*

All utilities in place at least to the edge of the Project site and appropriately sized for the Project or utility extension will not delay Project construction.
 - 4. **Site Platting.** *5 points*

Site is platted appropriately for the Project.
- B. **Adaptive Reuse Projects.** *40 points maximum*
 - 1. **Utilities.** *10 points*

All utilities in place at least to the edge of the Project site, are adequately sized, and no upgrades required for the Project or any utility extension or upgrade will not delay Project construction.
 - 2. **Project has a National Park Service Part II approved application and State and Federal Historic Tax Credits are included in the application funding sources.** *10 points*

3. **Federal 106 Review in process if Federal funds used.** *10 points*
Review has been submitted to SHPO.
4. **Site Platting.** *10 points*
Site is platted appropriately for the Project.
- C. **Preservation (Acq/Rehab Projects).** *40 points maximum*
1. **Quality Capital Needs Assessment with clearly defined Scope of Work.** *5 points*
The CNA considers all aspects of the current building condition along with a schedule of future capital needs and compares to a well outlined scope of work that enables the project to provide refreshed and updated building systems and amenities to extend the useful life and marketability of the property.
2. **Existing Federal Housing Tax Credit Projects – Resyndication.**
Does not Apply to HUD or RD Projects. *10 points maximum*
Existing Federal Housing Tax Credit Projects submitting a 4% Tax Credit Application for resyndication at the end of year 25 of the Compliance Period/Extended Use Period. *10 points*

Existing Federal Housing Tax Credit Projects submitting a 4% Tax Credit Application for resyndication between the end of year 20 and the end of year 24 of the Compliance Period/Extended Use Period. *5 points*
3. **Federal Project-Based Rental Assistance Contract - HUD or Rural Development.**
Does not apply to existing federal Tax Credit Projects. *10 points maximum*
75% of the total Project Units covered by the federal project-based rental assistance contract and the transfer process has been initiated with and confirmed by regional HUD or RD. A Comfort Letter acknowledging the Project will be part of a 4% Tax Credit Application and signed by the HUD or RD Regional Field Office Director is required at the time of Application submission. *10 points*

At least 50% of the total Project Units are covered by the federal project based rental assistance contract and the contract with HUD or RD is expiring within three years of Application submission due date. *10 points*
4. **No Federal funds used (grants or loans).** *10 points*
No Federal funds that would trigger additional Federal cross-cutting measures included.
5. **Relocation Plan prioritizes tenants.** *5 points*
Well thought out plan with appropriate budget that addresses the health and safety for tenant relocation during construction.

5.2 LOCATION.

A. Disaster Recovery

0 to 5 points

Projects located in a county for which the Governor has issued a state major disaster proclamation with an Iowa Individual Assistance Grant Program (IIAGP) activation, or a federal major disaster declaration has been received that included federal individual assistance may be eligible for points. IFA may activate Disaster Recovery scoring consideration for one or more counties or a more narrowly defined geographic area, such as a city or targeted census tract(s), to address specific housing recovery needs. Refer to Appendix K – Disaster Recovery.

B. 4% Tax Credit Unit Density.

0 to 5 points

Projects located in a census tract that has a low percentage of awarded 4% Tax Credit Units compared to the total number of households as shown in Appendix D - 4% Tax Credit Unit Density.

C. Location to Services.

The Location to Services scoring section is valued at a maximum of 15 points. The Applicant will provide preliminary scoring and supporting information for each of the Project's selected categories. The supporting information will show driving distance from Project entrance to services using Google Maps if an address has not been assigned. If a Scattered Site Project, each site must be eligible for points.

	5 points	3 points
Grocery Store Specialty food store does not qualify as a grocery store	Grocery store located within ½ mile driving distance of Project	Grocery store located within 1 mile driving distance of Project
Daycare/School (family Projects only)	Licensed daycare or K-12 public school located within 1 mile driving distance of Project	Licensed daycare or K-12 public school located within 2 miles driving distance of Project
Bank/Credit Union	Bank or credit union located within 1 mile driving distance of Project	Bank or credit union located within 2 miles driving distance of Project
Senior Center (senior Projects only)	Senior Center located within 1 mile driving distance of Project	Senior Center located within 2 miles driving distance of Project
Convenience store/Dollar store	Convenience store or dollar store located within 1 mile driving distance of Project	Convenience store or dollar store located within 2 miles driving distance of Project
Public Library	Public Library located within 1 mile driving distance of Project	Public Library located within 2 miles driving distance of Project

D. Public Transportation.

0 to 5 points

Within ¼ mile walking distance from a fixed route service that is available M-F or, in any city that does not have a fixed route service, a dial-a-ride service is available M-F.

5 points

Within ½ mile walking distance from a fixed route service that is available at least M-F.

3 points

5.3 TAX CREDIT EXPERIENCE.

0 to 6 points

- A. Prior to Application submission, the Developer or an affiliate thereof or the General Partner/Managing Member or an affiliate thereof of the Ownership Entity of this Project has served as the Developer or a General Partner/Managing Member or an affiliate thereof of the Ownership Entity for at least two 4% Tax Credit Projects which have received an IRS Form 8609 in the 5 years immediately preceding the Application submission due date. 6 points
- B. Prior to Application submission, the Developer or an affiliate thereof or the General Partner/Managing Member or an affiliate thereof of the Ownership Entity of this Project has served as the Developer or a General Partner/Managing Member or an affiliate thereof of the Ownership Entity for at least one 4% Tax Credit Project and one 9% Tax Credit Project which have received an IRS Form 8609 in the 5 years immediately preceding the Application submission due date. 4 points

5.4 TAX CREDIT PERFORMANCE.

- A. Currently open Iowa 4% Tax Credit Projects that have not had all buildings placed-in-service within 24 months from bond issuance date. -5 points
- B. More than two 4% Tax Credit Projects in Iowa or a total of four Tax Credit Projects in Iowa open at the time of Application submission. A Project is considered open once it receives a Tax Credit Reservation and closed upon IRS Form 8609 issuance. -5 points
- C. Requesting a material change for awarded Iowa projects within the last 2 years. -5 points

5.5 MARKET APPEAL.

18 points maximum

All amenities shall be provided at no cost to the tenants. If a Scattered Site project, the selected amenities shall be provided at all sites.

- A. **Storage Units. Must select either In Project or In-Unit:** 3 points
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.
- B. **Kitchen Pantry:** 3 points
2 ft. wide full-height cabinet or closet with minimum 5 shelves in every Unit.
- C. **Laundry (Acq/Rehab only):** 5 points
Acquisition/Rehab Projects that add or replace in-unit washers and dryers to all Units during the rehabilitation.
- D. **Built-In Dishwashers (Acq/Rehab only):** 3 points
Acquisition/Rehab Projects without built-in dishwashers that add built-in dishwashers to all Units during rehabilitation.
- E. **Patio/Balcony:** 5 points
Each Unit shall include a patio or balcony. Fully accessible Units must have a fully accessible patio or balcony.

- F. 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. Attics shall be vented, including soffits if applicable.
- G. Walk-In Closets:** *3 points*
Available in at least 1 bedroom of every Unit including studio Units.
- H. Tenant Dedicated Common Space:** *3 points*
Project must define use in application.
- I. National Green Building Standards (NGBS) Silver:** *5 points*
Projects meeting the 2020 NGBS Silver standard.s
- J. Full Replacement of Cabinets and Appliances in Kitchen (Acq/Rehab only):** *5 points*
All Units have a full replacement of all cabinets and all appliances in kitchen.
- K. Full Replacement of Shower/Tub, Enclosure, Vanity, and Toilet (Acq/Rehab only):** *5 points*
All Units have a full replacement of shower/bathtub (if applicable), enclosure, vanity, and toilet in the primary bathroom.s
- L. Fenced Dog Walking Area (New Construction or Adaptive Reuse only):** *5 points*
Minimum 1,000 square feet with waste area. If a Scattered Site Project, this must be provided at all sites to be eligible for points.
- M. Fitness Center (New Construction or Adaptive Reuse only):** *5 points*
An exercise room available 24 hours a day, with commercial-grade cardiovascular health, strength training, and flexibility equipment. If a Scattered Site Project, this must be provided at all sites to be eligible for points.

5.6 OTHER.

- A. 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 6. SELECTION CRITERIA AND AWARD PROCESS.

6.1 TAX CREDIT DISBURSEMENT AND SELECTION. IFA reserves the right to limit 4% Tax Credit awards made under this QAP based on the availability of private activity bond cap and the distribution of Projects across the state. 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.

6.2 PRIORITIZATION OF REVIEW. Applications will be scored and ranked within both of the set-asides in the order listed below. If an Applicant is not awarded within the Rural Set-Aside, the Applicant will be considered in the General Set-Aside. In the event that there is not a qualified Project to fill the Rural Set-Aside, the remaining balance will be transferred to the General Set-Aside.

- A. Rural Set-Aside.
- B. General Set-Aside.

6.3 TIEBREAKERS. In the event that the final scores of more than one Application are identical, IFA will use the following tiebreakers:

- A. Project in a community that has not received a reservation of 4% Tax Credits for the longest period of time (years). A full return of a Tax Credit award in a community will not count as an Award.
- B. Project with a Developer, a GP/MM of the Ownership Entity, or any other person or entity IFA determines in its sole discretion is involved in the Project and has not received an award of 4% Tax Credits in Iowa for the longest period of time (per date of 42(m) issuance letter) within the last 10 years. If a Developer returns a Tax Credit award in good standing, that Tax Credit award will not count as an award for this category. New Developers to Iowa are excluded from this tiebreaker.
- C. An Entire Project located in a current QCT that will expire at the end of the calendar year that applies to this QAP.
- D. Project using the least amount of bond cap per Unit.
- E. IFA Board Discretion.

6.4 DISCRETION BY THE BOARD. The Board may accept, reject, or make changes to the award recommendations.

6.5 ACCEPTANCE OF TAX CREDIT RESERVATION. The acceptance of the reservation and reservation fee shall be due no later than the date stated in the Section 42(m) letter.

6.6 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 Tax Credit 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 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 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.

6.7 REMEDIES ON APPEAL.

- A. If, following the appeal process set forth in Section 6.5, Informal Appeals, an Applicant who did not receive an award is successful in demonstrating that the Applicant should have been awarded Tax Credits based on the criteria established in this QAP, the Director may place the Project on a waiting list for unallocated multifamily private activity bond cap.
- B. If a waiting list is established by the Director, it shall expire no more than 90 days after the date of Board approval.
- C. Once the waiting list has expired, a Project that has been placed on the waiting list due to a successful appeal shall be awarded 10 points in the next 4% Tax Credit Round. To receive the additional points during the next 4% Tax Credit Round, the Project shall be substantially the same Project that was the subject of the successful appeal. The determination of whether or not the Project is substantially the same Project is at the discretion of IFA.

**PART B –
POST RESERVATION
REQUIREMENTS**

DRAFT

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 7. POST RESERVATION REQUIREMENTS

7.1 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.

7.2 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 changes. Material changes may be considered but shall result in an additional fee and future scoring penalty in a 4% Tax Credit Round if approved. Material changes are changes that, in IFA's sole determination, 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 and subject to loss of Tax Credits and ineligibility:

- A. Changes to the Ownership Entity after issuance of the 42(m) letter.
- B. Transfers of the Tax Credit Reservation.
- C. Changes of the Qualifying Entity on the Qualified Development Team.
- D. Changes in Unit mix.
- E. Changes that lower the final score of the Project.
- F. Changes to the minimum set-aside election.
- G. Changes that decrease the applicable fraction per building.

7.3 POST CLOSING SUBMITTAL. The Applicant shall submit evidence of site ownership, final closing documents, appropriate zoning, and all other required documents as listed in the Post Closing Submittal and LURA Issuance Instructions to the online Application within 30 days of Syndicator/Direct Investor closing.

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 considered at IFA's discretion.

7.4 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.

7.5 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 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.

7.6 IRS FORM 8609. After construction is complete, all buildings in a Project have been placed-in-service, and all other requirements of the IRS Form 8609 Application package have been met, a complete IRS Form 8609 Application package shall be submitted through the online Application. Upon approval of the IRS Form 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. IFA will also re-complete the Due Diligence process prior to the issuance of the IRS Form 8609.

7.7 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.

7.8 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 shall still apply as applicable.

7.9 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 shall still apply as applicable.

7.10 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 shall still apply as applicable.

SECTION 8: TERMS AND CONDITIONS.

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

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

- A. 26 USC Section 42 and 26 USC Section 142 as amended and the related Treasury regulations in effect as of the date this QAP is adopted by the Board.
- B. Iowa Code Sections 7C and 16.35 and the rules governing Sections 7C and 16.35.
- C. IFA Compliance Manual.
- D. In the case of any inconsistency or conflict between the items listed in this Section, conflicts shall be resolved as follows:
 - 1. First by 26 USC Section 42, 26 USC Section 142, and the related Treasury regulations,
 - 2. Second by Iowa Code Sections 7C, 16.35, and the rules governing Section 7C and Section 16.35; and
 - 3. Third by the QAP.

8.2 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.

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

8.4 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.

8.5 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, Ownership Entity, and Management Company 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.

8.6 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, Management Company, 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 9. PRIOR TO THE INITIATION OF CONSTRUCTION

9.1 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.

9.2 IFA PLAN REVIEW. The Ownership Entity shall submit the initial construction package to IFA upon completion. IFA shall give written approval before the Ownership Entity commences site work or construction. The Initial Construction Package includes:

1. Initial Energy Audit from the Energy Consultant outlining how selected energy targets will be achieved. Audit may include initial preliminary scoring information.
2. Letter from the architect or engineer confirming coordination with the energy consultant and the project's design complies with minimum energy requirements.
3. Final drawings that include civil, architectural, structural, mechanical and electrical drawings.
4. Project manual or specifications including technical details.

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

9.4 MINIMUM DEVELOPMENT CHARACTERISTICS – ALL PROJECTS. All construction will use the following minimum development characteristics. Projects with Historic tax credits may request exceptions when recommended by the State Historic Preservation Office (SHPO).

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. Furnishings and room design shall be conducive for those with hearing, vision, and mobility impairments.
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. The playground must comply with the requirements of the Department of Justice 2010 ADA Standards for Accessible Design. IFA may approve alternatives on a limited case by case basis. Does not apply to Scattered Site Projects.

5. **Sidewalks.** Concrete sidewalks providing access to a city public right-of-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 (DSL) for all Units.
8. **Video Security System.** The security system shall continually 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 14 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. Each building's exterior siding shall not be single material texture and color combination exceeding 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 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. Attics shall be vented, including soffits if applicable.
3. **Main Entrance Areas.** Apartment buildings with common main entrances to the interior shall have a vestibule and be equipped with a remote security and intercom system that connects to each Unit or tenant control entry to common areas. A vestibule is not required to be retrofitted into an Acq/Rehab or Rehab Project if absent from the original design. Single-family, duplex, and townhome/rowhouse Unit main entrances to the exterior shall have a storm door and a covered entry with a minimum depth and width of coverage of 4-feet by 4-feet. This also applies to apartment buildings with open air covered corridors.
4. **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.
5. **Unit Doors.** Entry doors to the Unit shall have steel frames that are thermally broken, or metal clad wood frames. Entry doors shall be solid core wood or solid wood panel type, insulated metal, or fiberglass panel, lockset, and deadbolt lock with 1 inch throw. Primary entry door shall have a 180-degree peephole or glass insert. Non-primary entry door may be a sliding patio door.

C. INTERIOR CONSTRUCTION

1. **Appliances.** The kitchen shall have a cook top, an oven, a microwave, a cooling/freezing unit, 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, faucet aerators, and showerheads must be high efficiency WaterSense compliant. Dual flush toilets do not qualify.

3. **Cabinetry.** Cabinetry and woodwork shall meet ANSI/AWI standards for Custom Grade Cabinetry and/ have the KCMAA161.1 Quality Certification Seal or demonstrate they meet the KCMA quality standards.
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.** If installed, carpets shall be 100% nylon or nylon/olefin blend or triexta. Fully Accessible Units shall have a maximum ¼-inch pile.
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 Windowsills.** All windowsills/ledges shall be composed of moisture-resistant materials, such as plastic laminate, molded plastic, cultured marble, etc.
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. Heating and air conditioning equipment must meet current Energy Star standards and use non-CFC or non-HCFC refrigerants. 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.
2. **Water Heaters.** Water heating equipment shall meet current Energy Star standards.

9.5 MINIMUM DEVELOPMENT CHARACTERISTICS – NEW CONSTRUCTION AND ADAPTIVE REUSE.

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

- A. **Appliances.** Each Unit must have a built-in dishwasher.
- B. **Closets.** Each bedroom shall have a closet (2 foot x 5 foot minimum) with a door. The minimum complement of dedicated 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.
- C. **Laundry.** Each Unit must have an enclosed washer and dryer (accessible if applicable), and the dryer vented to the building exterior.
- D. **Unit Sizes.** For New Construction only, each Unit shall be at least a 1 bedroom.
- E. **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.
- F. **Windows.** Each Unit shall have at least one operable window per bedroom to allow for ventilation or serve as an emergency escape and rescue opening for Units located below the fourth story of a building.
- G. **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.
- H. **Radon System.** All new construction Projects shall install a passive radon system, including a drain tile loop below the building slab along with vertical vent pipes and junction boxes. Passive radon systems shall be upgraded to active systems if required radon tests conducted post construction exceeds permissible thresholds. Refer to Appendix F – “Radon Control Methods” in the 2012 International Residential Code.
- I. **Accessibility.**
 - 1. **Fully Accessible Units.** Projects shall have at least 10% percent of the Units, or at least 1 (whichever is greater) Unit fully accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). Type A Units and Type B Units do not qualify.
 - 2. **Units with Accessible Communication Features.** In addition to the 10% fully accessible Units, 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities. Refer to Section 10 – Building Standards.

For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

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

- A. **Scope of Work.** The Scope of Work must identify necessary improvements identified in the CNA, including but not limited to:
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 LED.

Items that are newly installed, replaced, or upgraded must meet the standards set in 9.4 – Minimum Development Characteristics – All Projects.

- B. **Energy Requirements.** For Acquisition/Rehab Projects, IFA requires:

1. A letter from an engineer or architect to certify that the architect has met and coordinated the project design with the energy consultant and Ownership Entity to confirm that the design meets the applicable International Energy Conservation Code (IECC) as shown in Section 10 – Building Standards.
2. A copy of an initial and final energy audit conducted by the Energy Consultant to confirm that all improvements meet applicable IECC levels. 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.

- C. **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.
- D. **Smoke Detectors/CO2 Detectors.** Install or replace all smoke detectors/CO2 detectors, and these shall have a 10-year battery if not hard wired.

- E. **Radon System.** All Acquisition/Rehab Projects shall have a radon test prior to construction. Projects with basements or subfloors are required to have a passive radon system installed or an active system if radon tests exceed permissible thresholds. Projects built on slab on grade may forgo the installation of a radon system if radon tests are found to be below the permissible thresholds. Refer to Appendix F – “Radon Control Methods” in the 2012 International Residential Code.
- F. **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 10 – Building Standards.
1. **Fully Accessible Units.** Projects shall have at least 5% percent of the Units, or at least 1 (whichever is greater) Unit fully accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). Type A Units and Type B Units do not qualify.
 2. **Units with Accessible Communication Features.** In addition to the 5% fully accessible Units, 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities. Refer to Section 10 – Building Standards.

For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

SECTION 10. 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.

- 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. 2021 Uniform Plumbing Code adopted by the International Association of Plumbing and Mechanical Officials.
- G. 2020 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. Any Tax Credit project that includes HUD or Rural Development ("USDA") assistance or financing shall comply with 2021 IECC.
- 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 2009 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 (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 bolded 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' control, 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, Managing Member, 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).

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: 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 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/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) 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.

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 [EPA Radon Resources for Builders and Contractors](#).

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 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, sewer service, and trash.



Iowa Finance Authority

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To: Iowa Finance Authority Board of Directors

From: Brian Sweeney, Tax Credit Director

Date: June 4, 2025

Re: Draft 2026-2027 9% and 4% Qualified Allocation Plans (QAP)

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

Draft 9% 2026-2027 QAP: Changes from the previous 9% QAP (2025) include:

- Revised from annual to biennial. This will allow developers to better plan potential Tax Credit projects with knowledge of the current IFA standards.
- Section 1.2: Added a Preservation Set-Aside to prioritize the retention of the large number of affordable units Iowa may be losing within the next five years.
- Section 3.4: Added the requirement for zoning to be in place at the time of the Application submission.
- Section 6.4: Added points for Projects that close within 8 months of award letter.
- Section 14.3 Energy Requirements: streamlined to use National Green Building Standards (NGBS) instead of multiple different standards.

Draft 4% 2026-2027 QAP: Changes from the 2025 2nd Amendment 4%.

- The QAP revised from annual to biennial.
- Section: 3.4: Added the requirement for zoning to be in place at the time of the Application submission.
- Section: 5.5: Energy Requirements: streamlined to use National Green Building Standards (NGBS) instead of multiple different standards.

Public Hearing: In the coming weeks, staff welcomes the Board, developers, and the general public to comment on these drafts. To that end there will a public hearing on both the 2026-2027 4% and 9% QAP's on June 30, 2025 from 1:00 pm to 3:00 pm at the Iowa Finance Authority headquarters. In the meantime, written comments are encouraged and should be sent to the housingtaxcredits@iowafinance.com. After comments are received final 2026-2027 4% and 9% QAPs will be presented for recommendation to the Board at the August 2025 IFA Board meeting.

2026-2027 — 4% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the 2026 and 2027 4% Low-Income Housing Tax Credit (Tax Credit) allocation years. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

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INTRODUCTION

This Qualified Allocation Plan (QAP) governs the 2026 and 2027 federal 4% Low-Income Housing Tax Credit (Tax Credit) allocation years. 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 federal housing Tax Credit 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 Tax Credit 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. SET-ASIDE, TAX-EXEMPT BONDS, AND CAPS

1.1. SET-ASIDES. The funding round will include the following set-asides. Projects competing in the Rural Set-Aside may compete in the General Set-Aside.

- A. **Rural Set-Aside.** IFA will award no more than one Project in the Rural Set-Aside. Refer to Appendix C – QCTs, DDAs, and Rural Counties.
- B. **General Set-Aside.** IFA will award the remaining Projects under the General Set-Aside.

1.2 PRIVATE ACTIVITY VOLUME CAP (Bond Cap). IFA will notify Applicants when the approximate bond cap is available for each round. 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. The Bond Cap Limit for each Project is the lesser of fifty-five percent (55%) of the aggregate basis or \$35 million per Project. If a Project requests to exceed their Bond Cap Limit, they will lose points in future rounds.

The allocation of the bond cap shall be pursuant to IRC Section 146 and Iowa Code Chapter 7C. For Projects awarded in 2026, the allocation must occur in calendar year 2027 after the submission of the Private Activity Volume Cap Application (Form A). If a 2026 awardee has not closed on the bond issuance within 120 days of the date of their Volume Cap allocation (Form B) or by December 24, 2027, their bond cap allocation is no longer valid, and IFA may use such bond cap for other purposes unless determined otherwise under the sole discretion of IFA.

