



**IOWA FINANCE
AUTHORITY**

**Board Meeting Tentative Agenda
Iowa Finance Authority
2015 Grand Ave., Des Moines, Iowa
October 2, 2013 11:00 a.m.**

I. Consent Agenda

- Approval of Minutes of the September 4, 2013, IFA Board Meeting
- Resolution ED 13-10A, Council Bluffs Marketplace Project
- Resolution WQ 12-23, SRF Construction Loans
- Resolution AG 13-006A, Shane R. and Windi K. Weirather

II. Administration

- ♦ Executive Director's Report
- **Accounting and Finance**
 - ♦ Review of Financial Statement
 - ♦ Resolution FIN 13-02-1, Amending Authorizing Resolution: FHLB Single-Family
 - ♦ Resolution FIN 13-03-1, Amending Authorizing Resolution: FHLB Multifamily
- **Legal**
 - ♦ Notice of Intended Action: Chapter 3, Multifamily Housing
 - ♦ Cedar Rapids Rose Homes, LP vs. IFA, Update and Possible Action re: Procedure and Retention of Outside Counsel
- **Communications**

III. Community Development

- **Economic Development Loan Program**
 - ♦ Resolution ED 13-06B-1, UnityPoint Health Project
 - ♦ Resolution ED 10-20B-5 & ED 12-09B-2, CCRR Project
 - ♦ Resolution ED 364H and ED 462H, Village Court Associates Project
- **Iowa Agricultural Development Division**
 - ♦ Resolution AG 13-006B, Shane R. and Windi K. Weirather
 - ♦ Resolution AG-TC 13-01, Beginning Farmer Tax Credit Program

IV. HousingIowa

- Resolution HI 13-19, Amendments to Single-Family Rehabilitation Revolving Loan Program #SF-2007-002 to HOME, Inc.
- Resolution HI 13-20, State Housing Trust Fund Project-Based Program Awards
- Resolution HI 13-21, Adopted & Filed: Chapter 12, Low-Income Housing Tax Credits, 2014 Qualified Allocation Plan

V. Miscellaneous Items

- Receive Comments from General Public – 5 min./person; 30 min. total time

VI. Adjournment

*Items may be removed from the consent agenda for separate consideration at the request of any Board member.
Agenda items may be taken out of order at the discretion of the Board Chair.*



BOARD MEETING MINUTES

**Coralville Marriott
300 E. 9th Avenue
Coralville, Iowa
September 4, 2013**

Board Members Present

Darlys Baum, Chair	Shaner Magalhães
Carmela Brown, Treasurer	Eric Peterson
Jeffrey Heil	Ruth Randleman
Joan Johnson	

Board Members Absent

David Greenspon, Vice Chair	Michel Nelson
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Staff Members Present

David Jamison, Executive Director/Board Secretary	Tim Morlan, Underwriter
Jerry Floyd, HOME Program Analyst	Terri Rosonke, HousingIowa Development Specialist
Cindy Harris, Chief Financial Officer	Mark Thompson, General Counsel
Deb Haugh, Director of Single-Family Production	Dave Vaske, Tax Credit Manager
Carolann Jensen, Chief Administration Officer	Nancy Wallis, Administrative Assistant/Recording Secretary
Katie Kulisky, Administrative Assistant	
Amber Lewis, Homeless Programs Coordinator	
Beth Mahaffey, Business Development Director	

Others Present

Bob Burns - Housing Trust Fund of Johnson County	Cory Hoeppepner - RBC
Maryann Dennis - Housing Trust Fund of Johnson County	Derek McGreal - RBC
Sam Erickson - Community Housing Initiatives	Erika Mullen - Wells Fargo
Bob Foggio - Morgan Stanley	Philip Porter - Enterprise
Paul Hoek - Wells Fargo	Sarah Reilly - Community Housing Initiatives
	James Smith - Dorsey & Whitney, LLP
	Jim Stretz - George K. Baum

Call to Order

Chair Baum called to order the September 4, 2013, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 5:14 p.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Brown, Heil, Johnson, Magalhães, Peterson and Randleman.

Consent Agenda

Chair Baum introduced the consent agenda and asked if anyone wanted to request that items be removed.

MOTION: There being no objections, Ms. Randleman made a motion to approve the items on the consent agenda, which included the following:

Approval of Minutes of the August 7, 2013, IFA Board Meeting;
Approval of July 2013 Financial Statement;
Resolution ED 13-07A, Goodwill Industries of the Heartland Project;
Resolution ED 13-08A, Floyd Valley Hospital Project;
Resolution ED 13-09A, Deerfield Retirement Community Project;
Resolution AG 13-002A, Alvie and Alice Meyer;
Resolution AG 13-003A, Brandon and Jessica Winter;
Resolution AG 13-004A, Jerry and Pamela Dunbar;
Resolution AG 13-005A, Aaron Lorch; and
Resolution WQ 13-22, SRF Construction Loans

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

Administration

Director Jamison thanked IFA staff for putting forth the effort to move the 2013 HousingIowa Conference to a location outside of Des Moines in effort to have a presence in other parts of the state.

Mr. Peterson arrived at 5:17 p.m.

ACCOUNTING AND FINANCE

Resolution FIN 13-11, Reimbursement Resolution for SRF

Ms. Harris introduced the resolution authorizing reimbursement of loan disbursements up to \$100 million from future SRF bond issues. She noted that IFA currently has about \$36 million in reimbursement authority remaining from what the Board approved in February 2013, and that committed SRF loans yet to be disbursed exceed \$188 million. Ms. Harris explained the advantages of funding SRF loans with current equity and then reimbursing the SRF program with funds from a future bond issue. She provided details on the history of IFA's use of such reimbursements.

MOTION: Ms. Brown made a motion to approve the resolution provided for reimbursement of certain costs for the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program. On a second by Ms. Randleman, the Board unanimously approved Resolution FIN 13-11.

Resolution FIN 13-12, Adopting and Approving the 2013A Mortgage Credit Certificate Program

Ms. Haugh introduced the resolution authorizing IFA to file a notice with the IRS to issue Mortgage Credit Certificates (MCCs) in lieu of issuing up to \$74,464,584 of private activity bond volume cap. She

noted that the program would allow IFA to use funds that would otherwise be lost if not used by the end of calendar year 2013.

MOTION: Mr. Heil made a motion to approve the resolution adopting and approving the 2013A Mortgage Credit Certificate Program, including the necessary election not to issue qualified mortgage bonds, and authorizing the execution and delivery of necessary elections; and delegating certain responsibilities to the Executive Director for finalizing certain matters, forms and contents of certain documents. On a second by Mr. Peterson, the Board unanimously approved Resolution FIN 13-12.

Chair Baum referred to the *Derivative and Liquidity Summary* and the Multifamily Loan Program review that were included in the Board materials.

LEGAL

Adopted and Filed Emergency and Notice of Intended Action – New Chapter 44, Iowa Agricultural Development Division (IADD) Program

Mr. Thompson reported that IFA plans to file an emergency adoption of the rules for IFA’s new IADD Program, as well as a Notice of Intended Action. He explained that this will allow the rules to become effective immediately, and then allow the new rules to go through the normal rule-making process, including time for public comment.

MOTION: On a motion by Mr. Magalhães and a second by Mr. Peterson, the Board unanimously approved the emergency adoption and the Notice of Intended Action for new Chapter 44, Iowa Agricultural Development Division (IADD) Program.

Schedule for Consideration of Appeal – Cedar Rapids Rose Homes, LP vs. IFA

Mr. Thompson explained that the Cedar Rapids Rose Homes, LP project previously filed an appeal of the 2013 tax credit awards. The Administrative Law Judge (ALJ) ruled on that appeal in August, after which the Attorney General’s office filed an appeal of that ruling on behalf of IFA staff. The appeal now comes before the IFA Board. Mr. Thompson explained that part of the process is that the Board needs to approve a schedule for consideration of appeal. He provided details of the process that might take place, given various circumstances and filings. Mr. Thompson then referred to Exhibit E that was included in the Board materials, and explained the proposed schedule.

MOTION: On a motion by Ms. Randleman and a second by Mr. Heil, the Board unanimously approved the Schedule for Consideration of Appeal.

Community Development

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 13-04B, Rowley Memorial Masonic Home Project

Ms. Harris introduced the resolution authorizing the issuance of an amount not to exceed \$20,000,000 of Iowa Finance Authority Senior Living Facilities Revenue and Refunding Bonds for the Rowley Memorial Masonic Home Project in Perry, located in Dallas County. She reported that the bonds will be used to construct a new 57-bed nursing facility, and to refund 2003 bonds. Ms. Harris said the facility will have a 16-unit assisted living wing, commercial kitchen, spa and community space. She noted that Rowley Memorial Masonic Home is a 501 c(3) private non-profit corporation. Ms. Harris stated that the inducement resolution was adopted on July 10, 2013, and that the public hearing was held on August 7, 2013, with no verbal or written comments being received.

MOTION: Ms. Brown made a motion to adopt the resolution authorizing the issuance of not to exceed \$20,000,000 of Iowa Finance Authority Senior Living Facilities Revenue and Refunding Bonds (Rowley Memorial Masonic Home Project) in one or more series for the purpose of making a loan to assist the borrower in refunding a portion of certain prior bonds, retiring certain existing indebtedness and in the acquisition, construction, renovation and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining thereto; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee and/or servicer; and related matters. On a second by Mr. Magalhães, the Board voted unanimously to adopt Resolution ED 13-04B.

Resolution ED 13-06B, UnityPoint Health Project

Ms. Randleman submitted a letter stating a possible conflict of interest, due to the fact that her spouse is employed by the applying entity. She said she would abstain from discussing or voting on the item

Ms. Harris introduced the resolution authorizing the issuance of an amount not to exceed \$280,000,000 of Iowa Finance Authority Health Facilities Revenue Bonds for the UnityPoint Health Project. She announced that the bonds will be used to refinance Series 2005A and 2009C bonds as well as for the acquisition, construction and equipping of facilities in Fort Dodge, Cedar Rapids, Muscatine, Sioux City, Dubuque, Des Moines and Waterloo. Ms. Harris explained that the inducement resolution was adopted on August 7, 2013, and that the public hearing was held at 8:30 a.m. on September 4, 2013, at the IFA offices, with no verbal or written comments being received. She noted that the resolution increases the original amount of the bonds due to increased refunding. UnityPoint is the new name of Iowa Health Systems, which is a 501 c(3) private non-profit corporation.

MOTION: Mr. Heil made a motion to adopt the resolution authorizing the issuance of not to exceed \$280,000,000 of Iowa Finance Authority Health Facilities Revenue Bonds (UnityPoint Health Project) in one or more series for the purpose of making a loan to assist the borrower in refunding a portion of certain prior bonds, retiring certain existing indebtedness and in the acquisition, construction, renovation and equipping of various projects; authorizing the execution and delivery of certain financing documents pertaining thereto; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee; and related matters. On a second by Mr. Peterson, a vote was taken with the following results: **YES:** Brown, Heil, Johnson, Magalhães, Peterson, and Baum; **NO:** None; **ABSTAIN:** Randleman [see attached letter]. The Board approved Resolution ED 13-06B on a majority vote.

IOWA AGRICULTURAL DEVELOPMENT DIVISION (IADD)

Chair Baum introduced the IADD resolutions.

MOTION: On a motion by Ms. Randleman and a second by Mr. Magalhães, the Board voted unanimously to approve the following resolutions:

AG #13-002B, Alvie and Alice Meyer

This is a resolution authorizing the issuance of \$250,000 for Alvie and Alice Meyer. The bond will be used to construct a bedded cattle confinement in Lyon County. The lender is Peoples Bank in Lester.

AG #13-003B, Brandon W. and Jessica L. Winter

This is a resolution authorizing the issuance of \$501,100 for Brandon W. and Jessica L. Winter. The bond will be used to purchase 170 acres of agricultural land in Hardin County. The lender is Community Bank in Nevada.

AG #13-004B, Jerry A. and Pamela A. Dunbar

This is a resolution authorizing the issuance of \$130,000 for Jerry A. and Pamela A. Dunbar. The bond will be used to purchase 78 acres of agricultural land and build a machine shed in Washington County. The lender is Federation Bank in Wellman.

AG #13-005B, Aaron O. Lorch

This is a resolution authorizing the issuance of \$500,000 for Aaron O. Lorch. The bond will be used to purchase 86.7 acres of agricultural land in Osceola County. The lender is Northwest Bank in Spencer.

AG #04314M, Steven D. and Tonia S. Westra, Hull

This is a resolution amending a \$297,500 Beginning Farmer Loan to Steven D. and Tonia S. Westra issued in 2008 to allow for the reduction in interest rate and rate floor. The lender is American State Bank in Hull.

AG #04495M, Shawn L. Sponheim, Osage

This is a resolution amending the \$248,500 Beginning Farmer Loan to Shawn L. Sponheim issued in 2010 to allow for the reduction in interest rate, payment amount and rate floor. The lender is US Bank in Boone.

HousingIowa

Resolution HI 13-17, Emergency Solutions Grant (ESG) Awards for 2014 Funding Round

Ms. Lewis introduced the resolution authorizing the allocation of funds for the federal Emergency Solutions Grant Program for the 2014 calendar year. She explained that the program provides assistance to help individuals and families experiencing a housing crisis to be quickly rehoused and stabilized. Ms. Lewis announced that IFA received 35 applications requesting funding. For the 2014 calendar year, IFA estimates that \$1,982,486 will be available for recipients. She noted that the attachment to the resolution includes a list of the 25 projects that scored above the threshold score of 94 points, as well as the funding that is being recommended by staff.

MOTION: Ms. Randleman made a motion to approve the resolution authorizing IFA, pursuant to chapter 42 of its administrative rules, to award approximately \$1,982,486 to 25 applicants as listed by the Proposed Iowa Statewide Emergency Solutions Grant Program Funding Awards for the 2014 Calendar Year, subject to final verification by IFA staff. On a second by Mr. Heil, the Board unanimously approved Resolution HI 13-17.

Resolution HI 13-18, USDA Rural Development LIHTC Awards

Mr. Vaske introduced the resolution authorizing the award of Low-Income Housing Tax Credits (LIHTC) to three projects under the Rural Development set-aside, pursuant to the 2013 Qualified Allocation Plan (QAP). He explained that two of the projects would also include an award of state HOME funds. Mr. Vaske noted that the three projects are sponsored by Community Housing Initiatives.

MOTION: Ms. Brown made a motion to approve the resolution awarding 2013 tax credits and (where indicated) HOME Program funding to the projects listed on Exhibit A of the resolution. On a second by Mr. Peterson, the Board unanimously approved Resolution HI 13-18.

Title Guaranty Division (TGD)

Chair Baum referred to the printed report included in the Board materials. She said there would be no verbal report.

Miscellaneous Items

Receive Comments from General Public

Chair Baum opened the public comment period and asked if anyone in the audience would like to address the Board.

Mr. Bob Burns, representing the Housing Trust Fund of Johnson County, addressed the Board regarding cost caps in the QAP, and the need for more affordable housing in Johnson County, as well as the high cost of purchasing land in the county.

There being no additional audience members wishing to address the Board, Chair Baum closed the public comment period.

Adjournment

There being no further business, on a motion by Mr. Magalhães and a second by Ms. Randleman, the September 4, 2013, regular monthly meeting of the IFA Board of Directors adjourned at 5:50 p.m.

Dated this 2nd day of October 2013.

Respectfully submitted:

Approved as to form:

David D. Jamison
Executive Director/Board Secretary
Iowa Finance Authority

Darlys J. Baum, Chair
Iowa Finance Authority

Memorandum

To: David Jamison, Executive Director
Mark Thompson, General Counsel
Nancy Wallis, Administrative Assistant

From: Ruth Randleman

Date: 9.04.13

Re: Disclosure of Conflict of Interest

Pursuant to Iowa Code section 16.3A, the undersigned member of the Board of the Iowa Finance Authority hereby discloses the following conflict of interest with respect to Unity Point Health Project ED 13-06B [describe matter to which the conflict applies – for example, Resolution #01-6A, a specific board action, tax credits, etc.]:

Spouse employed by applying entity

describe the conflict](the "Conflict").

Because of the Conflict, the undersigned will not participate in action by the Authority with respect to the matter described above.

Ruth Randleman
(Signature)

Ruth Randleman
(Printed Name)



IOWA FINANCE
AUTHORITY

To: IFA Board of Directors
From: Lori Beary, Community Development Director
Date: 9/21/13
Re: Economic Development & Water Quality

Consent Agenda

Economic Development Bond Program

ED Loan #13-10, Council Bluffs Marketplace Project

This is an application for \$10,000,000 of Iowa Finance Authority Taxable Commercial Facilities Revenue Bonds for the Council Bluffs Marketplace Project. The bonds will be used for the acquisition, construction and equipping of a shopping mall in Council Bluffs. The bonds will be repaid by TIF revenues.

- **Need Board action on Resolution ED 13-10A**

State Revolving Fund

SRF Construction Loans - WQ 13-23

This is a resolution to approve SRF Construction Loans for a total amount of \$1,535,000 for the City of Colfax, Bedford Water Works and Timber Ridge Water Utility. These loans will have an interest rate of 1.75% for 20 years or 2.75% for up to 30 years.

RESOLUTION
ED 13-10A

Approving an Application for \$10,000,000
Iowa Finance Authority Taxable Commercial Facilities Revenue Bonds
(Council Bluffs Marketplace Project), Series 2013
For IRR Corporate & Public Finance on behalf of Legacy Council Bluffs Marketplace, LLC (the
"Borrower")

And Evidencing the Intent to Proceed with the Issuance of
\$10,000,000 Taxable Commercial Facilities Revenue Bonds

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

WHEREAS, the Authority has received the Economic Development Loan Program Application set forth in Exhibit A attached hereto (the "Application") which Application is incorporated herein as though set out here in full; and

WHEREAS, the Application is a request that the Authority issue its Taxable Commercial Facilities Revenue Bonds in an amount not to exceed \$10,000,000 (the "Bonds") and loan the proceeds from the sale of the Bonds to the Borrower listed in the Application for the purposes stated therein (the "Project"); and

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

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

Section 1. Approval of Application. The Application is hereby approved, and the Executive Director of the Authority is authorized to notify the Borrower of such approval.

Section 2. Intent to Issue Bonds. It is hereby determined necessary and advisable that the Authority proceed with the issuance and sale of the Bonds as permitted by the Act and that the Authority hereby declares its intent to issue the Bonds to finance the Project, and that such actions will be taken by the Authority as may be required by the Act to authorize, issue and sell the Bonds.

Section 3. Execution and Approval of Agreements. The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bonds. The Authority's Program Counsel and/or General Counsel shall approve all agreements to be entered into in connection with the issuance of the Bonds, and such agreements

shall be authorized and approved after due consideration by the Authority prior to their execution by the Authority.

Section 4. Preliminary Official Statement. The Executive Director and the staff of the Authority are authorized to cooperate in the preparation of a preliminary official statement with respect to the Bonds, and that the Executive Director is authorized to execute and deliver such certificates to comply with SEC Rule 15c2-12 in connection with the offer, sale and issuance of the Bonds.

Section 5. Further Actions. The officers, Executive Director and Program Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and purpose of this Resolution, the accomplishment of the Project and the sale and issuance of the Bonds.

Section 6. Not Obligations of the Authority. The Bonds, when issued, shall be limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Borrower, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of, or claim against, the State of Iowa or the Authority or a charge against their general credit or general funds.

Section 7. Costs. It is to be understood that the Borrower shall pay all reasonable and necessary costs, including costs of counsel, and expenses of the Authority related to the Bonds and the Project.

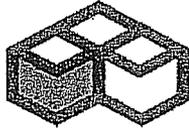
Section 8. Repealer. All resolutions, parts of resolutions, and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 2nd day of October, 2013.

David D. Jamison, Secretary

(Seal)

Exhibit A



IOWA FINANCE AUTHORITY

David D. Jamison, Executive Director
2015 Grand Avenue
Des Moines, Iowa 50312
(515) 725-4900 - (800) 432-7230

FOR IFA USE ONLY
Project No. ED 13-10
Application Received 9/6/13
Application Fee Received? [X]
Volume Cap? [] Yes [] No
Amount of Request \$ 10,000,000

Application forms can be obtained from the Authority's website at www.IowaFinanceAuthority.gov

ECONOMIC DEVELOPMENT BOND APPLICATION

Part A - Borrower Information

- 1. Project Name: Council Bluffs Marketplace
2. Contact Person/Title: John K. Hansen, CFA / Managing Director
Company: IRR Corporate & Public Finance (on behalf of Legacy Council Bluffs Marketplace, LLC)
Address: 1901 West 47th Place, Suite 300
City, State, Zip: Westwood, KS 66205
Telephone: 913-748-4711 E-mail: jhansen@irr.com
5. Principals: (If a partnership, list partners; if a corporation, list officers/directors and state of incorporation; if a nursing facility, list directors and principal staff.) Attach separate list if necessary.
RED Legacy, LLC
Dan Lowe, Managing Partner
4717 Central Street
Kansas City, MO 64112
6. If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose: N/A
7. Is the Borrower currently qualified to transact business within the State of Iowa? Yes [X] No []
8. If project is a Nursing Facility, is state certificate of need required: [] Yes [X] No
9. Total current FTE's of Borrower: N/A
Number of permanent FTE's created by the project: 275

Part B - Project Information

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

- 501 c (3) entity:
 - Private college or university
 - Housing facility for elderly or disabled persons
 - Museum or library facility
 - Voluntary nonprofit hospital, clinic or health care facility as defined in Section 135c.1 (6) of the Iowa Code. Specify: _____
 - Other 501c (3) entity (please specify) _____
- Manufacturing facility
- Agricultural processing facility
- Multi-family housing
- Solid Waste facility

3. Amount of Loan Request: \$ 10,000,000.00
Amount to be used for refunding: \$ 0.00

4. Address/Location of Project
Street/City/State 3271 Marketplace Drive, Council Bluffs, IA
County Pottawattamie

5. General Project Description:
The site currently consists of approximately 250,000 square feet of retail space of which about 13,000 square feet is vacant. The project plan proposes to complete and enhance the existing, partially constructed, Marketplace Council Bluffs Shopping Center. The project will include leasing of existing vacant space and the construction of approximately 150,000 square feet of commercial and retail space. The completed development will contain approximately 400,000 square feet of commercial and retail space.

Part B - Project Information continued

6. Does the Borrower expect to use bond proceeds to reimburse capital expenditures already made?
 ___ No
X Yes, in the amount of \$ TBD (There are IRS limitations on eligible reimbursable costs.)

7. Parties related to the Project:

- a. Principal User will be: N/A
- b. Seller (if any) of the Project: Marketplace Development, LLC
- c. Purchaser (if any) or Owner or Lessee of the Project: Legacy Council Bluffs Marketplace, LLC
- d. Relationship of Project Seller and Purchaser, if any: N/A

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

Sources:	Amount	Uses:	Amount
Bond Funding	\$ 10,000,000	Project Acquisition and	\$ 30,100,000
Private Funding	22,600,000	Cost to Complete	
		TIF Bank Loan Repayment	2,500,000
Total	\$ 32,600,000	Total	\$ 32,600,000

9. Type of Bond Sale Public Sale Private Placement

Part C - Professionals Participating in the Financing

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

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

Name: TBD
Firm Name: _____
Address: _____
City/State/Zip Code: _____
Telephone: _____ E-mail: _____

2. Counsel to the Borrower:

Name: Frank Brady
Firm Name: RED Legacy, LLC
Address: 4717 Central Street
City/State/Zip Code: Kansas City, MO 64112
Telephone: 913-253-2209 E-mail: fbrady@demetreesalt.com

3. Underwriter or Financial Institution purchasing the bonds:

Name: James J. Lahay
Firm Name: Stifel Nicolaus
Address: 501 North Broadway, 8th Floor
City/State/Zip Code: St. Louis, MO 63102
Telephone: 314-342-4002 E-mail: lahayj@stifel.com

4. Counsel to the Underwriter:

Name: TBD
Firm Name: _____
Address: _____
City/State/Zip Code: _____
Telephone: _____ E-mail: _____

5. Trustee: (if needed)

Name: TBD
Firm Name: _____
Address: _____
City/State/Zip Code: _____
Telephone: _____ E-mail: _____

PART D - Fees and Charges

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

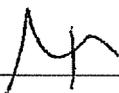
Applications will expire if the bonds are not issued within 18 months.

Submit application to the Authority at the following address:

Lori Beary
Community Development Director
Iowa Finance Authority
2015 Grand Avenue
Des Moines, IA 50312

2. An Issuer's fee will be due at the time of closing. The fee is 10 basis points for the first \$10 million and declines after that. Please contact Lori Beary at 515-725-4965 or lori.beary@iowa.gov for more information.
3. Borrower is required to pay the fees and expenses of Dorsey & Whitney, who serve as Issuer's Counsel. Bond documents should be sent to David Claypool (claypool.david@dorsey.com) or David Grossklaus (Grossklaus.David@dorsey.com) at Dorsey & Whitney and the Authority's Community Development Director (lori.beary@iowa.gov).

Dated this 6 day of SEPTEMBER, 2013

Borrower: _____ 

By: Member, DAN LOWE
Title: _____

RESOLUTION
WQ 13-23

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

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

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

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

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

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

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

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

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

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

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

PASSED AND APPROVED this 2nd day of October, 2013.

(Seal)

David D. Jamison, Secretary

Exhibit A

SRF Construction Loans

Borrower	County	Population	Amount	CW/ DW	Description
Colfax	Jasper	2,093	\$1,093,000	CW	Treatment & I/I Improvements
Bedford Water Works	Taylor	1,440	\$253,000	DW	Water Main
Timber Ridge Water Utility	Benton	224	\$189,000	DW	Rural Water Connection

Total

\$1,535,000



IOWA FINANCE
AUTHORITY

To: IFA Board of Directors
From: Tammy Nebola, Iowa Ag Program Specialist
Lori Beary, Community Development Director
Date: September 23, 2013
Re: Iowa Agricultural Division Beginning Farmer Loan Program

Consent Agenda

Iowa Agricultural Development Division

AG 13-006 Shane R. and Windi K. Weirather

This is an application for \$193,100 of Agricultural Development Revenue Bonds for Shane R. and Windi K. Weirather. The bond will be used: To purchase approximately 78.5 acres of agricultural land, house and out-buildings in Lee County. The lender is Pilot Grove Savings Bank in Donnellson.

- **Need Board action on Resolution AG 13-006A**

RESOLUTION
AG 13-006A

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

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 Chapters 16 and 175 of the Code of Iowa (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, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the "Project") being set out in Exhibit A attached hereto; and

WHEREAS, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Regulations") dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

Section 1. The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the "Bond") is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

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

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

Section 3. It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

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

Section 5. The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

Section 6. The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

Section 7. All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 2nd day of October, 2013.

(Seal)

David D. Jamison, Secretary

EXHIBIT A

- 1. Project Number:** AG 13-006
- 2. Beginning Farmer:** Shane R. and Windi K. Weirather
515 S 2nd St
Montrose, IA 52639-9614
- 3. Bond Purchaser:** Pilot Grove Savings Bank
521 Main St, PO Box 130
Donnellson, IA 52625-0130
- 4. Principal Amount:** \$193,100
- 5. Approval Date:** 10/2/2013
- 6. Project:** To purchase approximately 78.5 acres of agricultural land,
house and out-buildings



To: David D Jamison
 From: Steven E Harvey
 Date: September 23, 2013
 Re: August 2013 Financial Results

Financial Performance Targets:

Housing Agency:	6/30/2010	6/30/2011	6/30/2012	6/30/2013	8/31/2013	Budget
Equity/asset ratio > 12.2%	11.5%	16.9%	24.4%	31.9%	33.7%	32.4%
Return on assets ≥ .80%	0.46%	3.20%	1.87%	1.64%	0.49%	0.80%
Net interest margin > 1.15%	0.67%	0.78%	1.38%	1.27%	1.61%	1.67%
Loans/asset ratio > 80%	58.9%	63.9%	72.9%	77.0%	75.4%	75.9%
Loan & mbs portfolio	963,477,424	897,839,338	776,764,795	670,520,419	647,662,226	654,067,400
SRF loan portfolio	859,436,730	1,079,065,360	1,214,680,727	1,317,080,585	1,345,056,280	1,430,719,000
Staff Count	86	88	90	90	90	94

Housing Agency results –

YTD operating income of \$3,780,938 is \$36,083 or .9% unfavorable to budget.

- Fee income exceeds budget by \$335,541 led by TG fees.
- Net interest income exceeds budget by \$45,531 due to a high volume of MBS sales.
- Net grant expense exceeds budget by \$474,811 due to MBS sales and the associated DPA expense.

YTD operating expense of \$3,079,451 is \$167,489 or 5.8% unfavorable to budget.

- TG field issue fees are unfavorable by \$120,000 due to volume
- TG claim reserves are unfavorable by \$114,000.

Net operating income of \$701,487 is \$203,572 or 22.5% unfavorable to budget.

State Revolving Fund results -

YTD net operating loss of \$586,809 is favorable to budget by \$880,505. This loss is due to the issuance of bonds in the amount of \$115 million, the related cost of issuance, and the negative arbitrage.