For Projects awarded in 2027, the allocation must occur in calendar year 2028 after the submission of the Private Activity Volume Cap Application (Form A). If a 2027 awardee has not closed on the bond issuance within 120 days of their Volume Cap allocation (Form B) or by December 24, 2028, their bond cap allocation is no longer valid, and IFA may use such bond cap for other purposes unless determined otherwise under the sole discretion of IFA.

An award of 4% Tax Credits does not constitute a reservation and/or allocation of bond cap.

1.3 DEVELOPER CAP. The maximum award to any one Developer is one Project per 4% Tax Credit round unless total application requests at the time of Application Submission for bond cap does not exceed what is available. This restriction does not apply to Developer Application Submissions. IFA has the discretion to evaluate capacity and will notify Developers prior to the 4% Tax Credit round.

SECTION 2. APPLICATION PROCESS OVERVIEW

2.1 TAX CREDIT RESERVATION AND BOND INDUCEMENT RESOLUTION SCHEDULE.

To the extent possible, the following schedule applies to the Tax Credit Reservation process and Bond Inducement Resolution process for 4% Tax Credits.

2026 Round Process Step	Date
Tax Credit Application Package Available	April 2026
Deadline for Bond Inducement Resolution Applications to IFA	April 22, 2026; May 20, 2026; or June 17, 2026
Tax Credit Application Submission Due Date	August 5, 2026 by 4:30 P.M. Central Time
Tax Credit Application Deficiency Period	Mid/Late September 2026
IFA Tax Credit Reservation recommendations at IFA Board Meeting	November 4, 2026
Bond Issuance Application Submission Deadline	No later than November 1, 2027
Placed-in-Service Date	All buildings placed-in-service no later than 24 months from the Bond Issuance Date
IRS Form 8609 Application Package due to IFA	No later than November 1 of the first-year credit period

2027 Round Process Step	Date
Tax Credit Application Package Available	April 2027
Deadline for Bond Inducement Resolution Applications to IFA	April 21, 2027; May 19, 2027; or June 23, 2027
Tax Credit Application Submission Due Date	August 4, 2027 by 4:30 P.M. Central Time
Tax Credit Application Deficiency Period	Mid/Late September 2027
IFA Tax Credit Reservation recommendations at IFA Board Meeting	November 3, 2027
Bond Issuance Application Submission Deadline	No later than November 1, 2028
Placed-in-Service Date	All buildings placed-in-service no later than 24 months from the Bond Issuance Date
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. Adoption of a bond inducement resolution by the IFA Board of Directors does not constitute a commitment by IFA to approve or fund the proposed 4% Tax Credit Project with low-income housing tax credits or other funding sources. A Board-approved bond inducement resolution also does not constitute a reservation of Private Activity Volume Cap or a commitment by the IFA to issue bonds related to the 4% Tax Credit Project.

2.2 FEES. Electronic payment of the fees is required. Fees are nonrefundable. IFA shall collect the fees described below for the 4% Tax Credit Program.

Fee Type	All Applicants
Bond Inducement Resolution Application Fee	\$1,000 for Bond Inducement Requests of \$10 million or less \$2,500 for Bond Inducement Requests greater than \$10 million
4% Tax Credit Application Fee	\$3,500
4% Reservation Fee	1.25% of the total 10-year Tax Credit amount due within 30 calendar days of issuance of IRC Section 42(m) Letter.
LURA Recording Reimbursement Fee	The Applicant will be billed for actual cost for filing of the LURA with the county where the Property(ies) is/are located.
Material Change in Application Fee	\$7,500 for material change requests.
IRS Form 8609 Application Fee	\$20,000
Late Submission of the IRS Form 8609 Application	If a late submission of the IRS Form 8609 Application is allowed by IFA, the Applicant will be billed \$5,000. This does not apply to extension exceptions allowed by the IRS.
Amended IRS Form 8609 Fee	\$1,000
IFA Legal Fees	Legal fees of IFA's in-house counsel related to the Project may be billed at the rate of \$150 per hour. Legal fees of outside counsel related to the Project will be billed at the rate charged to IFA.
Construction Monitoring Fees	A \$3,500 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.
Compliance Monitoring Fee	<p>\$40 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: \$40 per Unit x 24-Unit Project = \$960 paid annually for 30 years.)</p> <p>Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple-building Project on the IRS Form 8609, if eligible to do so.</p> <p>Annual rate increases may apply. Other fees as provided in the IFA compliance manual.</p> <p>The first annual payment shall be submitted with the IRS Form 8609 Application. The Ownership Entity has the option of paying the compliance monitoring fee in advance for the entire Compliance Period and the Extended Use Period (if applicable); however, additional fees may be assessed to the Property during the Compliance Period and Extended Use Period if annual rate increases are applied during that time.</p>

2.3 CONTACT WITH IFA.

- A. **Prior to Application Submittal.** Prior to submittal of the Application, Applicants may submit questions regarding an interpretation or clarification of the QAP, IFA policies, procedures, or rules relating to this Tax Credit 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.** After submittal of the Application, Applicants shall not contact IFA staff or Board members regarding their Application until after awards have been made. Once the Application has been submitted, IFA will only discuss supplemental or clarifying data during the Application Deficiency Review Period.

2.4 APPLICATION SUBMITTAL.

- A. **Bond Inducement Resolution Application.** All Projects using IFA as the Conduit Bond Issuer must have an approved Bond Inducement Resolution from the IFA Board prior to applying for 4% Tax Credits. The Applicant shall complete the Bond Inducement Resolution Application and payment of the Bond Inducement Resolution Application Fee through the online Application. Refer to Appendix A - 4% Tax-Exempt Bond with Federal Housing Tax Credits (LIHTC) Process Overview, for information about Projects not using IFA as the Conduit Bond Issuer.
- B. **Board Approval of Bond Inducement Resolution.** 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. Receipt of an IFA Board Approved Bond Inducement Resolution is not a commitment by IFA to approve or fund the proposed 4% Tax Credit Project with low-income Tax Credits or other funding sources or a commitment by IFA to issue bonds related to the proposed 4% Tax Credit Project. Approved Bond Inducement Resolutions for Projects that are not awarded 4% Tax Credits under this QAP are valid for this 4% Tax Credit round only unless extended at IFA's sole discretion.
- C. **Tax Credit Application Package.** Applicants shall submit the Application and exhibits through the online Application prior to the Tax Credit Application Submission due date. Applicants shall use the required forms contained in the current round's Tax Credit Application Package and include all information required by the QAP or as otherwise required. Applicants are advised to check IFA's website periodically for any amendments or modifications to the Application Package.

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 Requirements.

- 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 in the deficiency report. IFA may reject an Application if the Market Study submitted does not meet the IFA Market Study guidelines.

2.6 COMPLETE APPLICATION.

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 required forms contained in the current round's 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 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.
- D. **Authorization Forms.** IFA may request an executed IRS Form 8821, Tax Information Authorization Form.
- E. **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, and Articles of Incorporation or other organizational documents.
- 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 through a deficiency report sent 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 scores shall not be allowed. IFA may adjust the underwriting and/or scoring, if applicable. 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 each 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.

Any documents that contain tax identification numbers are automatically confidential records and will be withheld from public inspection even without a request for confidential treatment.

- A. **Confidential Request.** An Applicant who desires confidential treatment of information must contact IFA staff prior to requesting confidential treatment or submitting an Application for which confidential treatment is requested. Applicants must contact IFA staff at least 20 business days prior to the Application Submission due date. Failure to make the request may result in the complete Application being treated as a public record. Any request for confidential treatment 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 email for the person authorized by the 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.
- B. **Release.** If the Applicant fails to comply with the request process set forth herein, if Applicant's request for confidentiality is unreasonable or inconsistent with applicable laws, 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.
- C. **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 and in the Application. 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.** At least one Developer or General Partner or Managing Member, or 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 Tax Credit application as a Developer (may be a joint venture) and a Developer or affiliate thereof 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 Tax Credit 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 GP/MM or an affiliate thereof with at least 50% ownership of the GP/MM of the Ownership Entity of the Project shall have been listed in an awarded Tax Credit Application as a GP/MM, Affiliate thereof, or member/manager thereof, and be currently serving as the GP/MM or affiliate thereof of the legal Ownership Entity for at least one Tax Credit Project that has received an IRS Form 8609 prior to the Application submission due date.

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
- Bond Counsel
- Architect
- Energy Consultant
- Tax Attorney
- Tax Accountant
- Contractor
- Engineer
- Development Consultant

C. **New Developer and General Partner/Managing Member to Iowa.** A Developer or GP/MM with no prior Tax Credit awards or with a prior 4% Tax Credit award without an issued 4% IRS Form 8609 in Iowa shall be eligible as listed below. An individual or entity with at least 50% ownership of the GP/MM of the Ownership Entity of the Project or Developer of the Project who has received a 4% Tax Credit award in Iowa and been issued a 4% IRS Form 8609 in Iowa will not be considered a New Developer or New GP/MM. Developers or GP/MMs with experience inside or outside the State of Iowa or experience only in 9% Tax Credits shall be considered New Developers or GP/MMs to Iowa and be eligible pursuant to the chart below.

Developer or GP/MM with no prior 4% Tax Credit Award in any state	Eligible for up to one Tax Credit award in the applicable 4% round and shall not be eligible for a second award in any team member role until the Project is issued a 4% IRS Form 8609.
Developer or GP/MM with prior 4% Tax Credit Award in Iowa, but no issued 4% IRS Form 8609	Not eligible for an additional Tax Credit award until the Project awarded Tax Credits in Iowa is issued a 4% IRS Form 8609.

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

E. **Management Company.** The management company shall have at least 3 years of Tax Credit management experience and is currently managing at least 3 Tax Credit 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 an independent third party NGBS Green Verifier accredited by Home Innovations.

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 Director to participate in the Tax Credit 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, taxes, public health, safety (including workplace safety), environmental laws, or antitrust laws.
- C. Delinquency in the payment of state or local taxes or other substantial noncompliance with Iowa tax law.
- D. Making misrepresentation or providing materially false information in an application.
- E. Allowing an affordable rental housing property to enter into foreclosure.
- F. Exiting a Tax Credit ownership entity voluntarily or involuntarily.
- G. Being suspended, debarred, or otherwise excluded from doing business with any federal housing program or pursuant to Iowa Code sections 15.106E or 16.5E.
- H. Not being in good standing with any affordable rental housing program administrator, state agency, or local authority.
- I. A history of lawsuits which demonstrate conduct that is detrimental to the rights and needs of tenants or which would be a violation of existing Tax Credit requirements.
- J. Having been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance.
- K. 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.
- L. Has returned a full credit Allocation or has failed to comply with a Carryover allocation.

3.4 SITE REQUIREMENTS. The proposed Project shall be 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 current zoning at time of Application submission will permit the proposed project. This includes any special use permits or variances required by the proposed Project. Any such permits or required variance approvals must be completed prior to the Application submission date. 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. This includes any special use permits or parking variances required by the proposed Project. 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.
 - 5. Utility connections.
 - 6. Parcel platting status.

B. **Scattered Sites.** The Application shall reflect 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 Ownership Entity and financed under the same agreement(s). For Scattered Site Projects, all Units shall be qualified Tax Credit 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 or an aerial photo 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 that are otherwise unsuitable as a home for Tax Credit 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 with the fee simple owner of the Property, not with a third party that holds a purchase option or contract with the fee simple owner, 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 with the fee simple owner of the Property, not with a third party that holds a purchase option, contract, lease, or option on a lease with the fee simple owner, 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).
- c. If the seller of the site is a unit of local government, all Right of Way vacations and parking variance approvals must be completed by the time of Application Submission due date.

3.5 PROJECT REQUIREMENTS.

- A. **Applicable Percentage.** 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.
- B. **Qualified Low-Income Housing Project.** The Applicant shall certify that the Project as proposed is a Qualified Low-Income Housing Project as defined in IRC Section 42(g)(1). IFA may require the Applicant to supply a legal opinion.
- C. **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.

- D. **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 initial submitted 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.** 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, or Federal Project Based Rental Assistance Contract.
- E. **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.
- F. **Units.** All Tax Credit 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.
- G. **Market Rate Standards.** Market rate single family homes shall not be allowed in any Project.
- H. **Acquisition/Rehab.**
1. **Capital Needs Assessment (CNA).** Acquisition/Rehab or Rehab Project Applications shall include a complete Capital Needs Assessment. 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.
- 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.

- 2. **Existing Tax Credit Project Resyndication.** A Project is eligible to apply for Tax Credits following the close of the initial 15-year Compliance Period related to the most recent Tax Credit award made to a Project.
- 3. **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.
- 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)(2).

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 overhead/profit, and development consultant fees, shall not exceed 18%. The Developer Fee is calculated as a percentage of Total Project Costs minus land, existing structures, Developer's Fee, Developer's overhead and profit, Consultant fees, and Project reserves. Developer Fee is not permitted for acquisition costs.
- B. **Builder and General Contractor Fees.** Builder and general contractor fees will be limited to a total of 15% 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. Operating reserves are required to stay with the Project at the time of investor exit or sale of the property.
- 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 otherwise determined by IFA's Tax Credit Director:
 - 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.

An appraisal is not required when land and buildings acquired for \$1.00 with an Identity of Interest.

- 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 loan 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. **Ineligible Predevelopment Costs.** Financing costs on land acquisition or other costs that are not allowable in Eligible Basis.

4.2 PROJECT FUNDING SOURCES.

- A. **Tax Credit Investor Letter of Intent.** Applicant shall provide a letter of intent from the investor for the Tax Credits on the company letterhead with the price, approximate equity amount.
- 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, tax-exempt funding, 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. Financing letters of intent must be valid through six months after the Application Submission due date.
- 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 (DSCR).
- D. **Federal and State Historic Tax Credits.** An approved Part 1 for both Federal Historic Tax Credits and State Historic Tax Credits from the State Historic Preservation Office must be provided. If the property is a single building listed in the National Register of Historic Places and it is already a "certified historic structure," and a Part 1 is not needed, documentation the property is listed on the National Registry must be provided. A Part 1 is required for all other properties, including individually listed properties that have more than one building. Projects with historic significance shall use equity invested for the maximum amount available of State and Federal Historic Tax Credits as proposed or awarded by the appropriate allocating agency as a funding source.
- E. **State HOME and National Housing Trust Fund (NHTF).** Neither State HOME or NHTF are allowed to be used on 4% Tax Credit Projects.

4.3 PROJECT OPERATING COSTS AND CASH FLOW.

- A. **Operating Expenses.** Operating expenses are based on thresholds provided by the Tax Credit 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. Replacement reserves are required to stay with the Project at the time of investor exit or sale of the property.

- F. **Net Rent Increases.** If a Project wishes to increase their net rents over 10% from the initial accepted Application, the Project must receive approval from IFA prior to implementing the increase unless the Project has an executed Federal project-based rental assistance contract. The request must be supported with an updated Market Study and additional documentation as requested by IFA.
- G. **Subsidy Layering Review.** IFA shall complete a subsidy layering review for each Project that receives HUD housing assistance (other than CDBG).
- H. **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, and Rural Counties.
- I. **Tax Credit Calculation.** IFA shall determine the amount of Tax Credits necessary for the financial feasibility of the Project through the information received in 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.
- J. **Private Activity Bond Cap Calculation.** IFA shall determine the amount of Bond Cap necessary for the financial feasibility of the Project through the information received during the Application and Bond Cap availability.

SECTION 5. 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 selected unless otherwise specifically stated in the scoring category. 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. Scoring exhibits are based on point-in-time data and will not be updated after they are posted on the IFA website, except for Disaster Recovery or administrative corrections.

If a Project has an existing Tax Credit Land Use Restrictive Covenants Agreement (LURA), all existing LURA requirements must be maintained.

5.1 READINESS TO PROCEED.

- A. **New Construction Projects.** *40 points maximum*
 - 1. **Publicly Accessible Paved Road.** *10 points*

Project includes access to an existing paved road or construction of a road required for the Project will not delay Project construction and any road construction is concurrent with Project construction.
 - 2. **Utilities.** *10 points*

All utilities in place at least to the edge of the Project site and appropriately sized for the Project or utility extension will not delay Project construction.
 - 3. **No Federal funds used (grants or loans).** *15 points*

No Federal funds that would trigger additional Federal cross-cutting measures included.
 - 4. **Site Platting.** *5 points*

Site is platted appropriately for the Project.

B. Adaptive Reuse Projects.*40 points maximum***1. Utilities.***10 points*

All utilities in place at least to the edge of the Project site, are adequately sized, and no upgrades required for the Project or any utility extension or upgrade will not delay Project construction.

2. Project has a National Park Service Part II approved application and State and Federal Historic Tax Credits are included in the application funding sources.*10 points***3. Federal 106 Review in process if Federal funds used.***10 points*

Review has been submitted to SHPO.

4. Site Platting.*10 points*

Site is platted appropriately for the Project.

C. Preservation (Acq/Rehab Projects).*40 points maximum***1. Quality Capital Needs Assessment with clearly defined Scope of Work.***5 points*

The CNA considers all aspects of the current building condition along with a schedule of future capital needs and compares to a well outlined scope of work that enables the project to provide refreshed and updated building systems and amenities to extend the useful life and marketability of the property.

2. Existing Federal Housing Tax Credit Projects – Resyndication.

Does not Apply to HUD or RD Projects.

10 points maximum

a. Existing Federal Housing Tax Credit Projects submitting a 4% Tax Credit Application for resyndication at the end of year 25 of the Compliance Period/Extended Use Period.

10 points

b. Existing Federal Housing Tax Credit Projects submitting a 4% Tax Credit Application for resyndication between the end of year 20 and the end of year 24 of the Compliance Period/Extended Use Period.

*5 points***3. Federal Project-Based Rental Assistance Contract - HUD or Rural Development.**

Does not apply to existing federal Tax Credit Projects.

10 points maximum

a. 75% of the total Project Units covered by the federal project-based rental assistance contract and the transfer process has been initiated with and confirmed by regional HUD or RD. A Comfort Letter acknowledging the Project will be part of a 4% Tax Credit Application and signed by the HUD or RD Regional Field Office Director is required at the time of Application Submission.

10 points

b. At least 50% of the total Project Units are covered by the federal project based rental assistance contract and the contract with HUD or RD is expiring within three years of Application Submission due date.

*10 points***4. No Federal funds used (grants or loans).***10 points*

No Federal funds that would trigger additional Federal cross-cutting measures included.

5. Relocation Plan prioritizes tenants.*5 points*

Well thought out plan with appropriate budget that addresses the health and safety for tenant relocation during construction.

5.2 LOCATION.

A. Disaster Recovery

0 to 5 points

Projects located in a county for which the Governor has issued a state major disaster proclamation with an Iowa Individual Assistance Grant Program (IIAGP) activation, or a federal major disaster declaration has been received that included federal individual assistance may be eligible for points. IFA may activate Disaster Recovery scoring consideration for one or more counties or a more narrowly defined geographic area, such as a city or targeted census tract(s), to address specific housing recovery needs. Refer to Appendix K – Disaster Recovery.

B. 4% Tax Credit Unit Density.

0 to 5 points

Projects located in a census tract that has a low percentage of awarded 4% Tax Credit Units compared to the total number of households as shown in Appendix D - 4% Tax Credit Unit Density.

C. Location to Services.

The Location to Services scoring section is valued at a maximum of 15 points. The Applicant will provide preliminary scoring and supporting information for each of the Project's selected categories. The supporting information will show driving distance from Project entrance to services using Google Maps if an address has not been assigned. If a Scattered Site Project, each site must be eligible for points.

	5 points	3 points
Grocery Store Specialty food store does not qualify as a grocery store	Grocery store located within ½ mile driving distance of Project	Grocery store located within 1 mile driving distance of Project
Daycare/School (family Projects only)	Licensed daycare or K-12 public school located within 1 mile driving distance of Project	Licensed daycare or K-12 public school located within 2 miles driving distance of Project
Bank/Credit Union	Bank or credit union located within 1 mile driving distance of Project	Bank or credit union located within 2 miles driving distance of Project
Senior Center (senior Projects only)	Senior Center located within 1 mile driving distance of Project	Senior Center located within 2 miles driving distance of Project
Convenience store/dollar store	Convenience store or dollar store located within 1 mile driving distance of Project	Convenience store or dollar store located within 2 miles driving distance of Project
Public Library	Public Library located within 1 mile driving distance of Project	Public Library located within 2 miles driving distance of Project

D. Public Transportation.

5 points

Within ¼ mile walking distance from a fixed route service with service available M-F or, in any city that does not have a fixed route service, a dial-a-ride service is available M-F.

Within ½ mile walking distance from a fixed route service with service available M-F.

3 points

5.3 TAX CREDIT EXPERIENCE.

0-6 points

Points are available for one of the following categories under this section.

- A. Prior to Application submission, the Developer or an affiliate thereof or the General Partner/Managing Member or an affiliate thereof of the Ownership Entity of this Project has served as the Developer or a General Partner/Managing Member or an affiliate thereof of the Ownership Entity for at least two 4% Tax Credit Projects which have received an IRS Form 8609 in the 5 years immediately preceding the Application Submission due date. 6 points
- B. Prior to Application submission, the Developer or an affiliate thereof or the General Partner/Managing Member or an affiliate thereof of the Ownership Entity of this Project has served as the Developer or a General Partner/Managing Member or an affiliate thereof of the Ownership Entity for at least one 4% Tax Credit Project and one 9% Tax Credit Project which have received an IRS Form 8609 in the 5 years immediately preceding the Application Submission due date. 4 points

5.4 TAX CREDIT PERFORMANCE.

-20 points maximum

- A. Currently open Iowa 4% Tax Credit Projects that have not had all buildings placed-in-service within 24 months from bond issuance date. -5 points
- B. More than two 4% Tax Credit Projects in Iowa or a total of four Tax Credit Projects in Iowa open at the time of Application Submission. A Project is considered open once it receives a Tax Credit Reservation and closed upon IRS Form 8609 issuance. -5 points
- C. An Applicant with a member of the Qualified Development Team who requested bond cap over the Bond Cap Limit for awarded Iowa Projects under the 2025 4% QAP or this QAP. -5 points
- D. Requesting a material change for awarded Iowa projects within the last 2 years from the date of Application submission. -5 points

5.5 MARKET APPEAL.

18 points maximum

All amenities shall be provided at no cost to the tenants. Unit specific amenities must be provided to all Units. Any market appeal selection for points shall apply to all residential buildings to be eligible for points, except Exterior Materials, which shall apply for all buildings in the Project. If a Scattered Site project, the selected amenities shall be provided at all sites.

- A. **Storage Units. Must select either In Project or In-Unit:** 3 points
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.
- B. **Kitchen Pantry:** 3 points
2 ft. wide full-height cabinet or closet with minimum 5 shelves in every Unit.
- C. **Laundry (Acq/Rehab only):** 5 points
Acquisition/Rehab Projects that add or replace in-unit washers and dryers to all Units during the rehabilitation.