Iowa Finance Authority
Summary Financial Information
August 31, 2013

Housing Agency	Current Month				Year to date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Fee income	1,086,517	858,740	227,777	26.5%	2,053,021	1,717,480	335,541	19.5%
Net interest income	1,255,426	1,112,388	143,038	12.9%	2,248,710	2,203,179	45,531	2.1%
Net grant income	(843,088)	(334,144)	(508,944)	152.3%	(655,771)	(180,960)	(474,811)	262.4%
Other income	103,375	45,161	58,214	128.9%	134,978	77,322	57,656	74.6%
Total operating income	1,602,230	1,682,145	(79,915)	-4.8%	3,780,938	3,817,021	(36,083)	-0.9%
Direct employee expense	741,411	793,908	(52,497)	-6.6%	1,575,896	1,621,459	(45,563)	-2.8%
Indirect operating expense	74,507	81,611	(7,104)	-8.7%	156,065	163,172	(7,107)	-4.4%
Marketing expense	77,258	66,035	11,223	17.0%	133,940	124,070	9,870	8.0%
Professional service expense	470,867	372,206	98,661	26.5%	907,653	840,317	67,336	8.0%
Provision for losses	155,148	66,590	88,558	133.0%	207,735	133,180	74,555	56.0%
Miscellaneous	82,545	14,882	67,663	454.7%	98,162	29,764	68,398	229.8%
Total operating expense	1,601,736	1,395,232	206,504	14.8%	3,079,451	2,911,962	167,489	5.8%
Net operating income (loss)	494	286,913	(286,419)	-99.8%	701,487	905,059	(203,572)	-22.5%
State Revolving Fund								
Fee income	326,862	323,704	3,158	1.0%	627,275	647,403	(20,128)	-3.1%
Net interest income	274,990	211,857	63,133	29.8%	(401,564)	(465,166)	63,602	-13.7%
Net grant income	275,642	(93,479)	369,121	-394.9%	280,448	(186,958)	467,406	-250.0%
Other income	-	-	-	0.0%	-	-	-	0.0%
Total operating income	877,494	442,082	435,412	98.5%	506,159	(4,721)	510,880	-10821.4%
Direct employee expense	57,572	72,588	(15,016)	-20.7%	122,213	148,457	(26,244)	-17.7%
Indirect operating expense	6,286	5,800	486	8.4%	12,740	11,600	1,140	9.8%
Marketing expense	665	1,400	(735)	-52.5%	2,509	2,800	(291)	-10.4%
Professional service expense	21,351	37,887	(16,536)	-43.6%	38,542	76,801	(38,259)	-49.8%
Provision for losses	-	-	-	0.0%	-	-	-	0.0%
Miscellaneous	594,477	669,560	(75,083)	-11.2%	916,964	1,222,935	(305,971)	-25.0%
Total operating expense	680,351	787,235	(106,884)	-13.6%	1,092,968	1,462,593	(369,625)	-25.3%
Net operating income (loss)	197,143	(345,153)	542,296	-157.1%	(586,809)	(1,467,314)	880,505	-60.0%
Consolidated								
Fee income	1,413,379	1,182,444	230,935	19.5%	2,680,297	2,364,883	315,414	13.3%
Net interest income	1,530,415	1,324,245	206,170	15.6%	1,847,145	1,738,013	109,132	6.3%
Net grant income	(567,447)	(427,623)	(139,824)	32.7%	(375,323)	(367,918)	(7,405)	2.0%
Other income	103,375	45,161	58,214	128.9%	134,978	77,322	57,656	74.6%
Total operating income	2,479,722	2,124,227	355,495	16.7%	4,287,097	3,812,300	474,797	12.5%
Direct employee expense	798,984	866,496	(67,512)	-7.8%	1,698,110	1,769,916	(71,806)	-4.1%
Indirect employee expense	80,792	87,411	(6,619)	-7.6%	168,807	174,772	(5,965)	-3.4%
Marketing expense	77,923	67,435	10,488	15.6%	136,450	126,870	9,580	7.6%
Professional service expense	492,218	410,093	82,125	20.0%	946,196	917,118	29,078	3.2%
Provision for losses	155,148	66,590	88,558	133.0%	207,735	133,180	74,555	56.0%
Miscellaneous	677,023	684,442	(7,419)	-1.1%	1,015,127	1,252,699	(237,572)	-19.0%
Total operating expense	2,282,088	2,182,467	99,621	4.6%	4,172,425	4,374,555	(202,130)	-4.6%
Net operating income (loss)	197,634	(58,240)	255,874	-439.3%	114,672	(562,255)	676,927	-120.4%

Note - minor rounding errors may occur

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
LOAN ORIGATION FEES	52,955-	83,532-	63.39	65,615-	169,265-	38.76	1004,587-	938,972-
EC DEV & MWD BOND FEES	20,169-	12,500-	161.35	26,169-	25,000-	104.68	150,000-	123,831-
TG FEES	803,768-	568,032-	141.50	1505,597-	1136,064-	132.53	6816,387-	5310,790-
LIHTC APP & RESERVATION FEES	5,824-	10,000-	58.24	14,424-	20,000-	72.12	1050,000-	1035,576-
LIHTC & 1602 COMPLIANCE FEES	30,121-	39,040-	77.15	62,331-	78,080-	79.83	468,494-	406,163-
SECTION 8 FEES	197,279-	197,658-	99.81	394,832-	395,316-	99.88	2371,903-	1977,071-
MISC FEES	303,263-	271,682-	111.62	611,327-	541,158-	112.97	3428,950-	2817,623-
TOTAL FEE INCOME	1413,379-	1182,444-	119.53	2680,295-	2364,883-	113.34	15290,321-	12610,026-
INVESTMENT INTERST INCOME	302,181-	324,422-	93.14	591,156-	685,783-	86.20	3926,097-	3334,941-
GAIN OR LOSS ON SALE	269,402-	170,068-	158.41	379,087-	340,137-	111.45	2040,824-	1661,737-
REBATE EXPENSE	45,524-		.00	45,524-		.00		45,524
MBS INTEREST INCOME	2126,408-	2205,244-	96.43	4188,150-	4432,326-	94.49	24908,205-	20720,055-
LOAN INTEREST INCOME	3331,553-	3303,922-	100.84	6616,189-	6544,875-	101.09	40544,207-	33928,018-
OTHER INTEREST INCOME			.00			.00		
TOTAL INTEREST INCOME	6075,068-	6003,656-	101.19	11820,106-	12003,121-	98.48	71419,333-	59599,227-
BOND INTEREST EXPENSE	5003,681	5062,879	98.83	10062,790	10290,973	97.78	59676,790	49614,000
COST OF ISSUANCE EXPENSE		30,071	.00	994,057	225,950	439.95	526,654	467,403-
DISCOUNT / PREMIUM AMORT	627,672-	552,422-	113.62	1356,507-	565,080-	240.06	6089,303-	4732,796-
REMARKETING FEES	17,123	18,648	91.82	34,370	37,295	92.16	223,765	189,395
LIQUIDITY FEES	76,478	70,131	109.05	155,371	140,264	110.77	841,588	686,217
OTHER INTEREST COSTS	53,018	50,104	105.82	82,881	135,706	61.07	636,750	553,869
TOTAL INTEREST EXPENSE	4522,628	4679,411	96.65	9972,962	10265,108	97.15	55816,244	45843,282
NET INTEREST INCOME	1552,440-	1324,245-	117.23	1847,144-	1738,013-	106.28	15603,089-	13755,945-
NET GRANT EXPENSE (INC)	569,894	427,623	133.27	375,323	367,918	102.01	26220,071-	26595,394-
AUTHORITY FEES			.00			.00		
OTHER INCOME	103,375-	45,161-	228.90	134,978-	77,322-	174.57	141,940-	6,962-
TOTAL OPERATING INCOME	2499,300-	2124,227-	117.66	4287,094-	3812,300-	112.45	57255,421-	52968,327-
OPERATING EXPENSES	2304,114	2182,467	105.57	4172,430	4374,555	95.38	26345,026	22172,596
NET OPERATING INCOME	195,186-	58,240	335.14-	114,664-	562,255	20.39-	30910,395-	30795,731-
NON OPERATING EXPENSES	3597,867		.00	6812,441		.00		6812,441-
NET INCOME	3402,681	58,240	5842.52	6697,777	562,255	1191.23	30910,395-	37608,172-

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
FEE INCOME	1413,379-	1182,444-	119.53	2680,297-	2364,883-	113.34	15290,321-	12610,024-
NET INTEREST INCOME	1552,442-	1324,245-	117.23	1847,145-	1738,013-	106.28	15603,089-	13755,944-
NET GRANT INCOME	569,894	427,623	133.27	375,323	367,918	102.01	26220,071-	26595,394-
AUTHORITY FEE INCOME			.00			.00		
OTHER INCOME	103,375-	45,161-	228.90	134,978-	77,322-	174.57	141,940-	6,962-
TOTAL OPERATING INCOME	2499,302-	2124,227-	117.66	4287,097-	3812,300-	112.45	57255,421-	52968,324-
SALARY & BENEFITS	801,019	847,083	94.56	1664,630	1731,090	96.16	10119,241	8454,611
TRAVEL & EDUCATION	19,991	19,413	102.98	33,480	38,826	86.23	233,026	199,546
OFFICE SUPPLIES AND POSTAGE	13,432	12,783	105.08	26,985	25,566	105.55	153,501	126,516
TELEPHONE & DATA	7,146	7,806	91.54	15,923	15,612	101.99	93,764	77,841
FACILITIES	15,410	17,795	86.60	33,013	35,540	92.89	213,544	180,531
EQUIPMENT & SOFTWARE	19,007	19,823	95.88	41,282	39,646	104.13	237,970	196,688
DEPRECIATION	25,797	29,204	88.33	51,604	58,408	88.35	350,466	298,862
STATE INDIRECT	5,158	6,293	81.96	17,116	12,586	135.99	75,611	58,495
MARKETING	77,923	67,435	115.55	136,450	126,870	107.55	387,249	250,799
PS - ACCOUNTING	9,964	10,847	91.86	19,927	21,694	91.85	130,172	110,245
PS - LEGAL	21,916	15,898	137.85	32,118	31,796	101.01	190,797	158,679
PS - S42 & HOME PHYS INSPECT	3,150	11,299	27.88	10,850	22,598	48.01	135,596	124,746
PS - LIHTC MARKET STUDY			.00			.00	358,165	358,165
PS - BANKING	34,130	41,672	81.90	82,350	114,959	71.63	529,836	447,486
PS - TG FIELD ISSUE FEE	305,640	216,628	141.09	553,000	433,256	127.64	2599,538	2046,538
PS - IT CONSULTING	44,930	36,422	123.36	60,472	72,844	83.02	437,093	376,621
PS - MISC CONSULTING	4,469	51,706	8.64	18,329	103,412	17.72	620,528	602,199
PS - S8 SERVICES	13,875	15,000	92.50	27,749	30,000	92.50	180,000	152,251
PS - STATE AUDITOR			.00	62,317	62,317	100.00	62,317	
PS - MISC	54,141	10,621	509.75	79,080	24,242	326.21	138,110	59,030
PROVISION FOR LOSSES	155,148	66,590	232.99	207,735	133,180	155.98	699,095	491,360
MISC EXPENSES	671,865	678,149	99.07	998,011	1240,113	80.48	8399,407	7401,396
INDIRECT COST TRANSFER			.00			.00		
TOTAL OPERATING EXPENSES	2304,111	2182,467	105.57	4172,421	4374,555	95.38	26345,026	22172,605
NET OPERATING INCOME	195,191-	58,240	335.15-	114,676-	562,255	20.40-	30910,395-	30795,719-
INTERAGENCY GRANTS			.00			.00		
FMVA	3597,867		.00	6812,441		.00		6812,441-
OTHER NON-OPERATING			.00			.00		
NET INCOME	3402,676	58,240	5842.51	6697,765	562,255	1191.23	30910,395-	37608,160-

DESCRIPTION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE	LAST YR BALANCE	% VAR
CASH	94,153,537.48	997,322.31-	93,156,215.17	120,821,532.19	77.10
CASH EQUIVALENTS	356,632,431.71	34,996,143.77-	321,636,287.94	352,552,276.21	91.23
INVESTMENTS	198,707,809.32	26,191,214.56-	172,516,594.76	153,184,594.44	112.62
INV FMVA	1,318,391.74	156,143.36-	1,162,248.38	2,253,195.56	51.58
MORTGAGE BACKED SECURITIES	522,843,643.35	13,170,180.66-	509,673,462.69	621,928,153.71	81.95
MBS FMVA	33,288,203.24	3,441,723.57-	29,846,479.67	64,971,851.19	45.94
OTHER HOUSING LOANS	137,659,438.87	329,324.62	137,988,763.49	133,081,286.57	103.69
SRF LOANS	1,328,301,707.91	16,754,571.72	1,345,056,279.63	1,238,073,117.99	108.64
INTEREST RECEIVABLE	9,587,642.40	3,246,259.59	12,833,901.99	13,319,251.87	96.36
CAPITAL ASSETS	4,991,595.51	260,057.98	5,251,653.49	4,772,746.41	110.03
PROVISION FOR ACCUMULATED DEPRECIATION	1,997,686.51-	56,302.66-	2,053,989.17-	1,734,798.51-	118.40
TRADE ACCOUNTS RECEIVABLE	364,823.06	89,479.31	454,302.37	804,241.91	56.49
OTHER ASSETS	36,424,529.38	885,187.72	37,309,717.10	14,614,447.70	255.29
DEFERRED DERIVATIVES	14,869,640.68		14,869,640.68	39,512,981.31	37.63
TOTAL ASSETS	2,737,145,708.14	57,444,149.95-	2,679,701,558.19	2,758,154,878.55	97.16
BOND PAYABLE	1,544,982,488.82-	43,041,139.29	1,501,941,349.53-	1,543,020,746.88-	97.34
INTEREST PAYABLE	20,304,647.49-	13,594,636.91	6,710,010.58-	7,624,147.35-	88.01
DEFERRED INCOME	3,806,509.41-	30,120.87	3,776,388.54-	17,848,879.17-	21.16
REBATES OWED	145,257.42-	45,524.31	99,733.11-	382,490.64-	26.07
RESERVE FOR LOSSES	5,173,040.88-	155,148.25-	5,328,189.13-	4,390,615.71-	121.35
ACCOUNTS PAYABLE & OTHER CURR LIAB	25,695,170.97-	321,173.04-	26,016,344.01-	62,493,437.20-	41.63
DERIVATIVE LIABILITY	25,600,000.00-		25,600,000.00-	39,510,326.03-	64.79
TOTAL LIABILITIES	1,625,707,114.99-	56,235,100.09	1,569,472,014.90-	1,675,270,642.98-	93.68
FUND BALANCE	1,098,680,597.77-	2,193,226.97-	1,100,873,824.74-	1,068,503,445.72-	103.03
TRANSFER BETWEEN FUNDS		403.62-	403.62-	28,116.12	1.44-
CURRENT YEAR EARNINGS	3,295,094.25	3,402,680.45	6,697,774.70	14,408,905.97-	46.48-
TOTAL NET ASSETS	1,095,385,503.52-	1,209,049.86	1,094,176,453.66-	1,082,884,235.57-	101.04
TOTAL LIABILITIES AND NET ASSETS	2,721,092,618.51-	57,444,149.95	2,663,648,468.56-	2,758,154,878.55-	96.57

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
LOAN ORIGATION FEES		7,520-	.00		15,040-	.00	90,243-	90,243-
EC DEV & MWD BOND FEES	20,169-	12,500-	161.35	26,169-	25,000-	104.68	150,000-	123,831-
MG FEES	803,768-	568,032-	141.50	1505,597-	1136,064-	132.53	6816,387-	5310,790-
LIHTC APP & RESERVATION FEES	5,824-	10,000-	58.24	14,424-	20,000-	72.12	1050,000-	1035,576-
LIHTC & 1602 COMPLIANCE FEES	30,121-	39,040-	77.15	62,331-	78,080-	79.83	468,494-	406,163-
SECTION 8 FEES	197,279-	197,658-	99.81	394,832-	395,316-	99.88	2371,903-	1977,071-
MISC FEES	29,355-	23,990-	122.36	49,666-	47,980-	103.51	287,880-	238,214-
TOTAL FEE INCOME	1086,516-	858,740-	126.52	2053,019-	1717,480-	119.54	11234,907-	9181,888-
INVESTMENT INTERST INCOME	260,446-	245,785-	105.96	486,728-	532,387-	91.42	3160,628-	2673,900-
GAIN OR LOSS ON SALE	269,402-	170,068-	158.41	379,087-	340,137-	111.45	2040,824-	1661,737-
REBATE EXPENSE			.00			.00		
MBS INTEREST INCOME	2126,408-	2205,244-	96.43	4188,150-	4432,326-	94.49	24908,205-	20720,055-
LOAN INTEREST INCOME	310,961-	326,091-	95.36	597,415-	648,501-	92.12	4181,819-	3584,404-
OTHER INTEREST INCOME			.00			.00		
TOTAL INTEREST INCOME	2967,217-	2947,188-	100.68	5651,380-	5953,351-	94.93	34291,476-	28640,096-
BOND INTEREST EXPENSE	1659,429	1718,628	96.56	3289,643	3517,826	93.51	19461,125	16171,482
COST OF ISSUANCE EXPENSE		30,071	.00	95,303	60,142	158.46	360,846	265,543
DISCOUNT / PREMIUM AMORT	65,849-	13,078-	503.51	177,182-	26,155-	677.43	156,929-	20,253
REMARKETING FEES	17,123	18,648	91.82	34,370	37,295	92.16	223,765	189,395
LIQUIDITY FEES	76,478	70,131	109.05	155,371	140,264	110.77	841,588	686,217
OTHER INTEREST COSTS	2,583	10,400	24.84	5,166	20,800	24.84	124,800	119,634
TOTAL INTEREST EXPENSE	1689,764	1834,800	92.10	3402,671	3750,172	90.73	20855,195	17452,524
NET INTEREST INCOME	1277,453-	1112,388-	114.84	2248,709-	2203,179-	102.07	13436,281-	11187,572-
NET GRANT EXPENSE (INC)	845,536	334,144	253.05	655,771	180,960	362.38	1262,129	606,358
AUTHORITY FEES			.00			.00		
OTHER INCOME	103,375-	45,161-	228.90	134,978-	77,322-	174.57	141,940-	6,962-
TOTAL OPERATING INCOME	1621,808-	1682,145-	96.41	3780,935-	3817,021-	99.05	23550,999-	19770,064-
OPERATING EXPENSES	1623,762	1395,232	116.38	3079,456	2911,962	105.75	16634,675	13555,219
NET OPERATING INCOME	1,954	286,913-	.68-	701,479-	905,059-	77.51	6916,324-	6214,845-
NON OPERATING EXPENSES	3544,489		.00	6787,056		.00		6787,056-
NET INCOME	3546,443	286,913-	1236.07-	6085,577	905,059-	672.40-	6916,324-	13001,901-

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
FEE INCOME	1086,517-	858,740-	126.52	2053,021-	1717,480-	119.54	11234,907-	9181,886-
NET INTEREST INCOME	1277,453-	1112,388-	114.84	2248,710-	2203,179-	102.07	13436,281-	11187,571-
NET GRANT INCOME	845,536	334,144	253.05	655,771	180,960	362.38	1262,129	606,358
AUTHORITY FEE INCOME			.00			.00		
OTHER INCOME	103,375-	45,161-	228.90	134,978-	77,322-	174.57	141,940-	6,962-
TOTAL OPERATING INCOME	1621,809-	1682,145-	96.41	3780,938-	3817,021-	99.05	23550,999-	19770,061-
SALARY & BENEFITS	754,379	784,727	96.13	1560,888	1603,543	97.34	9375,025	7814,137
TRAVEL & EDUCATION	19,991	18,983	105.31	33,480	37,966	88.18	227,866	194,386
OFFICE SUPPLIES AND POSTAGE	13,065	12,263	106.54	26,128	24,526	106.53	147,261	121,133
TELEPHONE & DATA	6,883	7,426	92.69	15,375	14,852	103.52	89,204	73,829
FACILITIES	14,758	16,805	87.82	31,629	33,560	94.25	201,664	170,035
EQUIPMENT & SOFTWARE	18,836	19,593	96.14	40,995	39,186	104.62	235,210	194,215
DEPRECIATION	20,965	25,524	82.14	41,938	51,048	82.15	306,299	264,361
STATE INDIRECT	4,938	5,933	83.23	16,609	11,866	139.97	71,291	54,682
MARKETING	77,258	66,035	117.00	133,940	124,070	107.96	370,449	236,509
PS - ACCOUNTING	9,540	10,187	93.65	19,079	20,374	93.64	122,252	103,173
PS - LEGAL	21,916	7,638	286.93	32,118	15,276	210.25	91,677	59,559
PS - S42 & HOME PHYS INSPECT	3,150	11,299	27.88	10,850	22,598	48.01	135,596	124,746
PS - LIHTC MARKET STUDY			.00			.00	358,165	358,165
PS - BANKING	13,204	19,035	69.37	44,750	68,658	65.18	259,079	214,329
PS - TG FIELD ISSUE FEE	305,640	216,628	141.09	553,000	433,256	127.64	2599,538	2046,538
PS - IT CONSULTING	44,930	36,362	123.56	60,378	72,724	83.02	436,373	375,995
PS - MISC CONSULTING	4,469	45,436	9.84	18,329	90,872	20.17	545,288	526,959
PS - S8 SERVICES	13,875	15,000	92.50	27,749	30,000	92.50	180,000	152,251
PS - STATE AUDITOR			.00	62,317	62,317	100.00	62,317	
PS - MISC	54,141	10,621	509.75	79,080	24,242	326.21	130,610	51,530
PROVISION FOR LOSSES	155,148	66,590	232.99	207,735	133,180	155.98	699,095	491,360
MISC EXPENSES	77,608	8,949	867.23	81,553	17,898	455.65	107,407	25,854
INDIRECT COST TRANSFER	10,932-	9,802-	111.53	18,472-	20,050-	92.13	116,991-	98,519-
TOTAL OPERATING EXPENSES	1623,762	1395,232	116.38	3079,448	2911,962	105.75	16634,675	13555,227
NET OPERATING INCOME	1,953	286,913-	.68-	701,490-	905,059-	77.51	6916,324-	6214,834-
INTERAGENCY GRANTS			.00			.00		
FMVA	3544,489		.00	6787,056		.00		6787,056-
OTHER NON-OPERATING			.00			.00		
NET INCOME	3546,442	286,913-	1236.07-	6085,566	905,059-	672.39-	6916,324-	13001,890-

DESCRIPTION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE	LAST YR BALANCE	% VAR
CASH	33,355,020.69	2,710,351.39-	30,644,669.30	59,175,801.94	51.79
CASH EQUIVALENTS	112,112,014.13	6,986,161.55	119,098,175.68	107,238,802.44	111.06
INVESTMENTS	18,799,459.39	24,164.17-	18,775,295.22	53,861,726.25	34.86
INV FMVA	1,496,180.25	102,765.44-	1,393,414.81	2,209,256.70	63.07
MORTGAGE BACKED SECURITIES	522,843,643.35	13,170,180.66-	509,673,462.69	621,928,153.71	81.95
MBS FMVA	33,288,203.24	3,441,723.57-	29,846,479.67	64,971,851.19	45.94
OTHER HOUSING LOANS	137,659,438.87	329,324.62	137,988,763.49	133,081,286.57	103.69
SRF LOANS					
INTEREST RECEIVABLE	3,217,572.06	190,481.91	3,408,053.97	4,164,148.37	81.84
CAPITAL ASSETS	4,859,095.51	260,057.98	5,119,153.49	4,772,746.41	107.26
PROVISION FOR ACCUMULATED DEPRECIATION	1,975,603.15-	52,622.10-	2,028,225.25-	1,734,798.51-	116.91
TRADE ACCOUNTS RECEIVABLE	202,728.95	4,703.49	207,432.44	181,170.73	114.50
OTHER ASSETS	35,870,344.32	630,025.11	36,500,369.43	12,422,987.88	293.81
DEFERRED DERIVATIVES	14,869,640.68		14,869,640.68	39,512,981.31	37.63
TOTAL ASSETS	916,597,738.29	11,101,052.67-	905,496,685.62	1,101,786,114.99	82.18
BOND PAYABLE	525,519,052.53-	9,373,999.34	516,145,053.19-	657,156,682.17-	78.54
INTEREST PAYABLE	1,867,285.96-	1,071,270.75-	2,938,556.71-	4,392,616.40-	66.90
DEFERRED INCOME	3,806,509.41-	30,120.87	3,776,388.54-	4,628,139.18-	81.60
REBATES OWED	29,076.94-		29,076.94-	16,098.73-	180.62
RESERVE FOR LOSSES	5,173,040.88-	155,148.25-	5,328,189.13-	4,390,615.71-	121.35
ACCOUNTS PAYABLE & OTHER CURR LIAB	24,618,360.34-	645,212.01-	25,263,572.35-	61,867,956.17-	40.83
DERIVATIVE LIABILITY	25,600,000.00-		25,600,000.00-	39,510,326.03-	64.79
TOTAL LIABILITIES	586,613,326.06-	7,532,489.20	579,080,836.86-	771,962,434.39-	75.01
FUND BALANCE	316,470,453.57-	22,523.08	316,447,930.49-	326,324,313.58-	96.97
TRANSFER BETWEEN FUNDS		403.62-	403.62-	28,116.12	1.44-
CURRENT YEAR EARNINGS	2,539,130.97	3,546,444.01	6,085,574.98	3,527,483.14-	172.52-
TOTAL NET ASSETS	313,931,322.60-	3,568,563.47	310,362,759.13-	329,823,680.60-	94.10
TOTAL LIABILITIES AND NET ASSETS	900,544,648.66-	11,101,052.67	889,443,595.99-	1,101,786,114.99-	80.73

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
LOAN ORIGATION FEES	52,955-	76,012-	69.67	65,615-	154,225-	42.54	914,344-	848,729-
EC DEV & MWD BOND FEES								
MG FEES								
LIHTC APP & RESERVATION FEES								
LIHTC & 1602 COMPLIANCE FEES								
SECTION 8 FEES								
MISC FEES	273,907-	247,692-	110.58	561,660-	493,178-	113.89	3141,070-	2579,410-
TOTAL FEE INCOME	326,862-	323,704-	100.98	627,275-	647,403-	96.89	4055,414-	3428,139-
INVESTMENT INTERST INCOME	41,734-	78,637-	53.07	104,427-	153,396-	68.08	765,469-	661,042-
GAIN OR LOSS ON SALE			.00			.00		
REBATE EXPENSE	45,524-		.00	45,524-		.00		45,524
MBS INTEREST INCOME			.00			.00		
LOAN INTEREST INCOME	3020,592-	2977,831-	101.44	6018,773-	5896,374-	102.08	36362,388-	30343,615-
OTHER INTEREST INCOME								
TOTAL INTEREST INCOME	3107,850-	3056,468-	101.68	6168,724-	6049,770-	101.97	37127,857-	30959,133-
BOND INTEREST EXPENSE	3344,252	3344,251	100.00	6773,147	6773,147	100.00	40215,665	33442,518
COST OF ISSUANCE EXPENSE			.00	898,753	165,808	542.04	165,808	732,945-
DISCOUNT / PREMIUM AMORT	561,824-	539,344-	104.17	1179,325-	538,925-	218.83	5932,374-	4753,049-
REMARKETING FEES								
LIQUIDITY FEES								
OTHER INTEREST COSTS	50,435	39,704	127.03	77,715	114,906	67.63	511,950	434,235
TOTAL INTEREST EXPENSE	2832,863	2844,611	99.59	6570,290	6514,936	100.85	34961,049	28390,759
NET INTEREST INCOME	274,987-	211,857-	129.80	401,566	465,166	86.33	2166,808-	2568,374-
NET GRANT EXPENSE (INC)	275,642-	93,479	294.87-	280,448-	186,958	150.01-	27482,200-	27201,752-
AUTHORITY FEES			.00			.00		
OTHER INCOME			.00			.00		
TOTAL OPERATING INCOME	877,491-	442,082-	198.49	506,157-	4,721	721.39-	33704,422-	33198,265-
OPERATING EXPENSES	680,351	787,235	86.42	1092,973	1462,593	74.73	9710,351	8617,378
NET OPERATING INCOME	197,140-	345,153	57.12-	586,816	1467,314	39.99	23994,071-	24580,887-
NON OPERATING EXPENSES	53,377		.00	25,385		.00		25,385-
NET INCOME	143,763-	345,153	41.65-	612,201	1467,314	41.72	23994,071-	24606,272-

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
FEE INCOME	326,862-	323,704-	100.98	627,275-	647,403-	96.89	4055,414-	3428,139-
NET INTEREST INCOME	274,990-	211,857-	129.80	401,564	465,166	86.33	2166,808-	2568,372-
NET GRANT INCOME	275,642-	93,479	294.87-	280,448-	186,958	150.01-	27482,200-	27201,752-
AUTHORITY FEE INCOME			.00			.00		
OTHER INCOME			.00			.00		
TOTAL OPERATING INCOME	877,494-	442,082-	198.49	506,159-	4,721	721.44-	33704,422-	33198,263-
SALARY & BENEFITS	46,640	62,356	74.80	103,741	127,547	81.34	744,216	640,475
TRAVEL & EDUCATION		430	.00		860	.00	5,160	5,160
OFFICE SUPPLIES AND POSTAGE	367	520	70.58	857	1,040	82.40	6,240	5,383
TELEPHONE & DATA	264	380	69.47	548	760	72.11	4,560	4,012
FACILITIES	652	990	65.86	1,384	1,980	69.90	11,880	10,496
EQUIPMENT & SOFTWARE	171	230	74.35	286	460	62.17	2,760	2,474
DEPRECIATION	4,832	3,680	131.30	9,665	7,360	131.32	44,167	34,502
STATE INDIRECT	219	360	60.83	506	720	70.28	4,320	3,814
MARKETING	665	1,400	47.50	2,509	2,800	89.61	16,800	14,291
PS - ACCOUNTING	424	660	64.24	847	1,320	64.17	7,920	7,073
PS - LEGAL		8,260	.00		16,520	.00	99,120	99,120
PS - S42 & HOME PHYS INSPECT								
PS - LIHTC MARKET STUDY								
PS - BANKING	20,927	22,637	92.45	37,600	46,301	81.21	270,757	233,157
PS - TG FIELD ISSUE FEE								
PS - IT CONSULTING		60	.00	94	120	78.33	720	626
PS - MISC CONSULTING		6,270	.00		12,540	.00	75,240	75,240
PS - S8 SERVICES								
PS - STATE AUDITOR								
PS - MISC			.00			.00	7,500	7,500
PROVISION FOR LOSSES			.00			.00		
MISC EXPENSES	594,258	669,200	88.80	916,458	1222,215	74.98	8292,000	7375,542
INDIRECT COST TRANSFER	10,932	9,802	111.53	18,472	20,050	92.13	116,991	98,519
TOTAL OPERATING EXPENSES	680,351	787,235	86.42	1092,967	1462,593	74.73	9710,351	8617,384
NET OPERATING INCOME	197,143-	345,153	57.12-	586,808	1467,314	39.99	23994,071-	24580,879-
INTERAGENCY GRANTS								
FMVA	53,377		.00	25,385		.00		25,385-
OTHER NON-OPERATING			.00			.00		
NET INCOME	143,766-	345,153	41.65-	612,193	1467,314	41.72	23994,071-	24606,264-

DESCRIPTION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE	LAST YR BALANCE	% VAR
CASH	60,798,516.79	1,713,029.08	62,511,545.87	61,645,730.25	101.40
CASH EQUIVALENTS	244,520,417.58	41,982,305.32-	202,538,112.26	245,313,473.77	82.56
INVESTMENTS	179,908,349.93	26,167,050.39-	153,741,299.54	99,322,868.19	154.79
INV FMVA	177,788.51-	53,377.92-	231,166.43-	43,938.86	526.11-
MORTGAGE BACKED SECURITIES					
MBS FMVA					
OTHER HOUSING LOANS					
SRF LOANS	1,328,301,707.91	16,754,571.72	1,345,056,279.63	1,238,073,117.99	108.64
INTEREST RECEIVABLE	6,370,070.34	3,055,777.68	9,425,848.02	9,155,103.50	102.96
CAPITAL ASSETS	132,500.00		132,500.00		
PROVISION FOR ACCUMULATED DEPRECIATION	22,083.36-	3,680.56-	25,763.92-		
TRADE ACCOUNTS RECEIVABLE	162,094.11	84,775.82	246,869.93	623,071.18	39.62
OTHER ASSETS	554,185.06	255,162.61	809,347.67	2,191,459.82	36.93
DEFERRED DERIVATIVES					
TOTAL ASSETS	1,820,547,969.85	46,343,097.28-	1,774,204,872.57	1,656,368,763.56	107.11
BOND PAYABLE	1,019,463,436.29-	33,667,139.95	985,796,296.34-	885,864,064.71-	111.28
INTEREST PAYABLE	18,437,361.53-	14,665,907.66	3,771,453.87-	3,231,530.95-	116.71
DEFERRED INCOME				13,220,739.99-	
REBATES OWED	116,180.48-	45,524.31	70,656.17-	366,391.91-	19.28
RESERVE FOR LOSSES					
ACCOUNTS PAYABLE & OTHER CURR LIAB	1,076,810.63-	324,038.97	752,771.66-	625,481.03-	120.35
DERIVATIVE LIABILITY					
TOTAL LIABILITIES	1,039,093,788.93-	48,702,610.89	990,391,178.04-	903,308,208.59-	109.64
FUND BALANCE	782,210,144.20-	2,215,750.05-	784,425,894.25-	742,179,132.14-	105.69
TRANSFER BETWEEN FUNDS					
CURRENT YEAR EARNINGS	755,963.28	143,763.56-	612,199.72	10,881,422.83-	5.63-
TOTAL NET ASSETS	781,454,180.92-	2,359,513.61-	783,813,694.53-	753,060,554.97-	104.08
TOTAL LIABILITIES AND NET ASSETS	1,820,547,969.85-	46,343,097.28	1,774,204,872.57-	1,656,368,763.56-	107.11

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
Grant Income - Private Funds								
Rural Home DPA (FHLB)			.00			.00		
Real Estate Owned DPA (FHLB)			.00			.00		

Total Private Sector Funds			.00			.00		
Grant Income - State Funds								
Approp, RETA Int, RETT	533,577-	273,000-	195.45	1376,352-	1023,000-	134.54	6000,000-	4623,648-
HCBS Rent Subsidy	54,826-	54,833-	99.99	113,927-	109,666-	103.89	658,000-	544,073-
Military DPA	289,064-	133,333-	216.80	737,505-	266,666-	276.57	1600,000-	862,495-
Shelter Assistance Fund		75,000-	.00		150,000-	.00	900,000-	900,000-
Aftercare Rent Subsidy	1,915-	4,000-	47.88	3,591-	8,000-	44.89	48,000-	44,409-
Wastewater Treatment Grants			.00			.00		
Jumpstart			.00			.00		
IJOBS - FY10 Programs	508,636-	1500,000-	33.91	676,452-	3000,000-	22.55	18000,000-	17323,548-
IJOBS - Administration			.00			.00		
IJOBS - FY11 Programs	384,360-	2500,000-	15.37	405,770-	5000,000-	8.12	30000,000-	29594,230-
Iowans Helping Iowans			.00			.00		
Mortgage Settlement Funds		115,500-	.00	209,831-	231,000-	90.84	1386,000-	1176,169-
Misc State Funds	21,958-		.00	37,578-		.00	50,000-	12,422-

Total State Funds	1794,336-	4655,666-	38.54	3561,006-	9788,332-	36.38	58642,000-	55080,994-
Grant Income - Federal Funds								
Telework & AFP (84.235T & 84.224C)			.00			.00		
Hsg Ops Persons with Aids (14.241)	22,740-	35,000-	64.97	22,740-	70,000-	32.49	420,000-	397,260-
Rural Comm Dev Initiative (10.446)			.00			.00		
Emergency Shelter Grant Prog (14.231)	255,303-	160,000-	159.56	388,354-	325,319-	119.38	1925,319-	1536,965-
HSG Counseling Assistance (14.169)			.00			.00		
Shelter Care Plus (14.238)			.00			.00		
National Foreclosue Mit. (21.000)	167,005-	50,355-	331.66	167,005-	100,710-	165.83	604,266-	437,261-
LIHTC S1602 (21.XXX)			.00			.00		
TCAP (14.258)			.00			.00		
Homelessness Prevention (14.257)			.00		895-	.00	895-	895-
HOME (14.239)	197,679-	533,787-	37.03	1159,468-	1071,088-	108.25	6405,220-	5245,752-
SSBG (93.667)			.00			.00		
CDBG (14.228)			.00			.00		
Grant Income - Misc Fed Funds								

Total Federal Funds	642,727-	779,142-	82.49	1737,567-	1568,012-	110.81	9355,700-	7618,133-

Total Grant Income	2437,063-	5434,808-	44.84	5298,573-	11356,344-	46.66	67997,700-	62699,127-
=====								

DESCRIPTION	THIS MONTH			THIS Y-T-D			ANNUAL BUDGET	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
Grant Expense - IFA Funds								
Serv Acq Fee / Release Premium	105,386		.00	151,696		.00		151,696-
FirstHome Plus	316,325	227,083	139.30	590,977	453,566	130.30	2757,394	2166,417
Misc IFA Grants		500	.00	12,405	1,000	1240.50	6,000	6,405-
Total IFA Grants	421,711	227,583	185.30	755,078	454,566	166.11	2763,394	2008,316
Grant Expense - Private Funds								
Rural Home DPA (FHLB)			.00			.00		
Real Estate Owned DPA (FHLB)			.00			.00		
Total Private Sector Grant Funds			.00			.00		
Grant Expense - State Funds								
State Housing Trust Fund	570,698	500,000	114.14	946,876	1000,000	94.69	6000,000	5053,124
HCBS Rent Subsidy	51,962	50,995	101.90	108,122	101,990	106.01	611,940	503,818
Military DPA	289,064	133,333	216.80	737,505	266,666	276.57	1600,000	862,495
Shelter Assistance Fund	145,331	72,500	200.46	226,102	145,000	155.93	870,000	643,898
Aftercare Rent Subsidy	1,915	4,000	47.88	3,591	8,000	44.89	48,000	44,409
Wastewater Treatment Grants			.00			.00		
Jumpstart			.00			.00		
IJOBS - FY10 Programs	508,636	1500,000	33.91	676,452	3000,000	22.55	18000,000	17323,548
IJOBS - FY11 Programs	384,360	2500,000	15.37	405,770	5000,000	8.12	30000,000	29594,230
Iowans Helping Iowans			.00			.00		
Mortgage Settlement Fund	156,663	107,415	145.85	291,414	214,830	135.65	1288,980	997,566
Misc State Funds			.00			.00		
Total State Funds	2108,629	4868,243	43.31	3395,832	9736,486	34.88	58418,920	55023,088
Grant Expense - Federal Funds								
Telework & AFP (84.235T & 84.224C)			.00			.00		
Hsg Ops Persons with Aids (14.241)	22,740	31,500	72.19	22,740	63,000	36.10	378,000	355,260
Rural Comm Dev Initiative (10.446)			.00			.00		
Emergency Shelter Grant Prog (14.231)	255,303	144,000	177.29	388,354	288,000	134.85	1728,000	1339,646
HSG Counseling Assistance (14.169)			.00			.00		
Shelter Care Plus (14.238)			.00			.00		
National Foreclosure Mit. (21.000)	11,310	47,626	23.75	146,450	95,252	153.75	571,515	425,065
LIHTC S1602 (21.XXX)			.00			.00		
TCAP (14.258)			.00			.00		
Homeless Prev & RR (14.257)			.00			.00		
HOME (14.239)	462,909	450,000	102.87	1245,891	900,000	138.43	5400,000	4154,109
SSBG (93.667)			.00			.00		
CDBG (14.228)			.00			.00		
Total Federal Funds	752,262	673,126	111.76	1803,435	1346,252	133.96	8077,515	6274,080
Total Grant Expense	3282,602	5768,952	56.90	5954,345	11537,304	51.61	69259,829	63305,484



To: Iowa Finance Authority Board
From: Cindy Harris, Chief Financial Officer
Mark Fairley, Finance & Investment Manager
Rob Tietz, Finance & Funding Manager
Date: October 2, 2013
Subject: Amending Resolutions Authorizing Single Family Mortgage Bonds and Multifamily Housing Bonds Taxable Private Placement with the Federal Home Loan Bank of Des Moines (“FHLB”)

Recommendation

Approve the proposed amending resolutions, FIN 13-02-1 and FIN 13-03-1, authorizing private placements of taxable single family and multifamily **fixed rate** bonds with the FHLB.