- D. Built-In Dishwashers (Acq/Rehab only):** *3 points*
Acquisition/Rehab Projects without built-in dishwashers that add built-in dishwashers to all Units during rehabilitation.
- E. Patio/Balcony:** *5 points*
Each Unit shall include a patio or balcony. Fully accessible Units must have a fully accessible patio or balcony.
- F. Exterior Materials:** *5 points*
Each building in the Project shall have a minimum of 30% of the gross exterior (excluding window and door areas), of 4" nominal brick, 4" nominal stone, stucco over masonry, textured architectural CMU block, or pre-cast concrete wall panels. The remaining 70% shall be constructed of 100% fiber cement board siding, engineered wood with quality standards similar to Smartside, or concealed fastener metal siding. The buildings' soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood with quality standards similar to Smartside. Attics shall be vented, including soffits if applicable.
- G. Walk-In Closets:** *3 points*
Available in at least 1 bedroom of every Unit including studio Units.
- H. Playground:** *5 points*
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. The playground must comply with the requirements of the Department of Justice 2010 ADA Standards for Accessible Design. Scattered Site Projects are not able to request points under this category.
- I. Accessible Showers:** *5 points*
For Senior Projects only, all Units shall include at least one roll-in shower with grab bars and an adjustable height, movable hand-held shower head. Walk-in, transfer, or tub/shower combos are not applicable.
- J. Energy Efficiency:**
Projects with Federal financing or assistance must still comply with the applicable IECC standard applicable to their Federal program requirements. If a Project contains more than one building type and is selecting points under this category, all building types must meet the applicable requirements.
- | | |
|--|-----------------|
| New construction buildings meeting 2020 NGBS Gold Certification Requirements. | <i>3 points</i> |
| New construction buildings meeting 2020 NGBS Emerald Certification Requirements. | <i>5 points</i> |
| Acquisition/Rehab buildings meeting 2020 NGBS Silver Certification Requirements. | <i>3 points</i> |
| Acquisition/Rehab buildings meeting 2020 NGBS Gold or higher Certification Requirements. | <i>5 points</i> |
| Adaptive Reuse buildings meeting 2020 NGBS Gold or higher Certification Requirements. | <i>5 points</i> |
- Any Project selecting points under this category will be required to submit a copy of the certification for each building at the time of IRS Form 8609 Application submission to verify that the scoring election has been met.
- K. Full Replacement of Cabinets and Appliances in Kitchen (Acq/Rehab only):** *5 points*
All Units having a full replacement of all cabinets and all appliances in kitchen.

- L. **Full Replacement of Shower/Tub, Enclosure, Vanity, and Toilet (Acq/Rehab only):** 5 points
All Units have a full replacement of shower/bathtub (if applicable), enclosure, vanity, and toilet in the primary bathroom.
- M. **Fenced Dog Walking Area (New Construction or Adaptive Reuse only):** 5 points
Minimum 1,000 square feet with waste area. If a Scattered Site Project, this must be provided at all sites to be eligible for points.
- N. **Fitness Center (New Construction or Adaptive Reuse only):** 5 points
An exercise room available 24 hours a day, with commercial-grade cardiovascular health, strength training, and flexibility equipment. If a Scattered Site Project, this must be provided at all sites to be eligible for points.

5.6 OTHER.

- A. **Iowa Title Guaranty.** 2 points
Applicants shall use Iowa Title Guaranty from Tax Credit Award through IRS Form 8609 Issuance. The Ownership Entity shall obtain a Final Title Guaranty Owner Certificate on the real estate of the Project 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 6. SELECTION CRITERIA AND AWARD PROCESS.

6.1 TAX CREDIT DISBURSEMENT AND SELECTION. IFA reserves the right to limit 4% Tax Credit awards made under this QAP based on the availability of private activity bond cap and the distribution of Projects across the state. 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.

6.2 PRIORITIZATION OF REVIEW. Applications will be scored and ranked within both of the set-asides in the order listed below. If an Applicant is not awarded within the Rural Set-Aside, the Applicant will be considered in the General Set-Aside. In the event that there is not a qualified Project to fill the Rural Set-Aside, the remaining balance will be transferred to the General Set-Aside.

- A. Rural Set-Aside.
- B. General Set-Aside.

6.3 TIEBREAKERS. In the event that the final scores of more than one Application are identical, IFA will use the following tiebreakers:

- A. Project in a community that has not received a reservation of 4% Tax Credits for the longest period of time (years). A full return of a Tax Credit award in a community will not count as an Award.
- B. Project with a Developer, a GP/MM of the Ownership Entity, or any other person or entity IFA determines in its sole discretion is involved in the Project and has not received an award of 4% Tax Credits in Iowa for the longest period of time (per date of 42(m) issuance letter) within the last 10 years. If a Developer returns a Tax Credit award in good standing, that Tax Credit award will not count as an award for this category. New Developers to Iowa are excluded from this tiebreaker.
- C. An Entire Project located in a current QCT that will expire at the end of the calendar year in which the

Application is submitted.

- D. Project using the least amount of Bond Cap per Unit.
- E. IFA Board Discretion.

6.4 DISCRETION BY THE BOARD. The Board may accept, reject, or make changes to the award recommendations.

6.5 ACCEPTANCE OF TAX CREDIT RESERVATION. The acceptance of the reservation and reservation fee shall be due no later than the date stated in the Section 42(m) letter.

6.6 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 Tax Credit 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 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 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.

6.7 REMEDIES ON APPEAL.

- A. If, following the appeal process set forth in Section 6.6 - Informal Appeals, an Applicant who did not receive an award is successful in demonstrating that the Applicant should have been awarded Tax Credits based on the criteria established in this QAP and considering Section 6.4 – Discretion by the Board, the Director may place the Project on a waiting list for unallocated multifamily private activity bond cap.
- B. If a waiting list is established by the Director, it shall expire no more than 90 days after the date of Board approval.
- C. Once the waiting list has expired, a Project that has been placed on the waiting list due to a successful appeal shall be awarded 10 points in the next 4% Tax Credit Round. To receive the additional points during the next 4% Tax Credit Round, the Project shall be substantially the same Project that was the subject of the successful appeal. The determination of whether or not the Project is substantially the same Project is at the discretion of IFA.

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 7. POST RESERVATION REQUIREMENTS

7.1 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.

7.2 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 changes. Material changes may be considered but shall result in an additional fee and future scoring penalty in a 4% Tax Credit Round if approved. Material changes are changes that, in IFA's sole determination, 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 and subject to loss of Tax Credits and ineligibility:

- A. Changes to the Ownership Entity after issuance of the 42(m) letter.
- B. Transfers of the Tax Credit Reservation.
- C. Changes of the Qualifying Entity on the Qualified Development Team.
- D. Changes in Unit mix.
- E. Changes that lower the final score of the Project.
- F. Changes to the minimum set-aside election.
- G. Changes that decrease the applicable fraction per building.

7.3 POST CLOSING SUBMITTAL. The Applicant shall submit evidence of site ownership, final closing documents, appropriate zoning, and all other required documents as listed in the Post Closing Submittal and LURA Issuance Instructions to the online Application within 30 days of Syndicator/Direct Investor closing.

All buildings in a 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 considered at IFA's discretion.

7.4 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. The lease addendum required under Section 8.7 of this QAP.

7.5 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 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.

7.6 IRS FORM 8609. After construction is complete, all buildings in a Project have been placed-in-service, and all other requirements of the IRS Form 8609 Application package have been met, a complete IRS Form 8609 Application package shall be submitted through the online Application. Upon approval of the IRS Form 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. IFA will also re-complete the Due Diligence process prior to the issuance of the IRS Form 8609.

7.7 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.

7.8 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 shall still apply as applicable.

7.9 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 shall still apply as applicable.

7.10 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 shall still apply as applicable.

SECTION 8: TERMS AND CONDITIONS.

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

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

- A. IRC Section 42 and IRC Section 142 as amended and the related Treasury regulations in effect as of the date this QAP is adopted by the Board.
- B. Iowa Code Sections 7C and 16.35 and the rules governing Sections 7C and 16.35.
- C. IFA Compliance Manual.
- D. 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, IRC Section 142, and the related Treasury regulations,
 - 2. Second by Iowa Code Sections 7C, 16.35, and the rules governing Section 7C and Section 16.35; and
 - 3. Third by the QAP.

8.2 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.

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

8.4 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.

8.5 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, Ownership Entity, and Management Company 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. IFA uses public records from the Iowa Civil Rights Commission to search previous Civil Rights complaints.

8.6 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, Management Company, 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.

8.7 SECTION 504 OF THE REHABILITATION ACT OF 1973. To comply with Section 8.27 of Section 504 of the Rehabilitation Act of 1973, the Owner shall lease Accessible Units designed for persons with disabilities to tenants requiring the accessibility features of the Unit. The Applicant shall agree to require a lease addendum to be executed by a tenant(s) occupying that Accessible Unit, who does not require such Accessible features. In the lease addendum, the tenant shall agree to move to a comparable non-accessible Unit upon the request of the Owner with moving expenses to be paid by the Owner. The lease addendum shall be submitted no less than 120 days prior to the Placed-in-Service Date. The Property shall maintain the lease addendums throughout the Compliance Period and the Extended Use Period.

**PART C –
CONSTRUCTION
REQUIREMENTS**

DRAFT

SECTION 9. PRIOR TO THE INITIATION OF CONSTRUCTION

9.1 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.

9.2 IFA PLAN REVIEW. The Ownership Entity shall submit initial construction package to IFA upon completion. IFA shall give written approval before the Ownership Entity commences site work or construction. The Initial Construction Package includes:

1. Initial Energy Audit from the Energy Consultant outlining how selected energy targets will be achieved. Audit may include initial preliminary scoring information.
2. Letter from the architect or engineer confirming coordination with the energy consultant and the project's design complies with minimum energy requirements.
3. Final drawings that include civil and architectural drawings.
4. Project manual or specifications including technical details.
5. Documentation of an enforceable minimum 1-year blanket construction warranty.

9.3 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 current construction schedule and a copy of the contractor's initial pay application with a schedule of values when executed.

9.4 MINIMUM DEVELOPMENT CHARACTERISTICS – ALL PROJECTS. All construction will use the following minimum development characteristics. Projects with Historic tax credits may request exceptions when recommended by the State Historic Preservation Office (SHPO).

A. General.

1. **Construction Warranty.** Provide documentation of an enforceable minimum 1-year blanket construction warranty with the initial construction package 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. **Tenant Dedicated Common Space.** Tenant Dedicated Common Space must be limited to one per Project, clearly labeled on the submitted plans, made exclusive for tenants and guests of the Project, and its use defined in the Application. The Common Space may be incorporated within a residential structure, a stand-alone building, or outdoor space, and located entirely on the Property. Furnishings and design must be included and shall be conducive for those with hearing, vision, and mobility impairments, and must be on an accessible route. Minimum square footage must be 20 square feet per Unit up to the first 40 Units. If a Scattered Site Project, not all sites must include Tenant Dedicated Common Space, but at least one site must include Tenant Dedicated Common Space.
4. **Sidewalks.** Concrete sidewalks providing access to a city public right-of-way from each entrance door.

5. **Trash Enclosures.** Any trash removal area shall be screened and reasonably located amongst the buildings. Enclosure design should be consistent with the appearance of the residential buildings of the Project.
6. **Internet Access.** High speed internet wiring for broadband, wireless, or digital subscriber line (DSL) for all Units.
7. **Video Security System.** The security system shall continually record activity at the site and be maintained for a minimum of 14 days. The System shall maintain the following features:
 - Exterior camera coverage shall include outdoor common areas, parking areas, and main entrances.
 - Interior coverage shall include corridors in such a way that all Unit entrances are covered, all levels of staircases, and all building exits.
 - Single family or buildings in a Scattered Site Project are required to have a Video Security System that provides, at a minimum, camera coverage of the front entrance and parking areas.
 - All cameras shall be hardwired to power to ensure no interruptions in recording.

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. Each building's exterior siding shall not be single material texture and color combination exceeding 70% of the siding: brick, fiber cement board siding, or engineered wood 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 buildings that are 100% brick or stone. The soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood with quality standards similar to Smartside. Attics shall be vented, including soffits if applicable.
3. **Main Entrance Areas.** Apartment buildings with common main entrances to the interior shall have a vestibule and be equipped with a remote security and intercom system that connects to each Unit or tenant control entry to common areas. A vestibule is not required to be retrofitted into an Acq/Rehab or Rehab Project if absent from the original design. Single-family, duplex, and townhome/rowhouse Unit main entrances to the exterior shall have a storm door and a covered entry with a minimum depth and width of coverage of 4 feet by 4 feet. This also applies to apartment buildings with open air covered corridors.
4. **Roofs.** Sloped roofs shall have a 30-year full warranty. Low-slope roofs shall have a minimum 60 mil TPO or EPDM thickness and a 20-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.** Entry doors to the Unit shall have steel frames that are thermally broken, or metal clad wood frames. Entry doors shall be solid core wood or solid wood panel type, insulated metal, or fiberglass panel, lockset, and deadbolt lock with 1 inch throw. Primary entry door shall have a 180-degree peephole or glass insert. Accessible Units shall have an additional peephole located no more than 43" from the floor. Non-primary entry door may be a sliding patio door.

C. INTERIOR CONSTRUCTION

1. **Appliances.** The kitchen shall have a cook top, an oven, a microwave, a cooling/freezing unit, 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 (SRO) Units.
2. **Water Conserving Measures.** Toilets, faucet aerators, and showerheads must be high efficiency WaterSense compliant. Dual flush toilets do not qualify.
3. **Cabinetry.** Cabinetry and woodwork shall be durable and meet ANSI/AWI standards for Custom Grade Cabinetry and have the KCMA A161.1 Quality Certification Seal or demonstrate they meet the KCMA quality standards.
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.** Refer to Appendix H, Energy Requirements, for more information.
6. **Minimum Bathroom Accessories:**
 - Towel bar within reach of the sink and the tub/shower
 - Toilet paper holder
 - Shower curtain rod (if applicable)
 - Mirror
 - Cabinet with drawers, shelf-space, or medicine storage cabinet
 - Hot water and drainpipes under sinks shall be insulated or otherwise covered. There shall be no sharp or abrasive surfaces under sinks.
7. **Carpeting.** If installed, carpets shall be 100% nylon, nylon/olefin blend, or triexta. Fully Accessible Units shall have a maximum ¼-inch pile.
8. **Resilient Flooring.** ⅛-inch vinyl composition tile with color and pattern full thickness, LVT, sheet vinyl, linoleum flooring, tile flooring, bamboo, wood, or polished non-slip concrete.
9. **Resilient Flooring — Bathrooms.** LVT, sheet vinyl, linoleum flooring, polished non-slip concrete or tile flooring.
10. **Durable Windowsills.** All windowsills/ledges shall be composed of moisture-resistant materials, such as plastic laminate, molded plastic, cultured marble, etc.
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, hallways, common areas, and enclosed corridors shall be heated and air conditioned. Heating and air conditioning equipment must meet or be equivalent to current energy standards as detailed in Appendix H, Energy Requirements. 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 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.
2. **Water Heaters.** Water heating equipment shall meet or be equivalent to current energy requirements as detailed in Appendix H, Energy Requirements.

9.5 MINIMUM DEVELOPMENT CHARACTERISTICS – NEW CONSTRUCTION AND ADAPTIVE REUSE.

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

- A. **Appliances.** Each Unit must have a built-in dishwasher.
- B. **Closets.** Each bedroom shall have a closet (2-foot x 5-foot minimum) with a door. The minimum complement of dedicated 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).
- C. **Laundry.** Each Unit must have an enclosed washer and dryer (accessible side by side units if applicable), and the dryer must be vented to the building exterior.
- D. **Unit Sizes.** Each Unit shall be at least a 1 bedroom.
 1. 1 Bedroom Units shall be at least 600 net square footage. 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.
 2. All Units of the same bedroom size shall not differ in more than 150 net square feet.
- E. **Unit Bathrooms.** Three or more bedroom Units shall have at least 1 full bathroom and 1 three-quarter bathroom.
- F. **Windows.** Each Unit shall have at least one operable window per bedroom to allow for ventilation or serve as an emergency escape and rescue opening for Units located below the fourth story of a building.
- G. **Energy Requirements.** Refer to Appendix H, Energy Requirements.
- H. **Radon System.** All new construction Projects shall install a passive radon system, including a drain tile loop below the building slab along with vertical vent pipes and junction boxes. Passive radon systems shall be upgraded to active systems if required radon tests conducted post construction exceeds permissible thresholds. Refer to Appendix F – “Radon Control Methods” in the 2018 International Residential Code.

I. **Accessibility.**

1. **Fully Accessible Units.** Projects shall have at least 10% percent of the Units, or at least 1 (whichever is greater) Unit fully accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). Type A Units and Type B Units do not qualify.
2. **Units with Accessible Communication Features.** In addition to the 10% fully accessible Units, 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities. Refer to Section 10 – Building Standards.

For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

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

- A. **Scope of Work.** The Scope of Work must identify necessary improvements identified in the CNA, including but not limited to:
1. Making common areas accessible and bringing accessible Units up to code.
 2. Installing or replacing sidewalks and re-surfacing or re-paving parking areas.
 3. Replacing roof shingles and gutters, sealing brick veneers, applying exterior paint, installing new durable siding, or upgrading landscaping or fencing.
 4. Upgrading interior and exterior lighting with Energy Star rated fixtures.
 5. Improving heating and cooling units, plumbing fixtures, water heaters, toilets, sinks, faucets, and tubs/showers to meet minimum efficiency standards for new construction.
 6. Improving quality of interior conditions and fixtures, including flooring, interior doors, painting, drywall repairs, cabinets, appliances, windows, and window coverings to meet minimum standards for new construction.
 7. Upgrading electrical circuits to have GFCI outlets at kitchens, baths, laundries, and other applicable locations.

Any newly installed, replaced, or upgraded items must meet the standards set in 9.4 – Minimum Development Characteristics – All Projects.

- B. **Energy Requirements.** Refer to Appendix H, Energy Requirements.
- C. **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.
- D. **Smoke Detectors/CO2 Detectors.** Install or replace all smoke detectors/CO2 detectors, and these shall have a 10-year battery if not hard wired.
- E. **Radon System.** All Acquisition/Rehab Projects shall have a radon test prior to construction. Projects with basements or subfloors are required to have a passive radon system installed or an active system if radon tests exceed permissible thresholds. Projects built on slab on grade may forgo the installation of a radon system if radon tests are found to be below the permissible thresholds. Refer to Appendix F – “Radon Control Methods” in the 2012 International Residential Code.

- F. **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). If an existing housing project will include new construction buildings, each new construction building must have fully accessible units to get the project to the 10% fully accessible unit requirement for New Construction Projects as set forth under this QAP. For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit. Refer to Section 10 – Building Standards.
1. **Fully Accessible Units.** Projects shall have at least 5% percent of the Units, or at least 1 (whichever is greater) Unit fully accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). Type A Units and Type B Units do not qualify.
 2. **Units with Accessible Communication Features.** In addition to the 5% fully accessible Units, 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities. Refer to Section 10 – Building Standards.

For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

SECTION 10. 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.

- A. 2018 International Building Code adopted and published by the International Code Council.
- B. 2018 International Existing Building Code adopted and published by the International Code Council.
- C. 2018 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 row/townhomes separated by 2 hr. fire walls).
- D. 2018 International Fire Code adopted and published by the International Code Council.
- E. 2021 International Mechanical Code adopted and published by the International Code Council.
- F. 2021 Uniform Plumbing Code adopted by the International Association of Plumbing and Mechanical Officials.
- G. 2020 National Electric Code adopted by the National Electrical Code Committee and published by the National Fire Protection Association, Inc.
- H. 2018 International Energy Conservation Code adopted by the International Code Council.
- I. 2020 National Green Building Standard adopted and published by the International Code Council (ICC-2020 NGBS).
- J. Any 3 story or lesser new construction Tax Credit Project that includes Federal financing such as HUD or Rural Development ("USDA") shall comply with 2021 IECC.
- K. Any 4 story or greater new construction Tax Credit Project that includes Federal financing such as HUD or Rural Development ("USDA") shall comply with ASHRAE 90.1-2019.
- L. 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).
- M. Uniform Federal Accessibility Standards provided in 24 CFR Part 8 and delineated in the American National Standards Institute Standard 2009 A117.1.
- N. 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.
- O. 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.
- P. Section 504 of the Rehabilitation Act of 1973, as amended, regarding accessible Unit requirements for dispersal, new construction, and alteration of housing
- Q. 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.
- R. 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 (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 bolded 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' control, 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, Managing Member, 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).

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: 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 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/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) 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.

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 [EPA Radon Resources for Builders and Contractors](#).

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 be 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 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.

Townhome/Rowhouse: a single-family dwelling Unit constructed in a group of three or more attached Units in which each Unit extends from the foundation to roof and can be one to three stories. A Townhome/Rowhouse is designed so that each Unit has a separate exterior entrance and some open space in a rear yard that can be used by the occupants.

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, air conditioning, water heating, water, sewer service, and trash..



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2026-2027 — 9% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the 2026 and 2027 — 9% Low-Income Housing Tax Credit (LIHTC) allocation years. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

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INTRODUCTION

This Qualified Allocation Plan (QAP) governs the 2026 and 2027 federal 9% Low-Income Housing Tax Credit (Tax Credit) allocation years. 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 federal housing Tax Credit 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 Tax Credit 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 this program is based on a per-capita amount derived from population estimates released by the Internal Revenue Service (IRS). IFA intends to award all Tax 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.** In the 2026 Round, IFA may award up to \$1,000,000 in Tax Credits to no more than one Project that applies for the Innovation Set-Aside. In the 2027 Round, IFA may award up to \$1,200,000 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.

IFA shall consider all evidence available in determining, in its sole discretion, if a Nonprofit is affiliated with a for-profit organization, including but not limited to the following circumstances:

- Board independence.
- Nonprofit who is the sole member of the for-profit GP/MM is not also the sole manager of the for-profit GP/MM.
- Nonprofit organization using an address for their for-profit GP/MM entity or for their own, that is same as a for-profit entity.
- Organizational recordings for the Nonprofit organization or the GP/MM that the Nonprofit is the sole member, manager, or shareholder of, done by employees or attorneys employed by of a for-profit developer or affiliates thereof.

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 Federal Housing Tax Credit 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 must 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 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 have a minimum of one paid employee.
 9. The Nonprofit shall receive no less than 50% of the combined total of the Developer and Consultant Fee
- C. **Preservation Set-Aside.** The set-aside shall receive no more than \$1,500,000 of all available Tax Credits. Eligible Projects shall be existing affordable properties where more than fifty (50%) percent of the Units are currently income-restricted and rent restricted to households at or below sixty (60%) percent AMI by a LIHTC LURA.
- D. **Rural Set-Aside.** IFA will award up to \$1,500,000 in Tax Credits to Applications in Rural counties. Refer to Appendix A – QCT's, DDA's and Rural Counties.
- E. **General Set-Aside.** IFA will award the remaining Tax Credits to Applications in a general competition.

1.3 PROJECT LIMITATIONS.

A. Per Unit Tax Credit Cap.

Project Type	Amount per Tax Credit Unit	Description
Family New Construction or Adaptive Reuse Projects	\$31,500 per Tax Credit Unit	Projects shall not include more than 20% 1BR Units, and the average bedroom size shall be at least 2.2 bedrooms.
	\$34,250 per Tax Credit Unit	Projects shall not include more than 20% 1BR 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	\$28,750 per Tax Credit Unit	Projects shall have an average bedroom size of at least 1.2 bedrooms.
Acquisition/Rehabilitation Projects	\$23,250 per Tax Credit Unit	
Permanent Supportive Housing Projects	\$31,500 per Tax Credit 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 \$1,500,000.
- 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 \$1,700,000. Whether an individual's or entity's involvement in a Project counts towards the calculation of the 2 projects or \$1,700,000 limit is in IFA's sole discretion. IFA reserves the right to waive this cap in order to meet the Nonprofit Set-Aside.
- 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 Tax Credit Projects 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 Tax Credit Application(s). A Project is considered open once it receives a Tax Credit Reservation and closed upon IRS Form 8609 issuance. IFA reserves the right to waive this limitation in order to meet the Nonprofit Set-Aside.
- 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 9% 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 – QCTs, DDAs and Rural Counties. IFA reserves the right to waive this cap in order to meet the Nonprofit Set-Aside.

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:

2026 Round Process Step	Date
Application Package Available	November 2025
Qualified Service Provider due to IFA	Between February 16, and February 27 2026, 4:30pm, Central Time
Application Package Submission due to IFA	March 11, 2026, 4:30pm Central Time
Application Deficiency Period	April/May 2026
IFA Tax Credit Reservation recommendations presented to Board	June 2026 IFA Board of Directors meeting
Issuance of 2026 Carryover Allocation Agreements	On or about September 1, 2026
Carryover-Ten Percent Test Application Package due to IFA	On or about August 1, 2027 (11 months following the date of Carryover Agreement)
Placed-In-Service Deadline	All buildings in the Project must be placed-in-service no later than December 31, 2028
IRS Form 8609 Application Package due to IFA	No later than November 1 of the first-year of the credit period

2027 Round Process Step	Date
Application Package Available	November 2026
Qualified Service Provider due to IFA	Between February 15 and February 26, 2027, 4:30pm, Central Time
Application Package Submission due to IFA	March 10, 2027, 4:30pm, Central Time
Application Deficiency Period	April/May 2027
IFA Tax Credit Reservation recommendations presented to Board	June 2027 IFA Board of Directors meeting
Issuance of 2027 Carryover Allocation Agreements	On or about September 1, 2027
Carryover-Ten Percent Test Application Package due to IFA	On or about August 1, 2028 (11 months following the date of Carryover Agreement)
Placed-In-Service Deadline	All buildings in the Project must be placed-in-service no later than December 31, 2029

2027 Round Process Step	Date
IRS Form 8609 Application Package due to IFA	No later than November 1 of the first-year of the credit period

Any revisions to the schedule will be published on the IFA website.

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

Fee Type	All Applicants
Application Submission Fee	\$1,000 for Projects with a Nonprofit Developer, Co-Developer, GP or MM of the Ownership Entity and \$2,000 for all other Projects. Due at Application submission.
Application Review Fee	\$750 for Projects with a Nonprofit Developer, Co-Developer, GP or MM of the Ownership Entity \$1,500 for all other Projects. 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.
LURA Recording Reimbursement Fee	The Applicant will be billed for actual cost for filing of the LURA with the county that the Property(ies) is/are located.
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 the IRS.
Late Submission of the IRS Form 8609 Application	If a late submission of the IRS Form 8609 Application is allowed by IFA, the Applicant will be billed \$5,000. Only applies to Projects in which this is the last year they may claim Tax Credits and does not apply to extension exceptions allowed by the IRS.
IRS Form 8609 Application Fee	\$6,000 for Projects awarded under the Nonprofit Set-Aside and \$12,000 for all other Projects.
Amended IRS Form 8609 Fee	\$1,000
Legal Fees	<p>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.</p> <p>Fees and expenses in cases of unsuccessful appeals may be assessed and billed to the Applicant.</p>

Fee Type	All Applicants
Construction Monitoring Fees	A \$3,500 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	<p>\$40 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: \$40 per Unit x 24-Unit Project = \$960 paid annually for 30 years.)</p> <p>Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple-building Project on the IRS Form 8609, if eligible to do so.</p> <p>Annual rate increases may apply. Other fees as provided in the IFA compliance manual.</p> <p>The first annual payment shall be submitted with the IRS Form 8609 Application. The Ownership Entity has the option of paying the compliance monitoring fee in advance for the entire Compliance Period and the Extended Use Period (if applicable); however, additional fees may be assessed to the Property during the Compliance Period and Extended Use Period if annual rate increases are applied during that time.</p>

2.3 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 this Tax Credit 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.** After submittal of the Application, 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 Application submission deadline, preliminary scoring for all submitted applications shall be posted on the IFA website. 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 Requirements.

- 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. 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 required forms contained in the current round's 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.
- 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 or other organizational documents, 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 through a deficiency report sent 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.

Any documents that include a Tax Identification Number and Social Security Number are automatically confidential records and will be withheld from public inspection even without a request for confidential treatment.

- A. **Confidential Request.** An Applicant who desires confidential treatment of information must contact IFA staff prior to requesting confidential treatment or submitting an Application for which confidential treatment is requested. Applicants must contact IFA staff at least 20 business days prior to the Application Submission due date. Failure to contact IFA staff prior to submitting the Application may result in the complete Application being treated as a public record. Any request for confidential treatment 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 email 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.
- B. **Release.** If the Applicant fails to comply with the request process set forth herein, if Applicant's request for confidentiality is unreasonable or inconsistent with applicable laws, 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.
- C. **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 prior to Application submission and shall be a single-asset entity to which the 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 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.** 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 Tax Credit application as a Developer (may be a joint venture) and a Developer or affiliate thereof 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 Tax Credit 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 GP/MM or an affiliate thereof with at least 50% ownership of the GP/MM of the Ownership Entity shall have been listed in an awarded Tax Credit application as a GP/MM, Affiliate thereof, or member/manager thereof, and be currently serving as the GP/MM or affiliate thereof of the legal Ownership Entity for at least one Tax Credit Project that has received an IRS Form 8609 prior to the Application submission due date.

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 to Iowa.** A Developer or GP/MM with no prior 9% Tax Credit awards or with a prior 9% Tax Credit award in Iowa without an issued 9% IRS Form 8609 shall be eligible as listed below. An individual or entity with at least 50% ownership of the GP/MM of the Ownership Entity of the Project or the Developer of the Project who has received a 9% Tax Credit award in Iowa and been issued a 9% IRS Form 8609 in Iowa will not be considered a New Developer or New GP/MM. Developers or GP/MMs with experience inside or outside the State of Iowa or experience only in 4% Tax Credits shall be considered New Developers or GP/MMs to Iowa and be eligible pursuant to the chart below.

Developer or GP/MM with no prior Tax Credit Award in any state	Eligible for up to one Tax Credit award in the 9% funding round and shall not be eligible for a second award in any team member role until the Project meets the 10% Test and is placed in service.
Developer or GP/MM with prior 9% Tax Credit Award in Iowa, but no issued 9% IRS Form 8609	Not eligible for an additional Tax Credit award until the Project awarded Tax Credits in Iowa meets the 10% Test and is placed in service.

- D. **Direct Investor.** A direct investor shall have a Tax Credit asset management department with at least 3 years' experience.
- E. **Management Company.** The management company shall have at least 3 years of Tax Credit management experience and is currently managing at least 3 Tax Credit 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 an independent third party NGBS Green Verifier accredited by Home Innovations.
- 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 Tax Credit Program for the following:

- Evidence of involvement in a financial crime or crime related to dishonesty.
- 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, taxes, public health, safety (including workplace safety), environmental laws, or antitrust laws.
- Delinquency in the payment of state or local taxes or other substantial noncompliance with Iowa tax law.
- Making misrepresentation or providing materially false information in an application.
- Allowing an affordable rental housing property to enter into foreclosure.
- Exiting a Tax Credit ownership entity voluntarily or involuntarily.
- Being suspended, debarred, or otherwise excluded from doing business with any federal housing program or pursuant to Iowa Code sections 15.106E or 16.5E.
- Not being in good standing with any affordable rental housing program administrator, state agency, or local authority.

- I. A history of lawsuits which demonstrate conduct that is detrimental to the rights and need of tenants or which would be a violation of existing LIHTC requirements.
- J. Having been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance.
- K. 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.
- L. Has returned a full credit Allocation or has failed to comply with a Carryover allocation.

3.4 SITE REQUIREMENTS. The proposed Project shall be 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 current zoning at time of Application submission will permit the proposed project. This includes any special use permits or variances required by the proposed Project. Any such permits or required variance approvals must be completed prior to the Application submission date. 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 Application shall reflect 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 Tax Credit 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 or an aerial photo identifying the exact location of the Project site.
- 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 Tax Credit 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 with the fee simple owner of the Property, not with a third party that holds a purchase option or contract with the fee simple owner, 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 with the fee simple owner of the Property, not with a third party that holds a purchase option, contract, lease, or option on a lease with the fee simple owner, which has a term not less than 35 years. If the Applicant is purchase 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).
- c. If the seller of the site is a unit of local government, all Right of Way vacations and parking variance approvals must be completed by the time of Application Submission due date.

3.5 PROJECT REQUIREMENTS.

- A. **Qualified Low-Income Housing Project.** The Applicant shall certify that the Project as proposed is a Qualified Low-Income Housing Project as defined in IRC Section 42(g)(1). 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 initial submitted 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.** 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, or a Project with a Project Based Rental Assistance Contract.
- 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 Tax Credit 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. **Capital Needs Assessment (CNA).** Acquisition/Rehab or Rehab Projects shall submit a complete Capital Needs Assessment. 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.
 - 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.
2. **Existing Tax Credit Project Resyndication.** A Project is eligible to apply for Tax Credits following the close of the initial 15-year Compliance Period.
3. **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.

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).

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. Developer Fee shall not be increased after the submission of the Threshold Application. 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 15% 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. Operating reserves are required to stay with the Project at the time of investor exit or sale of the property.

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 otherwise determined by IFA's Tax Credit Director.

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.

An appraisal is not required when land and buildings are acquired for \$1.00, with an Identity of Interest.

A. **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. **Ineligible Predevelopment Loan Costs.** Financing costs on land acquisition or other costs not allowable in Eligible Basis.

4.2 PROJECT FUNDING SOURCES.

- A. **Tax Credit Investor Letter of Intent.** Applicant shall provide a letter of intent from the investor for the Tax Credits on the company letterhead with the price and approximate equity amount.
- 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. Financing letters of intent must be valid through six months after the Application Submission due date.
- 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.** An approved Part 1 for both Federal Historic Tax Credits and State Historic Tax Credits from the State Historic Preservation Office must be provided. If the property is a single building listed in the National Register of Historic Places, it is already a "certified historic structure," and a Part 1 is not needed, but documentation the property is listed on the National Registry must be provided. A Part 1 is required for all other properties, including individually listed properties that have more than one building. 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 to become eligible for more Tax Credits.
- E. **HOME Funds.** Refer to HOME Appendices Package.
- F. **National Housing Trust Fund.** Refer to the NHTF Appendices Package.
- G. **Multiple Funding Scenarios.** IFA shall not consider multiple funding scenarios except as listed in the HOME and NHTF Appendices Package.
- H. **Additional State and Federal Funding.** If available, refer to Appendix R - Additional State and Federal Funding.

4.3 PROJECT OPERATING COSTS AND CASH FLOW.

- A. **Operating Expenses.** Operating expenses are based on thresholds provided by the Tax Credit 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. Replacement reserves are required to stay with the Project at the time of investor exit or sale of the property.
- F. **Net Rent Increases.** If a Project wishes to increase their net rents over 10% from initial accepted Application, the Project must receive approval from IFA prior to implementing the increase unless the Project has an executed Federal project-based rental assistance contract. The request must be supported with an updated Market Study and additional documentation as requested by IFA.
- G. **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 Per Unit Tax Credit Cap, but is still subject to the Project Cap.

5.1 PROJECTS LOCATED IN QUALIFIED CENSUS TRACTS (QCT) AND/OR DIFFICULT DEVELOPMENT AREAS (DDA). IFA allows up to a 10% increase in Eligible Basis for Projects where all buildings are located in QCTs and/or DDAs. Refer to Appendix A – QCTs, DDAs, and Rural Counties.

5.2 PROJECTS LOCATED IN A RURAL COUNTY. IFA allows up to a 20% increase in Eligible Basis for Projects in a Rural County as designated by IFA. Refer to Appendix A – QCTs, DDAs, and Rural Counties.

Sections 5.1 – Projects Located in QCTs and DDAs and 5.2 – Projects Located in a Rural County cannot be combined.

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.C – Projects Providing Permanent Supportive Housing. Refer to Appendix D – Permanent Supportive Housing.

5.4 SINGLE FAMILY, TOWNHOME/ROWHOUSE, or DUPLEX. IFA allows up to 10% increase in Eligible Basis for Projects providing at least 20% of the Units as duplexes or townhomes/rowhouses, or 20% in Eligible Basis for Projects providing 20% of the Units as single family. Each Unit shall extend from foundation to roof. Family Projects may be 1 to 3 stories and senior Projects must be 1 story. 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.

Sections 5.3 – Projects Providing Permanent Supportive Housing and 5.4 – Single Family, Townhome/Rowhouse, or Duplex cannot be combined.

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 selected unless otherwise specifically stated in the scoring category. 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. Scoring exhibits are based on a point-in-time data and will not be updated after they are posted on the IFA website, except for Disaster Recovery or administrative corrections.

If a Project has an existing Tax Credit Land Use Restriction Agreement (LURA), all existing LURA requirements must be maintained.

6.1 AFFORDABILITY FOR RESIDENTS.

35 points Maximum

Only Applicants providing Permanent Supportive Housing may achieve the maximum 35 points by receiving the full 10 points available under 6.1.C and by selecting one or multiple categories below. All other Applicants may achieve the 30 points maximum by selecting one or multiple categories below. No Units shall count for points in more than one Affordability for Residents categories, except for Projects Providing Permanent Supportive Housing or project-based vouchers from a local PHA. NHTF or HOME Units shall not count toward any scoring points under any Affordability for Residents category other than C. For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit. The Affordability for Residents categories A through E are not available to an Applicant that elects the minimum set aside as Average Income Test.

- A. **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 Tax Credit Units *5 points*
- B. **Rent Reduction.** Projects that provide Tax Credit rents for the 60% or 50% AMI Units at 40% AMI rent levels. Tenant income eligibility will remain at 60% and 50% AMI (applies to the minimum set-aside Units), respectively. This category is not available to Projects with a Federal project-based rental assistance contract.
- For each 4.0% of the Tax Credit Units *5 points*

C. 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.

1. For each 2.5% of the Tax Credit Units *5 points*
2. For each Full Team, consisting of, at a minimum, a Developer, service provider, and property manager throughout the duration of the Iowa Supportive Housing Institute, that successfully completed the Institute as evidenced by a letter from the Corporation for Supportive Housing (CSH) confirming successful completion of the Institute and adherence to CSH's Quality Dimensions. The proposed Project must be a proposal that the Full Team developed through the Iowa Supportive Housing Institute that must be eligible for other Permanent Supportive Housing points. *5 points*

D. Project-Based Rental Assistance.

1. Projects with a Federal project-based rental assistance contract with HUD or RD where the contract is expiring within the next three years from the date of Application Submission due date.
 - At least 25% of the total Project Units covered by the rental assistance contract *15 points*
 - At least 50% of the total Project Units covered by the rental assistance contract *20 points*
 - At least 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.
 - 10% of the total Tax Credit Units *10 points*

E. Average Income Test with 40% AMI. Projects that elect Average Income Test and provide at least 30% 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.

- 30% of the Tax Credit Units at 40% AMI *30 points*

F. Average Income Test. Projects that elect Average Income Test and limit tax credit cap based on 6% tax credit rate.

- 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.

1. Project located in a city that has not received an award of Tax Credits in the last four years. *2 points*
2. Project located in a city that has not received an award of Tax Credits in the last two years. *1 point*

An award of Tax Credits includes a supplemental Tax Credit award. Cities will not be excluded if a Project located in that city received an award of Tax Credits within the applicable timeframe, but later returned the entire tax credit award.

If a Scattered Site Project, all building addresses shall be located in the applicable underserved city.

B. Rent Burdened Households.

1 point

Projects located in a city where an above average number of renter households are spending more than 50% of their income on housing costs as shown in Appendix F – Rent Burdened Households and provide an additional 4% of Tax Credit Units under 6.1 A – Serving 40% AMI Tax Credit Residents or 4% under 6.1 B - Rent Reduction

C. Density.

0 to 2 points

Projects located in a census tract that has a low percentage of Tax Credit Units Placed-In-Service compared to the total number of households as shown in Appendix G – Tax Credit Unit Density.

D. Disaster Recovery.

0 to 5 points

Projects located in a county for which the Governor has issued a state major disaster proclamation with an Iowa Individual Assistance Grant Program (IIAGP) activation, or a federal major disaster declaration has been received that included federal individual assistance may be eligible for points. IFA may activate Disaster Recovery scoring consideration for one or more counties or a more narrowly defined geographic area, such as a city or targeted census tract(s), to address specific housing recovery needs. Refer to Appendix K – Disaster Recovery.

E. 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.

F. Targeted Tenant Population for Individuals with Disabilities.

1 point

Projects located in a county with a higher percentage of individuals with Disabilities as shown in Appendix J - Targeted Tenant Population.

G. Iowa Thriving Communities.

2 points

Projects located in cities designated as an Iowa Thriving Community as shown in Appendix Q – Iowa Thriving Communities. Cities may have targeted area boundaries that apply to this section. If these apply, Appendix Q will show the eligible areas.

H. 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 12 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 — Site Neighborhood			
<i>5 points</i>	<i>3 points</i>	<i>1 point</i>	<i>0 points</i>
The area within a 1/2 mile radius has experienced 2-3 examples of each residential and commercial new construction or renovation in the past 3 years.	The area within a 1/2 mile radius has experienced 1-2 examples of either residential or commercial new construction or renovation in the past 3 years.		
Category 2 — Neighborhood Location to Services			
<i>5 points</i>	<i>3 points</i>	<i>1 point</i>	<i>0 points</i>
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 3 — Location to Grocery Store A specialty food store may not qualify as a grocery store.			
<i>5 points</i>	<i>3 points</i>	<i>1 point</i>	<i>0 points</i>
Located within 1/2 mile driving distance of a grocery store.	Located within 1 mile driving distance of a grocery store.	Located within 2 miles driving distance of a grocery store.	
Category 4 — Location to Daycare Center, Public School or Senior Center			
<i>5 points</i>	<i>3 points</i>	<i>1 point</i>	<i>0 points</i>
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 5 — 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 that is available at least M-F. or Any city that does not have a fixed-route service and dial-a-ride is available at least M-F.	Site is 1/2 mile walking distance from a bus stop for a fixed-route service that is available at least M-F.		

Category 6 - Adjacent Properties

5 points	3 points	1 point	0 points
Adjacent on at least 3 sides to existing developments in which at least one side is a residential neighborhood. Excludes areas with adjacent manufacturing or industrial facilities.	Adjacent on at least 2 sides to existing developments in which at least one side is a residential neighborhood. Excludes areas with adjacent manufacturing or industrial facilities.	Adjacent to an existing development. Excludes areas with adjacent manufacturing or industrial facilities.	

Category 7 — Noise from Adjacent Uses

5 points	3 points	1 point	0 points
Quiet residential neighborhood.	Urban city noise. Urban city noise includes commercial and traffic noise.		Sites close to train tracks, airports, industrial, interstate, or other sources of excessive noise as determined by IFA.

Category 8 — 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 9 — 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 10 — 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 11a —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, or moderate slopes on site.		Steep slopes, potential site drainage problems, extensive retaining walls needed, extensive tree clearing demolition, or site needs contamination cleanup.
Category 11b —Condition of Buildings – Rehab and Adaptive Re-use			
5 points	3 points	1 point	0 points
Good	Fair		Poor
Category 12 —Projects with Historical Significance or Community Revitalization			
<i>All buildings must be eligible for historic credits for the 5 points or be part of the CCRP and in a QCT</i>			
5 points	3 points	1 point	0 points
Project has a National Park Service approved Part 2 application, and Federal and State Historic credits are included in the Application funding sources.		Each site is in a QCT where affordable housing is part of a Concerted Community Revitalization Plan (CCRP) that was last updated no longer than 5 years ago. Refer to the Glossary for definition for CCRP.	

6.3 MARKET APPEAL.

5 points maximum

The amenities shall be provided at no cost to the tenants. Unit specific amenities must be provided to all Units. Any market appeal selection for points shall apply to all residential buildings to be eligible for points, except Exterior Materials, which shall apply to all buildings in the Project. If a Scattered Site project, the selected amenities shall be provided at all sites.

- A. **Kitchen Pantry:** 1 point
2 ft. wide full-height cabinet or closet with minimum 5 shelves in every Unit.
- B. **Walk-In Closets:** 1 point
Available in at least 1 bedroom of every Unit including studio Units.
Walk-In Closets shall be a minimum of 5 ft. by 5 ft.
- C. **Fitness Center:** 1 point
An exercise room available 24 hours a day, with commercial-grade cardiovascular health, strength training, and flexibility equipment.
- D. **Playground:** 2 points
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. The playground must comply with the requirements of the Department of Justice 2010 ADA Standards for Accessible Design. Scattered Site Projects are not able to request points under this category.
- E. **Patio/Balcony:** 2 points
Each Unit shall include a patio or balcony.
- F. **Free Heating:** 2 points
Owner-paid heat for each Unit.
- G. **Fenced Dog Walking Area:** 2 points
Minimum 1,000 square feet with waste area.
- H. **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

I. Laundry (Acq/Rehab only):

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. Laundry Rooms must have a dedicated area for folding.

1. Free Resident/Community Laundry; or 3 points

2. In-Unit washers and dryers (added or replaced to Acquisition/Rehab) 4 points

J. Built-in Dishwashers (Acq/Rehab only):

2 points

Acquisition/Rehab Projects without built-in dishwashers that add built-in dishwashers to all units during rehabilitation.

K. Olmstead Goals (Senior Projects Only):

2 points

Projects that provide at least 20% of the Units as accessible for persons with mobility disabilities (fully accessible and not adaptable or Type A). Units added under Olmstead Goals must comply with UFAS. For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

L. Single Family, Duplex, or Townhome/Rowhouse:

3 points

At least 20% of the Project are single-family, duplex, or townhome/rowhouses where each Unit extends from foundation to roof. Family Projects may be 1 to 3 stories and Senior Projects must be 1 story. 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.

M. Exterior Materials:

5 points

Each building in the Project shall have a minimum of 30% of the gross exterior (excluding window and door areas), of 4" nominal brick, 4" nominal stone, stucco over masonry, textured architectural CMU block, or pre-cast concrete wall panels. The remaining 70% shall be constructed of 100% fiber cement board siding, engineered wood with quality standards similar to Smartside, or concealed fastener metal siding. The buildings' soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood with quality standards similar to Smartside. Attics shall be vented, including soffits if applicable.

N. Energy Efficiency:

Projects that have Federal financing or assistance must comply with the applicable IECC standard applicable to their Federal program requirements. If a Project contains more than one building type and is selecting points under this category, all building types must meet the applicable requirements.

1. New construction buildings meeting 2020 NGBS Gold Certification Requirements. 2 points

2. New construction buildings meeting 2020 NGBS Emerald Certification Requirements. 3 points

3. Acquisition/Rehab buildings meeting 2020 NGBS Silver Certification Requirements. 2 points

4. Acquisition/Rehab buildings meeting 2020 NGBS Gold or higher Certification Requirements. 3 points

5. Adaptive Reuse buildings meeting 2020 NGBS Gold or higher Certification Requirements. 3 points

Any Project selecting points under this category will be required to submit a copy of the certification for each building at the time of IRS Form 8609 Application submission to verify that the scoring election has been met.