Background

On March 13, 2013 the Board approved Resolutions FIN 13-02 and FIN 13-03 which allowed the Authority to privately place single family and multifamily bonds with the Federal Home Loan Bank. These bonds could only be LIBOR based index bonds. After the FHLB participated in the Authority’s Single Family Mortgage Revenue Bond Series 2 and Series 4 bond offering and purchased \$17.5 million of fixed rate bonds, the Authority’s finance team approached the FHLB about including a fixed rate bond placement in their facility. The FHLB was open to this additional pricing option and both parties are currently working through the documents to reflect this.

The terms such as final maturity date, minimum placement of \$1 million, etc. are the same as those defined in the prior resolution. The amending resolutions will just allow the Authority to privately place bonds with a fixed rate with the FHLB. This will give the Authority another option to be able to put **fixed rate** assets and liabilities on the balance sheet with minimal cost of issuance.

RESOLUTION
FIN 13-02-1

Resolution Amending the Resolution Authorizing the Issuance of
not to exceed \$100,000,000 Iowa Finance Authority
Single Family Mortgage Bonds, Taxable Placement Series B
(Mortgage-Backed Securities Program)

Resolution amending the Resolution Adopting and Approving a Series Resolution Relating to Single Family Mortgage Bonds, Taxable Placement Series B (Mortgage-Backed Securities Program) and Authorizing the Issuance, Sale and Delivery of the Authority's Single Family Mortgage Bonds Pursuant to Such Series Resolution; Authorizing the Execution and Delivery of a Contract of Purchase and a Continuing Disclosure Agreement; and Delegating Certain Responsibilities to the Executive Director for Finalizing Certain Matters, Forms and Contents of Certain Documents.

WHEREAS, the Iowa Finance Authority (the "Authority") on the 13th day of March, 2013, approved a resolution (the "Original Resolution") authorizing the issuance of the above-captioned bonds (the "Bonds"), and the sale of such Bonds pursuant to a bond purchase contract with the Federal Home Loan Bank of Des Moines (the "Purchaser"); and

WHEREAS, the Purchaser and the Authority have determined to include a fixed rate option for the Bonds, together with the variable rate option approved through the Original Resolution;

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

Section 1. Amendments to Section 2 of the Original Resolution. Section 2 of the Original Resolution is hereby deleted, and the following inserted in lieu thereof:

"Section 2. Authority for Contract of Purchase and Terms of Bonds. The Executive Director, with assistance of counsel, is hereby authorized to negotiate the terms of a bond purchase contract (the "Contract of Purchase") with respect to the Bonds with the Federal Home Loan Bank of Des Moines (the "Purchaser") and to execute on behalf of the Authority the Contract of Purchase so negotiated; provided that (i) the Contract of Purchase shall be substantially in the form now before this meeting and (ii) the aggregate principal amount of the Bonds sold pursuant to such Contract of Purchase shall not exceed \$100,000,000, the final maturity date of the Bonds shall not be later than July 1, 2047, and the Bonds shall bear interest at a fixed rate or a variable rate as described in the Contract of Purchase and the Series Resolution. Bonds may be issued bearing interest with respect to each subseries thereof in accordance with the pricing procedures set forth in the Series Resolution."

Section 2. Ratification of Original Resolution. Except as amended by this Resolution, the Original Resolution is hereby ratified, confirmed and approved.

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

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

Passed and approved this 2nd day of October, 2013.

Darlys J. Baum, Chair

Attest:

David D. Jamison
Executive Director/Secretary

(Seal)

RESOLUTION
FIN 13-03-1

Resolution Amending the Resolution Authorizing the Issuance of
not to exceed \$75,000,000 Iowa Finance Authority
Multifamily Housing Bonds, Placement Series C and Taxable Placement Series D

Resolution amending the Resolution Adopting and Approving a Supplemental Indenture Relating to Multifamily Housing Bonds, Placement Series C and Taxable Placement Series D and Authorizing the Issuance, Sale and Delivery of the Authority's Multifamily Housing Bonds Pursuant to Such Supplemental Indenture; Authorizing the Execution and Delivery of a Bond Purchase Contract and a Continuing Disclosure Agreement; and Delegating Certain Responsibilities to the Executive Director for Finalizing Certain Matters, Forms and Contents of Certain Documents.

WHEREAS, the Iowa Finance Authority (the "Authority") on the 13th day of March, 2013, approved a resolution (the "Original Resolution") authorizing the issuance of the above-captioned bonds (the "Bonds"), and the sale of such Bonds pursuant to a bond purchase contract with the Federal Home Loan Bank of Des Moines (the "Purchaser"); and

WHEREAS, the Purchaser and the Authority have determined to include a fixed rate option for the Bonds, together with the variable rate option approved through the Original Resolution;

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

Section 1. Amendments to Section 2 of the Original Resolution. Section 2 of the Original Resolution is hereby deleted, and the following inserted in lieu thereof:

"Section 2. Authority for Bond Purchase Contract and Terms of Bonds. The Executive Director, with assistance of counsel, is hereby authorized to negotiate the terms of a bond purchase contract (the "Bond Purchase Contract") with respect to the Bonds with the Federal Home Loan Bank of Des Moines (the "Purchaser") and to execute on behalf of the Authority the Bond Purchase Contract so negotiated; provided that (i) the Bond Purchase Contract shall be substantially in the form now before this meeting and (ii) the aggregate principal amount of the Bonds sold pursuant to such Bond Purchase Contract shall not exceed \$75,000,000, the final maturity date of the Bonds shall not be later than July 1, 2047, and the Bonds shall bear interest at a fixed rate or a variable rate determined by the index and formula established in the Supplemental Indenture. Bonds may be issued bearing interest with respect to each Subseries thereof in accordance with the pricing procedures set forth in the Supplemental Indenture."

Section 2. Ratification of Original Resolution. Except as amended by this Resolution, the Original Resolution is hereby ratified, confirmed and approved.

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

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

Passed and approved this 2nd day of October, 2013.

Darlys J. Baum, Chair

Attest:

David D. Jamison
Executive Director/Secretary

(Seal)



**IOWA FINANCE
AUTHORITY**

To: Iowa Finance Authority Board
From: Cindy Harris, Chief Financial Officer
 Mark Fairley, Finance & Investment Manager
 Rob Tietz, Finance & Funding Manager
Date: October 2, 2013
Subject: Update on Derivative Novations from UBS AG (“UBS”) to Bank of New York Mellon (“BONYM”)

The Authority priced the derivative novations on August 27th from UBS to BONYM and closed the transaction on August 28, 2013. The Authority was able to extract significant value from UBS in order to proceed with the novation. The 2003 Series F Swap was partially callable at par on 1/1/14 and in subsequent semi-annual periods, but the Authority negotiated with UBS to terminate that swap at a discount instead of having to novate it to BONYM. Furthermore, the 2006 F and 2007 N series had become over hedged because the underlying bonds were being paid down faster than the amortization of the swap. The Authority negotiated with UBS to receive additional termination options on these series in order to bring the balance of the bonds and the swap in line. These options and the discounted termination have value of approximately \$450,000 as calculated by PFM Asset Management (“PFM”), the Authority’s Swap Advisor, which is shown under the column “Economic Benefit.” The cash flow savings of these additional swap options assuming a continued low interest rate environment are approximately \$565,000. UBS also paid the Authority’s legal and advisory fees of \$43,000. The following table shows the summary of the transaction:

Transaction Date	Transaction Type	Associated Bonds	Current Notional Amount	Termination Payment	Economic Benefit	Cash Flow Savings
8/8/2013	Termination	2003 Series F	830,000	(6,500)	12,500	
8/27/2013	Amendment/Novation	2006 Series F	8,470,000		120,000	194,232
8/27/2013	Amendment/Novation	2007 Series N	9,875,000		318,000	371,003
8/27/2013	Novation	2004 Series D	8,765,000			
8/27/2013	Novation	2005 Series C	6,260,000			
8/27/2013	Novation	2005 Series H	10,700,000			
8/27/2013	Novation	MF 2007 Series B	9,300,000			
8/27/2013	Novation	2007 Series G	14,710,000			
8/27/2013	Novation	2007 Series G	14,710,000			
8/27/2013	Novation	2007 Series M	12,520,000			
			96,140,000	(6,500)	450,500	565,235

In addition to this economic benefit or future cash savings, the Authority also ended up with a stronger rated counterparty as shown below.

	Moody's	S&P	Fitch
UBS AG	A2	A	A
The Bank of New York Mellon	Aa1	AA-	AA-

IOWA FINANCE AUTHORITY [265]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 17A.3(1)“b,” 16.2, 16.51, and 16.5(1)“r,” the Iowa Finance Authority proposes to amend Chapter 3, “Multifamily Housing,” Iowa Administrative Code.

The purpose of the proposed amendments is to update the rules to provide for a broader range of lending options for affordable multifamily rental housing development and to eliminate programs that are no longer used.

The Authority does not intend to grant waivers under the provisions of these rules, other than as may be allowed under the Authority’s general rules concerning waivers.

The Authority will receive written comments on the proposed amendments until 4:30 p.m. on November 19, 2013. Comments may be addressed to Mark Thompson, Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50312. Comments may also be faxed to Mark Thompson at (515) 725-4937 or E-mailed to mark.thompson@iowa.gov.

The Authority anticipates that it may make changes to the proposed amendments based on comments received from the public.

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

These amendments are intended to implement Iowa Code section 16.92 (5) “b.”

The following amendments are proposed.

Item 1. Amend rule 265—3.5(16) as follows: 265—3.5(16) Program guidelines. For-profit and nonprofit sponsors are eligible to apply for assistance under this program. ~~There are three categories of loans under this program: preservation of affordable housing, low income housing tax credits, and substantial rehabilitation of nonrestricted projects.~~

3.5(1) Projects eligible for assistance must meet the following criteria: ~~in addition to any specific requirements applicable to a particular category of loan as set forth in rule 265—3.6(16), 265—3.7(16), 265—3.8(16), or 265—3.9(16), as applicable:~~

a. Both a demonstrated market need for the units must exist and the project must be in a good location, as determined by the authority in its sole discretion.

b. Assistance provided under this program must enable the project to maintain financial feasibility and affordability for at least the term of the assistance.

c. Maintenance and debt service reserve funds must be adequately funded, as determined by the authority in its sole discretion.

d. The maximum loan term is 24 months for construction financing and 40 years for permanent financing.

e. ~~The required debt service is 1.25 to 1. Loan-to-value ratio will be considered. The authority may, in limited cases, change the required debt service ratio. Such decision will be made in the sole discretion of the authority.~~ At least 75% of the units must be restricted to tenants whose income is at or below 80% of the area median income and have rents that are affordable.

f. ~~Interest rates will be set by the authority, in its sole discretion.~~ Projects must have at least five units.

g. ~~Except as permitted in the case of loans made pursuant to rule 265—3.8(16), loans shall be secured by a first mortgage; provided, however, that in limited cases the authority may consider a~~

~~subordinate mortgage when the first mortgage is held by another entity~~ [Reserved.]

h. Construction and permanent financing may be awarded to projects under the program.

i. Borrowers must covenant to observe certain compliance measures, including a recorded agreement to ensure long-term affordability.

j. A title guaranty certificate from the authority's title guaranty division is required on all loans, unless specifically waived by the authority.

k. A local contributing effort, consistent with Iowa Code section 16.4(3), in an amount of up to 1 percent of the proposed loan may be required by the authority, if feasible, for loans made under ~~division I~~ ~~of this chapter~~. If a local contributing effort is required, evidence of such local contributing effort shall be presented to the authority.

l. The authority may require a change of management or general partner ~~and may refer applicants to other financing options, such as tax-exempt bonds or tax credits~~, when appropriate.

m. FHA-insured loans may be available through the Multifamily Accelerated Processing (MAP) of HUD, if the authority is an approved MAP lender at the time of the loan closing. The authority may require or suggest such a MAP loan for any and all projects applying for assistance. In addition, the authority may participate in the HUD Risk-Sharing Program and may suggest or require such a loan for any and all projects applying for assistance.

n. ~~Grant funds may be available, in the sole discretion of the authority, if the authority determines that such funds are necessary for the continued financial viability of the project.~~ [Reserved.]

o. Recipients must execute such documents and instruments, and must provide such information, certificates and other items as determined necessary by the authority, in its sole discretion, in connection with any assistance.

3.5(2) Maximum Loan loan fees are as follows:

- a. Commitment fee (construction period) - 1.0 percent of total development costs.
- b. Commitment fee (permanent loan) - 2.0 percent of loan amount.
- c. Inspection fee (construction period) — ~~0.5 percent of loan amount.~~ \$500 per inspection; inspections will typically occur with each draw on a monthly basis during construction.
- d. Application fee - 0.3 percent of proposed loan amount.
- e. Asset Management fee – calculated as \$25 per Unit x number of total Project Units; submitted annually on or before January 31.

The authority may, in limited cases, reduce such fees if necessary in connection with assistance provided under this program. Such decision will be made in the sole discretion of the authority.

Item 2. Rescind and reserve Rules 265 —3.6 (16), 265 —3.7 (16), 265 —3.9 (16) and 265 —3.12 (16).

Item 3. Rescind and reserve 265— Chapter 3, Division II and Division III.

Respectfully submitted,

David D. Jamison, Executive Director
By Authority of the Board of the Iowa Finance Authority

October 2, 2013
Date



To: Iowa Finance Authority Board
From: Ashley Jared, Emily Toribio
Date: September 23, 2013
Re: October 2013 Communications Report

2013 HOUSING IOWA CONFERENCE

The 2013 Housing Iowa Conference received positive evaluations. We had 445 registrants and a record number of exhibitors and sponsors. The 2014 Housing Iowa Conference is slated for September 3-5, 2014 at the Des Moines Marriott Downtown.

SINGLE-FAMILY

We are working on several homeownership projects, including an online pre-qualification tool, mobile app and “Plus Iowa Finance Authority” campaign that will emphasize the value adds that the Iowa Finance Authority offers home buyers, lenders and real estate agents that distinguishes us from other products.

HOUSING LOCATOR

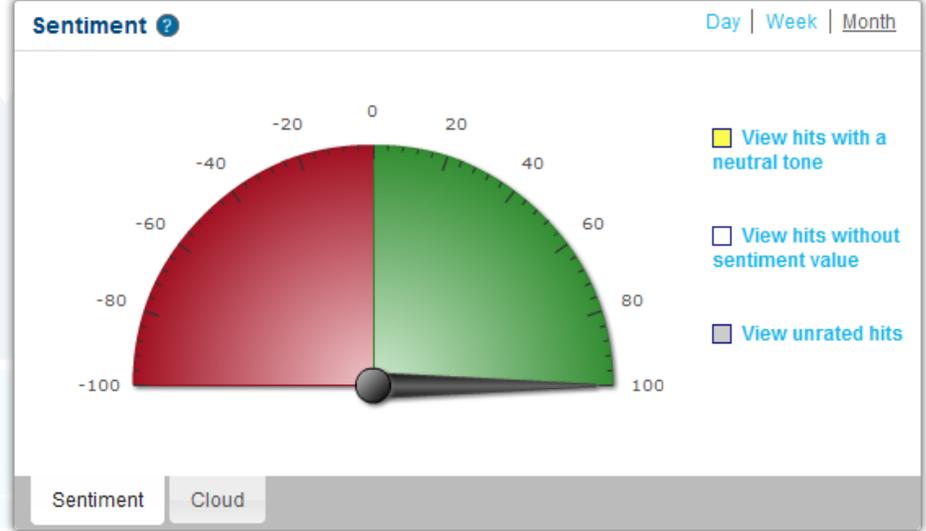
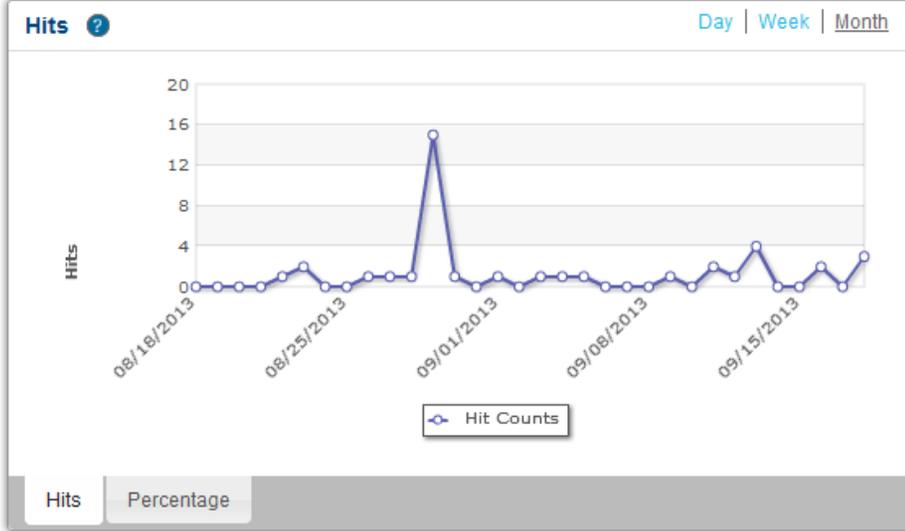
We’ve formed a small internal committee (Ashley Jared, Emily Toribio, Carolann Jensen and Terri Rosonke), that has been meeting with Social Serve on a weekly basis to develop the Iowa Housing Locator, which will be available at IowaHousingSearch.org and will be free to all parties. We will also be forming an external taskforce of various stakeholders. We’ll begin to work with property managers to populate the site in November and December and plan to publicly launch in January. This housing search will provide accurate and timely rental housing vacancy information throughout the state and we feel that it will be a tremendous asset to Iowans.

IOWA MORTGAGE HELP

The Iowa Attorney General’s Office has committed an additional \$400,000 from the national mortgage settlement for Iowa Mortgage Help marketing. A media campaign will run from October 7-December 1. This media buy will include a television spot that will air on broadcast and cable statewide as well as radio spots encouraging Iowans to call Iowa Mortgage Help.

Dashboard

Please select agent: Iowa Finance Authority



Top Publications ?

Day | Week | Month

Source name	Number of Hits
WCFCourier.com	2
The Daily Gate City	2
Pella Chronicle	2
Reuters US News	1
MarketWatch	1





Iowa Finance Authority Awards Nearly \$2 Million in Federal Grants

September 18, 2013 – Corridor Business Journal

The Iowa Finance Authority Board of Directors recently approved a combined total of nearly \$2 million in federal grants...

Sioux City community advocate wins state award

September 18, 2013 - Sioux City Journal

...for Siouxland, recently received the Kay Anderson Friend of Iowa Award from **the Iowa Finance Authority**. Anderson of Le Mars, Iowa, was a long-time...

Crisis Intervention Services awarded \$100K

September 18, 2013 - Pella Chronicle

Crisis Intervention Services awarded \$100K Pella **The Iowa Finance Authority** announced \$2 million in federal grants awarded to fight homelessness...

SleepOut benefiting the Humility of Mary Shelter, Inc.

September 18, 2013 - Quad-Cities Online (AP)

...event include: Alcoa, ComedySportz Quad Cities, CURSILLO, **Iowa Finance Authority**, Modern Woodmen Fraternal Financial, Quad Cities River Bandits,

Community Action of Southeast Iowa receives \$47,989 from Iowa Finance Authority

September 16, 2013 - The Daily Gate City

Community Action of Southeast Iowa receives \$47,989 from **Iowa Finance Authority** For the Daily gate city DES MOINES **The Iowa Finance Authority**...

Local agency wins grant to fight homelessness

September 16, 2013 - WCFCourier.com

...for 2014. It s part of \$2 million in federal grants **the Iowa Finance Authority** Board of Directors recently approved for 25 Iowa agencies. The...

SE IA Counties Donate to Housing Fund

September 13, 2013 - Tri States Public Radio

...Commission says the trust fund is applying for about \$360,000 from **the Iowa Finance Authority**. He says these two pledges will go towards the \$90,000...

NIACO awarded \$95K housing grant

September 13, 2013 - Globe Gazette (AP)

...City, was recently awarded a \$95,978 grant through **Iowa Finance Authority** board of directors. MASON CITY North Iowa Community Action Organization,

AEDC August, 2013 report

September 13, 2013 - Daily lowegian

...\$60,000 in match monies in order to receive \$240,000 from **the Iowa Finance Authority**, in order to continue these great projects in Appanoose County...

Crisis Intervention Services awarded \$100K

September 13, 2013 - The Ottumwa Courier

Crisis Intervention Services awarded \$100K Knoxville **The Iowa Finance Authority** announced \$2 million in federal grants awarded to fight homelessness...

Supervisors to continue housing trust fund participation

September 11, 2013 - The Daily Gate City

...\$1.5 million for the region. The trust fund asks annually for funding from **the Iowa Finance Authority**. This year, the plan is to ask for more than...

Housing dollars may aid county residents

September 11, 2013 - Le Mars Daily Sentinel (AP)

...Cherokee, Ida, Monona, Plymouth and Woodbury, was recently certified by **the Iowa Finance Authority** (IFA) Board of Directors. If the Plymouth County...

Housing Fund

September 09, 2013 - KCTN

...rural and urban areas of each county. The NEIRHTF is funded through **Iowa Finance Authority** with State Housing Trust Fund (SHTF) Dollars. In order...

Conference aims to improve Iowa housing programs

September 04, 2013 - KWWL.com

...Sept. 4-6 for the 2013 Housing Iowa Conference. Hosted by **the Iowa Finance Authority**, the conference features speakers and work sessions aimed at...

Moody's assigns Aa3 to Iowa Health System d/b/a Unity Point Health's Series 2013A & C bonds; outlook stable

September 03, 2013 - Moody's

...\$72.1 million of Series 2013C fixed rate revenue bonds issued by **the Iowa Finance Authority**. At this time we have affirmed the Aa3 unenhanced...

UnityPoint Health-St. Luke's Hospital promotes three

September 01, 2013 - TheGazette.com

...Electrical Distributors in the United States for 2013. EVENTS **The Iowa Finance Authority** will host the statewide 2013 Housing Iowa Conference,

Funds Available for Water Clean-Up

August 30, 2013 - TOM FM 97.7

...one. The Iowa Finance Authority is proud to partner with the **Iowa** Department of Natural Resources to administer the **State Revolving Fund**, said...

Beginning Farmer Tax Credit Benefits Beginners and Landowners

August 29, 2013 - Emmetsburg News

...started. The Beginning Farmer Tax Credit (BFTC), administered by the **Iowa Agricultural Development Division of the Iowa Finance Authority** (IADD-IFA),

Council amends Pella Business Corridor plan

August 28, 2013 - Pella Chronicle

...resolution of support last December, the Iowa Finance Authority has awarded **housing tax credits** for the project, and the developer intends to proceed...

Business Record: 50 Chosen for Leadership Institute

August 27, 2013 - Business Record

Cornerstone Solutions, Inc. d.b.a. Job Corps Emily Toribio, **Iowa Finance Authority** Greg Van Den Berghe, Des Moines Metro Opera Eric West,

E3 Work...

Iowa Finance Authority to Host Housing Conference in Coralville

August 26, 2013 – Corridor Business Journal

The Iowa Finance Authority will host housing professionals from throughout the state Sept. 4-6...



IOWA FINANCE
AUTHORITY

To: IFA Board of Directors
From: Lori Beary, Community Development Director
Date: 9/21/13
Re: Economic Development & Water Quality

Amending Resolutions

ED Loan #13-06, UnityPoint Health Project

This is a resolution amending the authorizing resolution regarding the issuance of an amount not to exceed \$280,000,000 of Iowa Finance Authority Health Facilities Revenue Bonds for the UnityPoint Health Project. This resolution amends the description of the use of the bonds to add refunding their outstanding Series 2009C bonds. Another public hearing was held at 8:30am on October 2, 2013 for this additional purpose. IFA issued \$103,175,000 of Health Facility Revenue Bonds Series 2013A for this project on September 19, 2013. Series B and C will close in the next month. UnityPoint is the new name of Iowa Health Systems and is a 501 c(3) private non-profit corporation.

- **Need Board action on Resolution ED 13-06B-1**

ED Loans #10-20 and #12-09, CCRR Project

This is a resolution to amend the documents related to bonds issued in 2012 for the CCRR Project. The original borrower was R&R Realty. The new borrower for Series A, B, C, D, E, G, I, J is Aurora Business Park I, LLC. The new borrower for Series F is Sonoma Building LLC. These borrowers will assume the obligations of the original borrower under the bond documents. This amendment allows IFA to enter into an Assignment, Assumption and Omnibus Amendment Agreement to amend the Loan Agreement, Indenture and any other documents necessary to allow for the transactions.

- **Need Board action on Resolution ED 10-20B-5 and ED-12-09B-2**

ED Loans #364 and #462, Village Court Associates Project

This is a resolution to amend the documents related to bonds issued in 1985 for the Village Court Associated Project. The current borrower is Sierra Pointe LLC. The total principal outstanding on the bonds is \$21,219,000. The borrower wants to split the bonds into two series. Series 1985A with principal of \$15,219,000 will remain with Sierra Pointe LLC. Series 1985B with principal of \$6,000,000 will be assigned to Sonoma Building LLC. This amendment allows IFA to enter into an Assignment and Assumption Agreement to amend the Loan Agreement, Indenture and any other documents necessary to allow for the transaction.

- **Need Board action on Resolution ED 364G and ED-462G**

RESOLUTION
ED 13-06B-1

Supplementing Resolution No. 13-06B, recognizing the holding of an additional public hearing and reauthorizing the issuance of certain Bonds authorized by Resolution No. 13-06B

WHEREAS, the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa duly organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Authority") is authorized and empowered by Chapter 16 of the Code of Iowa (the "Act") to issue revenue bonds to be used to pay the cost of defraying the cost of acquiring, constructing, improving and equipping certain projects described in the Act including facilities for an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code") which is exempt from federal income tax under Section 501(a) of the Code, and to pay the cost of refunding any bonds or notes, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes; and

WHEREAS, the Authority has been requested by Iowa Health System d/b/a UnityPoint Health (the "Borrower") to issue Iowa Finance Authority Health Facilities Revenue Bonds (UnityPoint Health Project), in one or more series (the "Bonds") in a principal amount not to exceed \$250,000,000 (the "Original Requested Amount") for the purpose of loaning the proceeds thereof to the Borrower to (1) finance the costs of acquisition, construction, renovation, and equipping of the health care facilities of the entities related to the Borrower described on the notice of public hearing attached as Exhibit B to the hereinafter defined Authorizing Resolution (the "Projects"), (2) refund a portion of the outstanding principal amount of the Authority's Variable Rate Demand Health Facilities Revenue Bonds, Series 2005A (Iowa Health System), (3) retire certain existing indebtedness and (4) pay for certain costs of issuance of the Bonds, including, without limitation, the cost of one or more municipal bond insurance policies and credit facilities and/or liquidity facilities, if deemed necessary and advisable (collectively, the "Original Transaction"); and

WHEREAS, the Authority approved the Borrower's application (the "Original Application") on August 7, 2013, requesting the approval for the issuance of the Bonds in the Original Requested Amount for the Original Transaction, and the Borrower submitted an application amending the Original Application (the "Amended Application" and, together with the Original Application, the "Application") to increase the Original Requested Amount to \$280,000,000 and to change the description of the use of the proceeds of the Bonds to add the refunding of the Authority's Variable Rate Demand Health Facilities Revenue Bonds, Series 2009C (Iowa Health System) (the "Added Purpose" and together with the "Original Transaction," the "Transaction") which Amended Application was approved by Resolution No. 13-06B adopted on September 4, 2013 (the "Authorizing Resolution"); and

WHEREAS, pursuant to published notice of intention (a copy of which notice was attached as Exhibit B to the Authorizing Resolution) the Authority has conducted a public hearing on the 4th day of September at 8:30 a.m. on a proposal to issue the Bonds in an amount not to exceed the Original Requested Amount for the Original Transaction as required by Section 147 of the Code; and

WHEREAS, subsequent to the adoption of the Authorizing Resolution the Authority issued \$103,175,000 Health Facilities Revenue Bonds, Series 2013A (UnityPoint Health Project) (the "Series 2013A Bonds") as one of the series of the Bonds and there remains not to exceed \$176,825,000

principal amount of the Bonds (the "Remaining Bonds") authorized to be issued by the Authorizing Resolution; and

WHEREAS, pursuant to published notice of intention (a copy of which notice is attached as Exhibit A) the Authority has conducted a public hearing on the 2nd day of October, 2013 at 8:30 a.m. (the "Additional Public Hearing") on a proposal to issue the Bonds in an amount not to exceed \$100,000,000 (the "Added Purpose Bonds") for the Added Purpose as provided in Section 147 of the Code; and

WHEREAS, now that a hearing has been held on the Added Purpose Bonds, it is in the best interests of the Authority that the Authorizing Resolution be supplemented by this Resolution to recognize the Additional Public Hearing and the issuance of the Added Purpose Bonds be reauthorized by the Authority;

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

Section 1. Authorizing Resolution Supplemented. The Authorizing Resolution is supplemented by this Resolution and remains in full force and effect as so supplemented.

Section 2. Additional Public Hearing. At the Additional Public Hearing conducted by the Authority in accordance with the provisions of Section 147(f) of the Code, pursuant to published notice, all persons who appeared were given an opportunity to express their views for or against the proposal to issue the Added Purpose Bonds and the Authority has determined to proceed with the necessary proceedings relating to the issuance of the Added Purpose Bonds.

Section 3. Added Purpose Bonds Reauthorized; Authorizing Resolution Confirmed. In order to take advantage of the Additional Public Hearing, the Added Purpose Bonds shall be and the same are hereby reauthorized, ratified, confirmed and ordered to be issued by the Authority pursuant to the Indenture and the Authorizing Resolution as supplemented by this Resolution. The Authorizing Resolution shall remain in full force and effect as supplemented hereby, and is hereby confirmed, ratified and incorporated herein. All references in the Authorizing Resolution to "Bonds" shall be deemed to include the Added Purpose Bonds.

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

Passed and approved this 2nd day of October, 2013.

David D. Jamison, Secretary

(Seal)

Notice of Hearing on Iowa Finance Authority Economic Development Loan Program Bonds

A public hearing will be held on the 2nd day of October, 2013, at the Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa, at 8:30 o'clock a.m. on the proposal for the Iowa Finance Authority (the "Authority") to issue its Hospital Facilities Revenue Bonds (Unity-Point Health Project, in one or more series, in an aggregate principal amount not to exceed \$100,000,000 (the "Bonds") and to loan the proceeds thereof to Iowa Health System d/b/a Unity-Point Health (the "Borrower") in order to provide funds to the Borrower and the affiliated entities of the Borrower (the "Affiliates") listed below for the purpose of (1) refunding the outstanding principal amount of the Authority's Variable Rate Demand Health Facilities Revenue Bonds, Series 2009C (Iowa Health System) (the "Series 2009C Bonds") used for the purpose of refunding the Authority's Variable Rate Demand Health Facilities Revenue Bonds, Series 2005B (Iowa Health System), which were used for the purposes of (a) providing funds to the Borrower and the Affiliates listed below under the heading "Prior Projects" for constructing, improving, renovating, furnishing and equipping hospital facilities that are located at the addresses set forth under such heading, (b) refunding the outstanding principal amount of the Authority's Hospital Facilities Revenue Bonds (Iowa Health System), Series 2000 (the "Series 2000 Bonds"), (c) refunding a portion of the outstanding principal amount of the Authority's Hospital Facilities Revenue Bonds (Iowa Health System), Series 1998A (the "Series 1998A Bonds") and (d) paying for costs associated

with the issuance of the Series 2009C Bonds; (2) retiring existing indebtedness related to the Prior Projects; (3) funding debt service reserve funds; and (4) paying for costs associated with the issuance of the Bonds.

Prior Projects

Central Iowa Health

System d/b/a Iowa Health - Des Moines - West Des Moines Project (users of the project and Affiliates) located at 1660 60th Street, West Des Moines, Iowa.

Central Iowa Health System d/b/a Iowa Health - Des Moines and Central Iowa Hospital Corporation d/b/a Iowa Methodist Medical Center - Des Moines Project (users of the project and Affiliates) located at 1200 Pleasant Street, Des Moines, Iowa.

Central Iowa Health System d/b/a Iowa Health - Des Moines and Central Iowa Hospital Corporation d/b/a Iowa Lutheran Hospital - Des Moines Project (users of the project and Affiliates), located at 700 E. University Avenue, Des Moines, Iowa.

St. Luke's Healthcare and St. Luke's Methodist Hospital - Cedar Rapids Project, for the benefit of St. Luke's Healthcare and St. Luke's Methodist Hospital (users of the project and Affiliates), located at 1026 A Avenue NE, Cedar Rapids, Iowa.

The Finley Hospital - Dubuque Project (a user of the project and an Affiliate), located at 350 North Grandview Avenue, Dubuque, Iowa.

Allen Health Systems, Inc. and Allen Memorial Hospital Corporation - Waterloo Project (users of the project and Affiliates), 1825 Logan Avenue and 1661, 1717, 1731 and 1753 W. Ridgeway, Waterloo, Iowa.

Trinity Health Systems, Inc. and Trinity Regional Medical Center - Fort Dodge Project (users of the project and Affiliates), located at 802 Kenyon Road, Fort Dodge, Iowa.

St. Luke's Health

System, Inc. and Northwest Iowa Hospital Corporation d/b/a St. Luke's Regional Medical Center of Sioux City - Sioux City Project (users of the project and Affiliates), located at 2720 Stone Park Blvd., Sioux City, Iowa.

The Bonds, when issued, will be limited obligations of the Authority and will not constitute a general obligation or indebtedness of the State of Iowa or any political subdivision thereof, including the Authority, nor will they be payable in any amount by taxation, but the Bonds will be payable solely and only from amounts received from the Borrower named above under a Loan Agreement between the Authority and the Borrower, the obligation of which will be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when they shall become due. At the time and place fixed for the hearing, all individuals who appear will be given an opportunity to express their views for or against the proposal to issue the Bonds for the foregoing purposes, and all written comments previously filed with the Authority at its offices at 2015 Grand Avenue, Des Moines, Iowa 50312, will be considered.

David D. Jamison
Executive Director
Iowa Finance Authority
11/9/13

**STATE OF IOWA
DUBUQUE COUNTY**

{SS:

CERTIFICATION OF PUBLICATION

I, Suzanne Pike, a Billing Clerk for Woodward Communications, Inc., an Iowa corporation, publisher of the Telegraph Herald, a newspaper of general circulation published in the City of Dubuque, County of Dubuque and State of Iowa; hereby certify that the attached notice was published in said newspaper on the following dates: September 13, 2013, and for which the charge is \$65.21.

Suzanne Pike

Subscribed to before me, a Notary Public in and for Dubuque County, Iowa, this 16th day of September, 20 13.

Mary K. Westermeier

Notary Public in and for Dubuque County, Iowa.

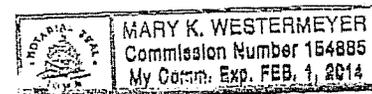


Exhibit A

**AMENDING RESOLUTION
ED 10-20B-5 and ED 12-09B-2**

Resolution authorizing the execution of Assignment, Assumption and Omnibus Amendment Agreements amending the Indentures of Trust and the Loan Agreements relating to the Authority's Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series A, B, C, D, E, G, I and J, and authorizing the execution of an Assignment and Assumption Agreement, an Amended and Restated Indenture of Trust and Amended and Restated Loan Agreement relating to the Authority's Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series F

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, 2013, as amended (the "Act"), to issue its revenue bonds to be used to defray the cost of acquiring, constructing and improving Projects described in the Act including certain facilities that qualify under the Heartland Disaster Tax Relief Act of 2008 (the "Tax Relief Act") and Section 1400N of the Internal Revenue Code of 1986, as amended (the "Code"), for tax-exempt financing by the issuance of Midwestern Disaster Area Bonds, including to pay the cost of refunding any bonds or notes, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes; and

WHEREAS, the Authority has heretofore authorized and issued its (a) Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series A in the aggregate principal amount of \$4,000,000 (the "2012 Series A Bonds") pursuant to an Indenture of Trust dated as of November 1, 2012 (the "2012 Series A Indenture") between the Authority and Bankers Trust Company, as trustee (the "Trustee"), (b) Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series B in the aggregate principal amount of \$4,000,000 (the "2012 Series B Bonds") pursuant to an Indenture of Trust dated as of November 1, 2012 (the "2012 Series B Indenture") between the Authority and the Trustee, (c) Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series C in the aggregate principal amount of \$4,000,000 (the "2012 Series C Bonds") pursuant to an Indenture of Trust dated as of November 1, 2012 (the "2012 Series C Indenture") between the Authority and the Trustee, (d) Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series D in the aggregate principal amount of \$3,000,000 (the "2012 Series D Bonds") pursuant to an Indenture of Trust dated as of November 1, 2012 (the "2012 Series D Indenture") between the Authority and the Trustee, (e) Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series E in the aggregate principal amount of \$3,000,000 (the "2012 Series E Bonds") pursuant to an Indenture of Trust dated as of November 1, 2012 (the "2012 Series E Indenture") between the Authority and the Trustee, (f) Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series F in the aggregate principal amount of \$2,000,000 (the "2012 Series F Bonds") pursuant to an Indenture of Trust dated as of November 1, 2012 (the "2012 Series F Indenture") between the Authority and the Trustee, (g) Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series G in the aggregate principal amount of \$2,000,000 (the "2012 Series G Bonds") pursuant to an Indenture of Trust dated as of November 1, 2012 (the "2012 Series G Indenture") between the Authority and the Trustee, (h) Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series H in the

aggregate principal amount of \$1,000,000 (the “2012 Series H Bonds”) pursuant to an Indenture of Trust dated as of November 1, 2012 (the “2012 Series H Indenture”) between the Authority and the Trustee, (i) Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series I in the aggregate principal amount of \$1,000,000 (the “2012 Series I Bonds”) pursuant to an Indenture of Trust dated as of November 1, 2012 (the “2012 Series I Indenture”) between the Authority and the Trustee, and (j) Midwestern Disaster Area Revenue Bonds (CCRR Project), 2012 Series J in the aggregate principal amount of \$1,000,000 (the “2012 Series J Bonds” and, together with the 2012 Series A Bonds, the 2012 Series B Bonds, the 2012 Series C Bonds, the 2012 Series D Bonds, the 2012 Series E Bonds, the 2012 Series F Bonds, the 2012 Series G Bonds, the 2012 Series H Bonds and the 2012 Series I Bonds, the “Bonds”) pursuant to an Indenture of Trust dated as of November 1, 2012 (the “2012 Series J Indenture” and, together with the 2012 Series A Indenture, the 2012 Series B Indenture, the 2012 Series C Indenture, the 2012 Series D Indenture, the 2012 Series E Indenture, the 2012 Series G Indenture, the 2012 Series I Indenture and the 2012 Series J Indenture, the “2012 Series ABCDEGIJ Indentures”) between the Authority and the Trustee; and

WHEREAS, (a) the proceeds of the 2012 Series A Bonds were loaned to R & R Investors, Ltd. (the “Borrower”) pursuant to a Loan Agreement dated as of November 1, 2012 (the “2012 Series A Loan Agreement”) between the Authority and the Borrower for the purpose of financing a portion of the Project (as defined in the 2012 Series A Indenture), (b) the proceeds of the 2012 Series B Bonds were loaned to the Borrower pursuant to a Loan Agreement dated as of November 1, 2012 (the “2012 Series B Loan Agreement”) between the Authority and the Borrower for the purpose of financing a portion of the Project (as defined in the 2012 Series B Indenture), (c) the proceeds of the 2012 Series C Bonds were loaned to the Borrower pursuant to a Loan Agreement dated as of November 1, 2012 (the “2012 Series C Loan Agreement”) between the Authority and the Borrower for the purpose of financing a portion of the Project (as defined in the 2012 Series C Indenture), (d) the proceeds of the 2012 Series D Bonds were loaned to the Borrower pursuant to a Loan Agreement dated as of November 1, 2012 (the “2012 Series D Loan Agreement”) between the Authority and the Borrower for the purpose of financing a portion of the Project (as defined in the 2012 Series D Indenture), (e) the proceeds of the 2012 Series E Bonds were loaned to the Borrower pursuant to a Loan Agreement dated as of November 1, 2012 (the “2012 Series E Loan Agreement”) between the Authority and the Borrower for the purpose of financing a portion of the Project (as defined in the 2012 Series E Indenture), (f) the proceeds of the 2012 Series F Bonds were loaned to the Borrower pursuant to a Loan Agreement dated as of November 1, 2012 (the “2012 Series F Loan Agreement”) between the Authority and the Borrower for the purpose of financing a portion of the Project (as defined in the 2012 Series F Indenture) (g) the proceeds of the 2012 Series G Bonds were loaned to the Borrower pursuant to a Loan Agreement dated as of November 1, 2012 (the “2012 Series G Loan Agreement”) between the Authority and the Borrower for the purpose of financing a portion of the Project (as defined in the 2012 Series G Indenture), (h) the proceeds of the 2012 Series H Bonds were loaned to the Borrower pursuant to a Loan Agreement dated as of November 1, 2012 (the “2012 Series H Loan Agreement”) between the Authority and the Borrower for the purpose of financing a portion of the Project (as defined in the 2012 Series H Indenture), (i) the proceeds of the 2012 Series I Bonds were loaned to the Borrower pursuant to a Loan Agreement dated as of November 1, 2012 (the “2012 Series I Loan Agreement”) between the Authority and the Borrower for the purpose of financing a portion of the Project (as defined in the 2012 Series I Indenture), and (j) the proceeds of the 2012 Series J Bonds were loaned to

the Borrower pursuant to a Loan Agreement dated as of November 1, 2012 (the “2012 Series J Loan Agreement”) between the Authority and the Borrower for the purpose of financing a portion of the Project (as defined in the 2012 Series J Indenture); and

WHEREAS, (i) the Borrower intends to assign all its rights under the 2012 Series A Loan Agreement, the 2012 Series B Loan Agreement, the 2012 Series C Loan Agreement, the 2012 Series D Loan Agreement, the 2012 Series E Loan Agreement, the 2012 Series G Loan Agreement, the 2012 Series I Loan Agreement and the 2012 Series J Loan Agreement (collectively, the “2012 Series ABCDEGIJ Loan Agreements”) to Aurora Business Park I, LLC (the “New Borrower”), and (ii) the New Borrower intends to assume all obligations of the Borrower under the 2012 Series ABCDEGIJ Loan Agreements; and

WHEREAS, the Borrower has requested the Authority to enter into separate Assignment, Assumption and Omnibus Amendment Agreements for each of the 2012 Series A Bonds, the 2012 Series B Bonds, the 2012 Series C Bonds, the 2012 Series D Bonds, the 2012 Series E Bonds, the 2012 Series G Bonds, the 2012 Series I Bonds and the 2012 Series J Bonds (each, an “Amendment Agreement” and, collectively, the “Amendment Agreements”) with respect to each applicable series of the Bonds in order to effect the transactions described herein and to amend the 2012 Series ABCDEGIJ Loan Agreements and the 2012 Series ABCDEGIJ Indentures with respect to such assignment and assumption and to amend certain other terms as provided in the applicable Amendment Agreement; and

WHEREAS, (i) the Borrower intends to assign all its rights under the 2012 Series F Loan Agreement to Sonoma Building LLC (the “New 2012 Series F Borrower”), and (ii) the New 2012 Series F Borrower intends to assume all obligations of the Borrower under the 2012 Series F Loan Agreement; and

WHEREAS, the Borrower has further requested the Authority to enter into an Assignment and Assumption Agreement for the 2012 Series F Bonds (the “2012 Series F Assignment Agreement”), and to amend and restate (i) the 2012 Series F Indenture as set forth in that certain Amended and Restated Indenture of Trust between the Authority and the Trustee (the “2012 Series F Amended and Restated Indenture” and, together with the 2012 Series H Indenture and the 2012 Series ABCDEGIJ Indentures, the “Indentures”) and (ii) the 2012 Series F Loan Agreement as set forth in that certain Amended and Restated Loan Agreement between the Authority and the New 2012 Series F Borrower (the “2012 Series F Amended and Restated Loan Agreement” and, together with the 2012 Series H Loan Agreement and the 2012 Series ABCDEGIJ Loan Agreements, the “Loan Agreements”), to reflect certain changes in the structure of the 2012 Series F Bonds as set forth therein; and

NOW, THEREFORE, be it resolved by the Iowa Finance Authority, as follows:

Section 1. Each of the Amendment Agreements is hereby approved in substantially the forms submitted to the Board, with such variations therein as may be made at the time of execution thereof as approved by the Executive Director and counsel to the Authority, and the Executive Director is hereby authorized and directed to execute, seal and deliver the Amendment Agreements in the name and on behalf of the Authority.

Section 2. The 2012 Series F Assignment Agreement, the 2012 Series F Amended and Restated Indenture and the 2012 Series F Amended and Restated Loan Agreement are each hereby approved in substantially the forms submitted to the Board, with such variations therein as may be made at the time of execution thereof as approved by the Executive Director and counsel to the Authority, and the Executive Director is hereby authorized and directed to execute, seal and deliver the 2012 Series F Amendment Agreement, the 2012 Series F Amended and Restated Indenture and the 2012 Series F Amended and Restated Loan Agreement in the name and on behalf of the Authority.

Section 3. The officers, Executive Director and Counsel to the Authority are hereby authorized and directed to take such further actions as may be necessary to effectuate the intent and purpose of this Resolution, including but not limited to, accepting, acknowledging, and consenting to revisions or amendments to, or restatements of, any other documents relating to the Bonds in order to effectuate the purpose of this Resolution, and including any action necessary or desirable to create subseries of one or more series of the Bonds.

Section 4. The Executive Director and/or the Chairperson are authorized to execute and deliver for and on behalf of the Authority any and all agreements, certificates, documents or other papers and perform all other acts and the execution of all closing documents as may be approved by counsel to the Authority, and the acceptance of any documentation evidencing indemnification of the Authority by the Borrower in connection with the transaction contemplated hereby as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

Section 5. The Bonds shall remain limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of Borrower pursuant to the Indentures and the Loan Agreements, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to pecuniary liability of the State of Iowa or the Authority or charge against its general credit or general funds.

Section 6. All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith, are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon its adoption.

Passed and approved on this 2nd day of October, 2013.

David D. Jamison, Secretary

**AMENDING RESOLUTION
ED-364H and ED-462H**

Resolution authorizing the execution of Assignment and Assumption Agreement, and amending and restating the Amended and Restated Indenture of Trust and Amended and Restated Loan Agreement relating to the Authority's \$22,000,000 Small Business Development Multi-Family Housing Revenue Bonds (Village Court Associates Project), Series 1985

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, as amended (the "Act"), to issue its revenue bonds to be used to defray the cost of acquiring, constructing, improving and equipping multifamily housing projects described in the Act; and

WHEREAS, the Authority has heretofore authorized and issued its Small Business Development Multi-Family Housing Revenue Bonds (Village Court Associates Project), Series 1985A in the aggregate principal amount of \$8,000,000 (the "Series 1985A Bonds") pursuant to an Indenture of Trust dated as of November 1, 1985 (the "Original Series 1985A Indenture") between the Authority and Merchants Bank, as trustee (the "Original Trustee"); and

WHEREAS, the Authority has heretofore authorized and issued its Small Business Development Multi-Family Housing Revenue Bonds (Village Court Associates Project), Series 1985B in the aggregate principal amount of \$15,000,000 (the "Series 1985B Bonds" and, together with the Series 1985A Bonds, the "Bonds") pursuant to an Indenture of Trust dated as of November 1, 1985 (the "Original Series 1985B Indenture") between the Authority and Original Trustee; and

WHEREAS, the proceeds of the Series 1985A Bonds were loaned to Village Court Associates (the "Borrower") pursuant to a Loan Agreement dated as of November 1, 1985 (the "Original Loan Series 1985A Agreement") between the Authority and the Borrower; and

WHEREAS, the proceeds of the Series 1985B Bonds were loaned to the Borrower pursuant to a Loan Agreement dated as of November 1, 1985 (the "Original Series 1985B Loan Agreement") between the Authority and the Borrower; and

WHEREAS, pursuant to Resolution No. 364D, the Authority previously entered into an Amended and Restated Indenture of Trust dated as of October 1, 2000 (the "Amended Series 1985A Indenture") between the Authority and BNY Trust Company of Missouri, as successor trustee, and a First Amendment to Loan Agreement dated as of October 1, 2000 (the "First Amendment to Series 1985A Loan Agreement") between the Authority and the Borrower; and

WHEREAS, pursuant to Resolution No. 462D, the Authority previously entered into an Amended and Restated Indenture of Trust dated as of October 1, 2000 (the "Amended Series 1985B Indenture") between the Authority and BNY Trust Company of Missouri, as successor trustee, and a First Amendment to Loan Agreement dated as of October 1, 2000 (the "First Amendment to Series 1985B Loan Agreement") between the Authority and the Borrower; and

WHEREAS, pursuant to Resolution No. 364E, the Authority previously entered into a (i) First Amendment to Amended and Restated Indenture of Trust dated as of June 1, 2008 (the "First Amendment to Amended Series 1985A Indenture") between the Issuer and Bankers Trust Company, N.A., n/k/a Bankers Trust Company, as successor Trustee (the "Trustee"), and (ii) a Second Amendment to Loan Agreement dated as of June 1, 2008 (the "Second Amendment to Series 1985A Loan Agreement") between the Authority and the Borrower with respect to the Series 1985A Bonds; and

WHEREAS, pursuant to Resolution No. 462E, the Authority previously entered into a (i) First Amendment to Amended and Restated Indenture of Trust dated as of June 1, 2008 (the "First Amendment to Amended Series 1985B Indenture") between the Issuer and the Trustee as successor trustee, and (ii) a Second Amendment to Loan Agreement dated as of June 1, 2008 (the "Second Amendment to Series 1985B Loan Agreement") with respect to the Series 1985B Bonds; and

WHEREAS, pursuant to Resolution No. ED-365F and ED-462F, the Authority previously entered into (i) an Amended and Restated Indenture of Trust dated as of December 1, 2011 (the "Indenture") between the Issuer and the Trustee, and (ii) the Amended and Restated Loan Agreement dated as of December 1, 2011 (the "Loan Agreement") between the Issuer and the Borrower pursuant to which the Authority reissued the Series 1985A Bonds and the Series 1985B Bonds as a single series of Bonds (the "Series 1985 Bonds"); and

WHEREAS, pursuant to Resolution No. ED-365G and ED-462G, the Authority entered into an Assignment, Assumption and Omnibus Amendment Agreement dated as of May 15, 2013 (the "Assignment Agreement") among the Borrower, Sierra Pointe, LLC ("Sierra Pointe") as the new borrower, the Trustee and the Authority, and consented to by Wells Fargo Bank, National Association, as lender (the "Purchaser"); and

WHEREAS, Sierra Pointe intends to divide the Bonds into two separate series, one such series to be designated as the Iowa Finance Authority Small Business Development Multi-Family Housing Revenue Bonds (Village Court Associates Project) Series 1985A (the "Restated Series 1985A Bonds") and one such series to be designated as the Iowa Finance Authority Small Business Development Multi-Family Housing Revenue Bonds (Village Court Associates Project) Series 1985B (the "Restated Series 1985B Bonds") in an aggregate principal amount not exceeding \$21,219,928, which is the current outstanding principal amount of the Bonds as of the date of this Resolution; and

WHEREAS, Sierra Pointe has requested the Authority to enter into (i) an Amended and Restated Loan Agreement (the "Restated Series 1985A Loan Agreement") and an Amended and Restated Indenture of Trust (the "Restated Series 1985A Indenture") with respect to the Restated Series 1985A Bonds, and (ii) an Amended and Restated Loan Agreement (the "Restated Series 1985B Loan Agreement") and an Amended and Restated Indenture of Trust (the "Restated Series 1985B Indenture") with respect to the Restated Series 1985B Bonds, including certain other amendments as set forth therein; and

WHEREAS, (i) Sierra Pointe intends to assign all its rights under the Restated Series 1985B Loan Agreement to Sonoma Building LLC (“Sonoma”), and (ii) Sonoma intends to assume all obligations of Sierra Pointe under the Restated Series 1985B Loan Agreement; and

WHEREAS, Sierra Pointe has requested the Authority to enter into an Assignment and Assumption Agreement (the “Sierra Assignment Agreement”) with respect to the Series 1985B Bonds in order to effect the transactions described herein; and

NOW, THEREFORE, be it resolved by the Iowa Finance Authority, as follows:

Section 1. The Restated Series 1985A Loan Agreement, the Restated Series 1985B Loan Agreement, the Restated Series 1985A Indenture, the Restated Series 1985B Indenture and the Sierra Assignment Agreement are each hereby approved in substantially the forms submitted to the Board, with such variations therein as may be made at the time of execution thereof as approved by the Executive Director and counsel to the Authority, and the Executive Director is hereby authorized and directed to execute, seal and deliver the Restated Series 1985A Loan Agreement, the Restated Series 1985B Loan Agreement, the Restated Series 1985A Indenture, the Restated Series 1985B Indenture and the Sierra Assignment Agreement in the name and on behalf of the Authority.

Section 2. The officers, Executive Director and Counsel to the Authority are hereby authorized and directed to take such further actions as may be necessary to effectuate the intent and purpose of this Resolution, including but not limited to, accepting, acknowledging, and consenting to revisions or amendments to, or restatements of, any other documents relating to the Restated Series 1985A Bonds and the Restated Series 1985B Bonds, including but not limited to the execution and delivery of replacement bonds in order to effectuate the purpose of this Resolution.

Section 3. The Executive Director and/or the Chairperson are authorized to execute and deliver for and on behalf of the Authority any and all agreements, certificates, documents or other papers and perform all other acts and the execution of all closing documents as may be approved by counsel to the Authority, and the acceptance of any documentation evidencing indemnification of the Authority by Sonoma or Sierra Pointe in connection with the transaction contemplated hereby as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

Section 4. The Restated Series 1985A Bonds and the Restated Series 1985B Bonds shall remain limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of Borrower pursuant to the Restated Series 1985A Indenture, the Restated Series 1985B Indenture, the Restated Series 1985A Loan Agreement and the Series 1985B Loan Agreement, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to pecuniary liability of the State of Iowa or the Authority or charge against its general credit or general funds.

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

Passed and approved on this 2nd day of October, 2013.

David D. Jamison, Secretary



To: IFA Board of Directors
From: Tammy Nebola, Iowa Ag Program Specialist
Lori Beary, Community Development Director
Date: September 23, 2013
Re: Iowa Agricultural Division

Authorizing Resolutions

AG 13-006 Shane R. and Windi K. Weirather

This is a resolution authorizing the issuance of \$193,100 for Shane R. and Windi K. Weirather. The bond will be used To purchase approximately 78.5 acres of agricultural land, house and out-buildings in Lee County. The lender is Pilot Grove Savings Bank in Donnellson.

- **Need Board action on Resolution AG 13-006B**

Beginning Farmer Tax Credit Program

AG-TC #13-01, Beginning Farmer Tax Credit Program

The Agricultural Assets Transfer Tax Credit commonly referred to as the Beginning Farmer Tax Credit (BFTC) program allows agricultural asset owners to earn tax credits for leasing their land, equipment and/or breeding livestock to beginning farmers. Leases must be for terms of 2-5 years. The tax credit for cash rent leases is 7% of the amount of the rent. The tax credit for crop share leases is 17%. There is an additional 1% tax credit if the beginning farmer is also a veteran. Maximum tax credit for any one asset owner is \$50,000 per year. The maximum amount of tax credits allocated cannot be more than \$12 million in any one year. Attached are the BFTC applications approved so far. The IADD Board has recommended approval.

**RESOLUTION
AG 13-006B**

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 Chapters 16 and 175 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 2nd day of October, 2013.

(Seal)

David D. Jamison, Secretary

EXHIBIT A

- 1. Project Number:** AG 13-006
- 2. Beginning Farmer:** Shane R. and Windi K. Weirather
515 S 2nd St
Montrose, IA 52639-9614
- 3. Bond Purchaser:** Pilot Grove Savings Bank
521 Main St, PO Box 130
Donnellson, IA 52625-0130
- 4. Principal Amount:** \$193100
- 5. Initial Approval Date:** 10/2/2013
- 6. Public Hearing Date:** 9/25/2013
- 7. Bond Resolution Date:** 10/2/2013
- 8. Project:** To purchase approximately 78.5 acres of agricultural land, house and out-buildings

**RESOLUTION
AG-TC 13-01**

WHEREAS, the Iowa Finance Authority (the "Authority"), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa and 2013 Iowa Acts House File 607, has established the Iowa Agricultural Development Division ("IADD") to administer the Agricultural Assets Transfer Tax Credit program pursuant to Chapter 175.37 (the "Beginning Farmer Tax Credit Program"); and

WHEREAS, the Authority offers tax credits loans 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 from certain agricultural asset owners, seeking allocations of Beginning Farmer Tax Credits; and

WHEREAS, the IADD has determined the applications for the Beginning Farmer Tax Credits meet the eligibility requirements of Chapter 175.37; and

WHEREAS, the IADD Board has recommended approval of the allocation of Beginning Farmer Tax Credits as set forth on Exhibit A; and

WHEREAS, the Authority desires to authorize the allocation of Beginning Farmer 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 2nd day of October, 2013.