6.4 QUALIFYING DEVELOPMENT TEAM.

A. Tax Credit Experience.

0 to 2 points

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 3 Tax Credit Projects that have received an IRS Form 8609, as a Developer or General Partner/Managing Member, or affiliates thereof, 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 Tax Credit award and is the owner and management company of that Tax Credit Project in Iowa.

1 point

B. 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, 2025 in Iowa for the 2026 9% Tax Credit Round or after January 1, 2026 for the 2027 9% Tax Credit Round.

C. Closing within 8 months of the date of Award Letter.

2 points

The Developer or General Partner/Managing Member, or affiliates thereof, of this Project, shall have closed one 9% Tax Credit Project since January 1, 2023 for the 2026 Round or January 1, 2024 for the 2027 Round with their Syndicator in such role within 8 months of the issuance of the Award Letter.

6.5 OTHER.

A. Iowa Title Guaranty.

2 points

Applicants shall use Iowa Title Guaranty from Tax Credit Award through IRS Form 8609 Issuance. The Ownership Entity shall obtain a Final Title Guaranty Owner Certificate on the real estate of the Project 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.

B. Existing Tax Credit Projects – Resyndication.

1 point

Existing Tax Credit Projects, in good standing with IFA, submitting a Tax Credit application for resyndication at the end of year 20 of the Compliance Period/Extended Use Period. Projects electing points under 6.1.D(1), Federal Project Based Rental Assistance, are not eligible for points under this category.

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.

- A. **HOME with Tax Credits.** Tax Credit Projects requesting and eligible for a HOME award, will be offered a HOME award in the amount requested, up to the HOME per Project cap, in the same order in which such Projects are awarded Tax Credits in accordance with the Section 7 – Selection Criteria and Award Process until all HOME funds available for Tax Credit Projects have been awarded. Application for and a determination of eligibility for HOME is not a guarantee of a HOME or Tax Credit award. All Tax Credit with HOME funding is subject to the maximum total availability of HOME funds.
- B. **National Housing Trust Fund with Tax Credits.** Tax Credit Projects requesting and eligible for a National Housing Trust Fund (“NHTF”) award will be offered a NHTF award in the amount requested, up to the NHTF per Project cap, in the same order in which such Projects are awarded Tax Credits in accordance with the Section 7 – Selection Criteria and Award Process until all NHTF funds available for Tax Credit Projects have been awarded. Application for and a determination of eligibility for NHTF is not a guarantee of an NHTF or Tax Credit award. All Tax Credit with NHTF funding is subject to the maximum total availability of NHTF. A Developer is only eligible for one NHTF project award

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 Innovation, Preservation, or Rural Set-Asides, the remaining balance will be transferred to the General Set-Aside.

- A. Innovation Set-Aside
- B. Nonprofit Set-Aside.
- C. Preservation Set-Aside
- D. Rural Set-Aside.
- E. 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. Projects that provide an opportunity for homeownership through the Iowa Renter to Ownership Savings Education (ROSE) Program.
- B. Project with a Developer, a GP/MM of the Ownership Entity, or any other person or entity IFA determines in its sole discretion is involved in the Project that has not received an award of Tax Credits in Iowa for the longest period of time (per date of Award for 9% Tax Credit awards or date of 42(m) issuance for 4% Tax Credit awards) within the last 7 years. If a Developer returns a Tax Credit award in good standing, that Tax Credit award will not count as an award for this category. New Developers to Iowa are excluded from this tiebreaker.
- C. Project in a community that has not received a reservation of Tax Credits for the longest period of time (years). A full return of a Tax Credit award in a community will not count as an Award.

- D. Application requesting the least amount of Tax Credits per Unit.
- E. 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 90 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 75 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 75 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 Tax Credit 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 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 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, following the appeal process set forth in Section 7.9 - Informal Appeals, an Applicant who did not receive an award is successful in demonstrating that the Applicant should have been awarded Tax Credits based on the criteria established in this QAP and considering Section 7.5 – Discretion by the Board, the Director may place the Project on a waiting list for Unreserved or returned Tax Credits.
- B. Once the waiting list created under Section 7.7 – Waiting List has expired, a Project that has been placed on the 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 substantially the same Project that was the subject of the successful appeal. The determination of whether or not the Project is substantially the same Project is at the discretion of IFA.

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 in the 9% Tax Credit 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, scoring, or special considerations that may require IFA Board approval.

The following changes are typically not allowed and subject to loss of Tax Credits and ineligibility:

- A. Changes to the Ownership Entity named after Tax Credit Reservation.
- B. Transfers of the Tax Credit Reservation or Carryover Allocation.
- C. Changes 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 lower the final score of the Project.
- G. Changes to the minimum set-aside election.
- H. Changes that decrease 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 Form 8609 is 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.

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. The lease addendum required under Section 13.7 of this QAP.

SECTION 11. APPLICATION FOR IRS FORM 8609.

After construction is complete, all buildings in a Project have been placed-in-service, and all other requirements of the IRS Form 8609 Application package have been met, a complete IRS Form 8609 Application package shall be submitted through the online Application.

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 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 IRS Form 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 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. Any other rent and income restrictions required by other programs shall still apply as applicable.

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 Tax Credit 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 – Affordability for Residents, 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 – Affordability for Residents, 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 – Affordability for Residents, vacates the Unit. A tenant cannot be evicted just to cause the rent affordability requirements set forth in Section 6.1 – Affordability for Residents, 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. IRC 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 Tax Credit Program in effect as of the effective date hereof.
- C. IFA Compliance Manual.
- D. 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 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, Ownership Entity, and Management Company 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. IFA uses public records from the Iowa Civil Rights Commission to search previous Civil Rights complaints.

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.

13.7 SECTION 504 OF THE REHABILITATION ACT OF 1973. To comply with Section 8.27 of Section 504 of the Rehabilitation Act of 1973, the Owner shall lease Accessible Units designed for persons with disabilities to tenants requiring the accessibility features of the Unit. The Applicant shall agree to require a lease addendum to be executed by a tenant(s) occupying that Accessible Unit, who does not require such Accessible features. In the lease addendum, the tenant shall agree to move to a comparable non-accessible Unit upon the request of the Owner with moving expenses to be paid by the Owner. The lease addendum shall be submitted no less than 120 days prior to the Placed-in-Service Date. The Property shall maintain the lease addendum throughout the Compliance Period and the Extended Use Period.

PART C – CONSTRUCTION REQUIREMENTS

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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, 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.

A. Initial Construction Package includes:

1. Initial Energy Audit from the Energy Consultant outlining how selected energy targets will be achieved or on track to be completed. Audit may include initial preliminary scoring information.
2. Letter from the architect or engineer confirming coordination with the energy consultant and the project's design complies with minimum energy requirements.
3. Final drawings that include civil and architectural drawings.
4. Project manual or specifications including technical details.
5. Documentation of an enforceable minimum 1-year blanket construction warranty.

14.3 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 current construction schedule and copy of the contractor's initial pay application with a schedule of values when executed.

14.4 MINIMUM DEVELOPMENT CHARACTERISTICS – ALL PROJECTS. All construction will use the following minimum development characteristics. Projects with Historic tax credits may request exceptions when recommended by the State Historic Preservation Office (SHPO).

A. **General.**

1. **Construction Warranty.** Provide documentation of an enforceable minimum 1-year blanket construction warranty with the initial construction package 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. **Tenant Dedicated Common Space.** Tenant Dedicated Common Space must be limited to one per Project, clearly labeled on the submitted plans, made exclusive for tenants and guests of the Project, and its use defined in the Application. The Common Space may be incorporated within a residential structure, a stand-alone building, or outdoor space, and located entirely on the Property. Furnishings and design must be included and shall be conducive for those with hearing, vision, and mobility impairments, and must be on an accessible route. Minimum square footage must be 20 square feet per Unit up to the first 40 Units. If a Scattered Site Project, not all sites must include Tenant Dedicated Common Space, but at least one site must include Tenant Dedicated Common Space.
4. **Sidewalks.** Concrete sidewalks providing access to a city public right-of-way from each entrance door.
5. **Trash Enclosures.** Any trash removal area shall be screened and reasonably located amongst the buildings. Enclosure design should be consistent with the appearance of the residential buildings of the Project.
6. **Internet Access.** High-speed internet wiring for broadband, wireless, or digital subscriber line for all Units.
7. **Video Security System.** The security system shall continually record activity at the site and be maintained for a minimum of 14 days. The System shall maintain the following features:
 - Exterior camera coverage shall include outdoor common areas, parking areas, and main entrances.
 - Interior coverage shall include corridors in such a way that all Unit entrances are covered, all levels of staircases, and all building exits.
 - Single family or buildings in a Scattered Site Project are required to have a Video Security System that provides, at a minimum, camera coverage of the front entrance and parking areas.
 - All cameras shall be hardwired to power to ensure no interruptions in recording.

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. Each building's exterior siding shall not be a single material texture and color combination exceeding 70% of the siding: brick, fiber cement board siding, or engineered wood 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 buildings that are 100% brick or stone. The soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood with quality standards similar to Smartside. Attics shall be vented, including soffits, if applicable.
3. **Main Entrance Areas.** Apartment buildings with common main entrances to the interior shall have a vestibule and be equipped with a remote security and intercom system that connects to each Unit or tenant control entry to common areas. A vestibule is not required to be retrofitted into an Acq/Rehab or Rehab Project if absent from the original design. Single-family, duplex, and townhome/rowhouse Unit main entrances to the exterior shall have a storm door and a covered entry with a minimum depth and width of coverage of 4 feet by 4 feet. This also applies to apartment buildings with open air covered corridors.

4. **Roofs.** Sloped roofs shall have a 30-year full warranty. Low-slope roofs shall have a minimum 60 mil TPO or EPDM thickness and a 20-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.** Entry doors to the Unit shall have steel frames that are thermally broken, or metal clad wood frames. Entry doors shall be solid core wood or solid wood panel type, insulated metal, or fiberglass panel, lockset and deadbolt lock with 1 inch throw. Primary entry door shall have a 180-degree peephole or glass insert – Accessible Units shall have an additional peephole located no more than 43” from the floor. Non-primary entry door may be a sliding patio door.

C. Interior Construction.

1. **Appliances.** The kitchen shall have a cooktop, an oven, a microwave, a cooling/freezing unit, 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 (SRO) Units.
2. **Water Conserving Measures.** Toilets, faucet aerators, and showerheads must be high efficiency WaterSense compliant. Dual flush toilets do not qualify.
3. **Cabinetry.** Cabinetry and woodwork shall be durable and meet ANSI/AWI standards for Custom Grade Cabinetry and have the KCMA A161.1 Quality Certification Seal or demonstrate they meet KCMA quality standards.
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.** Refer to Appendix H, Energy Requirements, for more information.
6. **Minimum Bathroom Accessories:**
 - Towel bars within reach of the sink and the tub/shower.
 - Toilet paper holder.
 - Shower curtain rod (if applicable).
 - Mirror.
 - Cabinet with drawers, shelf space, or medicine storage cabinet.
 - Hot water and drainpipes under sinks shall be insulated or otherwise covered. There shall be no sharp or abrasive surfaces under sinks.
7. **Carpeting.** If installed, carpets shall be 100% nylon, nylon/olefin blend, or triexta. Fully Accessible Units shall have a maximum ¼-inch pile.
8. **Resilient Flooring.** ⅛-inch vinyl composition tile with color and pattern full thickness, LVT, sheet vinyl, linoleum flooring, tile flooring, bamboo, wood, or polished non-slip concrete.
9. **Resilient Flooring for Bathrooms.** LVT, sheet vinyl, linoleum flooring, polished non-slip concrete, or tile flooring.

10. **Durable Windowsills.** All windowsills/ledges shall be composed of moisture-resistant materials, such as plastic laminate, molded plastic, cultured marble, etc.
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, hallways, common areas, and enclosed corridors shall be heated and air conditioned. Heating and air conditioning equipment must meet or be equivalent to the current energy standards as detailed in Appendix H, Energy Requirements. 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.
2. **Water Heaters.** Water heating equipment shall meet or be equivalent to the current energy standards as detailed in Appendix H, Energy Requirements.

14.5 MINIMUM DEVELOPMENT CHARACTERISTICS – NEW CONSTRUCTION AND ADAPTIVE REUSE.

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

- A. **Appliances.** Each Unit must have a built-in dishwasher.
- B. **Unit Size.** All Units shall be at least a 1 Bedroom.
 1. 1 Bedroom Units shall be at least 600 net square footage. 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.
 2. All Units of the same bedroom size shall not differ in more than 150 net square feet.
- C. **Closets.** Each bedroom shall have a closet (2-foot x 5-foot minimum) with a door. The minimum complement of dedicated 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).
- D. **Laundry.** Each Unit must have an enclosed washer and dryer (accessible side by side units if applicable), and the dryer must be vented to the building exterior.
- E. **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.
- F. **Windows.** Each Unit shall have at least one operable window per bedroom to allow for ventilation or serve as an emergency escape and rescue opening for Units located below the fourth story of a building.
- G. **Energy Requirements.** Refer to Appendix H, Energy Requirements.
- H. **Radon System.** All new construction Projects shall install a passive radon system, including a drain tile loop below the building slab along with vertical vent pipes and junction boxes. Passive radon systems shall be upgraded to active systems if required radon tests conducted post construction exceeds permissible thresholds. Refer to Appendix F – "Radon Control Methods" in the 2018 International Residential Code.

I. Accessibility.

1. **Fully Accessible Units.** Projects shall have at least 10% percent of the Units, or at least 1 (whichever is greater) Unit fully accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). Type A Units and Type B Units do not qualify.
2. **Units with Accessible Communication Features.** In addition to the 10% fully accessible Units, 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities. Refer to Section 15 – Building Standards.

For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

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

- A. **Scope of Work.** The Scope of Work must identify necessary improvements identified in the CNA, including but not limited to:
1. Making common areas accessible and bringing accessible Units up to code.
 2. Installing or replacing sidewalks and re-surfacing or re-paving parking areas.
 3. Replacing roof shingles and gutters, sealing brick veneers, applying exterior paint, installing new durable siding, or upgrading landscaping or fencing.
 4. Upgrading interior and exterior lighting with Energy Star rated fixtures.
 5. Improving heating and cooling units, plumbing fixtures, water heaters, toilets, sinks, faucets, and tubs/showers to meet minimum efficiency standards for new construction.
 6. Improving quality of interior conditions and fixtures, including flooring, interior doors, painting, drywall repairs, cabinets, appliances, windows, and window coverings to meet minimum standards for new construction.
 7. Upgrading electrical circuits to have GFCI outlets at kitchens, baths, laundries, and other applicable locations.

Any newly installed, replaced, or upgraded items must meet the standards set in 14.5 – Minimum Development Characteristics – All Projects.

- B. **Energy Requirements.** Refer to Appendix H, Energy Requirements.
- C. **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.
- D. **Smoke/CO2 Detectors.** Install or replace all smoke detectors/CO2 detectors, and these shall have a 10-year battery if not hard wired.
- E. **Radon System.** All Acquisition/Rehab Projects shall have a radon test prior to construction. Projects with basements or subfloors are required to have a passive radon system installed or an active system if radon tests exceed permissible thresholds. Projects built on slab on grade may forgo the installation of a radon system if radon tests are found to be below the permissible thresholds. Refer to Appendix F – “Radon Control Methods” in the 2018 International Residential Code.

- F. **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). If an existing housing project will include new construction buildings, each new construction building must have fully accessible units to get the project to the 10% fully accessible unit requirement for New Construction projects as set forth under this QAP. 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.
1. **Fully Accessible Units.** Projects shall have at least 5% percent of the Units, or at least 1 (whichever is greater) Unit fully accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). Type A Units and Type B Units do not qualify.
 2. **Units with Accessible Communication Features.** In addition to the 5% fully accessible Units, 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities. Refer to Section 15 – Building Standards.

For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

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 below.

- A. 2018 International Building Code adopted and published by the International Code Council.
- B. 2018 International Existing Building Code adopted and published by the International Code Council.
- C. 2018 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 row/townhomes separated by 2 hr. fire walls).
- D. 2018 International Fire Code adopted and published by the International Code Council.
- E. 2021 International Mechanical Code adopted and published by the International Code Council.
- F. 2021 Uniform Plumbing Code adopted by the International Association of Plumbing and Mechanical Officials.
- G. 2020 National Electric Code adopted by the National Electrical Code Committee and published by the National Fire Protection Association, Inc.
- H. 2018 International Energy Conservation Code adopted by the International Code Council.
- I. 2020 National Green Building Standard adopted and published by the International Code Council (ICC-2020 NGBS).
- J. Any 3 story or lesser new construction LIHTC Project that includes Federal financing such as HUD or Rural Development ("USDA") shall comply with 2021 IECC.
- K. Any 4 story or greater new construction LIHTC Project that includes Federal financing such as HUD or Rural Development ("USDA") shall comply with ASHRAE 90.1-2019.
- L. 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).
- M. Uniform Federal Accessibility Standards provided in 24 CFR Part 8 and delineated in the American National Standards Institute Standard 2009 A117.1.
- N. 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.
- O. 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.
- P. Section 504 of the Rehabilitation Act of 1973, as amended, regarding accessible Unit requirements for dispersal, new construction, and alteration of housing.
- Q. For Adaptive Reuse/Rehabilitation, the Lead Based 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.
- R. 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**

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The following bolded 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' control, 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, Managing Member, 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.

Concerted Community Revitalization Plan: Projects located in a QCT and entirely within the defined geographical boundaries of an area for which a CCRP exists, may be eligible to request Site Appeal points under Category 16 if all requirements listed below are met, as determined solely at IFA's discretion:

1. A copy of the CCRP must be submitted with the Application as Exhibit 1S-16.
2. The CCRP must have been formulated more than 6 months from the Application submission due date. Comprehensive and Consolidated Plans, outdated plans, and plans completed in the prior 6 months of the Application submission due date are not permitted. If the CCRP is older than 5 years, an update must be provided to describe progress and setbacks within those 5 years.
3. The CCRP Area ("Area") must be clearly defined in the plan and specify the geographical boundaries within a city for which the CCRP was solely developed. The Area may not encompass an entire city.
4. The CCRP shall also include, at a minimum:
 - a. Description of the revitalization needs and strategy for securing non-housing investment and demonstrates the need for revitalization. The plan should describe existing structures, existing infrastructure, demographics, and economic characteristics of the Area.
 - b. Description of the need for housing development that includes market rate and affordable housing.
 - c. Identification of community partners and committed and/or planned funding sources (both public and private and federal and state).
 - d. Revitalization goals, measurements of progression to goal attainment, identification of barriers, and steps to be taken to overcome the barriers; and
 - e. Description of community outreach and input that occurred in developing the CCRP.

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 [EPA Radon Resources for Builders and Contractors](#).

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 [Annual population estimates: Vintage 2023 :: Iowa State Data Center \(iowadatacenter.org\)](#)

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.

Townhome/Rowhouse: a single-family dwelling Unit constructed in a group of three or more attached Units in which each Unit extends from the foundation to roof and can be one to three stories. A Townhome/Rowhouse is designed so that each Unit has a separate exterior entrance and some open space in a rear yard that can be used by the occupants.

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, air conditioning, water heating, water, trash, and sewer service.

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housingtaxcredits@iowafinance.com

To: Iowa Finance Authority Board of Directors

From: Brian Sullivan, Chief Programs Officer for the Community Sustainability Division

Date: June 4, 2025

Re: HOME: Summerfield Park Recommended additional award

Summerfield Park is a 30-unit project in Spirit Lake, Iowa owned by Summerfield Park, L.P. Community Housing Initiatives, Inc. is the Developer, the management company, and the owner of the general partner, CHI GP, Inc. During the 2024 9% Low Income Housing Tax Credit round, this project was awarded \$660,000 annual tax credits, subjecting all 30 units to the LIHTC restrictions. The project was also awarded HOME funding in the amount of \$953,456.00, securing 4 of the 30 units to additional HOME restrictions. While conducting due diligence prior to closing, the project realized increased costs making the project infeasible. The General Partner requested an additional HOME award of \$546,544.00, for a total award of \$1,500,000.00 in HOME funds for Summerfield Park.

The General Partner is a Community Housing Development Organization (CHDO) and during the 2024 tax credit round, a CHDO was allowed to receive HOME funds not to exceed \$2,000,000 per project.

All projects receiving HOME funds must comply with all applicable state and federal regulations and follow the HUD Maximum Per-Unit Subsidy of \$241,176.00/unit.

The award of these funds will secure an additional 3 units of HOME bringing the total HOME units for this project to 7. The additional funds are necessary for the project to be completed.

Staff recommendation: IFA staff has reviewed the request for additional funding for the project referenced on the Exhibit A and recommends the Board award the additional \$546,544.00 in funding.

Proposed Motion: Award an additional \$546,544.00 in HOME funds to Summerfield Park, L.P. and authorize IFA staff to prepare a loan agreement consistent with this Board Report.

Submitted By: Brian Sullivan, Chief Programs Officer for the Community Sustainability Division

Attachments: Exhibit A

2024 HOME Recommendations

RECOMMENDED FOR FUNDING									
<u>App #</u>	<u>Project Name</u>	<u>Developer / Subrecipient</u>	<u>Developer / Subrecipient City</u>	<u>Cities Served</u>	<u>Counties that Cities are Located In</u>	<u># of HOME Units/Hshlds</u>	<u>Regular Funds</u>	<u>Admin Funds</u>	<u>TOTAL HOME REQUESTED</u>
HOME Rental									
24-HT-403	Summerfield Park	CHI	Des Moines	Spirit Lake	Dickinson	7	\$ 1,500,000.00	0	\$ 1,500,000.00

REPORT
IOWA FINANCE AUTHORITY BOARD
JUNE 2025

ACTION

From: Legal

Subject: Rescind 265—Chapter 7 and Adopt a New Chapter in Lieu Thereof

Reason for the rule making: Pursuant to Executive Order 10 (January 10, 2023), staff proposes to rescind Chapter 7 relating to contested cases and adopt a new chapter in lieu thereof.

Summary of changes to rules: The new chapter will remove language that repeats statute or is otherwise unnecessary, and update language for clarity and to reduce the number of restrictive terms.

Rulemaking History: A notice of intended action was published on April 30, 2025. Two public hearings were held on May 20, 2025 and May 22, 2025. No public comments were received and no changes from the notice of intended action are proposed.

Proposed Motion:	Move to rescind 265—Chapter 7 and adopt a new chapter in lieu thereof
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Submitted By: Lisa Connell, Legal Counsel

Attachments: Notice of Intended Action

IOWA FINANCE AUTHORITY[265]

Notice of Intended Action

Proposing rulemaking related to contested cases and providing an opportunity for public comment

The Iowa Finance Authority hereby proposes to rescind Chapter 7, “Contested Cases,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapter 17A and section 16.5.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 17A.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 7 and adopt a new chapter in lieu thereof. The proposed chapter eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025. A public hearing was held on the following date(s):

- March 11, 2025

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 265—Chapter 18.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on May 22, 2025. Comments should be directed to:

Lisa Connell
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50309
Email: lisa.connell@iowaeda.com

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

May 20, 2025 1963 Bell Avenue, Suite 200
9 to 9:15 a.m. Des Moines, Iowa
Registration information for online participation may be found at
opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review

May 22, 2025 1963 Bell Avenue, Suite 200
9 to 9:15 a.m. Des Moines, Iowa
Registration information for online participation may be found at
opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Authority and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 265—Chapter 7 and adopt the following **new** chapter in lieu thereof:

CHAPTER 7 CONTESTED CASES

265—7.1(17A) Scope and applicability. This chapter applies to contested case proceedings conducted by the authority.