(Seal)

David D. Jamison, Secretary

Exhibit A

Beginning Farmer Tax Credit Program

<u>Project No.</u>	<u>Owner Name</u>	<u>Beginning Farmer</u>	<u>Lease Type</u>	<u>Lease Term</u>	<u>Est. Tax Credit</u>
1292	Susan Davis	Bruce Smit	Crop Share	2 years	\$6,062.13
1293	Robert Allen	John Cook	Cash Rent	2 years	\$3,230.50
1294	Virginia Hart	Lucas Hansen	Cash Rent	2 years	\$8,072.40
1295	James Westergaard	Douglas Westergaard	Crop Share	5 years	\$6,934.81
1297	Margie McCollough	Matt Wadle	Cash Rent	5 years	\$5,496.82
1298	Susan Dershied	Matt Wadle	Cash Rent	2 years	\$3,981.25
1299	Sheryl Rozenboom	Jay Boot	Cash Rent	5 years	\$2,820.00
1300	Ronal Hache Rev Trust	Justin Hache	Crop Share	5 years	\$13,298.81
1301	Kent Picht	Jordan Picht	Crop Share	2 years	\$47,221.34
1302	Alan Tomlinson	John Lyle	Cash Rent	3 years	\$5,887.00
1303	John Collins	Jason Kirsch	Crop Share	2 years	\$37,043.49
1304	John Collins	Jason Kirsch	Crop Share	2 years	\$16,230.48
1305	Debra Erpelding	Jason Kirsch	Crop Share	2 years	\$14,297.49
1308	Diane Drevs	Robert Donahoo	Cash Rent	3 years	\$1,366.75
1309	George Bierstedt	Clint Sire	Cash Rent	5 years	\$2,261.00
1311	Michael Studer	Troy Studer	Crop Share	3 years	\$5,055.73
1312	Vernon Smith	Laura Smith	Crop Share	5 years	\$5,863.14
1313	Daniel Sobek	Tory Waddingham	Cash Rent	2 years	\$3,648.86
1314	Beverly Coombs	Andrew Coombs	Crop Share	5 years	\$11,856.68
1316	Suan Vance Hjelm	Jens Hjelm	Crop Share	5 years	\$5,966.25
1317	Thomas Portz	Ryan Marcus	Cash Rent	2 years	\$1,191.75
1318	Thomas Portz	Anthony Portz	Cash Rent	2 years	\$2,002.14
1322	KLA Farms, Inc.	Troy Anderson	Crop Share	3 years	\$9,879.12
1323	Mary Anne Niemeier	Timothy Gard	Cash Rent	2 years	\$3,002.23
1324	TIGIC, LLC.	Derek Anthofer	Cash Rent	3 years	\$4,851.00
1327	Diane Smith	Scott Smith	Crop Share	5 years	\$6,321.62
1240	Dale Witt	Christopher Reuter	Cash Rent	5 years	\$8,357.44
1306	Maynard Murch	Murch Brothers Farms	Crop Share	5 years	\$2,612.55
1307	Daniel Schmitz	Murch Brothers Farms	Cash Rent	5 years	\$770.00
1310	Frances Kraft	Nathan & Jamie Voss	Crop Share	5 years	\$13,173.54
1328	Rick Forsyth	Chris Forsyth	Cash Rent	5 years	\$1,552.18
1329	Andrew Marzen	David Marzen	Crop Share	5 years	\$3,183.57
1330	Earl Trenhaile	Brandon Trenhaile	Crop Share	5 years	\$9,665.57
1331	Kenneth Peters	Jason Schneider	Crop Share	4 years	\$25,478.93
1332	Mark Olson	Brian Olson	Crop Share	5 years	\$13,137.49
1333	Kenneth Greiner	J & T Acres, LLC	Cash Rent	2 years	\$7,141.63
1334	Dean Lietz	Drew Lietz	Crop Share	5 years	\$27,229.31
1335	Dan Doyle	Erik Rave	Crop Share	2 years	\$3,804.73
1336	Kent Strutzenberg	Brandon Strutzenberg	Crop Share	5 years	\$9,415.01
1337	Angela Brinker	Matt Leonard	Cash Rent	2 years	\$3,460.97
1338	David Baker	Dennis Toben	Cash Rent	3 years	\$747.60
1339	Thomas Hayes	Nicholas Hanna	Cash Rent	2 years	\$3,915.16
1340	Bonnie Lehman	Leo Smith	Cash Rent	2 years	\$3,570.87
1341	John DeRuyter	Mitchel Claussen	Cash Rent	4 years	\$2,690.80
1342	William Henke	Parker Frey	Crop Share	2 years	\$4,122.25
1343	Coburn Eisenman Farms	Nathan Graham	Cash Rent	5 years	\$6,854.79
1344	Mildred Reining Trust	Benjamin Reinig	Crop Share	2 years	\$9,405.68
1345	Jim Smith	Andrew Smith	Crop Share	2 years	\$38,056.20
1346	Shirley Leeper	Parker Frey	Crop Share	2 years	\$9,437.94

<u>Project No.</u>	<u>Owner Name</u>	<u>Beginning Farmer</u>	<u>Lease Type</u>	<u>Lease Term</u>	<u>Est. Tax Credit</u>
1347	Anthony Knust	Theodore Knust	Cash Rent	5 years	\$1,235.89
1348	Janelle Nielsen	Ethan Nielsen	Cash Rent	2 years	\$5,740.00
1349	Greg Kautzky	Kautzky & Platt Farm Co.	Cash Rent	2 years	\$1,960.00
1350	Cash Rentystal Bock	Kautzky & Platt Farm Co.	Cash Rent	2 years	\$7,866.99
1351	John & Steve Banwart	Seth Banwart	Crop Share	5 years	\$34,166.24
1353	Joanne Frost	Derrick Huffman	Cash Rent	3 years	\$1,441.72
1354	Robert Condon	Jeffrey Clark	Cash Rent	2 years	\$4,055.10
1355	Dorothy Schwartz	Montana Deppe	Cash Rent	4 years	\$6,107.50
1356	Gary Johnson	Mathew Anderson	Crop Share	5 years	\$27,239.64
1357	Randy Hall	Corey Hillebo	Cash Rent	5 years	\$1,910.00
1358	Jerald Boevers	Isaac Happel	Cash Rent	2 years	\$2,530.00
1360	Richard Beaver	Tyler Brown	Cash Rent	5 years	\$4,480.00
1361	Dennis Brown	Tyler Brown	Crop Share	5 years	\$7,410.62
1362	Dennis Brown	Lucas Brown	Crop Share	5 years	\$21,159.14
1363	Georgene Stapleton	Kautzky & Platt Farm Co.	Cash Rent	2 years	\$1,155.00
1364	Ronald Marzen	Cody Marzen	Crop Share	2 years	\$12,413.01
1365	Raymond Seehusen	Peter Seehusen	Crop Share	5 years	\$8,317.52
1366	Verle Feldick	Samuel Beenken	Cash Rent	3 years	\$3,645.60
1367	Leon Hansen	Chad Hansen	Cash Rent	5 years	\$1,610.70
1368	Lois Hallberg	Tim & Dan Welter	Cash Rent	5 years	\$840.00
1369	Michael Hagan	Tyler Hagan	Crop Share	2 years	\$2,956.41
1370	Doyle Kauffman	Double S Family Farms	Cash Rent	2 years	\$1,610.00
1371	David Smith	Peter Smith	Cash Rent	2 years	\$1,298.50
1372	Richard Smith	Peter Smith	Crop Share	2 years	\$5,553.69
1373	Postels Family Ptrshp	Ryan Bailey	Cash Rent	3 years	\$4,042.50
1374	Pollpeter Brothers, Inc.	Kyle Steffensmeier	Cash Rent	5 years	\$3,948.00
1375	Bruce Volkert	Nathan Graham	Crop Share	5 years	\$7,487.94
1376	Jean Gillespie	Adam Harvey	Cash Rent	3 years	\$1,692.60
1377	Arlo Reichter	Adam Harvey	Cash Rent	3 years	\$1,670.90
1378	Beryl Reichter	Adam Harvey	Cash Rent	3 years	\$1,670.90
1379	Janet Reichter	Adam Harvey	Cash Rent	3 years	\$1,714.30
1380	Steve Aldrich	Mathew Aldrich	Cash Rent	5 years	\$1,196.00
1381	Paul Homan	Jeremy Homan	Cash Rent	2 years	\$1,680.00
1382	Marian Lindquist	Connor Lindquist	Crop Share	2 years	\$11,862.03
1383	Arnold Heimsoth	Ryan Bailey	Cash Rent	3 years	\$4,949.00
1384	Henry Lentz	Dalton Guerdet	Cash Rent	3 years	\$3,264.59
1385	Keith Lindell	Jennifer Lindell	Crop Share	5 years	\$50,000.00
1386	R J McCarty, Inc.	Chad McCarty	Crop Share	5 years	\$5,970.74
1387	Robert McCarty	Chad McCarty	Crop Share	5 years	\$12,987.75
1388	Ellengray Kennedy	Ryan Goche	Crop Share	5 years	\$7,330.81
1389	Lester Corporon	Matthew Reed	Crop Share	5 years	\$11,658.95
1390	Murlin Iles	Todd Pille	Cash Rent	5 years	\$1,388.97
1391	Linda Smith	Andrew Smith	Crop Share	2 years	\$6,088.99
1392	Doris Bane	Brent Applegate	Crop Share	4 years	\$17,385.45
1393	Robert Mc Sweeny	Jason Volker	Cash Rent	5 years	\$5,040.00
1394	Larry Zimmerman	Sean Zimmerman	Crop Share	5 years	\$3,381.98
1395	Steven Fangman	Ryan Oberbroeckling	Cash Rent	5 years	\$1,607.80
1396	Janella Kammin	Kammin Farms, Corp	Cash Rent	5 years	\$4,798.08
					\$781,148.55



Creating Housing Opportunities

August 19, 2013

Terri Rosonke
Iowa Finance Authority
HousingIowa Development Specialist
2015 Grand Avenue
Des Moines, Iowa 50312

RE: Request for Extension of HOME, Inc. Loan No. SF-2007-002

Dear Terri:

I am requesting a modification of HOME, Inc.'s line of mortgage financing through the Iowa Finance Authority's Single Family Rehabilitation Revolving Loan Program (Loan No. SF-2007-002). HOME, Inc. is requesting an extension in order to draw the remaining funds through December 31, 2016. We also request that the current contract amend the maturity date to accommodate 20 year mortgages.

HOME, Inc. originally received the line of credit of \$500,000 in 2007. To date we have used approximately \$144,000 in funds to provide contract sales to four very low income households. The clients that we have assisted are doing well in sustaining homeownership. HOME, Inc. has complied with all terms and conditions of the line of credit.

The recession coupled with the changes in mortgage lending have adversely affected the clients we serve in our lease/purchase program. To complete rehab and ensure affordability, HOME, Inc. uses Home Funds which require clients to purchase their homes within 36 months in lease/purchase. We are making this request to in order to provide an alternative for our clients that are unable to meet the underwriting criteria for conventional mortgage products within 36 months. We find that many of our clients using non-traditional credit cannot meet these requirements, but can achieve and maintain homeownership through contract sales.

Please contact me if you need further information. Thank you for your consideration or our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Pamela S. Carmichael".

Pamela S. Carmichael
Executive Director

22-08-13 AM 10:30

**RESOLUTION
HI 13-19**

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

WHEREAS, pursuant to a Resolution adopted on July 12, 2006 (the “Original Resolution”), the Board authorized up to \$500,000.00 in loans to HOME, Inc. for use in funding the acquisition, rehabilitation and financing of homes to be sold to low-income households for a draw period of two years with a repayment period of twenty years; and

WHEREAS, pursuant to a Resolution HI 11-18 adopted on November 2, 2011 (the “Second Resolution”), the Board authorized extending the draw period an additional three and one-half years to allow HOME, Inc. to accomplish its goal of providing low-income housing in regard to its working relationship with the City of Des Moines through the Neighborhood Stabilization Program and the Section 8 Homeownership initiative; and

WHEREAS, the draw period for HOME, Inc. expired on December 31, 2012, leaving a remaining unused \$291,000.00 loan balance; and

WHEREAS, HOME, Inc. has requested that the Board extend the line of credit an additional four years through December 30, 2016, and that it amortize all future draws for a 20 year period to allow HOME, Inc. to meet the continuing need for the single family rehabilitation revolving loan program due to the recent recession and mortgage lending changes;

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

SECTION 1. The Board authorizes the Authority to amend the existing Loan Agreement with HOME, Inc., as amended November 2, 2011, by letter, extending loan draws through December 30, 2016.

SECTION 2. The Board authorizes the Authority to amend the June 12, 2007, Promissory Note as amended November 2, 2011, with HOME, Inc. by amortizing all future draws for a 20 year period.

PASSED AND APPROVED this 2nd day of October, 2013.

David D. Jamison, Secretary

(Seal)



IOWA FINANCE
AUTHORITY

To: IFA Board of Directors
From: Terri Rosonke, HousingIowa Development Specialist
Date: 10/2/13
Re: State Housing Trust Fund – Project-Based Housing Program

As provided in the Allocation Plan, IFA will accept applications for the Project-Based Housing Program on an open window basis until all available moneys have been exhausted. Available funding under the FY 2014 Project-Based Housing Program totals \$500,000. The attached funding recommendation is offered for your consideration for one award totaling \$25,000 based upon the threshold review of applications referenced in the prepared summary.

If the attached funding recommendations are approved by the Board, awards to date will total \$25,000 under the FY 2014 Project-Based Housing Program, with \$475,000 remaining available for allocation. Awards approved by the Board are leveraging an additional \$93,000 in other financing resources or \$3.72 for every dollar of Project-Based funding. The approved projects will assist a total of 1 affordable housing unit in Iowa with an average per unit subsidy of \$25,000.



**FY 2014 State Housing Trust Fund – Project-Based Housing Program
Application Summary and Funding Recommendations
October 2, 2013**

Project-Based Application #14-01

Applicant: Habitat for Humanity of Marion County

Project Location: Pleasantville (Marion County)

Project Name: 2013 – 2014 SFNC Habitat Build in Pleasantville

Funding Request: \$25,000

Number of Units: 1

Total Budget: \$118,000

Project Type: Homeownership

Activity: New construction of affordable housing

Background: Habitat for Humanity of Marion County has requested a \$25,000 grant to help construct a single-family home on an infill lot in Pleasantville to be sold to a low-income family. The new 1,000 square foot ranch style home will include three bedrooms and one bathroom. The partner family will receive financial, home repair, homeownership, and foreclosure prevention education and must also complete the required community service hours prior to closing on the home.

Since its inception in 1997, Habitat for Humanity of Marion County has constructed 35 single-family homes and rehabilitated an additional two homes for low-income homebuyers. The partner family for this build is a single mother, who has already completed more than 250 hours of community service, and her two teenage children. The family currently resides in a substandard two-bedroom rental property.

The Project-Based Housing Program award will be used to help finance construction costs. The requested grant represents 23 percent of the net project budget, exclusive of any amounts budgeted for administration and developer fee.

Recommendation: The application is recommended for funding in the amount of \$25,000 contingent upon satisfaction of the following prior to the disbursement of any Project-Based Housing Program grant funds:

1. Habitat for Humanity of Marion County shall comply with Iowa Code section 103A.10A. Construction may not begin prior to written approval by the State Building Code Bureau of the Iowa Department of Public Safety. All plans and specifications must be submitted to the State Building Code Bureau for review and approval. IFA will not disburse funds for construction activities until evidence of the State Building Code Bureau's approval has been submitted. Furthermore, all newly constructed buildings and structures shall be subject to inspection by State Building Code Bureau staff.
2. IFA compliance staff must review and approve the homebuyer's gross annual household income verification documentation as submitted by Habitat for Humanity of Marion County.

RESOLUTION
HI 13-20

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

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

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

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

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

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

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

SECTION 1. Pursuant to the Allocation Plan, the Board hereby awards grants under the Project-Based Housing Program to the recipients and in the amounts listed on Exhibit A, contingent upon all other funding sources, as identified in the applicant’s project budget, being secured.

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

PASSED AND APPROVED this 2nd day of October, 2013.

David D. Jamison, Secretary
(Seal)

EXHIBIT A

Applicant	Category	Funding Recommendation
#14-01, Habitat for Humanity of Marion County <i>Project Location: Pleasantville (Marion County)</i>	Project-Based	\$ 25,000
Total Funding Recommendations 10/2/13	Project-Based	\$ 25,000
Total Prior Awards FY2014	Project-Based	\$ 0
Total FY2014 Funding Recommendations/Awards To Date	Project-Based	\$ 25,000
Total FY2014 Funding Remaining	Project-Based	\$ 475,000

RESOLUTION
HI 13-21

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

WHEREAS, pursuant to Section 42 of the Code and Iowa Code section 16.52, the Authority must draft a qualified allocation plan (the “QAP”) which governs the allocation of tax credits under Section 42 of the Code; and

WHEREAS, the Authority has developed a draft of the QAP for the 2014 Allocation round; and

WHEREAS, the authority previously noticed its intent to adopt the 2014 QAP and to amend its administrative rules to reflect that adoption; and

WHEREAS, the authority received public comment on the proposed 2014 QAP, and based on that public comment believes that certain limited changes to the 2014 QAP should be made.

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

SECTION 1. The Board hereby approves and adopts the version of the 2014 QAP attached hereto as Exhibit A, revised from the version approved at the Board’s August 1, 2013, meeting.

SECTION 2. The Board approves the final adoption (Adopted & Filed) of the amendments to chapter 12 of the Authority’s administrative rules, as set forth on Exhibit B attached hereto.

PASSED AND APPROVED this 2nd day of October, 2013.

David D. Jamison, Secretary

(Seal)



**IOWA FINANCE
AUTHORITY**

**Iowa Finance Authority
Low-Income Housing Tax Credit Program
2014 Qualified Allocation Plan**

SECTION 1. INTRODUCTION

Thank you for your interest in the Low-Income Housing Tax Credit (LIHTC) Program. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.52. In accordance with Section 42 of the Internal Revenue Code (the Code), IFA has developed this Qualified Allocation Plan (QAP) to establish the criteria and process for the allocation of the housing Tax Credits to Qualified Residential Rental property in Iowa. IFA will implement the QAP following approval of the QAP by the IFA Board of Directors. Final approval of the QAP by the Governor shall be a precondition to the execution of any Carryover Agreement under this QAP. This QAP shall govern the allocation year 2014 and additional Tax Credits authorized by the Heartland Disaster Tax Relief Act of 2008.

The QAP consists of three parts and two appendices:

- Part A-requirements for nine percent (9%) Tax Credits.
- Part B-requirements for four percent (4%) Tax Credits with tax-exempt bonds.
- Part C-terms and conditions that apply to all Tax Credit funded Projects.
- Appendix 1-threshold requirements for building, construction, site, and rehabilitation that apply to all Tax Credit funded Projects.
- Appendix 2-glossary of terms.

IFA will rely on the following when interpreting the requirements of the QAP: (1) the QAP, including the 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. An applicant’s interpretation of the QAP and its requirements is immaterial.

To the extent possible, the following schedule applies to the Tax Credit Reservation Application process for nine percent (9%) Tax Credits:

Step 1	Rules and QAP become final	Upon adoption and filing of the rules
Step 2	Application and accompanying exhibits available based on 2014 QAP	On or about October 14, 2013
Step 3	Mandatory Developer Application training session	On or about October 14-18, 2013
Step 4	Nonprofit set-aside exhibits due to IFA (if applicable)	On or about November 8, 2013

Step 5	Application due to IFA	December 9, 2013 at 4:30 PM
Step 6	IFA Tax Credit Reservation recommendations presented to Board	March 2014 IFA Board of Directors meeting
Step 7	Issuance of 2014 Carryover Agreements	On or about May 31, 2014
Step 8	10% Test Submission due: Ownership Entity incurs 10% of the Project's reasonably expected basis	10 months following date of Carryover Agreement
Step 9	IRS Form 8609 Application package due to IFA	By November 1 of the first year credit period

PART A – REQUIREMENTS FOR 9% TAX CREDITS

SECTION 2. TAX CREDIT RESERVATION AND ALLOCATION PROCESS

2.1 Amount of Tax Credits to be Allocated. The amount of annual Tax Credits (“Per Capita Tax Credits”) allocated is based on a per-capita amount derived from population estimates released by the Internal Revenue Service (IRS). In allocation year 2013, IFA’s Per Capita Tax Credit authority was \$6,916,918. The 2014 Per-Capita Tax Credit amount is yet to be determined. In addition to the Per Capita Tax Credits, IFA may have returned Tax Credits from previous Tax Credit years to allocate. IFA may also elect not to allocate a de minimis amount of Tax Credits. Any remaining credits from the Rural Development Preservation Demonstration set aside will be rolled into the 2014 Allocation.

2.2 Set-Asides. There will be one pool of Tax Credits with four (4) set-asides in 2014. These set-asides are Nonprofit, Preservation, Rural, and Senior. After filling the Nonprofit, Preservation, Rural and Senior set-asides, the remaining Tax Credits will be awarded in the General Pool. All set-asides are available at the opening of the Application period. An Applicant may apply for the Nonprofit, Preservation, Senior, and Rural set-asides, and if those set-asides are filled and the Project remains unfunded, the Project may compete in the General Pool. For 2014, the set-aside percentages are:

2.2.1 Nonprofit Set-Aside. Ten percent (10%) of all available Tax Credits are set aside for Qualified Nonprofit Organizations. This Tax Credit amount cannot be used for any other purpose. IFA reserves the right to conduct due diligence to determine whether an Entity is a Qualified Nonprofit Organization.

The Applicant is required to demonstrate the involvement of a Qualified Nonprofit Organization. To qualify, the Nonprofit must meet the following requirements:

1. The Nonprofit must have an IRC Section 501(c)(3) or IRC Section 501(c)(4) designation from the IRS and be qualified to do business in Iowa.
2. The Nonprofit cannot be formed for the principal purpose of being included in the Nonprofit Set-Aside. The Nonprofit cannot be Controlled by a for-profit organization. IFA may make a determination as to whether a Nonprofit is Controlled by a for-profit.
3. The Nonprofit and/or parent Nonprofit organization must have as one of its exempt purposes the fostering of low-income housing and must have been so engaged for the two years prior to the Application submission date. The Application must demonstrate that the Nonprofits’ programs include a low-income housing component. The Application must explain how the Nonprofit will accomplish its charitable purposes, as an organization that provides low-income housing, consistent with the safe harbor or the facts and circumstances test set forth in Rev. Proc. 96-32, 1996-1 C.B. 717.
4. The Nonprofit must 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). If the Nonprofit is one of two or more Owner Representatives,

each of the Owner Representatives must be a Nonprofit organization; only one of the Nonprofit Owner Representatives must have as one of its exempt purposes the fostering of low-income housing, and have been doing so for the two years prior to the Application submission date.

5. The Nonprofit must demonstrate its capacity and intention to Materially Participate (regular, continuous and substantial on-site involvement) in the operation of the Project throughout the Compliance Period.

6. The Nonprofit shall receive no less than fifty percent (50%) of the combined total of the Developer and Consultant Fee.

2.2.2 Reserved.

2.2.3 Preservation Set-Aside. Fifteen percent (15%) of all available Tax Credits are set aside for preservation of existing affordable properties where more than fifty percent (50%) of the Units are currently income-restricted and rent-restricted to households at or below sixty percent (60%) Area Median Income (AMI) by a Land Use Restrictive Agreement (LURA), Regulatory Agreement, or Section 8 project-based contract; or the entire Project is currently in the Section 515 Rural Rental Housing Program.

2.2.4 Senior Set Aside. Fifteen percent (15%) of all available Tax Credits are set aside for housing specifically designed to meet the needs of senior citizens. Housing that meets the Fair Housing Act definition of housing for older persons is exempt from the law's familial status requirements provided that: HUD has determined that the dwelling is specifically designed for and occupied by elderly persons under a Federal, State or Local Government program; it is occupied solely by persons who are 62 or older or it houses at least one person who is 55 years or older in at least 80 percent (80%) of the occupied Units, and adheres to a policy that demonstrates intent to house persons who are 55 years old or older.

Therefore, housing that satisfies the legal definition of Senior Housing or housing for older persons described above, can legally exclude families with children.

2.2.5 Rural Set Aside. Fifteen percent (15%) of all available are set aside for Projects located in a non-MSA city or county.

2.3 Tax Credit Cap for Single Developer/Project. IFA shall not allocate more than \$1,200,000 in Tax Credits to Projects being developed by a single Developer. A Developer may submit as many Projects as the Developer chooses. IFA will select which Projects are awarded Tax Credits based on the QAP. Co-Developers will be allocated Tax Credits based upon the percentage of interest in the Project. For example, if a Co-Developer retains a fifty percent (50%) interest in the various Developer and Consultant Fees realized from a Project, fifty percent (50%) of the Tax Credits will be counted against the Developer's cap. The maximum Tax Credit amount that will be awarded to any one Project is \$800,000.

Parties that have an Identity of Interest may be treated as a single Applicant for purposes of the cap if IFA concludes, based on the relevant facts and circumstances, that the submission of an Application by one or more of the Applicants is intended, in whole or in part, as a means of circumventing the annual Developer Tax Credit Cap. Consideration will be given to the familial, financial, business or any other significant relationship in the review of the Identity of Interest as it relates to the Developer cap limit.

SECTION 3. APPLICATION PROCESS

IFA requires the Applicants to submit the Application and exhibits through an on-line Application system; notification will be placed on the website, www.IowaFinanceAuthority.gov, specifying the submission requirements. The Application will include a prescribed Application form and exhibits. All initial and subsequent competitive and noncompetitive LIHTC Applications must be submitted using IFA's prescribed forms and method of Application. The completed Application must contain electronic signature(s) and the initial Application must be accompanied by an electronic payment for the appropriate nonrefundable Application fee(s) specified in Section 3.4.7. In the event it becomes necessary to amend the Application Package, IFA will post the amended version of the Application Package on its website at the above address. Applicants are advised to check IFA's website periodically for any amendments or modifications to the Application Package.

3.1 Joint Review. IFA reserves the right to conduct joint reviews with other funding sources including any other party, loan or grant program. IFA may contact other sources to obtain information regarding the materials contained in the Application to either verify the information or to obtain independent information regarding a Project. In the event IFA obtains information from other sources, in a non-written format, the information shall be reduced to writing. The information will be available for review after the Applications have been evaluated and Tax Credits have been reserved. In the event that additional Federal sources become available, IFA may choose to allow a simultaneous review of both LIHTC and the Federal source.

3.2 Contact with IFA Before the Application is Received. If an Applicant has a question regarding an interpretation or clarification of the QAP, IFA policies, procedures or rules related to the LIHTC Program, the question must be submitted in writing to the attention of the IFA LIHTC Manager, via the IFA 2014 Q&A email box established on the IFA website. The response will be placed on the website at www.IowaFinanceAuthority.gov. 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 the website.

3.2.1 New Developer in Iowa. If the Applicant has not submitted an Application to IFA in previous LIHTC rounds, the Applicant shall meet with the IFA LIHTC Manager to review the QAP and the Application process prior to submitting an Application. The Developer/Co-Developer must provide IFA financial statements from the past three (3) years.

3.2.2 New Tax Credit Developer. A first time Tax Credit recipient must complete at least one LIHTC Project in which all LIHTC Units have been leased at least once and has received an IRS Form 8609, in Iowa or any other state, before being allowed to submit a subsequent Application. A new Tax Credit Developer Applicant is only eligible to receive an award of Tax Credits for one Project.

3.2.3 Mandatory Developer Training. As part of the Application process and threshold requirements, the Developer or designee shall attend one of the mandatory training sessions as noted in QAP Section 1 Introduction Tax Credit Reservation Schedule.

3.3 Contact with IFA After the Application is Received. Once the Application is received by IFA, in order to expedite the analysis of Applications, IFA will notify the Applicant of any required information for supplemental or clarifying data and specify the date and time by which a response from the Applicant is expected. For initial Application submission, no changes shall be allowed that maintain or improve the score received by an Applicant. Except when contacted by IFA to clarify a threshold item within the Application, an Applicant shall not contact any IFA staff or Board members, nor shall anyone contact staff or Board members on the Applicant's behalf, in order to unduly influence IFA's determination related to the award of Tax Credits. If it has been determined by IFA that a staff member or Board member has been contacted by the Applicant or a party on behalf of the Applicant, then the Application will be withdrawn by IFA from consideration for LIHTC. Following the receipt of an Application, information identifying the Applicant will be placed on the IFA website. During the evaluation period, Applications will not be made available to the public for examination and copying. After the Board approves the selections and awards the Tax Credits, Applications and files are public information and available for inspection and copy in accordance with Iowa Code Chapter 22. IFA shall not be precluded from requesting any and all such information needed to properly evaluate the Application. Contact with IFA staff or Board members is also prohibited under Section 7.8 Appeals.

3.4 Application Process for Market Analysis, Threshold, and Scoring. The complete Application consists of: (1) market study and analysis; (2) threshold review; and (3) scoring determination. Any revisions to the schedule proposed in Section 1, Introduction, will be published on IFA's website at www.IowaFinanceAuthority.gov. IFA will accept Applications on or before the Application deadline that meet the allocation criteria, so long as adequate Tax Credits are available.

3.4.1 Market Study and Analysis. IFA shall commission a market study for all proposed Projects. An Applicant shall select only one of three possible tenant populations: Family, Older Persons 55 and older (eighty percent (80%) of the tenants must be 55 or older) or Older Persons 62 and older (all tenants must be 62 years of age or older).

3.4.1.1 Applicants are encouraged to submit any market information they believe may be helpful in determining market feasibility of their Project, including an independent market study, information from proposed service providers, information from syndicators or any other third party, or other market information the market study analyst should evaluate. All market information provided by the Applicant will be provided to IFA's commissioned market analyst. By submitting this information, Applicants are afforded the opportunity to provide input that may be important in the determination of market feasibility. However, IFA will not be bound by the opinion or conclusions reached in the Applicant's independent market study or other market information provided.

3.4.1.2 Market feasibility for a proposed Project, as measured by the IFA commissioned market analyst, will be based on, but not limited to, the following factors: market capture rate, market penetration rate, absorption rate, market support of Unit mix, stabilized occupancy rate, vacancy rate of comparables, rent comparisons to comparables, the overall housing market, and impact on the market and financial health of comparables in market area. If the market study or IFA's analyses of the market study (which may contain independent information obtained

by IFA) do not demonstrate, at the sole discretion of IFA, that the market area will sustain the proposed Project or that additional Units within a market will have a detrimental effect on existing affordable Units, the Project will be rejected at threshold.

3.4.1.3 Following the review of the market study and analysis, IFA may specify elements of the Application that must be changed within 14 calendar days following the initial written deficiency request (or such shorter time as IFA may reasonably require) in order for the Project to be considered feasible within the proposed market area. If the Applicant does not make the requested change(s), then the Project may fail to meet threshold by reason of market feasibility. No other Application changes other than those specified by IFA shall be allowed.

3.4.1.4 In the case of a Scattered Site Project, the market study will evaluate each location. If more than one site is located outside of the primary market area for the first site, an additional fee established in Section 3.4.7 must be paid for each primary market location.

3.4.2 Application for Threshold. This Application will be used by IFA to determine if the Project has met the threshold requirements for an award of Tax Credits. The Applicant must submit the 2014 Low-Income Housing Tax Credit Application, and all required exhibits by the due date published on the website, www.IowaFinanceAuthority.gov.

3.4.3 HOME Funds. If an Applicant is applying for State HOME funds, the Applicant must complete the HOME sections and attach the appropriate information as more fully described in the HOME Application and instructions. IFA may appoint a Joint Review Team to review Applications applying for HOME funds and Tax Credits. No additional points will be awarded to an Applicant that seeks HOME funding. IFA has the sole and final authority with respect to any reservation of Tax Credits or HOME funds.

3.4.4 Nonprofit Participation. If a nonprofit organization is Materially Participating in the Project then the Applicant must provide information necessary for the Authority to determine if the Project is in compliance with IRC Section 42(h). If a nonprofit organization is found by the Authority to be Materially Participating, this designation will be recorded in the Carryover Agreement and the LURA.

3.4.5 Site Visits. IFA may make site visits as it deems necessary to review proposed Projects and verify any of the information provided by the Applicant in the Application. Applicants may or may not be notified of a site visit. If deemed necessary by IFA, Applicants shall provide building access for inspection by Evaluators to, among other things, confirm basic structural soundness.

3.4.6 Authorization Forms. IFA may request an executed IRS Form 8821, Tax Information Authorization Form, for each Developer for sharing of information between IFA and the IRS. The Form 8821 must be provided to IFA for the Ownership Entity, at the time of Carryover Application, at the time the Project is Placed-in-Service, and annually during the

Compliance Period. Members of the Qualified Development Team, as determined by IFA, must execute an Authorization to Release Information as part of the on-line application.

3.4.7 Fees. IFA shall collect the fees described below for the LIHTC Program. Electronic payment of the fees must be made payable to the Iowa Finance Authority. An Application shall not be accepted unless the Application fee accompanies the Application. The reservation fee will be due within 30 calendar days after the date of the Tax Credit Reservation letter. If the date that the reservation fee is due falls on a weekend or holiday, the fee is due on the next business day. The Carryover Allocation Agreement shall not be valid until the reservation fee is paid to IFA. If the reservation fee is not received, IFA may withdraw the reservation of Tax Credits from the Applicant. IFA will not issue an IRS Form 8609 until the initial compliance monitoring fee is paid in full. All fees are nonrefundable, except if the Applicant withdraws the Application within three (3) business days of receipt by IFA, the Application fee will be reimbursed.

Fee Type	All Applicants
Market Study Fee (due with Application)	\$5,000– Family/Older Persons Project \$5,000 – Scattered Site Project for Family/Older Persons Project for first location, and an additional \$3,000 for each subsequent location not in primary market area of first location
Application Fee	35 Units or fewer: \$1,600 36 to 60 Units: \$2,100 61 to 100 Units: \$2,600 Over 100 Units: \$5,200
Market Study Change(s) Fee	The Applicant will negotiate with the market study analyst and the fee is paid directly to the market study analyst.
Change in Application Fee	\$800 each time the Applicant submits a revised Application that changes the Tax Credit amount requested, or requests amendments or changes to the Application under section 8.2, 8.3 or 8.8.
Reservation Fee	One percent (1%) of the total 10-year Tax Credit amount
IRS Form 8609 Application Fee	One tenth of one percent (.1%) of the total 10-year Tax Credit amount based on the IRS Form 8609 Application will be due prior to IRS Form 8609 issuance.
Compliance Monitoring Fee	\$25 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: \$25 per Unit x 24-Unit Project = \$600.00 paid annually for 30 years.) Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple building Project on the IRS Form 8609, if eligible to do so.

	<p>Annual rate increases may apply.</p> <p>First annual payment must 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 and Extended Use Period if annual rate increases are applied during that time.</p> <p>Other fees as provided in the Compliance Manual</p>
Filing of the LURA	The Applicant will be billed for actual cost for electronic or paper filing (if electronic filing is not available in a particular county) of the LURA with the county that the Property(ies) is/are located.
Late Submission of either the Carryover-10% Test Application or the IRS Form 8609 Application	If a late submission of the Carryover-10% Test or the IRS Form 8609 Application is allowed by IFA, the Applicant will be billed for an additional amount equal to the Application Fee as listed above.
Legal Fees	<p>Legal fees incurred by IFA with respect to the Project will be assessed and billed to the Applicant, including but not limited to the following:</p> <ul style="list-style-type: none"> • Fees for research relating to irregular situations • Ownership agreements • Rental rate questions • Unusual timing situations • Specific technical questions relating to IRC Section 42 • Administrative Law Judge fee in cases of unsuccessful appeals <p>Legal fees of IFA's in-house counsel will be billed at the rate of \$150 per hour. Legal fees of outside counsel will be billed at the rate charged to IFA. If IFA anticipates that legal work on a matter will exceed five hours, IFA will notify the Applicant prior to commencement of the legal work.</p>
Construction Monitoring Fees	A \$2,000 Construction monitoring fee will be due at submission of the Carryover-10% Test Application. If a Carryover-10% Test is not necessary, the Construction monitoring fee will be due with the IRS Form 8609 Application.
Inspections:	IFA will typically conduct five (5) site visits consisting of four (4) inspections and one (1) preconstruction meeting. IFA may elect to conduct additional inspections at its discretion for larger or more complicated Projects at no cost.

<p>Fees for Failed and Missed Inspections</p>	<p>There will be an additional \$500 fee for any re-inspections when one or more items failed inspection to warrant a return visit to the site(s). Some potential reasons include but are not limited to the following; (1) the site is not ready for the inspection requested; (2) items are in place that don't meet requirements for points in the application; (3) items are in place or missing that don't meet threshold; and (4) significant changes are in place that were not approved by IFA per Section 8.1.4.</p> <p>There will be an additional \$500 charge for any missed inspections where IFA is not notified by email to the Construction Analyst two working days in advance.</p>
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3.4.8 Prioritization of Review and Award of Credits. IFA will use the following priority list to review and award credits:

1. Nonprofit set-aside Applicants for all counties.
2. Preservation set-aside Applicants for all counties.
3. Senior set-aside Applicants for all counties.
4. Rural set-aside Applicants in non-MSA cities or counties.
5. General Pool Applicants for all counties.

Applications will be scored and ranked within each of these categories. If there are insufficient credits to be awarded to all Applicants within a set-aside, the Applicant will be considered in additional set-asides that were applied for in the Application and the General Pool. If a balance remains in one of the set-asides, other than the General Pool, IFA may exceed the set-aside amount in order to award the next qualifying Project within the specific pool. The excess funds needed to complete the set-aside award will be drawn from the General Pool.

SECTION 4. UNDERWRITING

The Applicant shall demonstrate that the Project is financially feasible and viable using the least amount of Tax Credits. Underwriting will be completed by IFA during the review of the Application. IFA may adjust the amount of Tax Credits based upon the underwriting. Underwriting shall be completed for a Project prior to the time a reservation is awarded, at submission of the Carryover-10% Test, and before an IRS Form 8609 is issued. The pro forma cash flow is part of the Application. If a gap in financing is discovered, the gap may be filled from no more than fifty percent (50%) of the Developer's fee. No other fee will be used to fill a gap in financing. IFA may require the Applicant to provide annual financial statements for the Project Developer and the Ownership Entity.

The Applicant shall provide sufficient information to allow IFA to determine whether the Project is financially feasible during the construction phase and the operational phase of the Project. The Applicant shall provide information regarding loans, grants, equity contributions, the anticipated value received from syndicators, equity partners or private funding sources for the Tax Credits, property tax abatements, tax increment financing, enterprise zone benefits and any other type of financing or contributions that are relevant to the economic feasibility of the Project and are available to the Project. State Historic Tax Credits may be listed as a source of funds, provided that the Applicant can demonstrate that the credits will be available to the Project prior to the due date of the Carryover-10% Test submission date.

The following minimum financial underwriting requirements apply to all Projects. Projects that cannot meet the minimum requirements, as determined by IFA, will not receive Tax Credits.

4.1 Underwriting Standards.

4.1.1 Projects will be underwritten with income escalating at a minimum of two percent (2%) and operating expenses escalating at a minimum of three percent (3%), with a minimum spread of one percent (1%) required between the income and expense escalators. Management fees will escalate at the same rate as income.

4.1.2 Projects will be underwritten at a seven percent (7%) vacancy rate. Projects with 25 Units or less will be underwritten at a ten percent (10%) vacancy rate. For a Project qualified under Section 2.2.3, IFA will allow a five percent (5%) vacancy rate if the Property has maintained a ninety-five percent (95%) or higher annual occupancy rate for the previous three (3) years, and is currently occupied at a minimum of ninety-five percent (95%).

4.1.3 All Projects must reflect an average Debt Service Coverage Ratio (DSCR) between 1.2 DSCR and 1.5 DSCR. Any one year cannot go below 1.15 DSCR or above 1.8 DSCR for the first 15 years.

4.2 Operating Expenses.

4.2.1 Housing for Older Persons: Minimum of \$2,830 per Unit per year not including taxes and reserves.

4.2.2 Housing for Families: Minimum of \$3,350 per Unit per year not including taxes and reserves.

4.3 Operating and Replacement Reserves.

4.3.1 Operating Reserve. The operating reserve will be the greater of 1) \$1,500 per Unit or 2) six (6) months of debt service, operating expenses and real estate taxes. At the time of the issuance of the IRS Form 8609, the operating reserve cannot exceed eight (8) months of debt service, operating expenses and real estate taxes. The operating reserve must be in place for the first 15 years and be used solely to cover operating deficits. The Applicant must include a narrative explaining how the operating reserve will be established.

4.3.1.1 Reserved.

4.3.1.2 The operating reserve can be funded by deferring the Developer's fees of the Project.

4.3.1.3 The Ownership Entity may fund the operating reserve using an irrevocable letter of credit. The letter of credit will be released after the end of the 15 year period described in Section 4.3.1. If a letter of credit is used, the proceeds should not be included in the Project costs. The fees associated with obtaining the letter of credit may be included in Project costs.

4.3.1.4 The requirement for the operating reserve is a compliance issue and may be satisfied using the terms and conditions of the operating reserve required by lenders or other funders financing the Project provided the reserve is equal to or greater than the reserve required by this Section. Applicants are required to submit to IFA a verification that the terms and conditions of the operating reserve required by lenders or other funders financing the Project has or will be satisfied at the time a building is Placed-in-Service. If the operating reserve will be established with the final equity payment, a letter from the syndicator or investor will be required.

4.3.2 Replacement Reserve. All Family Projects must budget replacement reserves of \$400 per Unit per year escalating at the same rate as Operating Expenses. All Older Persons Projects must budget replacement reserves of \$300 per Unit per year escalating at the same rate as Operating Expenses.

4.3.2.1 The Application will include a narrative explaining how the replacement reserve will be escrowed and used only for the replacement of capital components of the Project. The replacement reserve must be shown on the pro forma.

4.3.2.2 The requirement for the replacement reserve is a compliance issue and may be satisfied using the terms and conditions of the replacement reserve required by lenders or other funders financing the Project provided the reserve is equal to or greater than the reserve required by this Section. Applicants are required to submit to IFA a verification that the terms and conditions of the replacement reserve required by lenders or other funders financing the Project has or will be satisfied at the time a building is Placed-in-Service.

4.4 Deferred Developer Fees.

4.4.1 Developer fees can be deferred to cover a gap in funding sources as long as: (1) the entire amount will be paid within 15 years and meets the standards required by the IRS to stay in basis; and (2) the deferred portion does not exceed fifty percent (50%) of the total amount as of the full Application. If the deferred Developer fee cannot be paid within 15 years, IFA will consider the unpaid amount to be a Developer contribution to the Project. Each of these will be determined by IFA. Nonprofit organizations must include a resolution from the Board of Directors allowing such a deferred payment obligation to the Project. The deferred Developer fee must be paid from the net cash flow and not be calculated into the minimum Debt Service Coverage Ratio.

4.5 Financing Commitment.

4.5.1 The Applicant must provide a letter of intent for construction and permanent financing from the lending institution on the institution's letterhead. This letter must clearly state the term of the permanent loan, how the interest rate will be indexed and the current rate at the time of the letter, the amortization period, fees, prepayment penalties, anticipated security interest in the Property and lien position. The letter term lengths must extend at least six (6) months beyond the date the Application is due to IFA

4.5.2 For all other sources, except state HOME funds and IFA approved participating Cities with allocated HOME funds, a commitment for funding must be made in advance. This includes any other grants, loans, tax credits, tax increment financing, etc. Documentation that specifies the value of the commitment, the purpose the funds can be used for, and time limitations related to the commitment must be provided from the entity making the commitment. A resolution adopted by the city council is an acceptable commitment for providing tax increment financing.

4.5.3 Unless a request is being submitted for a Senior Living Revolving Loan or a Transitional Housing Loan, Applications may only include one set of proposed funding sources. IFA will not consider multiple funding scenarios. A Project shall be ineligible for allocation if any of the listed funding sources will not be available in an amount and under the terms described in the Application. IFA may waive this limitation if the Project otherwise demonstrates financial feasibility. If a loan is being requested from IFA for a revolving loan program, the Applicant may submit the designated financial documents listing the IFA construction and/or permanent loan(s) listed as a source, and may submit the designated financial documents with an alternative source for the construction and/or permanent loan(s).

4.6 Developer and Builder Fees.

4.6.1 Developer Fees (including overhead and profit and Consultant Fees) shall not exceed the percentages described below. For new construction, the Developer's fee is calculated as a percentage of Total Project Costs minus land, Developer's fee, Developer's overhead and profit, Consultant Fees and Project reserves. For Acquisition/Rehabilitation or Rehabilitation Projects, the Developer's fee is listed in the schedule below. The fees will be limited as follows:

Project Type	Fee Limit
Developer fee for New Construction Projects:	
First 36 Units within the Project	Not to exceed fourteen percent (14%)
Remaining Units within the Project above 36	Not to exceed twelve percent (12%)
Developer fee for Acquisition/Rehabilitation or Rehabilitation Projects:	
Rehabilitation Portion of Acq/Rehab or Rehab Projects, including Adaptive Reuse, Historic, and Preservation Projects	Not to exceed sixteen percent (16%) of the Total Project Costs minus land, building purchase (existing structures), Developer' fee, Developer's overhead and profit, Consultant Fees, and Project reserves.
Acquisition Portion of Acq/Rehab Projects, including Adaptive Reuse, Historic, and Preservation Projects	Not to exceed six percent (6%) of the purchase cost of the buildings (existing structures).

4.6.2 Builder and general contractor fees shall be limited to a total of twelve percent (12%) of the Hard Construction Costs.

4.6.3 In the event the Developer fee, Consultant Fee or builder fee limits are in excess of the limits imposed, IFA will make the appropriate adjustments during the underwriting phase of the evaluation of the Applications.

4.6.4. When the General Partner of the Ownership Entity is a nonprofit organization, the Nonprofit shall receive no less than fifty percent (50%) of the combined total of the Developer and Consultant Fee.

4.6.5 IFA reserves the right to limit professional and other fees.

4.7 Other Fees and Considerations.

4.7.1 General Partner Contribution. A minimum required contribution of \$100 by the General Partner/managing member must be included in the funding sources in the Application.

4.7.2 Construction Contingency Funding. All new construction Projects shall have a hard cost Construction Contingency line item of no more than five percent (5%) of total Hard Construction Costs, less Construction Contingency. For Acquisition/Rehabilitation or Preservation Projects, the hard costs Construction Contingency limits will be no less than seven percent (7%) and no more than twelve percent (12%). For Adaptive Reuse and Historic Preservation Projects, the hard cost Construction Contingency limits will be no less than eleven percent (11%) and no more than fourteen percent (14%) of the total Hard Construction Costs, less Construction Contingency.

4.8 Subsidy Layering Review. HUD is required to undertake a subsidy layering review of each Project that receives HUD housing assistance. This is to ensure that the Applicant does not receive excessive government subsidies by combining HUD housing assistance with other forms of federal, State or local assistance. For Projects that combine HUD housing assistance with Tax Credits, HUD has delegated the subsidy layering review to IFA. HUD and IFA have entered into a Memorandum of

Understanding (“MOU”) governing the procedures that IFA must follow when undertaking the subsidy layering review. Generally, the fee limits for the Developer’s fee, overhead, builder’s profit and other fee limits set forth in this QAP in Sections 4.6 and 4.7 will be applied by IFA in its subsidy layering review. IFA will complete the subsidy layering review for applicable Projects after the Applicant and HUD submit relevant documentation for review at Carryover. This information includes the results of HUD’s underwriting analysis, the Applicant’s proposed development costs, and information concerning any syndication of the Project. IFA will undertake the subsidy layering review for each Project after completion of HUD’s and IFA’s underwriting, if applicable. IFA will complete a second subsidy layering review at the time the IRS Form 8609 is issued for the Project. IFA reserves the right, without amending this QAP, to amend its subsidy layering procedures as necessary to comply with changes in applicable federal law or regulations, HUD guidelines or the MOU. HOME and CDBG funding, when combined solely, with Tax Credits do not trigger the subsidy layering review process.

4.9 Unit Cost Cap. IFA shall not award LIHTC to a Project in which the cost per Unit is greater than the HUD 221(d)(3) limits listed in Appendix D. Enterprise Zone sales tax rebates and utility company rebates for energy efficiency measures will be included in the calculation of Total Project Costs. Projects receiving State and/or Federal Historic rehabilitation Tax Credits will be allowed to deduct the residential portion of the Historic Tax Credit from the Project costs to allow for stricter rehabilitation standards.

Please refer to Appendix D for the HUD 221(d)(3) limits.

Unit cost caps are maximum amounts. IFA provides no guarantee that Projects at or below the Unit cost caps will be deemed financially feasible.

4.9.1 Tax Credit Cap per LIHTC Unit. In addition to the Unit Cost Cap stated in Section 4.9, the maximum amount of Tax Credits per LIHTC Unit are as follows:

Acquisition/Rehab	Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
	\$6,500	\$7,500	\$9,000	\$11,500	\$12,500
New Construction	Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
	\$8,500	\$10,500	\$12,500	\$15,000	\$16,500

Projects that are eligible for the basis boost, as defined in Section 7.2, will be allowed to exceed the Tax Credit Cap per LIHTC Unit listed above by thirty percent (30%).

4.10 Section 811. The Section 811 Project Rental Assistance Demonstration Program is designed to provide long-term rental assistance for: (1) permanent supportive housing for non-elderly, extremely low-income persons with disabilities; and (2) extremely low-income households that include at least one non-elderly person with a Disability that will fund the difference between the tenant’s payment for rent and the approved rent for the Unit (anticipated to be the applicable HUD Fair Market Rent). In the event IFA is awarded project-based subsidy from HUD under the Section 811 Project Rental Assistance Program, any Project, whether or not it applies for Section 811 Project Rental Assistance, can be required by IFA to participate in, to accept an allocation of this project-based subsidy and to comply with all applicable program restrictions. If IFA is not approved to participate in the Section 811 Project Rental Assistance Demonstration Program, no Section 811 project rental assistance will be available from IFA and this subsection will not apply to the Project.

SECTION 5. THRESHOLD REQUIREMENTS - ALL DEVELOPERS\OWNERSHIP ENTITIES

To be considered for a reservation of Tax Credits, a Project must demonstrate that it meets the requirements described in this Section. Threshold determinations made in prior years are not binding on IFA for the 2014 round.

5.1 Complete Application. In order for IFA to review an Application fairly and accurately, it must 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. In the case that additional information is requested by IFA, the notice for information will be sent through email or the online Application. The Applicant will have 14 calendar days to respond to the initial written deficiency notification, as specified in the notice for information. The Applicant may contact the IFA LIHTC Manager or other Tax Credit staff during this period to request clarification. IFA reserves the right to contact the Applicant in other ways to clarify information contained in the Application.

5.2 Legal Ownership Entity. The Ownership Entity must be formed prior to submission of the Application. For the purposes of the Application, the Applicant is the Ownership Entity.

5.3 Location Requirements. The proposed Project must be located in an incorporated city. Applications shall not contain or propose alternate sites. Alternate sites must be presented as separate Projects with separate Applications.

5.4 Readiness to Proceed. The Applicant must be ready to proceed with the Project by documenting site Control, site suitability, adherence to building standards, and a Qualified Development Team. Refer to Appendix 1, Threshold Requirements for Building, Construction, Site and Rehabilitation, for related requirements. In addition, the following shall be met:

5.4.1 Appraisals

5.4.1.1 Land/Acquisition with an Identity of Interest. For land and buildings which are acquired from a party with an Identity of Interest, the Applicant must provide an appraisal by an MAI certified appraiser who is not a related party and is currently in good standing. The appraisal must be no more than 180 days old on the date that the Application is submitted to IFA. The appraisal may be submitted to IFA 30 days following the Application due date.

5.4.1.2 State HOME funded Projects. For all Projects that are requesting State HOME funds, the Applicant must provide an appraisal by an MAI certified appraiser who is not a related party and is in good standing. The HOME program requires the appraisal in order to determine the market value of the acquired land and/or buildings. The appraisal must be no more than 180 days old on the date that the Application is submitted to IFA. The appraisal may be submitted to IFA 30 days following the Application due date.

5.4.2 Qualified Development Team. The Applicant is required to identify the Qualified Development Team (QDT) and to provide a narrative describing the function of each mandatory member of the Qualified Development Team. The narrative shall explain how the QDT possesses the necessary experience to successfully complete the proposed Project and all other projects under construction, and that it has developed projects of comparable size and financing complexity. Either the Developer, managing member, General Partner or Development Consultant must have Materially Participated in a LIHTC Project that has received an IRS Form 8609 from any state within the past five (5) years. The qualifications of the QDT will be evaluated again at Carryover and the reservation of Tax Credits may be revoked, at the sole discretion of IFA, if the QDT is not qualified to successfully complete the proposed Project. The Project Developer or Developer representative must attend a mandatory Developer Application training session, as noted in QAP Section 3.2.3. The Management Company/Manager must have at least three (3) years of experience successfully managing a Section 42 Property.

IFA may require a financial background check of the Project Developer, General Partner/managing member, Consultant, and the Management Company, or the Affiliates of any of the foregoing. If the background check discloses any financial difficulties, risks or similar matters that IFA believes might substantially impair or harm the successful development and operation of the Project as a qualified low-income housing Project, IFA may:

1. Refuse to allow the Qualified Development Team member to participate in the Tax Credit Program;
2. Reject or disqualify an Application and cancel any Credit reservation and Carryover Allocation; and/or
3. Demand additional assurances that the development, ownership, operation or management of the Project will not be impaired or harmed (such as performance bonds, pledging unencumbered assets as security, opinions of financial solvency by an independent certified public accountant, or such other assurances as determined by IFA).

5.4.3 Capital Needs Assessment (CNA) for Rehabilitation, Preservation and Adaptive Reuse Projects. The Applicant shall acknowledge the CNA requirement and that IFA will require the CNA prior to the start of construction. For the requirements related to the CNA, refer to Appendix 1, Threshold Requirements for Building, Construction, Site and Rehabilitation.

5.4.4 Commitment to Notify Public Housing Authority (PHA) of Vacancies. The Applicant shall acknowledge the Commitment to Notify Public Housing Authority (PHA) of vacancies.

5.4.5. Notification of Chief Executive Officer of Local Jurisdiction. The Applicant shall provide accurate information through the online Application identifying the Chief Executive Officer of the local jurisdiction where the proposed Project is located. IFA will send a summary of the characteristics of the proposed Project to the Chief Executive Officer, through the online Application.

5.4.6 Ineligibility. Significant Parties are subject to being deemed ineligible to participate in the LIHTC program as set forth below:

5.4.6.1 The following Significant Parties and the Projects with which they are associated shall be ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period not less than five (5) years from the date of determination of ineligibility; such parties may also be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time (in determining ineligibility, IFA shall consider conduct occurring up to five (5) years prior to the effective date hereof):

5.4.6.1.1 Significant Parties who have been convicted of, entered in an agreement for immunity from prosecution for, received a deferred judgment or suspended sentence or judgment for, or pled guilty, including a plea of no contest, to a crime including any of the following:

- fraud,
- tax fraud,
- embezzlement,
- bribery,
- payments of illegal gratuities,
- perjury,
- false statements,
- racketeering,
- blackmail,
- extortion,
- falsification or destruction of records, or
- a crime of violence related to any housing Project .

5.4.6.1.2 Any syndicator, equity partner, private placement originator, limited partner or member of an LLC of a project from which, following the commencement of construction thru the issuance of an IRS Form 8609, the purchaser of Tax Credit equity withdraws.

5.4.6.2 The following Significant Parties and the Projects with which they are associated shall be ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period of not less than three (3) years from the date of determination of ineligibility; such parties may also be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time (in determining ineligibility, IFA shall consider conduct occurring up to three (3) years prior to the effective date hereof):

5.4.6.2.1 Any Significant Party that intentionally or negligently misrepresents or omits any material fact in its LIHTC Application or in any other written communication with IFA.

5.4.6.2.2 Any Significant Party that has an uncorrected default of any agreement between the Significant Party and IFA.

5.4.6.2.3 Any Significant Party who has been removed as a General Partner or managing member by the equity investor from any previously approved LIHTC Project in Iowa or any other state.

5.4.6.3 The following Significant Parties and the Projects with which they are associated shall be ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period of not less than one (1) year from the date of determination of ineligibility; such parties may also be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time (in determining ineligibility, IFA shall consider conduct occurring up to one (1) year prior to the effective date hereof):

5.4.6.3.1 Significant Parties who have Materially Participated in any Project that has had unsatisfactory performance, in Iowa or any other state, with a state-sponsored or housing-related assisted program, as determined by IFA. This includes parties with loans under any IFA program that are 90 days or more delinquent.

5.4.6.3.2 Significant Parties who have served as an officer, director, General Partner, managing member, accountant, architect, engineer, management agent, financial consultant, or any other consultant of any Entity that has unsatisfactory performance, in Iowa or any other state, with a state-sponsored or housing-related assistance program, or under any agreement or loan, as determined by IFA. This includes Entities with loans under any IFA program that are 90 days or more delinquent.

5.4.6.3.3 Significant Parties who have been declared ineligible or otherwise debarred from any housing-related assistance program by any Iowa state agency, by any LIHTC allocating agency of any other state, or by any federal agency.

5.4.6.3.4 Developers, Ownership Entities and the General Partners/Managing Members thereof, and consultants or any other persons determined by IFA to have an Identity of Interest or of personnel with any thereof, who have Materially Participated in a Project for which Tax Credits awarded in a prior nine percent (9%) Tax Credit round were returned to IFA in calendar year 2013 prior to the closing of such Project's equity investment and no subsequent year Tax Credits were issued to replace the returned Tax Credits. An Ownership Entity or Developer, who returns excess Tax Credits at the time of the IRS Form 8609 issuance, or returns four percent (4%) Tax Credits at any time, will not be disqualified from participating in the current Tax Credit funding round.

5.4.6.3.5 Developers, Ownership Entities and the General Partners/managing members thereof, and consultants or any other persons

determined by IFA to have an Identity of Interest or of personnel with any thereof, who have Materially Participated in a Project that was awarded nine percent (9%) Tax Credits in 2011 or 2012 in which the Project costs exceeded the applicable Unit cost cap at the time of the Carryover-10% Test or the IRS Form 8609 Application.

5.4.6.3.6 Developers, Ownership Entities and the General Partners/managing members thereof, or any other persons determined by IFA to have an Identity of Interest or of personnel with any thereof, for whose project an IRS Form 8609 with Part II completed was not timely submitted to IFA, or for whose project an incorrectly completed IRS Form 8609 was submitted.

5.4.6.4 The following Significant Parties and the Projects with which they are associated may be deemed ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period to be determined by IFA, based upon its review of all relevant facts, up to and including permanent debarment, and such Significant Parties may be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time:

5.4.6.4.1 Significant Parties who have Materially Participated in a Project that has received from IFA or from any other state an IRS Form 8823 on which a box in the column headed “Out of compliance” has been checked (regardless of whether the non-compliance for which the IRS Form 8823 was issued has subsequently been corrected) or who have a history of repeated or significant Tax Credit compliance deficiencies, even if such significant Tax Credit compliance deficiencies have not resulted in an uncorrected IRS Form 8823. IFA may consider as mitigating or aggravating factors, the number of instances of non-compliance, whether the non-compliance has been corrected, the speed with which the Project was brought back into compliance, and the degree of Control of the Significant Party in question over the out-of-compliance Project. Applicants are encouraged to work with the IFA Compliance staff to correct any outstanding issues prior to the Application deadline. If corrections cannot be completed prior to the Application deadline, the Applicant must submit a detailed account, on the exhibit provided in the Application, of any noteworthy compliance issues or uncorrected IRS Form 8823’s that have been issued with respect to properties associated with any Significant Parties. IFA issues a report, similar to an IRS Form 8823, called the “Low Income Housing Tax Credit Notice of Non-Compliance –Land Use Restrictive Agreement (LURA) Extended Use Period”, which addresses issues that are not in compliance with the LURA to the Owner that also must be corrected.

5.4.6.4.2 Significant Parties who fail to disclose any direct or indirect financial or other interest a member of the Project Qualified Development

Team may have with another member of the Project Qualified Development Team or with the Project.

5.4.6.4.3 An Applicant who fails to disclose all known members of the Project Qualified Development Team.

5.4.6.4.4 Significant Parties who have voluntarily agreed to be replaced as a General Partner or managing member of any previously approved LIHTC Project in Iowa or any other state as a result of performance issues.

5.4.6.4.5 Significant Parties who, within the past seven (7) years, have filed for bankruptcy, or been a party to an adverse fair housing settlement, or an adverse civil rights settlement.

5.4.6.5 IFA staff may reduce the ineligibility period as to any given Significant Party, under Sections 5.4.6.1.2, 5.4.6.2 and 5.4.6.3 if such reduction is deemed to be in the best interests of IFA and affordable housing.

5.5 Displacement of Tenants. IFA will accept Applications that have displaced (or will displace) tenants, although involuntary permanent displacement of existing tenants is strongly discouraged. IFA reserves the right to reject any Application that fails to minimize permanent displacement of tenants and/or provide an adequate relocation plan. A formal relocation plan must be submitted with the Application if the Project scope requires any form of temporary or permanent relocation of existing tenants. The proposed relocation plan must provide an overview of the need for relocation, a proposed timeline, an estimated budget, and other information as requested in the Application to document that the need for temporary or permanent relocation of existing tenants is adequately addressed.

5.6 Confirmation of Eligibility—Rehabilitation or Acquisition. The Applicant shall confirm eligibility under IRC Section 42(d)(2)(B)(ii) (the 10-year rule) by listing each building by address, the date the building was Placed-in-Service by the Applicant from whom the building was or will be acquired, the date the building was or is planned for acquisition by the Applicant, and the number of years between the date the building was last Placed-in-Service and the expected date of acquisition. If the number of years for any building is less than 10 years, the Applicant must explain any exception under the Internal Revenue Code which would make the building eligible for Tax Credits under IRC Section 42(d)(2)(B)(ii).

5.7 Rehabilitation Standards. The Applicant shall provide information regarding Rehabilitation Expenditures for each building as specified in Appendix 1, Threshold Requirements for Building, Construction, Site and Rehabilitation. The Applicant must identify, with respect to each building as required by the Application, the Rehabilitation Expenditures as defined in IRC Section 42(e)(2) which shall be allocable to or substantially benefit the Low-Income Units in such building. The Application must show the calculations for whether the amount of Rehabilitation Expenditures is at least equal to the greater of twenty percent (20%) of the expected adjusted basis of the building or a \$25,000 Rehabilitation Expenditure limited to Hard Construction Costs per Low-Income Unit.

5.8 Building Standards. Preliminary site plan, floor plans and elevations are to be submitted with the Application to IFA for all of the buildings in the proposed development. The Applicant must demonstrate that they have or will meet local state and federal standards that apply to the Project, and meet IFA's minimum development characteristics. For additional requirements and a list of the minimum

development characteristics, refer to Appendix 1, Threshold Requirements for Building, Construction, Site and Rehabilitation.

5.9 Scattered Sites. The Applicant must submit a composite Application reflecting the total of all sites as well as separate site specific exhibits for each site included in the Project. A Scattered Site is a Project where multiple buildings with similar Units are not located in proximity to one another, but are owned by the same party and financed under the same agreement(s), and are located within a 20-mile radius, as determined by Google Maps (www.Googlemaps.com). A Scattered Site Project may be new construction, acquisition, rehabilitation or a combination of these types. For Scattered Site Projects, all Units must be qualified LIHTC Units.

5.10 Affirmative Fair Housing Marketing Plans. Each Applicant must acknowledge the Affirmative Fair Housing Marketing Plan requirement and that IFA will require the Applicant to submit the plan to IFA no less than 120 days prior to the Placed-in-Service date.

5.11 Adequate Market. The Market Study and Analysis must demonstrate that there is adequate sustained demand for the proposed Project, and that the construction or rehabilitation of the additional affordable Units will not have an adverse impact on the existing affordable Units in the market area.

5.12 Project Score. If there are more Applicants for LIHTC than credits available, IFA will use a Project's score to rank those Projects that will be awarded credits within the prioritization established in Section 3.4.8.

5.13 Senior Projects. Senior Projects are not allowed anything greater than 2 bedrooms per unit.

5.14 Commitment to Notify DHS Referral Network of Vacancies. The Applicant shall acknowledge the Commitment to Notify the DHS Referral Network of vacancies in Accessible Units by notifying each of the following referral sources of any available Accessible Units: (1) Iowa's Money Follows the Person Initiative; (2) Iowa Department of Human Services (DHS) Targeted Case Management Bureau; and (3) the DHS Office serving the county in which the Project is located.

5.15 Lease Addendum. In order to comply with Section 8.27 of Section 504 of the Rehabilitation Act of 1973, the Owner must lease Accessible Units designed for persons with disabilities to tenants requiring the Accessibility features of the unit. The Applicant must agree to require a Lease Addendum to be executed by a tenant(s) occupying a Accessible Unit who does not require such Accessible features. In the Lease Addendum, the tenant must agree to move to a comparable non-accessible Unit upon the request of the Owner with moving expenses to be paid by the Owner.

5.16 Targeting Plans. All approved Projects will be required to target ten percent (10%) of the total Project Units to the Target Population (Persons with a Disability). Projects targeting Units under this subsection are not required to provide on-site supportive services or a service coordinator. Owners shall demonstrate a partnership with a Local Lead Agency and submit a Targeting Plan for review and approval by IFA. At a minimum, the Targeting Plan shall include:

- (a) A description of how the Project will meet the needs of the targeted tenants including adaptability, Accessibility or assistive technology features, access to supportive services, transportation, rent subsidy and proximity to community amenities.

- (b) A description of the experience of the Local Lead Agency and their capacity to provide access to supportive services and to maintain relationships with the Management Company and community service providers for the duration of the compliance period.
- (c) A Memorandum of Understanding (MOU) between the Ownership Entity or Developer, Management Company and the Lead Local Agency must be submitted with the Carryover Package. At a minimum, the MOU shall include the following:
- (i) A commitment from the Local Lead Agency to provide, coordinate and/or act as a referral agent to assure that supportive services will be available to the Target Population.
 - (ii) The referral and screening process that will be used to refer tenants to the Project, the screening criteria that will be used, and the willingness of all parties to negotiate reasonable accommodations to facilitate the admittance of Target Population tenants into the Project.
 - (iii) A communications plan between the Management Company and the Local Lead Agency that will accommodate staff turnover and assure continuing linkages between the Project and the Local Lead Agency for the duration of the compliance period.
- (d) Certification that participation in supportive services will not be a condition of tenancy.
- (e) Commitment to hold throughout the Compliance Period, pursuant to IFA's Held for Occupancy policy, ten percent (10%) of the total Project Units for occupancy by the Target Population.
- (f) Agreement to affirmatively market to the Target Population.
- (g) Agreement to include a section on reasonable accommodation in the Management Company's application for tenancy.
- (h) Agreement to accept Section 8 vouchers or certificates (or other rental assistance) as allowable income as part of property management income requirement guidelines for eligible tenants and not require total income for persons with rental assistance beyond that which is reasonably available to persons with disabilities currently receiving SSI and SSDI benefits.
- (i) A description of how the Project will make the targeted Units affordable to Extremely Low-Income households.
- (j) The Management Company shall agree to show a preference for Persons with a Disability on the waiting list as part of the Project's Affirmative Fair Housing Marketing Plan. The Management Company must also note if the tenant household has a need for an Accessible unit.
- (k) The Applicant is responsible for ensuring that all Affirmative Fair Housing requirements are met.
- (l) The Project's Targeting Plan requirements will be specified in the LURA.
- (m) The requirements of this subsection may be fully or partially waived to the extent the Agency determines that they are not feasible. A Targeting Plan template and other documents related to this subsection are included in **Appendix F** (incorporated herein by reference). The Ownership Entity or Developer will agree to complete the requirements of this subsection and **Appendix F** at least 120 days prior to the first Unit being Placed-in-Service. (IFA may set additional interim requirements.) This subsection does not apply to tax-exempt bond Applications.

SECTION 6. SCORING CRITERIA

IFA will award threshold points based on information provided in the Application or Exhibits for the following items, provided adequate evidence supports the award of points for all sites within the Project. Applicants will tentatively self-score a portion of the criteria in the Application. IFA shall make the final determination of the Applicant's score. Scoring determinations made in prior years are not binding on IFA for the 2014 round.

Resident Profile

Category 1. Serves Lowest Income Residents with Deep Rent Skewing 15 points
In addition to the IRS Minimum Set-Aside Election (20/50 or 40/60), a Project shall meet the deep rent skewed Project requirement as defined in Section 142(d)(4) of the Code if fifteen percent (15%) or more of the Units are occupied by individuals whose income is forty percent (40%) or less of AMI.