265—7.2(17A) Definitions. Except where otherwise specifically defined by law:

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

“*Contested case*” means a proceeding defined by Iowa Code section 17A.2 and includes any matter described as a no factual dispute contested case under Iowa Code section 17A.10A.

“*Director*” means the director of the authority or an authorized representative of the director.

“*Issuance*” means the date of mailing of a decision or order or date of delivery if service is by other means unless another date is specified in the order.

“*Party*” means the same as defined in Iowa Code section 17A.2.

“*Presiding officer*” means the authority board or members of the authority board.

“*Proposed decision*” means the presiding officer's recommended findings of fact, conclusions of law, decision, and order in a contested case in which the entire authority board did not preside.

265—7.3(17A) Time.

7.3(1) Time shall be computed as provided in Iowa Code section 4.1(34).

7.3(2) For good cause, the presiding officer may extend or shorten the time to take any action, except as precluded by statute or by rule. Except for good cause stated in the record, before extending or shortening the time to take any action, the presiding officer shall afford all parties an opportunity to be heard or to file written arguments.

265—7.4(17A) Requests for contested case proceeding.

7.4(1) Requests for contested case proceedings shall be filed with the authority in writing within the time specified by the particular rules or statutes governing the subject matter or, in the absence of

such law, the time specified in the authority action in question. If no such time is specified by the authority, the request shall be filed within 12 months of the authority action in question.

7.4(2) The request for a contested case proceeding should state the name and address of the requester, identify the specific authority action that is disputed, identify the provisions of law or precedent requiring or authorizing the holding of a contested case proceeding, and include a short and plain statement of the issues of material fact in dispute.

265—7.5(17A) Notice of hearing.

7.5(1) Delivery of the notice of hearing to the person requesting a contested case constitutes the commencement of the contested case proceeding. Delivery may be executed by:

- a. The methods specified in Iowa Code section 17A.12;
- b. First-class mail; or
- c. Publication as provided in the Iowa Rules of Civil Procedure.

7.5(2) The notice of hearing shall contain the information specified by Iowa Code section 17A.12(2) and the following information:

- a. Identification of all parties, including the name, address and telephone number of the person who will act as advocate for the authority or the state and of parties' counsel where known;
- b. Reference to the procedural rules governing conduct of the contested case proceeding;
- c. Reference to the procedural rules governing informal settlement;
- d. Identification of the presiding officer, if known. If not known, a description of who will serve as presiding officer; and
- e. Notification of the time period in which a party may request that the presiding officer be an administrative law judge pursuant to Iowa Code section 17A.11 and rule 265—7.6(17A).

265—7.6(17A) Presiding officer.

7.6(1) In each contested case in which Iowa Code chapter 17A requires an evidentiary hearing, the chairperson of the authority will determine whether the hearing will be held before the authority board, one or more members of the authority board, or an administrative law judge. Parties requesting that the presiding officer assigned to render a proposed decision be an administrative law judge must file a written request within 20 days after service of a notice of hearing that identifies or describes the presiding officer as the authority board or members of the authority board.

7.6(2) The director may deny a request made pursuant to subrule 7.6(1) only upon a finding that any of the following apply:

- a. Conditions specified in Iowa Code section 17A.11(1)“a.”
- b. Neither the authority nor any officer of the authority under whose authority the contested case is to take place is a named party to the proceeding or a real party in interest to that proceeding.
- c. The request is not consistent with a specified statute.

7.6(3) The director shall issue a written ruling specifying the grounds for its decision within 20 days after a request for an administrative law judge is filed. If the ruling is contingent upon the availability of an administrative law judge with the qualifications identified in subrule 7.6(4), the parties shall be notified at least ten days prior to hearing if a qualified administrative law judge will not be available.

7.6(4) An administrative law judge assigned to act as presiding officer in any of the authority's cases shall have sufficient technical expertise identified by the authority.

7.6(5) Except as otherwise provided by another provision of law, all rulings by an administrative law judge acting as presiding officer are subject to appeal to the authority board. A party must seek any available intra-authority appeal to exhaust adequate administrative remedies.

7.6(6) Unless otherwise provided by law, members of the authority board, when reviewing a proposed decision upon intra-authority appeal, shall have the powers of and comply with the provisions of this chapter that apply to presiding officers.

265—7.7(17A) Waiver of procedures. Unless otherwise precluded by law, the parties in a contested case proceeding may agree to waive any provision of this chapter. However, the authority in its

discretion may refuse to give effect to such a waiver when it deems the waiver to be inconsistent with the public interest.

265—7.8(17A) Telephone or video proceedings. The presiding officer may resolve preliminary procedural motions by telephone conference in which all parties have an opportunity to participate. Other telephone proceedings or interactive video proceedings, including the hearing for the contested case proceeding, may be held with the consent of all parties. The presiding officer will determine the location of the parties and witnesses for telephone hearings. The convenience of the witnesses or parties, as well as the nature of the case, will be considered when location is chosen. The cost of the telephone hearing or an interactive video hearing may be assessed equally to each party.

265—7.9(17A) Disqualification.

7.9(1) A presiding officer or other person shall withdraw from participation in the making of any proposed or final decision in a contested case if that person:

- a.* Has a personal bias or prejudice concerning a party or a representative of a party;
- b.* Has personally investigated, prosecuted or advocated in connection with that case, the specific controversy underlying that case, another pending factually related contested case, or a pending factually related controversy that may culminate in a contested case involving the same parties;
- c.* Is subject to the authority, direction or discretion of any person who has personally investigated, prosecuted or advocated in connection with that contested case, the specific controversy underlying that contested case, or a pending factually related contested case or controversy involving the same parties;
- d.* Has acted as counsel to any person who is a private party to that proceeding within the past two years;
- e.* Has a personal financial interest in the outcome of the case or any other significant personal interest that could be substantially affected by the outcome of the case;
- f.* Has a spouse or relative within the third degree of relationship that:
 - (1) Is a party to the case, or an officer, director or trustee of a party;
 - (2) Is a lawyer in the case;
 - (3) Is known to have an interest that could be substantially affected by the outcome of the case; or
 - (4) Is likely to be a material witness in the case; or
- g.* Has any other legally sufficient cause to withdraw from participation in the decision-making in that case.

7.9(2) The term “personally investigated” means taking affirmative steps to interview witnesses directly or to obtain documents or other information directly. The term “personally investigated” does not include general direction and supervision of assigned investigators, unsolicited receipt of information that is relayed to assigned investigators, review of another person’s investigative work product in the course of determining whether there is probable cause to initiate a proceeding, or exposure to factual information while performing other authority functions, including fact-gathering for purposes other than investigation of the matter that culminates in a contested case. Factual information relevant to the merits of a contested case received by a person who later serves as presiding officer in that case shall be disclosed if required by Iowa Code section 17A.17 and subrules 7.9(3) and 7.23(9).

7.9(3) In a situation where a presiding officer or other person knows of information that might reasonably be deemed to be a basis for disqualification and decides voluntary withdrawal is unnecessary, that person shall submit the relevant information for the record by affidavit and provide for the record a statement of the reasons for the determination that withdrawal is unnecessary.

7.9(4) If a party asserts disqualification on any appropriate ground, including those listed in subrule 7.9(1), the party shall file a motion supported by an affidavit pursuant to Iowa Code section 17A.17(7). The motion must be filed as soon as practicable after the reason alleged in the motion becomes known to the party. If, during the course of the hearing, a party first becomes aware of evidence of bias or other grounds for disqualification, the party may move for disqualification but must establish the grounds by the introduction of evidence into the record.

7.9(5) If the presiding officer determines that disqualification is appropriate, the presiding officer or other person shall withdraw. If the presiding officer determines that withdrawal is not required, the

presiding officer shall enter an order to that effect. A party asserting disqualification may seek an interlocutory appeal under rule 265—7.25(17A) and seek a stay under rule 265—7.29(17A).

265—7.10(17A) Consolidation—severance.

7.10(1) Consolidation. The presiding officer may consolidate any or all matters at issue in two or more contested case proceedings where:

- a. The matters at issue involve common parties or common questions of fact or law;
- b. Consolidation would expedite and simplify consideration of the issues involved; and
- c. Consolidation would not adversely affect the rights of any of the parties to those proceedings.

7.10(2) Severance. The presiding officer may, for good cause shown, order any contested case proceedings or portions thereof severed.

265—7.11(17A) Pleadings.

7.11(1) Pleadings may be required by rule, by the notice of hearing, or by order of the presiding officer. A petitioner in a contested case proceeding has 20 days from delivery of the notice of hearing or subsequent order of the presiding officer to file a petition unless otherwise ordered.

7.11(2) A petition shall include the following:

- a. The persons or entities on whose behalf the petition is filed;
- b. The particular provisions of statutes and rules involved;
- c. The relief demanded and the facts and law relied upon for such relief; and
- d. The name, address and telephone number of the petitioner and the petitioner's attorney, if any.

7.11(3) Answers are to be filed within 20 days of service of the petition unless otherwise ordered.

A party may move to dismiss or apply for a more definite and detailed statement when appropriate. An answer shall include the following:

- a. The name, address and telephone number of the person filing the answer;
- b. The name of the person or entities on whose behalf it is filed;
- c. The name of any attorney representing the person or entity on whose behalf it is filed;
- d. Specific admission, denial, or other answer to all material allegations of the pleading to which it responds;
- e. Any facts deemed to show an affirmative defense;
- f. Any additional defenses the pleader may claim;

Any allegation in the petition not denied in the answer is considered admitted. The presiding officer may refuse to consider any defense not raised in the answer that could have been raised on the basis of facts known when the answer was filed if any party would be prejudiced.

7.11(4) Any notice of hearing, petition, or other charging document may be amended before a responsive pleading has been filed. Amendments to pleadings after a responsive pleading has been filed and to an answer may be allowed with the consent of the other parties or at the discretion of the presiding officer who may impose terms or grant a continuance.

265—7.12(17A) Service and filing of pleadings and other papers.

7.12(1) Service required. Except where otherwise provided by law, every pleading, motion, document, or other paper filed in a contested case proceeding and every paper relating to discovery in such a proceeding shall be served upon each of the parties of record to the proceeding, including the person designated as advocate or prosecutor for the state or the authority, simultaneously with their filing. Except for the original notice of hearing and an application for rehearing as provided in Iowa Code section 17A.16(2), the party filing a document is responsible for service on all parties.

7.12(2) Service method. Service upon a party represented by an attorney shall be made upon the attorney unless otherwise ordered. Service is made by delivery or by mailing a copy to the person's last-known address. Service by mail is complete upon mailing, except where otherwise specifically provided by statute, rule, or order.

7.12(3) Filing timing. After the notice of hearing, all pleadings, motions, documents or other papers in a contested case proceeding are to be filed with the authority at the address set forth in rule

265—1.3(16). All pleadings, motions, documents or other papers served upon a party pursuant to these rules shall be filed simultaneously with the authority.

7.12(4) Filing—when made. Except where otherwise provided by law, a document is deemed filed at the time it is delivered to the authority at the address set forth in rule 265—1.3(16), delivered to an established courier service for immediate delivery to that office, or mailed by first-class mail or state interoffice mail to that office, so long as there is proof of mailing.

7.12(5) Proof of mailing. Proof of mailing includes a legible United States Postal Service postmark on the envelope, a certificate of service, a notarized affidavit, or a certification in substantially the following form:

I certify under penalty of perjury and pursuant to the laws of Iowa that, on (date of mailing), I mailed copies of (describe document) addressed to the (authority office and address) and to the names and addresses of the parties listed below by depositing the same in (a United States post office mailbox with correct postage properly affixed or state interoffice mail).

(Date)

(Signature)

265—7.13(17A) Discovery.

7.13(1) Discovery procedures applicable in civil actions are applicable in contested cases. Unless lengthened or shortened by these rules or by order of the presiding officer, time periods for compliance with discovery shall be as provided in the Iowa Rules of Civil Procedure.

7.13(2) Any motion relating to discovery shall allege that the moving party has previously made a good-faith attempt to resolve the discovery issues involved with the opposing party. The presiding officer shall rule on motions in regard to discovery. Opposing parties shall respond within ten days of the filing of the motion unless the time is shortened as provided in subrule 7.13(1). The presiding officer may rule on the basis of the written motion and any response or may order argument on the motion.

7.13(3) Evidence obtained in discovery may be used in the contested case proceeding if that evidence would otherwise be admissible in that proceeding.

265—7.14(17A) Subpoenas.

7.14(1) A party may be issued a subpoena by the authority upon written request. In the absence of good cause for permitting later action, a request for a subpoena must be received at least three days before the scheduled hearing. Requests for a subpoena shall include the name, address, and telephone number of the requesting party. Except to the extent otherwise provided by law, parties are responsible for service of their own subpoenas and payment of witness fees and mileage expenses.

7.14(2) The presiding officer may quash or modify a subpoena for any lawful reason upon motion in accordance with the Iowa Rules of Civil Procedure. A motion to quash or modify a subpoena shall be set for argument promptly.

265—7.15(17A) Motions.

7.15(1) Prehearing motions must be in writing, state the grounds for relief, and state the relief sought.

7.15(2) Any party may file a written response to a motion within ten days after the motion is served unless the time period is extended or shortened by rules of the authority or the presiding officer. The presiding officer may consider a failure to respond within the required time period in ruling on a motion.

7.15(3) The presiding officer may schedule oral argument on any motion.

7.15(4) Motions pertaining to the hearing, except motions for summary judgment, must be filed and served at least ten days prior to the date of hearing unless there is good cause for permitting later action or the time for such action is lengthened or shortened by rule of the authority or an order of the presiding officer.

7.15(5) Motions for summary judgment shall comply with and are disposed of pursuant to the Iowa Rules of Civil Procedure unless inconsistent with this rule or other laws governing contested cases. Motions for summary judgment must be filed and served at least 45 days prior to the scheduled hearing date or other time period determined by the presiding officer. Any party resisting the motion shall file

and serve a resistance within 15 days from the date a copy of the motion was served unless otherwise ordered by the presiding officer. The time fixed for hearing or nonoral submission shall be at least 20 days after the filing of the motion unless a shorter time is ordered by the presiding officer. A summary judgment order rendered on all issues in a contested case is subject to rehearing pursuant to rule 265—7.28(17A) and appeal pursuant to rule 265—7.27(17A).

265—7.16(17A) Prehearing conference.

7.16(1) Any party may request a prehearing conference. A written request for prehearing conference or an order for prehearing conference on the presiding officer's own motion shall be filed not less than seven days prior to the hearing date. A prehearing conference shall be scheduled at least three business days prior to the hearing date.

Written notice of the prehearing conference shall be given by or on behalf of the authority to all parties. For good cause, the presiding officer may permit variances from this rule.

7.16(2) Each party shall bring to the prehearing conference:

- a.* A final list of the witnesses who the party anticipates will testify at hearing. Witnesses not listed may be excluded from testifying unless there was good cause for the failure to include their names; and
- b.* A final list of exhibits that the party anticipates will be introduced at hearing. Exhibits other than rebuttal exhibits that are not listed may be excluded from admission into evidence unless there was good cause for the failure to include them.

Witness or exhibit lists may be amended subsequent to the prehearing conference within the time limits established by the presiding officer at the prehearing conference. Any such amendments must be served on all parties.

7.16(3) In addition to items specified by subrule 7.16(2), the parties at a prehearing conference may:

- a.* Enter into stipulations of law or fact;
- b.* Enter into stipulations on the admissibility of exhibits;
- c.* Identify matters that the parties intend to request be officially noticed;
- d.* Enter into stipulations for waiver of any provision of law; and
- e.* Consider any additional matters that will expedite the hearing.

7.16(4) Prehearing conferences shall be conducted by telephone or other electronic means unless otherwise ordered. Parties shall exchange and receive witness and exhibit lists in advance of a prehearing conference.

265—7.17(17A) Continuances. Unless otherwise provided, applications for continuances shall be made to the presiding officer.

7.17(1) A written application for a continuance shall:

- a.* Be made at the earliest possible time and no less than seven days before the hearing except in case of unanticipated emergencies;
- b.* State the specific reasons for the request; and
- c.* Be signed by the requesting party or the party's representative.

An oral application for continuance may be made if the presiding officer waives the requirement for a written motion. However, a party making such an oral application for a continuance must confirm that request by written application within five days after the oral request unless waived by the presiding officer. Applications for continuance shall not be made or granted without notice to all parties except when notice is not feasible. The authority may waive notice of such requests for a particular case or an entire class of cases.

7.17(2) In determining whether to grant a continuance, the presiding officer may consider:

- a.* Prior continuances;
- b.* The interests of all parties;
- c.* The likelihood of informal settlement;
- d.* The existence of an emergency;
- e.* Any objection;
- f.* Any applicable time requirements;

- g. The existence of a conflict in the schedules of counsel, parties, or witnesses;
- h. The timeliness of the request; and
- i. Other relevant factors.

The presiding officer may require documentation of any grounds for continuance.

265—7.18(17A) Withdrawals. A party requesting a contested case proceeding may withdraw that request prior to the hearing. A withdrawal is with prejudice unless otherwise provided.

265—7.19(17A) Intervention.

7.19(1) Motion. A motion for leave to intervene in a contested case proceeding shall state the grounds for the proposed intervention, the position and interest of the proposed intervenor, and the possible impact of intervention on the proceeding. A proposed answer or petition in intervention shall be attached to the motion. Any party may file a response within 14 days of service of the motion to intervene unless the time period is extended or shortened by the presiding officer.

7.19(2) When filed. Motions for leave to intervene shall be filed as early in the proceeding as possible to avoid adverse impact on existing parties or the conduct of the proceeding. Unless otherwise ordered, a motion for leave to intervene shall be filed before the prehearing conference, if any, or at least 20 days before the date scheduled for hearing. A statement of good cause for the failure to file in a timely manner shall be included in any later motion. Unless inequitable or unjust, an intervenor shall be bound by any agreement, arrangement, or other matter previously raised in the case. Requests by untimely intervenors for continuances that would delay the proceeding may be denied.

7.19(3) Grounds for intervention. A motion for leave to intervene shall demonstrate that:

- a. Intervention would not unduly prolong the proceedings or otherwise prejudice the rights of existing parties;
- b. The movant is likely to be aggrieved or adversely affected by a final order in the proceeding; and
- c. The interests of the movant are not adequately represented by existing parties.

7.19(4) Effect of intervention. If appropriate, the presiding officer may order consolidation of the petitions and briefs of different parties whose interests are aligned with each other and limit the number of representatives allowed to participate actively in the proceedings. A person granted leave to intervene is a party to the proceeding. The order granting intervention may condition the intervenor's participation in the proceeding.

265—7.20(17A) Hearing procedures.

7.20(1) The presiding officer presides at the hearing and may rule on motions, require briefs, issue a proposed decision, and issue other orders and rulings to ensure the orderly conduct of the proceedings.

7.20(2) All objections shall be timely made and stated on the record.

7.20(3) Parties have the right to participate or to be represented in all hearings or prehearing conferences related to their case. Partnerships, corporations, or associations may be represented by any member, officer, director, or duly authorized agent. Any party may be represented by an attorney or another person authorized by law.

7.20(4) Subject to terms and conditions prescribed by the presiding officer, parties have the right to introduce evidence on issues of material fact, cross-examine witnesses present at the hearing as necessary for a full and true disclosure of the facts, present evidence in rebuttal, submit briefs, and engage in oral argument.

7.20(5) The presiding officer shall maintain the decorum of the hearing and may refuse to admit or may expel anyone whose conduct is disorderly.

7.20(6) Witnesses may be sequestered during the hearing.

7.20(7) The presiding officer shall conduct the hearing in the following manner:

- a. The presiding officer gives an opening statement briefly describing the nature of the proceedings;
- b. The parties are afforded the opportunity to present opening statements;
- c. Parties present their cases in the sequence determined by the presiding officer;

d. Each witness is to be sworn or affirmed by the presiding officer or the court reporter and be subject to examination and cross-examination. The presiding officer may limit questioning in a manner consistent with law;

e. When all parties and witnesses have been heard, parties may be given the opportunity to present final arguments.

265—7.21(17A) Evidence.

7.21(1) The presiding officer shall rule on admissibility of evidence and may, where appropriate, take official notice of facts in accordance with all applicable requirements of law.

7.21(2) Stipulation of facts is encouraged. The presiding officer may make a decision based on stipulated facts.

7.21(3) Evidence in the proceeding shall be confined to the issues as to which the parties received notice prior to the hearing unless the parties waive their right to such notice or the presiding officer determines that good cause justifies expansion of the issues. If the presiding officer decides to admit evidence on issues outside the scope of the notice over the objection of a party who did not have actual notice of those issues, that party, upon timely request, shall receive a continuance sufficient to amend pleadings and to prepare for the additional issue.

7.21(4) The party seeking admission of an exhibit must provide opposing parties with an opportunity to examine the exhibit prior to the ruling on its admissibility. Copies of documents should normally be provided to opposing parties.

All exhibits admitted into evidence shall be appropriately marked and be made part of the record.

7.21(5) Any party may object to specific evidence or may request limits on the scope of any examination or cross-examination. Such an objection shall be accompanied by a brief statement of the grounds upon which it is based. The objection, the ruling on the objection, and the reasons for the ruling shall be noted in the record. The presiding officer may rule on the objection at the time it is made or may reserve a ruling until the written decision.

7.21(6) Whenever evidence is ruled inadmissible, the party offering that evidence may submit an offer of proof on the record. The party making the offer of proof for excluded oral testimony shall briefly summarize the testimony or, with permission of the presiding officer, present the testimony. If the excluded evidence consists of a document or exhibit, it shall be marked as part of an offer of proof and inserted in the record.

265—7.22(17A) Default.

7.22(1) A presiding officer may enter default in accordance with Iowa Code section 17A.12(3). Where appropriate and not contrary to law, any party may move for default against a party who has requested the contested case proceeding and has failed to file a required pleading or has failed to appear after proper service.

7.22(2) Default decisions or decisions rendered on the merits after a party has failed to appear or participate in a contested case proceeding become final authority action unless, within 15 days after the date of notification or mailing of the decision, a motion to vacate is filed and served on all parties or an appeal of a decision on the merits is timely initiated within the time provided by rule 265—7.27(17A). A motion to vacate must state all facts relied upon by the moving party that establish that good cause existed for that party's failure to appear or participate at the contested case proceeding. Each fact so stated must be substantiated by at least one sworn affidavit of a person with personal knowledge of each such fact, which affidavit(s) must be attached to the motion.

7.22(3) The time for further appeal of a decision for which a timely motion to vacate has been filed is stayed pending a decision on the motion to vacate.

7.22(4) Properly substantiated and timely filed motions to vacate shall be granted only for good cause shown. The burden of proof as to good cause is on the moving party. Adverse parties shall have ten days to respond to a motion to vacate. Adverse parties shall be allowed to conduct discovery as to the issue of good cause and to present evidence on the issue prior to a decision on the motion if a request to do so is included in that party's response.