This category is not available to an Applicant that elects points in Resident Profile-Category 5, "Rent Reduction" or Building Characteristics-Category 3, "Projects that have Subsidized Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance."

Category 2. Mixed Income Incentive 0 to 20 points
Projects that provide market rate Units (not eligible for Tax Credits). On-site staff Units cannot be counted for points.

1 point for each full one percent (1%) of the Units (15 points maximum)

And serve thirty percent (30%) AMI qualified tenants.

1 point for each full one percent (1%) of the Units at thirty percent (30%) AMI (5 points maximum)

In order to obtain points in Category 2, the Applicant shall commit to providing market rate Units first and then the Applicant may elect to provide 30% AMI Units. These Units shall be in addition to any Units selected in Resident Profile-Category 1, "Serves Lowest Income Residents with Deep Rent Skewing".

Category 3. Serves Tenant Population of individuals with children 5 points
At least twenty five percent (25%) of the Units must be four (4) or more bedroom LIHTC Units.

Category 4. Provides an Opportunity for Homeownership 25 points
Iowa Renter to Ownership Savings Equity (ROSE) Program: 25 points will be awarded to an Applicant who implements a bona fide long-term Iowa ROSE Program. The Iowa ROSE Program provides a savings plan for homeownership for tenants in years 1 through 15, and provides a plan to sell the house to a qualified tenant at the end of the initial 15-year Compliance Period.

This category is not available to an Applicant that elects points in Other-Category 4, "Waives Right to a Qualified Contract".

Category 5. Rent Reduction 15 points
 Owners shall elect LIHTC rents for the 60% AMI units at the 50% AMI rent levels, and the 50% AMI units at the 40% AMI rent levels. Tenant income eligibility will remain at 60% AMI and 50% AMI respectively. This rent reduction applies only to the 50% and 60% AMI units based upon the Minimum Set-Aside Election. Should an Applicant request points for Resident Profile Category 2, for both market rate and 30% AMI qualified tenants, the rent reduction would not be required on the market rate and the 30% Units.

Example:	Minimum Set-Aside Election	Initial Tenant Eligibility AMI%	LIHTC Rent Set at AMI %
	40/60	60% AMI	50% AMI
	20/50	50% AMI	40% AMI

This category is not available to an Applicant that elects points in Resident Profile-Category 1, “Serves Lowest Income Residents with Deep Rent Skewing” or Building Characteristics-Category 3, “Projects that have Subsidized Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance”.

Location

Category 1. Location Near Services 0 to 15 points

The calculated distance from the Project’s Primary Address (PA) as shown in the Building Tab of the LIHTC on-line application and the Applicant has clearly defined the PA by listing “True”. The PA address will be used to provide the distance to the services that are available using existing roads that can be traveled by motor vehicle or pedestrian is not greater than 1.0 mile from the (PA) as determined by Google Maps (www.Googlemaps.com) using driving directions. Should the PA not be shown on the Google Map(s), contact the LIHTC Manager via email prior to submission of the Application providing evidence that the PA can’t be shown on the Google Maps(s) and an explanation on why a different map (Yahoo, etc.) should be considered by IFA. The Google Map(s) must list the name of the service and show the mileage between the PA and the existing service location. If a Scattered Site Project, Google Maps must be provided for all building addresses listed at all site locations. Each address of a Scattered Site Project must meet the 1.0 mile or less requirement. All information must be provided and cannot be requested during the deficiency period since it is a scoring item. (www.Googlemaps.com).

The Applicant may select from the following options:

- Full Service Grocery Store 5 points
- Schools (Family Project only) 5 points
- Senior Center (Older Persons Project only) 5 points
- Medical Services 5 points
- Workforce Training 5 points
- Public Library 5 points

Category 2. Great Places 3 points

Projects will be located in and be a part of a Great Place community approved by the Department of Cultural Affairs.

Category 3. Local Government Contribution 0 to 30 points
 A qualified Government Entity or Political Subdivision contributes one percent (1%) of the Total Project Costs, in the form of a cash contribution, gift of land or building, tax abatement (not tax exemption), tax increment financing, Urban Revitalization Tax Exemption (URTE), that is authorized and approved by a resolution of the City Council, enterprise zone credit, waiver of fees or below market interest rate loan (value calculated on imputed savings). For scoring purposes under this Category, a Government Entity or Political Subdivision contribution to a Project provided through a certified Local Housing Trust Fund (LHTF) will be considered a qualified Local Government Contribution only if the Applicant provides documentation from the LHTF that the Government Entity or Political Subdivision has made contributions to the LHTF during the current fiscal year totaling at least the amount of the proposed Local Government Contribution to the Project. State HOME funds or USDA funds are not eligible sources for this category however City HOME funds do qualify.

IFA encourages developers to coordinate with Iowa communities regarding community revitalization plans, where applicable. A Local Government Contribution creates a presumption that the project is not in conflict with the local government’s community revitalization plan, if any.

5 points for each full one percent (1%) of the Total Project Costs (30 points maximum)

Category 4. Underserved City 10 points
 A Project that is located in a city that has not received an award of Low-Income Housing Tax Credits in the last three (3) years. An award of credits includes a supplemental tax credit award. A city will not be excluded as an Underserved City because a Project located in that city received an award of tax credits within the last three (3) years, but later returned the entire credit award.

Building Characteristics

Category 1. Market Appeal 0 to 30 points
 Projects offer amenities at no cost to tenants that enhance market appeal and promote long-term viability. The applicant may select from the following options:

- Video Security System. The security system shall record activity at the site such that no part of the site can be accessed without that activity being recorded at a level of resolution wherein the persons recorded are recognizable. The recordings must be maintained for a minimum of 30 days. 10 points
- Medical Alert System. The Project must be an senior Project. The system must be available to all tenants of the senior Project. Installation and/or set-up of the system as well as monthly operating costs must be at the expense of the Project ownership. 5 points
- In-Unit Laundry Space with washer and dryer 5 points
- Garden Area (Scattered sites do not qualify for this section.) 5 points
- Bike racks 5 points
- Walking Trails 5 points
- Storage Units 5 points
- Computer Learning Center or free wireless internet connectivity 5 points
- Built-in Dishwasher 5 points

All of the above must be provided and maintained throughout the Compliance Period at the cost of the Project Ownership.

Category 2. Projects with Historical Significance 10 points
Entire Projects that are on the National Register of Historic Places or that are determined eligible for the National Register by the State Historic Preservation Officer.

Category 3. Projects that have Subsidized Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance. 0 to 35 points

Project-Based Rental Assistance (Nonlocal PHA Source):

- At least fifty percent (50%) of the Project Units are covered by a project-based rental assistance contract. 30 points
- At least seventy-five percent (75%) of the Project Units are covered by a project-based rental assistance contract. 35 points

HUD-VASH Voucher Assistance:

- At least five percent (5%) of the total Project Units are covered by a written commitment for HUD-VASH Voucher assistance. 10 points
- At least fifteen percent (15%) of the total Project Units are covered by a written commitment for HUD-VASH Voucher assistance. 25 points
- At least twenty-five percent (25%) or more of the total Project Units are covered by a written commitment for HUD-VASH Voucher assistance. 35 points

Local Project-Based PHA Voucher Assistance:

- At least five percent (5%) of the total Project Units are covered by a written commitment for Local Project-Based PHA Voucher assistance. 10 points
- At least fifteen percent (15%) of the total Project Units are covered by a written commitment for Local Project-Based PHA Voucher assistance. 25 points
- At least twenty-five percent (25%) or more of the total Project Units are covered by a written commitment for Local Project-Based PHA Voucher assistance. 35 points

A written binding commitment from a public housing authority to provide the project-based assistance or HUD-VASH Vouchers will also be acceptable if a contract is not yet in existence for the Project. An Applicant may elect points for only one (1) of the following: a project-based rental assistance contract, a commitment for HUD-VASH Voucher assistance or Local Project-Based PHA voucher assistance.

This category is not available to an Applicant that elects points in Resident Profile-Category 1, "Serves Lowest Income Residents with Deep Rent Skewing" and Resident Profile-Category 5, "Rent Reduction".

Category 4. Construction/Unit Characteristics 0 to 12 points
The applicant may select from the following options:

- Exterior construction: durability 0 to 8 points
- Steel frame doors 2 points
- Main entrance areas (Unit main entrance to interior) OR covered entry and storm door (Unit main entrance to exterior) Minimum depth and width of coverage is 4 feet by 4 feet 2 points

Cost containment: Luxury items (i.e. granite or marble countertops), will not be allowed in LIHTC Projects. The intent of the program is to provide affordable housing.

Category 5. Olmstead Goals

0 to 24 points

Projects advancing the goals of DHS’s Olmstead Plan for Mental Health and Disability Services to build a consumer- and family-driven system that expands people’s choices about the supports and services they need and where they are provided, in other words, a system that operates the way the U.S. Supreme Court says it should in its landmark Olmstead decision, where people with disabilities, of any age, receive supports in the most integrated setting consistent with their needs.

The applicant may select from the following options:

Fully Accessible Units (required for all) See Appendix 1, G. 17.	Unit with Accessible Communications Features (required for all) See Appendix 1, G. 17.	Visitable (Type C) Units (optional for scoring)	Additional Accessible Type A Units (optional for scoring)	Scoring
10%	2%	88%	N/A	3 points
10%	2%	N/A	5%	5 points
10%	2%	83%	5%	8 points
10%	2%	N/A	15%	7 points
10%	2%	73%	15%	10 points
10%	2%	N/A	30%	9 points
10%	2%	58%	30%	12 points

In determining the number of Units, fractional calculations must be rounded up to the next whole Unit number except that fractional calculations made under the Visitable optional scoring categories may be rounded down to the nearest whole Unit number so as not to exceed the total number of Project Units.

Should an Applicant commit to providing the above Accessible or Visitable Units, the Project Architect must acknowledge this commitment at the time of the LIHTC Application submittal. A Unit may be qualified as either Accessible or Visitable but cannot be classified as both. All Unit percentages listed in the chart above are specified as minimum thresholds for scoring purposes as percentages of the total number of Project Units. Accessible Units must be dispersed throughout the Property rather than segregated. “Additional Accessible Type A Units” commitments made for scoring purposes must be over and above the Fully Accessible Units required under Appendix 1, Section G of the QAP.

At least fifty percent (50%) of the Fully Accessible and Additional Accessible Type A LIHTC Units will be two-, three-, or four-bedroom Units. Scoring in this section is available only to Projects committing to develop a minimum of fifteen percent (15%) of the total Project Units as Fully Accessible or Accessible Type A. 10 points

All on-site Property Management staff will complete Mental Health First Aid training approved by the Iowa Department of Human Services and/or an Olmstead Consumer Taskforce approved Disability awareness training program, such as may be offered by a Center for Independent Living 2 points

Category 6. Readiness to Proceed

0 to 35 points

The Applicant can demonstrate readiness to proceed (e.g. impact, need, and likelihood of completion). Such determination includes the following factors:

Utilities: The Applicant demonstrates that all of the required Utilities are already available at the Project site, they are adequately sized for the Project, and no extensions are needed. A letter from the applicable utility companies shall be required. 10 points

Paved road: The Applicant demonstrates that the Project has direct access to an existing paved road, with no extensions needed. A letter from the municipality shall be required. 10 points

Zoning: The Applicant provides evidence that the Project site is properly zoned for its proposed use. 15 points

Category 7. Impact on the Environment 0 to 12 points
All interior paints and primers comply with Green Seal standards for low VOC limits. 2 points

All adhesives comply with Rule 1168 of the South Coast Air Quality Management District. All caulks and sealants comply with Regulation 8, Rule 51 of the Bay Area Air Quality Management District. 2 points

Implement and enforce a “no smoking” policy in all common and individual living areas of all buildings. The common area does not include the public areas of the exterior grounds of the building for this “no smoking” policy. Projects that have HUD financing or HUD subsidy are not eligible. 2 points

Water heaters that have a minimum energy factor (EF) of 0.61 for tank type gas, 0.93 for tank-type electric, or .96 for tankless water heaters.. 2 points

Water conserving measures: Toilets are high efficiency WaterSense toilets that use 1.28 gallons per flush or less; faucet aerators use 1.5 gallons per minute (gpm) or less in kitchens and 1.0 gpm or less in bathrooms; showerheads use 1.5 gpm or less. 2 points

Passive Radon System 2 points
Passive radon-resistant features below the building slab along with vertical vent pipe(s) with junction box(es) following requirements in Appendix F, “Radon Control Methods” in the 2012 International Residential Code.

Category 8. Energy Efficiency 0 to 8 points

Refer to Appendix 1 – Threshold Requirements for Building, Construction, Site and Rehabilitation Item G.23.

New Construction:
Home Energy Rating Systems (HERS) Index of 64 or less 8 points

Existing Structures:
2012 International Energy Conservation Code (IECC) exceeded by eight percent (8%) or more. 8 points

For new construction developments, if a Project elects a lower HERS index, then the Project must submit with the construction documents, before construction starts, a report from an energy Consultant acceptable

to IFA, that verifies the proposed design will meet the lower HERS rating and they must obtain that lower index score prior to the issuance of an IRS Form 8609. For existing structures that receive a Tax Credit Reservation, an energy audit conducted by a certified home energy rater must be provided on each building prior to the preparation of the final work rehabilitation order. At the completion of the rehabilitation and prior to the issuance of an IRS Form 8609, an energy audit by a certified energy rater is required to verify that the rehabilitation work on each building exceeds the standards of IECC as noted for the above score.

IFA requires an energy consultant as part of the Qualified Development Team. The Applicant is required to engage the energy consultant prior to submitting the Application. Refer to the minimum energy efficiency standards are stated in Appendix 1, G-21.

Other

Category 1. Title Guaranty 10 points
The Applicant must certify that the Ownership Entity will obtain a Final Title Guaranty Owner Certificate on the real estate of the Project from the Iowa Finance Authority's Title Guaranty Division prior to submittal of 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.

Category 2. Developer or Owner Contribution 0 to 10 points
Developer or General Partner contributes cash to the Project. A cash contribution does not include a deferral of a Developer Fee. A commitment for funding must be made in advance and a commitment letter must be provided with the Application.
2 points for each full one percent (1%) of the Total Project Costs (10 points maximum)

This is in addition to the threshold requirement of a \$100 contribution by the GP in Section 4.7.1.

Category 3. Qualified Development Team Experience 10 points
The Developer, managing member, or General Partner has 10 or more years of Section 42 experience and has completed at least one (1) LIHTC Project through IRS Form 8609 within the last 5 years.

Category 4. Waives Right to Qualified Contract 25 points
Ownership waives the right to ask IFA to find a buyer after year 14.

This category is not available to an Applicant that elects points in Resident Profile-Category 4, "Provides an Opportunity for Homeownership."

6.1 Selection Criteria. Applications shall be evaluated using the preference and selection criteria required in IRC Section 42, and as specifically cited in Section 42(m)(1)(B) and Section 42(m)(1)(C). Aggregate rankings or scoring will in no way guarantee an award of Tax Credits to a particular Applicant. During the Application review and throughout the Allocation process, IFA will utilize its sound and reasonable judgment and will exercise its discretion consistent with sensible and fair business practices. IFA reserves the right not to reserve Tax Credits to any Applicant of a Project, regardless of the proposal's score. Certain selection criteria are subject to compliance monitoring and will be incorporated

into the LURA and will be binding for the length of the LURA or any renewal thereof. In the event that the final scores of more than one Application are identical, the tiebreaker favors the Application requesting the least amount of Tax Credits per LIHTC Unit based on IFA's equity needs analysis.

IFA reserves the right to limit the reservation of Tax Credits to any county in an amount that would allocate no more than 40% of the total Units allocated in the 2014 allocation year..

6.2 Reserved

6.3 Discretion by the Board. The Board may determine that:

6.3.1 The Board may award the amount of the remaining State Ceiling to the Project if the amount available is ninety percent (90%) of the underwritten Tax Credit amount. If the Applicant decides to accept the partial tender of Tax Credits, the Applicant shall agree to accept the amount in full and will not request to be placed on the waiting list for additional Tax Credits, unless Section 6.3.2 applies. The Applicant can request reasonable revisions to an approved Application in order to address the shortfall of ten percent (10%) of the Tax Credits. IFA, in its sole discretion, can approve or deny the revision request, or may propose alternative revision(s).

If the Applicant declines to accept the offer of partial tender, or the amount of remaining Tax Credits is less than ninety percent (90%) of the underwritten Tax Credit amount, then to maximize the use of the available Tax Credits, IFA at its sole discretion, may make an offer to the next highest Project whose underwritten Tax Credit amount is eligible for a full award or partial tender of Tax Credits, pursuant to this Section.

6.3.2 Acquisition/Rehabilitation, Preservation, Adaptive Reuse or Historic Preservation Projects may apply for additional Tax Credits if the Project's costs exceed the original cost estimates, including the Construction Contingency fund. A Construction Contingency fund of at least seven percent (7%) must be included in all Acquisition/Rehabilitation, Preservation or Historic Preservation Projects. Additional Tax Credits may be granted by the Board, if excess Tax Credits are available after the Carryover Allocation Agreement is complete. IFA does not make a forward allocation of Tax Credits. The amount of contingency funds in the original Application may be taken into consideration when awarding additional Tax Credits. No additional Developer's or Consultant Fee will be allowed under this section. The additional Tax Credit request may not exceed ten percent (10%) of the original Tax Credit award for the Project. IFA will not accept Applications for Tax Credits under this section before March 7, 2014. IFA will not allow additional Tax Credits to Projects to exceed the Unit cost caps.

6.3.3 A Project satisfies the preferences described in Iowa Code Section 16.4.

SECTION 7. NOTICE OF THE TAX CREDIT AWARD

7.1 Tax Credit Calculation and Reservation. IFA will reserve the calculated Tax Credit amount after the Project has received market approval, received financial feasibility and site approval, achieved a sufficient score, has successfully submitted all requested additional documentation, and paid all fees. IFA determines the amount of Tax Credits reserved through information received and the amount requested in the Application. The actual reservation amount may not equal the dollar amount requested in the Application. The Code requires that IFA determine that “the housing credit dollar amount allocated to the development does not exceed the amount the Housing Credit Agency determines is necessary for the financial feasibility of the development and its viability as a qualified low-income housing Project through the Credit period.” In making this determination, IFA will consider, but is not limited to, the following:

- The sources and uses of funds and the total financing planned for the development;
- Any proceeds or receipts expected to be generated by tax benefits;
- Percentage of the housing Tax Credit dollar amount used for development;
- The reasonableness of operating expenses, rent and vacancy assumptions, and proposed debt service coverage, the development and operational costs of the proposed development;
- An analysis of the appropriate Tax Credit amount based on an “equity gap” model;
- An analysis of the appropriate Tax Credit amount based on an Eligible Basis calculation;
- An analysis of the appropriate Tax Credit amount based on the Cost Cap calculation;
- An analysis of the appropriate Tax Credit amount based on the Tax Credit Cap per LIHTC Unit calculation;
- The score derived from the criteria set forth in Section 6, Scoring Criteria;
- The selection of Projects that meet the requirements of Section 2.2, Set-Asides, and
- Adequate Tax Credits are available in the 2014 funding round.

7.2 Basis Boost

7.2.1 Special Considerations for Projects Located in a Qualified Census Tract. The Code allows the possibility of receiving a Tax Credit Reservation equal to one hundred thirty percent (130%) of Eligible Basis. The increased basis is allowed in areas defined by HUD as “Qualified Census Tracts” (QCT) or “Difficult Development Areas” (DDA). There are currently no HUD designated DDAs in Iowa. Applicants will receive the higher basis, if eligible, but IFA reserves the right to determine the Tax Credit Allocation amount required for the financial feasibility of the Project. The 2014 LIHTC Application will provide a list of Qualified Census Tracts.

7.2.1.1 Community Service Facility. Tax Credits may be awarded to that portion of the building used as a Community Service Facility not in excess of twenty-five percent (25%) of the total Eligible Basis, if the building is located within a Qualified Census Tract. “Community Service Facility” may include childcare, workforce development, healthcare, etc., and must be designed primarily to serve individuals whose income is sixty percent (60%) or less of AMI.

7.2.2 Special Considerations for Projects Located in a non-MSA City or County Projects in a non-MSA City or County may be designated by IFA as requiring a thirty percent (30%) increase in Eligible Basis in order for such Projects to be financially feasible, as allowed by the HERA.

7.3 Reserved.

7.4 Notice of Tax Credit Reservation. Once IFA has reserved Tax Credits, an electronic notice of Tax Credit Reservation shall be emailed to all approved Applicants. The effective date of the award will coincide with the date of the notice. The unsuccessful Applicant shall be notified by email that IFA did not select their Project, including an explanation as to why IFA did not select the Project.

An Applicant may not transfer Tax Credits to another Project.

IFA will not allow changes to the Project that affect scoring after the reservation letter has been issued without its written approval.

All Projects receiving a reservation of Tax Credits shall be required to erect an IFA construction sign meeting specifications outlined in the 2014 LIHTC Application and appendices.

7.5 Second and Third Application, and Credit Allocation. Federal law requires that IFA evaluate the Application three times: 1) At initial Application, 2) at submission of the Carryover-10% test Application, and 3) at the time the building(s) is (are) Placed-in-Service. On each occasion, the Applicant must submit a complete Tax Credit Application including a financial feasibility threshold test and certify to all Federal, State and local subsidies expected to be available to the development. IFA may choose to award the Carryover Allocation at the time of initial Application. If IFA selects this procedure, the second Application shall be due at the time that the Applicant documents that the Ownership Entity has incurred costs that meet ten percent (10%) of the Ownership Entities reasonably expected basis. The process requires that Applicants provide detailed and accurate information concerning all development costs at each evaluation. Applicants with Reservations will be subject to cancellation of the Reservation if they are unable to provide IFA with satisfactory evidence of progress toward timely completion of the proposed development, or if there are significant changes to the proposed development from the approved Application.

7.5.1 Second Application for Carryover Agreement. All Applicants requesting a Carryover Allocation shall submit all items described in IFA's current Carryover Application Package by IFA's required deadline as posted on IFA's website. A valid Carryover Allocation Agreement requires that the Ownership Entity incur costs that meet ten percent (10%) of the Ownership Entities "reasonably expected basis" or total development cost by the date specified in the Carryover Agreement; however, under no circumstances later than allowed by IRC Section 42(h)(1)(E)(ii).

7.5.2 Initiation of Construction. Projects receiving Carryover Allocations shall begin construction within 18 months from the Tax Credit Reservation Date. The Carryover Agreement will be void unless an extension has been approved by IFA. If the Ownership Entity does not comply with this requirement, IFA reserves the right to revoke the Tax Credit Allocation.

7.5.3 Third Application for IRS Form 8609. The third and final review is conducted after the development has been Placed-in-Service. IFA will again review financial feasibility, revised costs, and the equity requirement based on information provided by the Applicant in a third updated Application to determine the appropriate amount of Tax Credits are to be allocated. All Ownership Entities requesting an IRS Form 8609 allocation must submit all items described in IFA's current IRS Form 8609 Application Package. Payment of any fees referenced in Section 3.4.7 is due prior to issuance of an IRS Form 8609.

7.5.3.1 Marketable Title Requirement. As part of the IRS Form 8609 Application Package, the Ownership Entity must provide adequate evidence that the Ownership Entity's title in the real estate on which the Project is to be located is a marketable title pursuant to Iowa Land Title Examination Standards, or other applicable law. Adequate evidence of marketable title is demonstrated by either: 1) a title opinion of an attorney authorized to practice law in Iowa showing marketable title in the Ownership Entity, or 2) a title guaranty certificate issued by the Title Guaranty Division of IFA showing the Ownership Entity as the guaranteed. In the case of leased land, a copy of the recorded lease must be provided.

7.5.4 IFA Discretion. If IFA, at any time, has reason to believe that the development: 1) will not be Placed-in-Service in a timely fashion; 2) fails to comply with the requirements for a Carryover Allocation; 3) is not in compliance with Section 42 of the Code; or 4) that the Application contains misrepresentations, IFA may revoke the Tax Credit Allocation.

7.6 Destruction of a Project Prior to Placement-in-Service. In the event that a Project suffers a casualty loss (such as a fire or a tornado) of a significant character prior to the Project being Placed-in-Service, such that the Project cannot be Placed-in-Service within the applicable time limitations required by Section 42 of the Code and the accompanying regulations, IFA may allow the Applicant to return the reserved or allocated Tax Credits via mutual consent in return for a binding commitment by IFA to allocate a future year's Tax Credits, in an amount not to exceed the original allocation to the Project. This section is only intended to cover those casualty losses that are not otherwise provided under Section 42 of the Code and the applicable regulations and IRS rulings (such as losses in federally declared disaster areas, for which Rev. Proc. 95-28 applies).

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, including but not limited to the result of an appeal. An Applicant placed on the waiting list shall be required to reapply for Tax Credits if the Applicant seeks funding from the next round of Tax Credit awards. An Applicant who files a new Application for substantially the same Project already on IFA's waiting list shall be removed from the waiting list on the date that the new Application is received by the Authority. Placement on the waiting list does not imply, either directly or indirectly, that the Board will forward fund the Applicant's Project. The waiting list may be established based on financial feasibility, relative scoring, Developer concentration, geographic distribution, or any of the other criteria described in the QAP. If Unreserved Tax Credits become available, the Application will be reviewed to ensure that the Applicant continues to satisfy all of the requirements of the QAP and that if scored and ranked, the Project would have been funded according to ranking and set-asides. If the Applicant is in compliance with the QAP, the Board, at its next regular meeting, may make a Tax Credit Reservation award. On December 31, 2014, if Unreserved Tax Credits remain available and no Project

listed on the waiting list can be funded in total, then the remaining credits will be combined with the available credits for the 2015 funding round for the purpose of funding the Applicants' Projects submitted in the 2015 funding round, and are no longer available to fund Projects that remain on the waiting list.

7.7.1 Prioritization of Waiting List. The Board generally shall prioritize Projects on the waiting list as follows:

1. Projects seeking additional Tax Credits pursuant to Section 6.3.2.
2. Projects placed on the waiting list following a successful appeal of a denial of Tax Credits by the Board pursuant to Section 7.10.
3. Projects placed on the waiting list as a result of a waiver of one or more administrative rules by the Board.
4. Projects that meet Threshold Requirements for the current funding round, but do not receive a Reservation of Credits because of an inadequate amount of available Tax Credits to fund the Project under Section 6.3.1, provided that the Applicant does not have an outstanding appeal under Section 7.8, or petition for a waiver of one or more administrative rules by the Board.
5. Projects that meet Threshold Requirements for the current funding round, but do not receive a Reservation of Credits because the Project was passed over due to a single Developer exceeding the Tax Credit cap of \$1,200,000; provided that the Applicant does not have an outstanding appeal under Section 7.8, or petition for a waiver of one or more administrative rules by the Board.

Projects placed on the waiting list for any other reason may be prioritized at the Board's sole discretion. The Board, in its sole discretion, may deviate from the foregoing guidelines if it determines cause to do so exists.

Within the foregoing categories, Projects on which construction or rehabilitation has begun will be given priority over Projects on which construction or rehabilitation has not begun; and Projects from previous funding rounds will be given priority over Projects funded in the most current funding rounds, in chronological order.

7.8 Appeals. An Applicant whose Application has been timely filed and whose Project did not receive an allocation of Tax Credits may appeal the decision by filing a written notice of appeal within seven (7) days of the award electronically, by facsimile (515)725-4901 or by mail, to the IFA LIHTC Manager at the Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50312. The notice of appeal must actually be received by IFA within the time frame specified to be considered timely. The notice of appeal shall state the grounds upon which the Applicant challenges IFA's award. Filing a notice of appeal shall not stay the Tax Credit Reservation awards made by IFA. During the seven (7) day appeal period following the Board award of Tax Credits, Applicants may only contact the IFA LIHTC Manager for information about their Project and/or other Projects submitted during the Tax Credit round. Meetings with IFA staff or IFA Board members will not be permitted during the seven (7) day appeal period.

7.8.1 Procedures for Applicant Appeal. The filing of an appeal constitutes the initiation of a contested case proceeding. The contested case will be governed by the procedures set forth in this Section, together with the contested case rules set forth in 265 IAC Chapter 7. If the provisions of this Section conflict with any of the provisions in 265 IAC Chapter 7, the provisions of this Section will govern.

7.8.2 Hearing. Upon receipt of a notice of an Applicant appeal, IFA may contact the Department of Inspections and Appeals to arrange for a hearing. A written notice of the date, time and location of the appeal hearing will be sent to the parties to the appeal. IFA shall select a presiding officer and hold a hearing on the Applicant appeal in conformance with its rules on contested cases.

7.8.3 Discovery. Any discovery requests shall be served simultaneously on the parties within 10 days of the notice of appeal. Responses to any discovery requests must be submitted to all of the parties within 10 days of receiving the discovery request.

7.8.4 Witnesses and Exhibits. Within 20 days following the notice of appeal, the parties shall contact each other regarding witnesses and exhibits. There is no requirement for witness and exhibit lists. However, the parties must meet prior to the hearing regarding the evidence to be presented in order to avoid duplication or the submission of extraneous materials. The parties may request a pre-hearing conference to discuss witnesses, exhibits or other matters relating to the hearing.

7.8.5 Settlements.

7.8.5.1 A contested case may be resolved by an informal settlement. Settlement negotiations may be initiated at any stage of a contested case by the Executive Director, prosecuting attorney, or the aggrieved party. No party is required to participate in the informal settlement process.

7.8.5.2 The Executive Director shall have authority to negotiate on behalf of the Board. No party shall communicate with any Board member about settlement negotiations until a written proposal settlement is submitted to the full Board for approval, unless all parties to the settlement negotiations waive this prohibition. No proposed settlement shall be presented to the full Board for approval until it is in final, written form signed by the aggrieved party.

7.8.5.3 Waiver of notice and opportunity to be heard. The decision to enter into settlement negotiations is voluntary on the part of the parties. By entering into informal settlement negotiations, the respondent waives the right to seek disqualification of the Executive Director from being present during the Board's deliberations and the making of the contested case decision if the appeal goes to a hearing.

7.8.5.4 All proposed settlements are subject to approval of a majority of the full Board. If the Board fails to approve a proposed settlement, it shall be of no force or effect to either party and shall not be admitted into evidence during the hearing on the contested case.

7.8.5.5 A Board member who is presented with a settlement proposal pursuant to Section 7.8.5 that is rejected by the Board shall not be disqualified from adjudicating the contested case due to that participation.

7.9 Evidence for an Electronically held Hearing. If the hearing is held electronically, all exhibits shall be delivered to IFA three (3) days prior to the time the hearing is conducted. Any exhibits which have not been served on the opposing party shall be served at least seven (7) days prior to the hearing.

7.10 Remedies on Appeal. In the event an Applicant passed the threshold requirements and is successful in demonstrating that the Applicant should have been awarded Tax Credits, the Board may place the Project on a waiting list for Unreserved or returned Tax Credits. In the event an Applicant is successful in demonstrating that a Project was improperly determined by IFA to have not met the threshold requirements, the Board shall cause the Project to be scored. In the event the Project receives a score equal to or greater than the lowest score of any Project receiving credits in the same round, the Board may place the Project on a waiting list for Unreserved or returned Tax Credits.

7.11 Contents of Decision. The presiding officer shall issue a decision in writing that includes finding of fact and conclusions of law stated separately. The decision shall be based on the record of the contested case and shall conform to Iowa chapter 17A. The decision shall be sent to all parties by first-class mail.

7.12 Record Requirements. The record of the contested case shall include all materials specified in Iowa Code subsection 17A.12 (6). The record shall also include any requests for a contested case hearing and other relevant procedural documents regardless of their form.

7.12.1 Oral proceedings in connection with an Applicant appeal shall be recorded either by mechanized means or by certified shorthand reporters. Parties requesting that the hearing be recorded by a certified shorthand report shall bear the cost of the reporter.

7.12.2 Oral proceedings with a hearing in a case or any portion of the oral proceedings shall be transcribed at the request of any party with the expense of the transcription charged to the requesting party.

7.12.3 Copies of the tapes of oral proceedings may be obtained from the Board at the requestor's expense.

7.12.4 The recording or stenographic notes of the oral proceedings or the transcription shall be filed and maintained by the Board for at least two (2) years from the date of the proposed decision.

7.13 Dismissal. A ruling dismissing all of the party's claims or a voluntary dismissal is a decision under Iowa Code Section 17A.15.

7.14 Requests for Rehearing. Requests for rehearing shall be made to IFA within 20 days of issuing a final decision. A rehearing may be granted when new legal issues are raised, new evidence is available, an obvious mistake is corrected, or when the decision fails to include adequate findings or conclusions on all issues. A request for rehearing is not necessary to exhaust administrative remedies.