7.22(5) “Good cause,” for purposes of this rule, shall have the same meaning as “good cause” for setting aside a default judgment in the Iowa Rules of Civil Procedure.

7.22(6) A decision denying a motion to vacate is subject to further appeal within the time limit allowed for further appeal of a decision on the merits in the contested case proceeding. A decision granting a motion to vacate is subject to interlocutory appeal by the adverse party pursuant to rule 265—7.25(17A).

7.22(7) If a motion to vacate is granted and no timely interlocutory appeal has been taken, the presiding officer shall issue another notice of hearing and the contested case shall proceed according to this chapter.

7.22(8) A default decision may award any relief consistent with the request for relief made in the petition and embraced in its issues, but unless the defaulting party has appeared, it cannot exceed the relief demanded.

7.22(9) A default decision may provide either that the default decision is to be stayed pending a timely motion to vacate or that the default decision is to take effect immediately, subject to a request for stay under rule 265—7.29(17A).

265—7.23(17A) Ex parte communication.

7.23(1) Iowa Code section 17A.17 governs ex parte communications in authority contested cases. This does not prohibit persons jointly assigned tasks related to the contested case from communicating with each other. Nothing in this provision is intended to preclude the presiding officer from communicating with members of the agency or seeking the advice or help of persons other than those with a personal interest in, or those engaged in personally investigating as defined in subrule 7.9(2), prosecuting, or advocating in, either the case under consideration or a pending factually related case involving the same parties as long as those persons do not directly or indirectly communicate to the presiding officer any ex parte communications they have received of a type that the presiding officer would be prohibited from receiving or that furnish, augment, diminish, or modify the evidence in the record.

7.23(2) Prohibitions on ex parte communications commence with the issuance of the notice of hearing in a contested case and continue while the case is pending.

7.23(3) Written, oral or other forms of communication are “ex parte” if made without notice and opportunity for all parties to participate.

7.23(4) To avoid prohibited ex parte communications, notice must be given in a manner reasonably calculated to give all parties a fair opportunity to participate. Notice of written communications shall be provided in compliance with rule 265—7.12(17A) and may be supplemented by telephone, electronic mail or other means of notification. Where permitted, oral communications may be initiated through conference telephone call or other electronic means including all parties or their representatives.

7.23(5) Persons who jointly act as presiding officer in a pending contested case may communicate with each other without notice or opportunity for parties to participate.

7.23(6) The director or other persons may be present in deliberations or otherwise advise the presiding officer without notice or opportunity for parties to participate as long as they are not disqualified from participating in the making of a proposed or final decision under any provision of law and they comply with subrule 7.23(1).

7.23(7) Communications with the presiding officer involving uncontested scheduling or procedural matters do not require notice or opportunity for parties to participate. Parties should notify other parties prior to initiating such contact with the presiding officer when feasible and shall notify other parties when seeking to continue hearings or other deadlines pursuant to rule 265—7.17(17A).

7.23(8) A presiding officer who receives a prohibited ex parte communication during the pendency of a contested case must initially determine if the effect of the communication is so prejudicial that the presiding officer should be disqualified. If the presiding officer determines that disqualification is warranted, a copy of any prohibited written communication, all written responses to the communication, a written summary stating the substance of any prohibited oral or other communication not available in written form for disclosure, all responses made, and the identity of each person from whom the presiding officer received a prohibited ex parte communication shall be submitted for inclusion in the record under

seal by protective order. If the presiding officer determines that disqualification is not warranted, the procedures indicated in Iowa Code section 17A.17(4) apply.

7.23(9) Presiding officers shall disclose pre-assignment ex parte communications in accordance with Iowa Code section 17A.17(3). Factual information contained in an investigative report or similar document need not be separately disclosed by the presiding officer as long as such documents have been or will be provided to the parties.

7.23(10) The presiding officer may render a proposed or final decision imposing appropriate sanctions for violations of this rule, including default, a decision against the offending party, censure, or suspension, or revocation of the privilege to practice before the authority. Violation of ex parte communication prohibitions by authority personnel shall be reported to the director for possible sanctions, including censure, suspension, dismissal, or other disciplinary action.

265—7.24(17A) Recording costs. Upon request, the authority shall provide a copy of the whole or any portion of the record at cost. The cost of preparing a copy of the record or of transcribing the hearing record shall be paid by the requesting party. Parties who request that a hearing be recorded by certified shorthand reporters rather than by electronic means shall bear the cost of recording unless otherwise provided by law.

265—7.25(17A) Interlocutory appeals. Upon written request of a party or on its own motion, the authority board may review an interlocutory order of the presiding officer. In determining whether to do so, the authority board shall weigh the extent to which its granting the interlocutory appeal would expedite final resolution of the case and the extent to which review of that interlocutory order by the authority board at the time it reviews the proposed decision of the presiding officer would provide an adequate remedy. Any request for interlocutory review must be filed within 14 days of issuance of the challenged order but no later than the time for compliance with the order or the date of hearing, whichever is first.

265—7.26(17A) Posthearing procedures and orders.

7.26(1) *Filing by parties of briefs and proposed findings.* The presiding officer may ask the parties to submit proposed findings and conclusions of law and a proposed order or briefs. Copies of the submission shall be served on all parties. The submission schedule, including waiver or briefs, shall be determined at the close of the hearing.

7.26(2) *Final decision or order.*

a. When a quorum of the authority board presides over the reception of evidence at the hearing, its decision is a final decision. The decision shall be in writing and shall include findings of fact and conclusions of law in conformance with Iowa Code chapter 17A.

b. In a contested case in which the hearing is held before an administrative law judge or a panel of the authority board members constituting less than a quorum of the authority board, the presiding officer or panel shall render a proposed decision. The proposed decision shall be in writing and shall include findings of fact and conclusions of law in conformance with Iowa Code chapter 17A. The proposed decision becomes the final decision of the authority without further proceedings unless there is an appeal to, or review on motion of, the authority within 30 days.

7.26(3) *Decisions and orders.*

a. By whom prepared. The presiding officer who presided at the reception of evidence shall prepare a proposed or final decision or order in each case. Findings of fact shall be prepared by the presiding officer at the reception of the evidence in a case unless the officer becomes unavailable. If the officer is unavailable, the findings of fact may be prepared by another person qualified to be a presiding officer who has read the record unless demeanor of witnesses is a substantial factor. If demeanor is a substantial factor and the presiding officer is unavailable, the portions of the hearing involving demeanor shall be heard again or the case shall be dismissed.

b. Content of decision or order. Proposed or final decisions or orders are rendered in accordance with Iowa Code section 17A.16(1). Proposed decisions or orders include rulings upon each proposed finding if a party submitted proposed findings of fact in accordance with subrule 7.26(1).

c. *Delivery.* A copy of the proposed decision or order shall be delivered to the parties either by personal service or by certified mail, return receipt requested.

265—7.27(17A) Appeals and review.

7.27(1) *Appeal by party.* Any adversely affected party may appeal a proposed decision to the authority board within 30 days after issuance of the proposed decision.

7.27(2) *Review.* The authority board may initiate review of a proposed decision on its own motion at any time within 30 days following the issuance of such a decision.

7.27(3) *Notice of appeal.* An appeal of a proposed decision is initiated by filing a timely notice of appeal with the authority. The notice of appeal must be signed by the appealing party or a representative of that party and contain a certificate of service. If a member of the authority board or the authority initiates review of a proposed decision, the director shall mail a notice of review to all parties. The notice of appeal or the notice of review shall specify:

- a. The parties initiating the appeal;
- b. The proposed decision or order appealed from;
- c. The specific findings or conclusions to which exception is taken and any other exceptions to the decision or order;
- d. The relief sought;
- e. The grounds for relief.

7.27(4) *Requests to present additional evidence.* A party may request the taking of additional evidence only by establishing that the evidence is material, that good cause existed for the failure to present the evidence at the hearing, and that the party has not waived the right to present the evidence. A written request to present additional evidence must be filed with the notice of appeal or, by a nonappealing party, within 14 days of service of the notice of appeal. The authority board may remand a case to the presiding officer for further hearing or may itself preside at the taking of additional evidence.

7.27(5) *Scheduling.* The authority shall issue a schedule for consideration of the appeal.

7.27(6) *Briefs and arguments.* Unless otherwise ordered, within 20 days of the notice of appeal or order for review, each appealing party may file exceptions and briefs. Within 20 days thereafter, any party may file a responsive brief. Briefs shall cite any applicable legal authority and specify relevant portions of the record in that proceeding. Written requests to present oral argument shall be filed with the briefs. The authority may resolve the appeal on the briefs or provide an opportunity for oral argument. The authority may shorten or extend the briefing period as appropriate.

265—7.28(17A) Applications for rehearing.

7.28(1) Any party to a contested case proceeding may file an application for rehearing from a final order.

7.28(2) The application for rehearing shall state on whose behalf it is filed, the specific grounds for rehearing, and the relief sought. In addition, the application shall state whether the applicant desires reconsideration of all or part of the authority decision on the existing record and whether, on the basis of the grounds enumerated in subrule 7.27(4), the applicant requests an opportunity to submit additional evidence.

7.28(3) The application shall be filed with the authority within 20 days after issuance of the final decision.

7.28(4) A copy of the application shall be timely mailed by the applicant to all parties of record not joining therein. If the application does not contain a certificate of service, the authority shall serve copies on all parties.

7.28(5) Any application for a rehearing shall be deemed denied unless the authority grants the application within 20 days after its filing.

265—7.29(17A) Stays of authority actions.

7.29(1) *When available.*

a. Any party to a contested case proceeding may petition the authority for a stay of an order issued in that proceeding or for other temporary remedies, pending review by the authority. The petition shall

be filed with the notice of appeal and shall state the reasons justifying a stay or other temporary remedy. The authority may rule on the stay or authorize the presiding officer to do so.

b. Any party to a contested case proceeding may petition the authority for a stay or other temporary remedies pending judicial review of all or part of that proceeding. The petition shall state the reasons justifying a stay or other temporary remedy.

7.29(2) *When granted.* In determining whether to grant a stay, the presiding officer or authority shall consider the factors listed in Iowa Code section 17A.19(5).

7.29(3) *Vacation.* A stay may be vacated by the issuing authority upon application of the authority or any other party.

265—7.30(17A) No factual dispute contested cases. If the parties agree that no dispute of material fact exists as to a matter that would be a contested case if such a dispute of fact existed, the parties may present all relevant admissible evidence either by stipulation or otherwise as agreed to by the parties, without necessity for the production of evidence at an evidentiary hearing. If such agreement is reached, a jointly submitted schedule detailing the method and timetable for submission of the record, briefs and oral argument should be submitted by the parties to the presiding officer for approval as soon as practicable. If the parties cannot agree, any party may file and serve a motion for summary judgment.

265—7.31(17A) Emergency adjudicative proceedings.

7.31(1) *Necessary emergency action.* To the extent necessary to prevent or avoid immediate danger to the public health, safety, and welfare and, consistent with the Constitution and other provisions of law, the authority may issue a written order in compliance with Iowa Code section 17A.18A to suspend a license in whole or in part, order the cessation of any continuing activity, order affirmative action, or take other action within the jurisdiction of the authority by emergency adjudicative order. Before issuing an emergency adjudicative order, the authority shall consider factors, including but not limited to the following:

- a.* Whether there has been a sufficient factual investigation to ensure that the authority is proceeding on the basis of reliable information;
- b.* Whether the specific circumstances that pose immediate danger to the public health, safety or welfare have been identified and determined to be continuing;
- c.* Whether the person required to comply with the emergency adjudicative order may continue to engage in other activities without posing immediate danger to the public health, safety or welfare;
- d.* Whether imposition of monitoring requirements or other interim safeguards would be sufficient to protect the public health, safety or welfare; and
- e.* Whether the specific action contemplated by the authority is necessary to avoid the immediate danger.

7.31(2) *Issuance of order.*

a. An emergency adjudicative order shall contain findings of fact, conclusions of law, and policy reasons to justify the determination of an immediate danger in the authority's decision to take immediate action.

b. The written emergency adjudicative order shall be immediately delivered to persons who are required to comply with the order by utilizing one or more of the following procedures:

- (1) Personal delivery;
- (2) Certified mail, return receipt requested, to the last address on file with the authority;
- (3) Certified mail to the last address on file with the authority;
- (4) First-class mail to the last address on file with the authority; or
- (5) Fax. Fax may be used as the sole method of delivery if the person required to comply with the order has filed a written request that authority orders be sent by fax and has provided a fax number for that purpose.

c. To the degree practicable, the authority shall select the procedure for providing written notice that best ensures prompt, reliable delivery.

7.31(3) Oral notice. Unless the written emergency adjudicative order is provided by personal delivery on the same day that the order is issued, the authority shall make reasonable immediate efforts to contact by telephone or electronic mail the persons who are required to comply with the order.

7.31(4) Completion of proceedings.

a. After the issuance of an emergency adjudicative order, the authority shall proceed as quickly as feasible to complete any proceedings that would be required if the matter did not involve an immediate danger.

b. Issuance of a written emergency adjudicative order shall include notification of the date on which the authority's proceedings are scheduled for completion. After issuance of an emergency adjudicative order, continuance of further authority proceedings to a later date will be granted only in compelling circumstances upon application in writing.

265—7.32(17A,16) Informal procedure prior to hearing. Any person who desires to pursue informal settlement of any contested case may make a request for an informal settlement to the director. When the authority is a party, all informal settlements shall be made by the director. All informal settlements are subject to ratification by the board. A request for informal settlement should be received by the director not less than 15 days before the authority board meeting at which the request is to be considered. The director shall schedule consideration of the request at the next regular authority board meeting occurring more than 30 days after the request for an informal settlement is made. Not more than ten days after the authority meeting at which the request is scheduled for consideration, the director will notify the petitioner in writing of the authority's disposition of the request. If the authority determines that a conference is appropriate, the party will be notified when, where, and with whom such a conference is to be held. The terms of any settlement agreed to by the parties shall be embodied in a written stipulation. Upon receipt of the request, all formal contested case procedures are stayed, except in the case of emergency orders as provided in rule 265—7.31(17A). If informal settlement is unsuccessful, formal contested case proceedings may be instituted in accordance with rule 265—7.5(17A).

These rules are intended to implement Iowa Code chapter 17A.

REPORT
IOWA FINANCE AUTHORITY BOARD
JUNE 2025

ACTION

From: Legal

Subject: Rescind 265—Chapter 15 and Adopt a New Chapter in Lieu Thereof

Reason for the rule making: Pursuant to Executive Order 10 (January 10, 2023), staff proposes to rescind Chapter 15 relating to purchasing and adopt a new chapter in lieu thereof.

Summary of changes to rules: The new chapter will remove language that repeats statute or is otherwise unnecessary, and update language for clarity and to reduce the number of restrictive terms.

Rulemaking History: A notice of intended action was published on April 30, 2025. Two public hearings were held on May 20, 2025 and May 22, 2025. No public comments were received and no changes from the notice of intended action are proposed

Proposed Motion: Move to rescind 265—Chapter 15 and adopt a new chapter in lieu thereof.

Submitted By: Lisa Connell, Legal Counsel

Attachments: Notice of Intended Action

IOWA FINANCE AUTHORITY[265]

Notice of Intended Action

Proposing rulemaking related to purchasing and providing an opportunity for public comment

The Iowa Finance Authority hereby proposes to rescind Chapter 15, “Purchasing,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 16.5.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 16.5(1)“f.”

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 15 and adopt a new chapter in lieu thereof. The proposed chapter eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025. A public hearing was held on the following date(s):

- March 11, 2025

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 265—Chapter 18.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on May 22, 2025. Comments should be directed to:

Lisa Connell
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50309
Email: lisa.connell@iowaeda.com

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

May 20, 2025 1963 Bell Avenue, Suite 200
9:15 to 9:30 a.m. Des Moines, Iowa
Registration information for online participation may be found at
opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review

May 22, 2025 1963 Bell Avenue, Suite 200
9:15 to 9:30 a.m. Des Moines, Iowa
Registration information for online participation may be found at
opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Authority and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 265—Chapter 15 and adopt the following **new** chapter in lieu thereof:

CHAPTER 15 PURCHASING

265—15.1(16) Applicability of competitive bidding.

15.1(1) Goods or services expected to cost more than \$50,000 in the aggregate will be obtained through a formal or informal competitive bidding process conducted by the authority or through the department of administrative services whenever such procurement is in the best interests of the authority as determined by the authority. Goods or services expected to cost \$50,000 or less in the aggregate may be obtained in any manner deemed appropriate by the authority.

15.1(2) Notwithstanding the foregoing, the authority may exempt any item from competitive bidding if the item is noncompetitive or is purchased in quantities too small to be effectively purchased through competitive bidding; if there is an immediate or emergency need for the item; if the purchase of the item facilitates compliance with set-aside procurement provisions; or if the director of the authority determines, in the director's sole discretion, that the authority's best interests will be served by exemption from the bidding process.

265—15.2(16) Methods of obtaining bids or proposals used by the authority. Formal or informal bids or proposals may be obtained by one of the following methods.

15.2(1) Request for bids.

a. The authority may prepare a request for bids for providing the goods or services sought by the authority. The request may be shared on the state website for bid opportunities, shared on the authority's website, sent directly to vendors, or distributed in other means determined by the authority. The authority may use reverse auction methods to obtain goods and services.

b. The request for bids will include the due date and time of the bid opening, a description of the goods or services needed, and other information deemed necessary by the authority.

c. The authority will tabulate results as bids are opened.

d. The authority will make an award by the date identified in the request for bids. The price quoted by the vendors shall remain binding for the time period indicated in the request for bids. If an award is

not made within the time frame indicated by the authority when requesting bids, all bids may be deemed rejected.

15.2(2) *Informal bids.*

a. The authority may obtain informal bids through use of a written bid form, in electronic format, or in other manners determined appropriate by the authority. The authority will describe the goods or services sought by the authority, the date by which bids must be submitted, the anticipated award date and other information deemed necessary by the authority. The authority may use reverse auction methods to obtain goods and services.

b. The authority will tabulate results as bids are opened.

c. If an award is not made within the time frame indicated by the authority when requesting bids, all bids may be deemed rejected.

15.2(3) *Request for proposals.* The authority may issue a request for proposals when cost is not the sole criterion for selection.

a. The authority will prepare a written request for proposals and submit the request to the department of administrative services for submission on the state website for bid opportunities. The authority may publicize a request through other means, including the authority's website or sending the request for proposals to selected vendors.

b. Requests for proposals will generally include the purpose of the request, the scope of work to be performed, submission requirements and due date, terms and conditions of an award, review criteria and the anticipated time frame for awarding a contract.

c. The authority will evaluate and rank proposals according to review criteria identified in the request for proposals. If an award is not made within the applicable time frame indicated by the authority when requesting proposals, all proposals may be deemed rejected.

265—15.3(16) Contract purchases. The authority may enter into contract purchase agreements for items, groups of items, or services. Contract purchase agreements are subject to the competitive bidding requirements previously outlined, where applicable.

265—15.4(16) Blanket purchase agreements. The authority may establish blanket purchase agreements. Blanket purchase agreements are subject to the competitive bidding requirements previously outlined, where applicable.

265—15.5(16) Bids and proposals to conform to specifications. All bids and proposals must conform to the specifications provided by the authority, including deadlines for submission of bids or proposals. Bids and proposals that do not conform to the specifications stated may be rejected. The authority reserves the right to waive deficiencies in the bids or proposals if the authority's best interests would be served by the waiver.

265—15.6(16) Modification or withdrawal of bids. Bids or proposals may be modified or withdrawn prior to the time and date set for the bid or proposal opening. Modifications or withdrawals must be submitted to the authority in writing. A bid or proposal may be withdrawn after opening with the approval of the authority.

265—15.7(16) Financial security. The authority may require bid security, litigation security, and performance security on formal bids or proposals if specified in the request for bids or request for proposals.

265—15.8(16) Rejection of bids and proposals. The authority reserves the right to reject any or all bids or proposals. Bids and proposals may be rejected because of faulty specifications, abandonment of the project, insufficient funds, evidence of unfair or flawed bidding procedures, failure of a vendor to meet the authority's requirements or follow submission instructions, or for any other reason if the authority determines that its best interests will be served by rejecting any or all bids. New bids may be requested by the authority at any time.

265—15.9(16) Vendor appeals. Any vendor whose bid or proposal has been timely filed may appeal the decision by filing a written notice of appeal before the authority board within three business days of the date of the award. The notice of appeal shall state the grounds upon which the vendor challenges the authority's award. Following receipt of a notice of appeal, the authority board will notify the appealing vendor and the vendor who received the contract award of the procedures to be followed in the appeal. The authority board may appoint a designee to proceed with the appeal on its behalf.

These rules are intended to implement Iowa Code section 16.5(1) "f."

REPORT

IOWA FINANCE AUTHORITY BOARD

JUNE 2025

ACTION

From: Legal

Subject: Rescind 265—Chapter 41 and Adopt a New Chapter in Lieu
Thereof

Reason for the rule making: Pursuant to Executive Order 10 (January 10, 2023), staff proposes to rescind Chapter 41 relating to the shelter assistance fund and adopt a new chapter in lieu thereof.

Summary of changes to rules: The new chapter will remove language that repeats statute or is otherwise unnecessary, and update language for clarity and to reduce the number of restrictive terms. Additional changes include:

- The definition of “homeless shelter” or “shelter” in rule 41.2 has been revised to include that the shelter must be properly zoned and lawfully operating in compliance with all applicable laws and regulations. Also, the definition of “Private nonprofit organization” has been updated to reference applicable U.S. Code and registration with the state of Iowa as a nonprofit corporation.
- The description of eligible applicants in rule 41.3 has been revised to conform with the program’s focus on shelter operations, limiting eligible applicants to entities that operate a homeless shelter.
- Rule 265.41.4 has been updated to include coordinated entry or centralized intake as an essential service for purposes of the program.
- To comply with Iowa Code section 17A.6(5), a new rule 41.12 will clarify that references to the Code of Federal Regulations and United States Code in the chapter are to the laws as in effect on the effective date of the rulemaking adopting the new chapter.

Rulemaking History: A notice of intended action was published on April 30, 2025. Two public hearings were held on May 20, 2025 and May 22, 2025. Several public comments were received during the hearings and in writing.

Mazahir Salih, on behalf of the Immigrant Welcome Network of Johnson County (IWNJC), commented that the updated definition of “homeless shelter” that requires proper zoning will exclude some community-based programs like IWNJC.

Brandy Wallar, on behalf of New Vision Homeless Services, commented that the funding provided is important to the operation of emergency shelters, that approving funding for a two year period is helpful, and that the application process for the program is straightforward.

Zebulon Beilke-McCallum, on behalf of the Iowa Coalition Against Domestic Violence, commented that it should be clear that domestic violence shelters are eligible for the program. Additionally, he requested clarification to the language in subrule 41.9(1) regarding involvement of homeless individuals in funded facilities and services.

Tanya Petersen, on behalf of Upper Des Moines Opportunity, commented that she appreciates the ease of the application process for the program.

Tammy Weir, on behalf of Central Iowa Shelter and Services, requested clarification that funding for two year periods will continue.

Michelle Plasschaert, on behalf of YWCA Clinton, commented that noncongregate sheltering, especially motel voucher programs, are critical in rural areas and smaller cities where traditional shelters are not available and urged continued support of these activities.

One change from the notice of intended action is proposed to the language in subrule 41.9(1) regarding involvement of homeless individuals in funded facilities and services to clarify that this is encouraged but not necessarily required.

Proposed Motion:	Move to rescind 265—Chapter 41 and adopt a new chapter in lieu thereof.
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Submitted By: Lisa Connell, Legal Counsel

Attachments: Proposed rules for adoption

ITEM 1. Rescind 265—Chapter 41 and adopt the following **new** chapter in lieu thereof:

CHAPTER 41

SHELTER ASSISTANCE FUND

265—41.1(16) Purpose. The shelter assistance fund (SAF) is created pursuant to and for the purposes stated under Iowa Code section 16.41.

265—41.2(16) Definitions.

“Applicant” means an eligible provider of homeless services that is applying for SAF funds.

“Authority” means the Iowa finance authority.

“Domestic violence shelter” means a homeless shelter primarily or exclusively serving clients who are homeless due to domestic violence.

“DVIMS” means the Domestic Violence Information Management System, which is Iowa’s designated database for domestic violence shelters.

“ESG” means the Emergency Solutions Grant Program created pursuant to Title 42 of the U.S. Code (42 U.S.C. Section 11375) as well as parts of Title 24 of the Code of Federal Regulations (24 CFR Part 576).

“HMIS” means the Homeless Management Information System as defined in 24 CFR Part 91.

“Homeless” means the same as set forth in 24 CFR Part 91.

“Homeless shelter” or *“shelter”* means a facility properly zoned and lawfully operating in compliance with all state, county and municipal laws and regulations, including possessing all permits, licenses, certifications and other authorizations required for the facility’s location, which provides temporary shelter with overnight sleeping accommodations for homeless persons and which does not require occupants to sign leases or occupancy agreements.

“HUD” means the U.S. Department of Housing and Urban Development.

“Participant” means any person or family who is homeless or at risk of becoming homeless and is provided assistance from a recipient utilizing SAF funds.

“Private nonprofit organization” means an organization as set forth in 42 U.S.C. Section 11371, which has registered with the state of Iowa as a nonprofit corporation.

“Recipient” means any organization to which the authority distributes SAF funds.

265—41.3(16) Eligible applicants. To be eligible for the SAF, an applicant must:

1. Be a city government, county government, instrumentality of government, or private nonprofit organization; and
2. Operate a homeless shelter.

265—41.4(16) Eligible activities. Eligible activities may include the following, where necessary to assist participants:

41.4(1) Operating expenses for homeless and domestic violence shelters necessary for the operation of the shelter, including staff salaries, maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies. Where or when no appropriate shelter is available for a homeless family or individual, eligible costs may include a hotel or motel voucher for that family or individual. Costs of third-party agencies in providing food to one or more shelters or directly to participants may also be included as eligible costs.

41.4(2) Essential services for individuals and families in homeless and domestic violence shelters, including case management, coordinated entry or centralized intake, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, and transportation necessary to provide services.

41.4(3) Evaluation and reporting of services for the homeless, including the implementation of the HMIS.

265—41.5(16) Application procedures. The authority shall issue requests for applications periodically, specifying requirements, priorities, period of funding, and maximum and minimum award amounts, subject to available funding. Requests for applications may be issued jointly with the ESG program. Only applications submitted as prescribed by the authority will be considered.

265—41.6(16) Application review process.

41.6(1) Applications will be reviewed by the authority for funding approval or denial based on priorities established during each competition round. Review criteria include but are not limited to the following:

- a.* Project design,
- b.* Applicant experience and capacity,
- c.* Community partnerships and need,
- d.* Past performance, and
- e.* Budget and grant management.

41.6(2) If an application contains an activity determined to be ineligible, at the authority's discretion, the ineligible activity may be deleted from the application or the application may be disqualified in its entirety.

41.6(3) Before making final funding recommendations, the authority may review applications with other state agencies or any other party deemed appropriate in the authority's sole discretion.

41.6(4) Based on the review process and subject to available funding, the authority may revise the applicant's overall funding request by activity or funding level and recommend a final funding figure to the authority's board of directors for approval.

265—41.7(16) Matching contributions. The authority reserves the right to designate a portion or all of SAF funds to be used toward the matching contributions requirement imposed by HUD for ESG funds received by the state of Iowa. SAF funds designated as ESG matching contributions may not be used to meet matching requirements of other grant moneys received by recipients. Recipients will be informed if SAF funds have been used toward the ESG matching requirement and will be responsible for ensuring compliance with the matching requirements of other grant programs.

265—41.8(16) Funding awards.

41.8(1) *Authorization.* The authority's board of directors approves funding awards during each application cycle.

41.8(2) *Right to negotiate.* The authority reserves the right to negotiate with the recipient the amount of the funding award, the scale or scope of the recipient's project, and alternative methods for completing the project.

41.8(3) *Special purpose awards.* The authority may, at its discretion, make funding awards for evaluation, reporting, or implementation of services for the homeless, including but not limited to the HMIS or coordinated entry, apart from the application procedures and application review process set forth in rules 265—41.5(16) and 265—41.6(16).

265—41.9(16) Requirements placed on recipients.

41.9(1) *Participation by homeless individuals and families.* To the extent possible, recipients should involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted with SAF funds and providing services assisted with SAF funds.

41.9(2) *Termination of assistance and grievance procedure.* Recipients shall establish and implement a formal process to terminate assistance to participants who violate SAF

program requirements. This process shall include a hearing that provides participants a full opportunity to address issues of noncompliance.

41.9(3) *Data reporting system.* Recipients shall participate in the HUD-approved HMIS adopted by the authority unless the recipient qualifies as a domestic violence shelter, in which case the recipient shall use the DVIMS.

41.9(4) *Ensuring confidentiality.* Recipients shall develop and implement procedures to guarantee the confidentiality of records pertaining to any participant, including any individual to whom family violence prevention or treatment services are provided. In addition, the address or location of any domestic violence shelter shall not be disclosed to any person except with written authorization of the shelter director.

41.9(5) *Requirements for religious organizations.* Recipients shall not engage in religious proselytizing or counseling using SAF funds, require attendance at religious services as a requirement or condition to receive assistance with SAF funds, nor limit services or give preference to persons seeking assistance with SAF funds on the basis of religion.

41.9(6) *Prohibition against involuntary family separation.* If a shelter provides services to families with children under the age of 18, the age of a child under the age of 18 shall not be used as a basis for denying any family's admission to shelter.

41.9(7) *Lead-based paint.* Recipients shall follow the federal rules for lead-based paint, including the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR Part 35, Subparts A, B, H, J, K, M, and R, which apply to all shelters occupied by participants.

41.9(8) *Habitability standards.* Recipients shall follow the federal rules for habitability, ensuring that shelters receiving SAF funds adhere to minimum habitability standards for

being safe, sanitary, and adequately maintained, according to the regulations at CFR Part 576.403, and comply with all applicable local building codes.

41.9(9) *Other requirements.* The authority may impose additional requirements on recipients, which will be described in the request for applications, the grant contract, or other guidance materials issued from time to time.

265—41.10(16) Compliance with applicable federal and state laws and regulations.

Recipients shall comply with all applicable federal, state, and local laws with respect to activities performed under this SAF program, including the Iowa Civil Rights Act as set forth in Iowa Code chapter 216. Recipients shall also comply with the following additional requirements.

41.10(1) *Review of financial statements.* Recipients shall obtain from an independent certified public accountant an annual audit report or an annual independent review of recipients' financial statements.

41.10(2) *Conflict of interest.* No person, including any employee, agent, consultant, officer, or elected or appointed official of a recipient, exercising any functions or responsibilities with respect to activities assisted under the SAF program or in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the SAF program shall:

- a.* Obtain a financial interest or benefit from an assisted activity;
- b.* Have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or
- c.* Have a financial interest in the proceeds derived from an assisted activity, either for the person or for those with whom the person has immediate family or business ties.

This subrule shall apply during a person's tenure and for a one-year period thereafter.

265—41.11(16) Administration.

41.11(1) *Contracts.* Upon selection of an application for funding, the authority will initiate a contract. These rules and applicable federal and state laws and regulations will become part of the contract. Certain activities may necessitate that permits or clearances be obtained from other state agencies before the start of the project. Funding awards may be conditioned upon the timely completion of these requirements or any other conditions stipulated in the contract at the authority's sole discretion.

41.11(2) *Recordkeeping and retention.* Financial records, supporting documents, statistical records, and all other records pertinent to the funded project shall be retained by the recipient and made available to the authority upon request. Proper record retention shall be in accordance with the following:

a. Retention of records for any assisted activity for five years after the end of the grant period and, if applicable, until audit and compliance monitoring procedures are completed and accepted by the authority.

b. Access to all books, accounts, documents, records, and other property belonging to or in use by a recipient pertaining to the receipt of assistance under these rules by the office of auditor of state, the authority or the authority's designee.

41.11(3) *Reporting requirements.* Recipients shall submit reports to the authority as prescribed in the contract. Reports include:

a. HMIS data reports. All recipients are required to submit regular reports on participants served using the current HMIS reporting process as prescribed by the authority unless a recipient qualifies as a domestic violence shelter, in which case the recipient shall submit reports using the DVIMS.

b. Requests for funds. Recipients shall submit requests for funds during the contract period at intervals and using forms as prescribed by the authority. The authority may perform any review or field inspections it deems necessary to ensure SAF program

compliance, including review of recipient records and reports. When problems of compliance are noted, the authority may require remedial actions to be taken. Failure to respond to notifications of need for remedial action may result in the remedies for noncompliance set forth in subrule 41.11(4).

41.11(4) *Remedies for noncompliance.* Should the authority find that a recipient is not in compliance with the requirements under this SAF program, the authority may employ any remedies it deems appropriate, including but not limited to the following:

- a.* Issue a warning letter stating that continued failure to comply with SAF program requirements within a stated period of time will result in a more serious action.
- b.* Condition a future award on correcting compliance issues.
- c.* Direct the recipient to stop incurring costs with grant funds.
- d.* Require that some or all of the awarded funds be remitted to the authority.
- e.* Reduce the level of funds the recipient would otherwise be entitled to receive.
- f.* Elect not to provide future award funds to the recipient until appropriate actions are taken to ensure compliance.
- g.* Prohibit a future award of funds.

265—41.12(16) References. All references to the Code of Federal Regulations and United States Code in this chapter are to the laws as in effect [effective date of this rulemaking].

These rules are intended to implement Iowa Code section 16.41.

REPORT

IOWA FINANCE AUTHORITY BOARD

JUNE 2025

ACTION

From: Legal

Subject: Rescind 265—Chapter 42 and Adopt a New Chapter in Lieu Thereof

Reason for the rule making: Pursuant to Executive Order 10 (January 10, 2023), staff proposes to rescind Chapter 42 relating to the emergency solutions grant program and adopt a new chapter in lieu thereof.

Summary of changes to rules: The new chapter will remove language that repeats statute or is otherwise unnecessary, and update language for clarity and to reduce the number of restrictive terms. A definition of homeless shelter or shelter is included in rule 42.2 to maintain consistency with 261—Chapter 41 regarding the Shelter Assistance Fund. To comply with Iowa Code section 17A.6(5), a new rule 42.12 will clarify that references to the Code of Federal Regulations and United States Code in the chapter are to the laws as in effect on the effective date of the rulemaking adopting the new chapter.

Rulemaking History: A notice of intended action was published on April 30, 2025. Two public hearings were held on May 20, 2025 and May 22, 2025. Several public comments were received during the hearings and in writing.

Mazahir Salih, on behalf of the Immigrant Welcome Network of Johnson County (IWNJC), commented that the updated definition of “homeless shelter” that requires proper zoning will exclude some community-based programs like IWNJC.

Zebulon Beilke-McCallum, on behalf of the Iowa Coalition Against Domestic Violence, commented that it should be clear that domestic violence shelters are eligible for the program and that the federal Violence Against Women Act and nondiscrimination provisions are applicable to the program. He further commented that the acknowledgement that domestic violence shelters are unable to report data through the homeless management information system is helpful.

Hope Methany, on behalf of YSS, requested clarification that funding will continue to be provided on both a regional and per organization basis.

Two changes from the notice of intended action are proposed to clarify that the Violence Against Women Act imposes certain requirements on participants on the

program and that references to that act are as in effect on the effective date of the rulemaking.

Proposed Motion:	Move to rescind 265—Chapter 42 and adopt a new chapter in lieu thereof.
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Submitted By:	Lisa Connell, Legal Counsel
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Attachments:	Proposed rules for adoption
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IOWA FINANCE AUTHORITY[265]

Notice of Intended Action

**Proposing rulemaking related to emergency solutions grant program
and providing an opportunity for public comment**

The Iowa Finance Authority hereby proposes to rescind Chapter 42, “Emergency Solutions Grant Program,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 16.5(1)“r” and 16.5(1)“m.”

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 16.5(1)“m” and 42 U.S.C. Sections 11371 through 11378.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 42 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Emergency Solutions Grant Program. The program is intended to assist homeless individuals and families to regain stability in permanent housing by supporting the costs of operations of homeless and domestic violence shelters, essential services for the homeless, and evaluation and reporting of services for the homeless.

The new chapter omits language that repeats statute or is otherwise unnecessary and updates language for clarity and to reduce the number of restrictive terms. A definition of

“homeless shelter” or “shelter” has been included in rule 265—42.2(16) to maintain consistency with 261—Chapter 41 regarding the Shelter Assistance Fund. To comply with Iowa Code section 17A.6(5), new rule 265—42.12(16) clarifies that references to the Code of Federal Regulations and United States Code in the chapter are to the laws as in effect on the effective date of the rulemaking adopting the new chapter.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025. A public hearing was held on the following date(s):

- March 11, 2025

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 265—Chapter 18.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on May 22, 2025. Comments should be directed to:

Lisa Connell
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50309
Email: lisa.connell@iowaeda.com

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

May 20, 2025 1963 Bell Avenue, Suite 200

9:45 to 10 a.m. Des Moines, Iowa

Registration information for online participation may be found at

opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review

May 22, 2025 1963 Bell Avenue, Suite 200

9:45 to 10 a.m. Des Moines, Iowa

Registration information for online participation may be found at

opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Authority and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or

at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 265—Chapter 42 and adopt the following **new** chapter in lieu thereof:

CHAPTER 42

EMERGENCY SOLUTIONS GRANT PROGRAM

265—42.1(16) Purpose. The Emergency Solutions Grant Program (ESG program) is a federal program of the U.S. Department of Housing and Urban Development (HUD) as set forth in Title 42 of the U.S. Code (42 U.S.C. Sections 11371-11378) as well as parts of Title 24 of the Code of Federal Regulations (24 CFR Part 576).

265—42.2(16) Definitions.

“Applicant” means an eligible provider of eligible homeless services that is applying for funds through the ESG program.

“Authority” means the Iowa finance authority.

“Domestic violence shelter” means a homeless shelter primarily or exclusively serving clients who are homeless due to domestic violence.

“DVIMS” means the Domestic Violence Information Management System, which is Iowa's designated database for domestic violence shelters.

“HMIS” means the Homeless Management Information System as defined in 24 CFR Part 576.

“Homeless” means the same as set forth in 24 CFR Part 576.

“Homeless shelter” or *“shelter”* means a facility properly zoned and lawfully operating in compliance with all state, county and municipal laws and regulations, including possessing all permits, licenses, certifications and other authorizations required for the facility's location, that provides temporary shelter with overnight sleeping accommodations

for homeless persons and that does not require occupants to sign leases or occupancy agreements.

“Private nonprofit organization” means an organization as set forth in 42 U.S.C. Section 11371 that has registered with the state of Iowa as a nonprofit corporation.

“SAF” means the shelter assistance fund as set forth in Iowa Code section 16.41.

“Subrecipient” means any private nonprofit organization or city or county government to which the authority distributes ESG program funds.

265—42.3(16) Eligible applicants. City governments, county governments, and private nonprofit organizations are eligible applicants under the ESG program. City or county governments may apply on behalf of a nonprofit service provider within their jurisdictions when the nonprofit service provider would otherwise qualify as an eligible applicant under the ESG program.

265—42.4(16) Eligible activities. Eligible activities may include only the following.

42.4(1) *Street outreach.* The provision of essential services necessary to reach out to unsheltered homeless people; to connect them with shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access shelter, housing, or an appropriate health facility.

42.4(2) *Shelter.* The provision of essential services to homeless families and individuals in shelters, the renovation of buildings to be used as emergency shelters for homeless families and individuals, and the operation of emergency shelters.

42.4(3) *Prevention of homelessness.* The provision of housing relocation and stabilization services, short- or medium-term rental assistance, or other financial assistance as necessary to prevent an individual or family from experiencing homelessness.

42.4(4) *Rapid rehousing.* The provision of housing relocation and stabilization services, short- or medium-term rental assistance, or other financial assistance as necessary to help an

individual or family experiencing homelessness to move as quickly as possible into permanent housing and achieve stability in that housing.

42.4(5) *Administrative costs.* A subrecipient may use a portion of a grant received for administrative purposes as determined by the authority.

42.4(6) *HMIS projects.* The authority may award grants for HMIS implementation to support data collection, reporting, and analysis as long as the total amount of such grants does not exceed 10 percent of the total ESG program allocation. Eligible costs may include equipment, software, services, personnel, space, and operations for HMIS activities. The authority may in its discretion award such a grant, subject to the terms of this subrule, without regard to the application and review provisions of rules 265—42.6(16) and 265—42.7(16). Subrecipients of grants in support of other eligible activities listed in subrules 42.4(1) through 42.4(4) may also use a portion of such grants to support data collection and reporting using the HMIS or the DVIMS.

265—42.5(16) *Ineligible activities.* Any activity that is not authorized under the provisions of the McKinney-Vento Homeless Assistance Act as amended by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), and implemented by 24 CFR Part 576, is ineligible to be carried out with ESG program funds.

265—42.6(16) *Application procedures.* The authority will issue requests for applications periodically, specifying requirements, priorities, period of funding, and maximum and minimum award amounts, subject to available funds. Requests for applications may be issued jointly with the SAF program. Only applications submitted as prescribed by the authority will be considered.

265—42.7(16) *Application review process.* Applications will be reviewed based on priorities established during each funding round in accordance with the state of Iowa consolidated plan for housing and community development. Review criteria include but are

not limited to applicant's project design, applicant experience and capacity, community partnerships and need, past performance, budget and grant management, project accessibility, project partnerships, the number of persons or households served, and how well the project leverages other resources.

42.7(1) If an application contains an activity determined to be ineligible, at the authority's discretion, the ineligible activity may be deleted from the application, the applicant may be referred to another funding source or the application may be disqualified.

42.7(2) Authority staff may review applications with other state agencies or any other party deemed appropriate in the authority's sole discretion.

42.7(3) Based on the review process and subject to available funding, the authority may revise the applicant's overall funding request by activity or funding level and recommend a final funding figure to the authority's board of directors for approval.

265—42.8(16) Matching requirement. Each subrecipient of ESG program funds must provide matching contributions according to the requirements for each round of funding. In calculating the amount of matching funds, the following may be included: cash contributions expended for allowable costs of the subrecipient for the ESG program or noncash contributions, including the value of any real property, equipment, goods, or services contributed to the subrecipient's ESG program-supported project, provided that, if the subrecipient had to pay for them with grant funds, the costs would have been allowable. The authority may allow an exemption of matching funds up to a maximum of \$100,000 of the state allocation received from HUD for the subrecipients least capable of providing such matching amounts. Subrecipients seeking this exemption from matching requirements must document their need for the exemption and receive prior approval from the authority before the exemption becomes effective.

265—42.9(16) Funding awards.

42.9(1) *Awards on behalf of multiple applicants.* A city or county government or private nonprofit organization may be designated, at the discretion of the authority, to administer a contract for multiple applicants within a prescribed geographic area.

42.9(2) *Right to negotiate.* The authority reserves the right to negotiate with the subrecipient the amount of the funding award, the scale or scope of the subrecipient's project, and alternative methods for completing the project.

42.9(3) *Special purpose awards.* The authority may, at its discretion, award any remaining funds as it sees fit within the ESG program regulations.

265—42.10(16) Compliance with applicable federal and state laws and regulations.

Subrecipients shall comply with the following:

1. Iowa Code governing activities performed under this program;
2. McKinney Homeless Assistance Act and its implementing regulations;
3. HEARTH Act; and
4. Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 CFR Part 200; and
5. Violence Against Women Act.

265—42.11(16) Administration.

42.11(1) *Contracts.* Upon selection of an application for funding, the authority will initiate a contract. These rules and applicable federal and state laws and regulations will become part of the contract. Certain activities may necessitate that permits or clearances be obtained from other state or federal agencies before the start of the project. Funding awards may be conditioned upon the timely completion of these requirements or any other conditions stipulated in the contract at the authority's sole discretion.

42.11(2) *Recordkeeping and retention.* Financial records, supporting documents, statistical records, and all other records pertinent to the funded project shall be retained by

the subrecipient and made available to the authority upon request. Private nonprofit subrecipients covered through an ESG program contract from a city or county government or another nonprofit organization are responsible for ensuring that pertinent records of their ESG program funds be made available to the administering city or county government or other nonprofit organization and to the authority upon request. Proper record retention must be in accordance with the following:

a. Retention of records for any assisted activity for five years after the end of the grant period and, if applicable, until audit procedures are completed and accepted by the authority.

b. Access to all books, accounts, documents, records, and other property belonging to or in use by a subrecipient pertaining to the receipt of assistance under these rules by representatives of the Secretary of HUD, the Inspector General, the General Accounting Office, the Office of Auditor of State, the authority or the authority's designee.

42.11(3) *Reporting requirements.* Subrecipients shall submit reports to the authority as prescribed in the contract. Reports include:

a. HMIS data reports. All subrecipients are required to submit regular reports on clients served using the current HMIS reporting process as prescribed by the authority unless a subrecipient qualifies as a domestic violence shelter, in which case the subrecipient must submit reports using the DVIMS.

b. Requests for funds. Subrecipients must submit requests for funds during the contract period at intervals and using forms as prescribed by the authority. The authority may perform any review or field inspections it deems necessary to ensure program compliance, including review of subrecipient records and reports. When problems of compliance are noted, the authority may require remedial actions to be taken. Failure to respond to notifications of need for remedial action may result in the remedies for noncompliance set forth in subrule 42.11(4).

42.11(4) *Remedies for noncompliance.* Should the authority find that a subrecipient is not in compliance with the requirements under this program, the authority may employ any remedies it deems appropriate, including but not limited to the following:

- a.* Issue a warning letter stating that continued failure to comply with program requirements within a stated period of time will result in a more serious action.
- b.* Condition a future award on correcting compliance issues.
- c.* Direct the subrecipient to stop incurring costs with grant funds.
- d.* Require that some or all of the awarded funds be remitted to the authority.
- e.* Reduce the level of funds the subrecipient would otherwise be entitled to receive.
- f.* Elect not to provide future award funds to the subrecipient until appropriate actions are taken to ensure compliance.

265—42.12(16) References. All references to the Code of Federal Regulations, United States Code, and federal acts, including the McKinney-Vento Homeless Assistance Act, the HEARTH Act, and the Violence Against Women Act, in this chapter are as in effect [effective date of this rulemaking].

These rules are intended to implement Iowa Code section 16.5(1)“*m*” and 42 U.S.C. Sections 11371 through 11378.