7.15 Judicial Review. Judicial review of IFA's final decisions may be sought in accordance with Iowa Code Section 17A.19.

SECTION 8. POST RESERVATION REQUIREMENTS

Once a Tax Credit Reservation has been awarded, the following additional requirements shall apply. 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.

8.1 Construction. Construction must begin on a Project within 18 months from the reservation date.

8.1.1 IFA may periodically request a status report on the Project's construction timeline.

8.1.2 An IFA construction sign meeting specifications outlined in the Application and appendices must be erected at the initiation of construction.

8.1.3. Final plans and specifications must be submitted to and approved by IFA before commencing site work and construction. Plans must meet all applicable building standards and codes, minimum development characteristics, and all construction related scoring criteria for which points were awarded. Final plans must incorporate any and all remediation plans to address detrimental site characteristics.

8.1.4 The Ownership Entity shall promptly inform IFA of any changes or alterations which deviate from the final plans and specifications, as approved by the IFA LIHTC Manager.

8.1.5 If the site was not zoned appropriately at the time of Application, prior to commencing construction, IFA shall receive a letter or other document from the city that states appropriate zoning has been approved.

8.1.6 If required for the Project in Appendix 1, J, a Capital Need Assessment must be submitted to and approved by IFA prior to commencing construction.

8.1.7 For existing structures, prior to the preparation of the final work rehabilitation order and start of rehabilitation, the Ownership Entity must provide a copy of the energy audit conducted by a certified home energy rater to IFA. The rater, owner, and IFA will determine the feasibility of meeting the requirements of IECC. Appropriate specifications to meet IECC standards or alternate cost-effective energy improvements must be included in the final work rehabilitation order and shall be submitted with the plans and specifications for approval before starting construction.

8.1.8 If the Project meets the criteria set forth in Section 5.5, a copy of the final relocation plan and copy of the notice to existing tenants must be provided to IFA prior to the start of relocation.

8.2 Amendments to the Application after Award. The Ownership Entity may amend, with the IFA LIHTC Manager's consent, the Application after a reservation of Tax Credits is made solely for the purpose of showing changes as described in this Section.

8.2.1 Sources and uses of funds that do not increase the amount of Tax Credits awarded.

8.2.2 A minor change in the nature of the Project or changes in partnership members, shareholders, or limited liability members. IFA will only approve an amendment to an executed Carryover Agreement due to an IFA approved Project change prior to December 31 of the calendar year in which the allocation is made. The only exceptions will be for IFA administrative errors or omissions as allowed by Section 42 of the Code.

8.2.3 Site changes that are equal to or exceed the site characteristics of the site first described in the Application. A site change will be permitted only if in IFA's sole discretion the substituted site does not reduce the number of points awarded during the evaluation process, it is within the same city, and the request for such site change is submitted sufficiently in advance to permit IFA to approve the site change prior to December 31 of the calendar year in which the Tax Credit allocation is made. IFA will only approve an amendment to an executed Carryover Agreement due to an IFA approved Project change prior to December 31 of the calendar year in which the allocation is made. The only exceptions will be for IFA administrative errors or omissions as allowed by Section 42 of the Code.

8.3 Material Changes. If, upon the submission of the Carryover Application or the IRS Form 8609 Application, or at any other time, it is determined that the Project is not substantially the same as the Project described in the Application, the Project will not receive an allocation of Tax Credit Reservation, or the amount of the Tax Credits will be adjusted, or an IRS Form 8823 will be issued. It is expected that the Projects will be the same as were originally scored under this QAP.

8.3.1 Generally, changes in the total number of Low Income Units, number of bedrooms per Unit mix, tenant mix (low-income/market rate) and amenities are deemed to be material and not permitted.

8.3.2 Changes in the number of buildings and Units contained in each building will be allowed if changes are required by local regulatory codes and the Applicant has obtained written approval from IFA prior to making the changes.

8.3.3 Failure to notify IFA of a material change will 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.

8.3.4 Any Owner election made in regard to the minimum set-aside requirement (twenty percent (20%) or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is fifty percent (50%) or less of AMI, or forty percent (40%) or more of the residential Units in a project are both rent restricted and occupied by individuals whose income is sixty percent (60%) or less of AMI) for a qualified low income housing project under IRC Section 42(g) is irrevocable once made. No change in the minimum set-aside requirement is permitted.

8.4 Transfers. The Tax Credit Reservation and Carryover Allocations are not transferable. IRS Form 8609 allocations will be issued only in the name of the Ownership Entity named in the Application. Transfers subsequent to the issuance of the IRS Form 8609 allocation are subject to the LURA and to the provisions of Sections 42(d) (7) and 42(j) of the Code.

8.5 Return of Tax Credits. Allocations of Tax Credits may only be returned in accordance with applicable U.S. Treasury Regulations on a date agreed upon by IFA and the Ownership Entity or in accordance with the provisions of Section 7.6.

8.6 Notification of Vacancies. Prior to the Placed-in-Service Date, the Owner shall provide IFA with a copy of the Notification to the Public Housing Authority, as set forth in Section 5.4.4. If IFA enters into a contract with a rental housing locator service, notification to this service will be required of all awarded Projects.

8.7 IRS Form 8609. All Applicants requesting an IRS Form 8609 allocation shall submit all items described in IFA's current IRS Form 8609 request package. The Ownership Entity shall complete Part B and return a copy of the fully executed IRS Form 8609 to IFA within 60 calendar days of IFA's issuance date of the IRS Form 8609.

Owners and Management Companies of Projects shall attend a minimum of eight (8) hours compliance training that is provided by an approved third party trainer, or by attending all sessions designated as fulfilling this requirement offered at the annual HousingIowa Conference prior to receiving the IRS Form 8609 from IFA. At the time the IRS Form 8609 Application Package is submitted, a Certificate of Training on compliance for the General Partner and Property Manager shall be provided. The date for the Certificate of Training shall be issued no earlier than 12 months from the time that the IRS Form 8609 Application is submitted.

8.8 Change in General Partner, Majority Shareholder or Managing Member. In the event there is a proposed change in a General Partner, majority shareholder of a corporation or majority membership of a limited liability company after the reservation of Tax Credits is issued, IFA shall be notified by the partnership, corporation or limited liability company to obtain approval prior to the effective date of such change. The new General Partner or new majority shareholder shall agree to meet the requirements described in the QAP before IFA shall consent to the change. If the requirements outlined in the QAP are not met, the request for transfer may not be approved. If IFA is not notified of a change in the General Partner, IFA may deny the issuance of the Carryover Allocation, withhold the IRS Form 8609 or issue an IRS Form 8823.

8.9 Prior to Placed-in-Service Date. At least 120 days prior to the first Unit Placed-in-Service, a copy of the Affirmative Fair Housing Marketing Plan shall be submitted to IFA.

8.9.1 Prior to the Placed-in-Service Date, for new construction Projects with three (3) stories or less, the Owner shall provide IFA a copy of the home energy rating report as performed by a certified HERS rater. The Project shall receive a final HERS index of 70 or less.

8.9.2 Prior to the Placed-in-Service Date, for new construction Projects with four (4) or more stories, the Owner shall provide IFA documentation by an independent licensed engineer that the Project exceeds ASHRAE 90.1 Appendix G-2007 by at least fifteen percent (15%).

8.9.3 Prior to the Placed-in-Service Date, for existing structures, the Owner shall provide IFA a copy of the energy audit by a certified energy rater that verifies that the recommended energy performance measures established in the final rehabilitation work order were installed correctly.

8.9.4 Prior to the IRS Form 8609 Application, the Owner shall provide IFA verification that the replacement and operating reserves have been established, and the terms and conditions have been met.

8.10 Require Annual Audited Financials. Tax Credit recipients shall submit annual audited financial statements for the Project within ninety (90) days of the close of the Project's fiscal year, beginning the year after they have received the IRS Form 8609. IFA may require more frequent financial statements, such as an income and expense statements and balance sheets not more than 30 days old. The more frequent financial statements need not be audited. Year-end statements must be certified by a Certified Public Accountant (CPA).

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

SECTION 9. TAX-EXEMPT BOND FINANCED PROJECTS CREDIT RESERVATION AND ALLOCATION PROCESS

Under IRC Section 42(h)(4), Projects financed with tax-exempt bonds may be entitled to thirty percent (30%) present value Tax Credits not subject to the State Ceiling and without the need to participate in the competitive round. The requirements for a Project using tax-exempt bond financing are as follows:

9.1. Private Activity Bond Cap. The bonds to finance the Project must have received an allocation of private activity bond cap pursuant to IRC Section 146 and Iowa Code Chapter 7C. Additionally, principal payments on the bonds must be applied within a reasonable period to redeem the bonds. 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 entitled to Tax Credits for up to the full amount of Eligible Basis.

9.2 Allocation through IFA. Projects financed with tax-exempt bonds are required to apply to IFA for an allocation and for a determination that the Project satisfies the requirements of the QAP. If the Project utilizes a federal lending program or a lending program available through Fannie Mae or Freddie Mac, IFA may accept the underwriting and market study information approved by that lending Entity.

9.3 Application Criteria. Except as provided in this Section, a Project using tax-exempt financing shall satisfy all of the underwriting and threshold requirements stated in Part B, Part C-Terms and Conditions, and Appendix 1, Threshold Requirements for Building, Construction, Site, and Rehabilitation to be considered for Tax Credits. A market study, completed within the past six (6) months, is required to be submitted by a disinterested third party analyst. If IFA believes there is inadequate demand or proposed occupancy rates that would impact long-term financial feasibility, IFA may require a written analysis of the market study by a market study analyst of IFA's choosing. The Applicant shall agree to pay the cost of the written analysis. The Ownership Entity shall fulfill all post-award requirements and keep the Project in compliance for the Extended Use Period. The Project shall be subject to the compliance monitoring requirements of Section 13.14.

9.4 Application Process. Applicants may submit an online Application at any time at www.IowaFinanceAuthority.gov in accordance with the following process. Applicants are advised to check IFA's website periodically for any amendments or modifications to the Application Package.

9.4.1 The Applicant shall submit a request for Tax Credits to IFA after the issuer of the bonds has approved an "inducement" resolution for the Project. If the Project is seeking mortgage insurance through the Federal Housing Administration (FHA), or credit enhancement from another source, the Applicant shall submit the request to IFA after the FHA or the credit enhancer has approved a preliminary mortgage amount.

9.4.2 The Tax Credit request shall be submitted in accordance with the QAP and Application that is in effect at the time of the request. These QAP and Application requirements, including fees, will also be used in the IRS Form 8609 Application process.

9.4.3 IFA shall review the Application, determine whether the Project is eligible and meets the requirements of the QAP, then make an initial determination of the Project's Tax Credit amount.

9.4.4 If the Project loan will be FHA-insured, IFA shall complete a HUD-required subsidy-layering review to assure that the Project complies with HUD guidelines pursuant to Section 911 of the 1992 Housing and Community Development Act (combining Tax Credits with HUD assistance).

9.4.5 If a Project satisfies the QAP requirements, as determined by IFA, IFA shall provide the Applicant and the bond issuer with a 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. At the time the letter is sent, IFA will request that the issuer confirm IFA's determination of the Tax Credit amount. In the event IFA is the bond issuer, its' own calculations shall be deemed sufficient to fulfill this requirement.

9.4.6 The Project must be Placed-in-Service no later than 24 months following the date of the bond issuance.

9.4.7 The Applicable Percentage 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.

9.4.8 In the year in which the Project is Placed-in-Service, the Ownership Entity shall request a final allocation of Tax Credits in accordance with deadlines posted on IFA's website. IFA will provide an IRS Form 8609 Application Package for final allocation requests.

9.4.9 Tax-exempt Projects are required to enter into a LURA for a 30-year period, which will govern the low-income use and any other QAP requirements, and to follow the same final allocation Application process as Projects awarded Tax Credits in the competitive round.

9.4.10 Special Considerations for Projects Located in a Qualified Census Tract. The Code allows the possibility of receiving a Tax Credit Reservation equal to one hundred thirty percent (130%) of Eligible Basis. The increased basis is allowed in areas defined by HUD as "Qualified Census Tracts" (QCT) or "Difficult Development Areas" (DDA). There are currently no HUD designated DDAs in Iowa. Applicants may request the higher basis, but IFA reserves the right to determine the Tax Credit Allocation amount required for feasible development. A map of the census tract showing the Project location shall be submitted with the Application. The 2014 LIHTC Application will provide a list of Qualified Census Tracts. IFA may, on a case-by-case basis, pursuant to Section 10.8.1 allow a Project in a QCT to exceed the Unit cost cap specified in Section 10.8.

9.4.10.1 Community Service Facility. Tax Credits may be awarded to that portion of the building used as a Community Service Facility, not in excess of ten percent (10%) of the total Eligible Basis, if the building is located within a QCT. "Community Service Facility" may include childcare, workforce development,

healthcare, etc., and must be designed primarily to serve individuals whose income is sixty percent (60%) or less of AMI.

9.4.11 Site Visits. IFA may make site visits as it deems necessary to review proposed Project and verify any of the information provided in the Application. Applicants may or may not be notified of a site visit. If deemed necessary by IFA, Applicants shall provide building access for inspection by Evaluators to, among other things, confirm basic structural soundness.

9.4.12 Authorization Forms. IFA may request an executed IRS Form 8821, Tax Information Authorization Form, for each Developer for sharing of information between IFA and the IRS. The Form 8821 shall be provided to IFA for the Ownership Entity, at the time of Carryover Application, at the time the Project is Placed-in-Service, and annually during the Compliance Period. Members of the Qualified Development Team, as determined by IFA, must execute an Authorization to Release Information as part of the online Application.

9.4.13 Fees. IFA shall collect the fees described below for the LIHTC Program. Electronic payment of the fees shall be made payable to the Iowa Finance Authority. An Application shall not be accepted unless the Application fee accompanies the Application. The reservation fee will be due within 30 calendar days after the date of the Tax Credit Reservation letter. If the date that the reservation fee is due falls on a weekend or holiday, the fee is due on the next business day. If the reservation fee is not received, IFA may withdraw the reservation of Tax Credits from the Applicant. IFA will not issue an IRS Form 8609 until the initial compliance monitoring fee is paid in full. All fees are nonrefundable except if the Applicant withdraws the Application within three (3) business days of receipt by IFA, the Application fee will be reimbursed.

Fee Type	All Applicants
Application Fee	35 Units or fewer: \$1,600 36 to 60 Units: \$2,100 61 to 100 Units: \$2,600 Over 100 Units: \$5,200
Change in Application Fee	\$800 each time the Applicant submits a revised Application that changes the Tax Credit amount requested, or requests amendments or changes to the Application under section 12.1, 12.2 or 12.6.
Reservation Fee	One percent (1%) of the total 10-year Tax Credit amount
IRS Form 8609 Application Fee	One tenth of one percent (.1%) of the total 10-year Tax Credit amount based on the IRS Form 8609 Application will be due prior to the IRS Form 8609 issuance.

Compliance Monitoring	<p>\$25 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)</p> <p>(Example: \$25 per Unit x 24-Unit Project = \$600.00 paid annually for 30 years.)</p> <p>Annual rate increases may apply.</p> <p>First annual payment must 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 and Extended Use Period if annual rate increases are applied during that time.</p> <p>Other fees as provided in the Compliance Manual.</p>
Filing of the LURA	<p>The Applicant will be billed for actual cost for electronic or paper filing (if electronic filing is not available in a particular county) of the LURA with the county that the Property(ies) is/are located.</p>
Late Submission of the IRS Form 8609 Application	<p>If a late submission of the IRS Form 8609 Application is allowed by IFA, the Applicant will be billed for an additional amount equal to the Application Fee as listed above.</p>
Legal Fees	<p>Legal fees incurred by IFA with respect to the Project will be assessed and billed to the Applicant, including but not limited to the following:</p> <ul style="list-style-type: none"> • Fees for research relating to irregular situations • Ownership agreements • Rental rate questions • Unusual timing situations • Specific technical questions relating to IRC Section 42 <p>Legal fees of IFA's in-house counsel will be billed at the rate of \$150 per hour. Legal fees of outside counsel will be billed at the rate charged to IFA. If IFA anticipates that legal work on a matter will exceed five hours, IFA will notify the Applicant prior to commencement of the legal work.</p>
Construction Monitoring Fees	<p>A \$2,000 Construction monitoring fee will be due with the IRS Form 8609 Application.</p>
Inspections:	<p>IFA will typically conduct five (5) site visits consisting of four (4) inspections and one (1) preconstruction meeting.</p>

<p>Fees for Failed and Missed Inspections</p>	<p>There will be an additional \$500 fee for any re-inspections when one or more items failed inspection to warrant a return visit to the site(s). Some potential reasons include but are not limited to the following; (1) the site is not ready for the inspection requested; (2) items are in place that don't meet requirements for points in the application; (3) items are in place or missing that don't meet threshold; and (4) significant changes are in place that were not approved by IFA per Section 8.1.4.</p> <p>There will be an additional \$500 charge for any missed inspections where IFA is not notified by email to the Construction Analyst two (2) working days in advance.</p>
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9.4.14 Discretion by the Board. The Executive Director, subject to approval by the Board, may determine whether to award Tax Credits to a Project proposing to use tax-exempt financing and 4% Tax Credits pursuant to the QAP.

9.4.15 New Developer in Iowa. If the Applicant has not previously submitted an Application to IFA in previous LIHTC rounds, the Applicant shall meet with the IFA LIHTC Manager to review the QAP and the Application process prior to submitting an Application. The Developer/Co-Developer shall provide IFA financial statements from the past three (3) years.

9.4.16 New Tax Credit Developer. A first time Tax Credit recipient shall complete at least one (1) LIHTC Project in which all LIHTC Units have been leased at least once, and has received an IRS Form 8609, in Iowa or any other state, before being allowed to submit a subsequent Application. A new Tax Credit Developer Applicant is only eligible to receive an award of Tax Credits for one (1) Project.

SECTION 10. UNDERWRITING

The Applicant is required to demonstrate that the Project is financially feasible and viable using the least amount of Tax Credits. Underwriting will be completed by IFA during the Application review. IFA may adjust the amount of Tax Credits based upon the underwriting. Underwriting shall be completed for a Project prior to the time a reservation is awarded and before an IRS Form 8609 is issued. The pro forma cash flow is part of the Application. If a gap in financing is discovered after underwriting the Project, the gap may be filled from no more than fifty percent (50%) the Developer's Fee. No other fee will be used to fill a gap in financing. IFA may require the Applicant to provide annual financial statements for the Project Developer and the Ownership Entity.

The Applicant is required to supply sufficient information to allow IFA to determine whether the Project is financially feasible during the construction phase and the operational phase of the Project. The Applicant is required to provide information regarding loans, grants, equity contributions, the anticipated value received from syndicators, equity partners or private funding sources for the Tax Credits, property tax abatements, tax increment financing, enterprise zone benefits and any other type of financing or contributions that are relevant to the economic feasibility of the Project and are available to the Project. State Historic Tax Credits (SHTCs) may be listed as a source of funds, provided that the Applicant can demonstrate that the equity received from these credits will be received prior to the issuance of the IRS Form 8609. SHTCs may not be used in underwriting if a gap in financing would exist beyond the issuance of the IRS Form 8609.

The following minimum financial underwriting requirements apply to all Projects. Projects that cannot meet the minimum requirements, as determined by IFA, will not receive Tax Credits.

10.1 Underwriting Standards.

10.1.1 Projects will be underwritten with income escalating at a minimum of two percent (2%) and operating expenses escalating at a minimum of three percent (3%), with a minimum spread of one percent (1%) required between the income and expense escalators. Management fees will escalate at the same rate as income.

10.1.2 Projects will be underwritten at a seven percent (7%) vacancy rate. Projects with 25 Units or less will be underwritten at a ten percent (10%) vacancy rate. For a Project qualified under Section 2.2.3, IFA will allow a five percent (5%) vacancy rate if the Property has maintained a ninety-five percent (95%) or higher annual occupancy rate for the previous three (3) years, and is currently occupied at a minimum of ninety-five percent (95%).

10.1.3 All Projects must reflect an average Debt Service Coverage Ratio (DSCR) between 1.2 DSCR and 1.5 DSCR. Any one year cannot go below 1.15 DSCR or above 1.8 DSCR for the first 15 years.

10.2 Operating Expenses.

10.2.1 Housing for Older Persons: Minimum of \$2,830 per Unit per year not including taxes and reserves.

10.2.2 Housing for Families: Minimum of \$3,350 per Unit per year not including taxes and reserves.

10.3 Operating and Replacement Reserves.

10.3.1 Operating Reserve. The operating reserve will be the greater of 1) \$1,500 per Unit or 2) six (6) months of debt service, operating expenses and real estate taxes. At the time of the issuance of the IRS Form 8609, the operating reserve cannot exceed eight (8) months of debt service, operating expenses and real estate taxes. The operating reserve shall be in place for the first fifteen (15) years and be used solely to cover operating deficits. The Applicant must include a narrative explaining how the operating reserve will be established.

10.3.1.1 Reserved.

10.3.1.2 The operating reserve can be funded by deferring the Developer's Fees of the Project

10.3.1.3 The Ownership Entity may fund the operating reserve using an irrevocable letter of credit. The letter of credit will be released after the end of the fifteen (15)-year period described in Section 10.3.1. If a letter of credit is used, the proceeds should not be included in the Project costs. The fees associated with obtaining the letter of credit may be included in the Project costs.

10.3.1.4 The requirement for the operating reserve is a compliance issue and may be satisfied using the terms and conditions of the operating reserve required by lenders or other funders financing the Project provided the reserve is equal to or greater than the reserve required by this Section. Applicants are required to submit to IFA a verification that the terms and conditions of the operating reserve required by lenders or other funders financing the Project has or will be satisfied at the time a building is Placed-in-Service. If the operating reserve will be established with the final equity payment, a letter from the syndicator or investor is required.

10.3.2 Replacement Reserve. All Family Projects shall budget replacement reserves of \$400 per Unit per year escalating at the same rate as Operating Expenses. All Older Persons Projects shall budget replacement reserves of \$300 per Unit per year escalating at the same rate as Operating Expenses.

10.3.2.1 The Applicant is required to include a narrative explaining how the replacement reserve will be escrowed and used only for the replacement of capital components of the Project. The replacement reserve shall be shown on the pro forma.

10.3.2.2 The requirement for the replacement reserve is a compliance issue and may be satisfied using the terms and conditions of the replacement reserve required by lenders or other funders financing the Project provided the reserve is equal to or greater than the reserve required by this Section. Applicants are required to submit to IFA a verification that the terms and conditions of the replacement reserve required

by lenders or other funders financing the Project has or will be satisfied at the time a building is Placed-in-Service.

10.4 Deferred Developer Fees.

10.4.1 Developer Fees can be deferred to cover a gap in funding sources as long as: (1) the entire amount will be paid within 15 years and meets the standards required by the IRS to stay in basis; and (2) the deferred portion does not exceed fifty percent (50 %) of the total amount as of the full Application. If the deferred Developer Fee cannot be paid within 15 years, IFA will consider the unpaid amount to be a Developer contribution to the Project. Each of these will be determined by IFA. Nonprofit organizations must include a resolution from the Board of Directors allowing such a deferred payment obligation to the Project. The deferred Developer Fee must be paid from the net cash flow and not be calculated into the minimum Debt Service Coverage Ratio.

10.5 Financing Commitment.

10.5.1 The Applicant must provide a letter of intent for construction and permanent financing from the lending institution on the institution's letterhead. This letter must clearly state the term of the permanent loan, how the interest rate will be indexed, the current rate at the time of the letter, the amortization period, fees, and any prepayment penalties, anticipated security interest in the Property and lien position. The letter of intent must extend at least six (6) months beyond the Application due at IFA date.

10.5.2 For all other sources, except state HOME funds and IFA approved participating Cities with allocated HOME funds, a commitment for funding must be made in advance. This includes any other grants, loans, tax credits, tax increment financing, etc. Documentation that specifies the value of the commitment, the purpose the funds can be used for, and time limitations related to the commitment must be provided from the entity making the commitment. A resolution adopted by the city council is an acceptable commitment for providing tax increment financing.

10.5.3 Applications may only include one set of proposed funding sources. IFA will not consider multiple funding scenarios. A Project shall be ineligible for allocation if any of the listed funding sources will not be available in an amount and under the terms described in the Application. IFA may waive this limitation if the Project otherwise demonstrates financial feasibility.

10.6 Developer and Builder Fees.

10.6.1 Developer Fees (including overhead and profit and Consultant Fees) shall not exceed the percentages described below. For new construction, the Developer's Fee is calculated as a percentage of Total Project Costs minus land, Developer's Fee, Developer's overhead and profit, Consultant Fees and Project reserves. For Acquisition/Rehabilitation or Rehabilitation Projects, the Developer's Fee is listed in the schedule below. The fees shall be limited as follows:

Project Type	Fee Limit
Developer Fee for New Construction Projects:	
First 36 Units within the Project	Not to exceed 14%
Remaining Units within the Project above 36	Not to exceed 12%
Developer Fee for Acquisition/Rehabilitation or Rehabilitation Projects:	
Rehabilitation Portion of Acq/Rehab or Rehab Projects, including Adaptive Reuse, Historic, and Preservation Projects	Not to exceed 16% of the Total Project Costs minus land, building purchase (existing structures), Developer' Fee, Developer's overhead and profit, Consultant Fees, and Project reserves.
Acquisition Portion of Acq/Rehab Projects, including Adaptive Reuse, Historic, and Preservation Projects	Not to exceed 6% of the purchase cost of the buildings (existing structures).

10.6.2 Builder and general contractor fees will be limited to a total of twelve percent (12%) of the Hard Construction Costs.

10.6.3 In the event the Developer Fee, Consultant Fee or builder fee limits are in excess of the limits imposed, IFA will make the appropriate adjustments during the underwriting phase of the evaluation of the Applications.

10.6.4. When the General Partner of the Ownership Entity is a nonprofit organization, the Nonprofit shall receive no less than fifty percent (50%) of the combined total of the Developer and Consultant Fee.

10.6.5 IFA reserves the right to limit professional fees and other fees.

10.7 Other Fees and Considerations.

10.7.1 General Partner Contribution. A minimum required contribution of \$100 by the General Partner/managing member must be included in the funding sources in the Application.

10.8 Unit Cost Cap. IFA shall not award LIHTC to a Project in which the cost per Unit is greater than the HUD 221(d)(3) limits listed in Appendix D. Enterprise Zone sales tax rebates and utility company rebates for energy efficiency measures will be included in the calculation of Total Project Costs. Projects receiving State and/or Federal Historic rehabilitation Tax Credits will be allowed to deduct the residential portion of the Historic Tax Credit from the Project costs to allow for stricter rehabilitation standards.

Please refer to Appendix D for the HUD 221(d)(3) limits.

Unit cost caps are maximum amounts. IFA provides no guarantee that Projects at or below the Unit cost caps will be deemed financially feasible.

SECTION 11. THRESHOLD REQUIREMENTS - ALL DEVELOPERS\OWNERSHIP ENTITIES

To be considered for a reservation of Tax Credits, a Project must demonstrate that it meets the requirements described in this Section. Scoring and threshold determinations made in prior years are not binding on IFA for the 2014 round.

11.1 Complete Application. In order for IFA to review an Application fairly and accurately, it must 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. In the case that additional information is requested by IFA, the Applicant will be notified by email or through the online Application. The Applicant will have a reasonable amount of time to submit the requested information, as specified in the notice for information. The Applicant may contact the IFA LIHTC Manager at any time to request clarification.

11.2 Legal Ownership Entity. The Ownership Entity must be formed prior to submission of the Application. For the purposes of the Application, the Applicant is the Ownership Entity.

11.3 Location Requirements. The proposed Project must be located in an incorporated city. Applications shall not contain or propose alternate sites. Alternate sites must be presented as separate Projects with separate Applications.

11.4 Readiness to Proceed. The Applicant must be ready to proceed with the Project by documenting site Control, site suitability, adherence to building standards, and a Qualified Development Team. Refer to Appendix 1, Threshold Requirements for Building, Construction, Site and Rehabilitation for related requirements. In addition, the following shall be met:

11.4.1 Appraisals.

11.4.1.1 Land/Acquisition with an Identity of Interest. For land and buildings which are acquired from a party with an Identity of Interest, the Applicant must provide an appraisal by an MAI certified appraiser who is not a related party and is currently in good standing. The appraisal must be no more than 180 days old on the date that the Application is submitted to IFA. The appraisal may be submitted to IFA 30 days following the Application due date.

11.4.1.2 State HOME funded Projects. For all Projects that are requesting State HOME funds, the Applicant must provide an appraisal by an MAI certified appraiser who is not a related party and is currently in good standing. The HOME program requires the appraisal in order to determine the market value of the acquired land and/or buildings. The appraisal must be no more than 180 days old on the date that the Application is submitted to IFA. The appraisal may be submitted to IFA 30 days following the Application due date.

11.4.2 Qualified Development Team. The Applicant is required to identify the Qualified Development Team and to provide a narrative describing the function of each mandatory member of the Qualified Development Team. The narrative shall explain how the Qualified Development Team possesses the necessary experience to successfully complete the proposed Project and all other projects under construction, and that it has developed projects of comparable size and financing complexity. Either the Developer, managing member, General

Partner or Development Consultant must have Materially Participated in a LIHTC Project that has received an IRS Form 8609 from any state within the past five (5) years. The qualifications of the QDT will be evaluated again at Carryover and the reservation of Tax Credits may be revoked, at the sole discretion of IFA, if the QDT is not qualified to successfully complete the proposed Project. The Project Developer or Developer representative must attend a mandatory Developer Application training session, as noted in QAP Section 3.2.3. The Management Company/Manager must have at least three (3) years of experience successfully managing a Section 42 Property.

IFA may require a financial background check of the Project Developer, General Partner/managing member, Consultant, and the Management Company, or the Affiliates of any of the foregoing. If the background check discloses any financial difficulties, risks or similar matters that IFA believes might substantially impair or harm the successful development and operation of the Project as a qualified low-income housing Project, IFA may:

1. Refuse to allow the Qualified Development Team member to participate in the Tax Credit Program;
2. Reject or disqualify an Application and cancel any Credit reservation and Carryover Allocation; and/or
3. Demand additional assurances that the development, ownership, operation or management of the Project will not be impaired or harmed (such as performance bonds, pledging unencumbered assets as security, opinions of financial solvency by an independent certified public accountant, or such other assurances as determined by IFA).

11.4.3 Capital Needs Assessment (CNA) for Rehabilitation, Preservation and Adaptive Reuse Projects. The Applicant shall acknowledge the CNA requirement and that IFA will require the CNA prior to the start of construction. For the requirements related to the CNA refer to Appendix 1, Threshold Requirements for Building, Construction, Site and Rehabilitation.

11.4.4 Commitment to Notify Public Housing Authority (PHA) of Vacancies. The Applicant shall acknowledge the Commitment to Notify Public Housing Authority (PHA) of vacancies.

11.4.5 Notification of Chief Executive Officer of Local Jurisdiction. The Applicant shall provide accurate information through the online Application identifying the Chief Executive Officer of the local jurisdiction where the proposed Project is located. IFA will send a summary of the characteristics of the proposed Project to the Chief Executive Officer, through the online Application.

11.4.6 Ineligibility. Significant Parties are subject to being deemed ineligible to participate in the LIHTC program as set forth below:

11.4.6.1 The following Significant Parties and the Projects with which they are associated shall be ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period not less than five (5) years from the date of determination of ineligibility; such parties may also be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time (in

determining ineligibility, IFA shall consider conduct occurring up to five (5) years prior to the effective date hereof):

11.4.6.1.1 Significant Parties who have been convicted of, entered an agreement for immunity from prosecution for, received a deferred judgment or suspended sentence or judgment for, or pled guilty, including a plea of no contest, to a crime including any of the following:

- fraud,
- tax fraud,
- embezzlement,
- bribery,
- payments of illegal gratuities,
- perjury,
- false statements,
- racketeering,
- blackmail,
- extortion,
- falsification or destruction of records, or
- a crime of violence related to any housing Project .

11.4.6.1.2 Any syndicator, equity partner, private placement originator, limited partner or member of an LLC of a project from which, following the commencement of construction thru the issuance of an IRS Form 8609, the purchaser of Tax Credit equity withdraws.

11.4.6.2 The following Significant Parties and the Projects with which they are associated shall be ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period of not less than three (3) years from the date of determination of ineligibility; such parties may also be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time (in determining ineligibility, IFA shall consider conduct occurring up to three (3) years prior to the effective date hereof):

11.4.6.2.1 Any Significant Party that intentionally or negligently misrepresents or omits any material fact in its LIHTC Application or in any other written communication with IFA.

11.4.6.2.2 Any Significant Party that has an uncorrected default of any agreement between the Significant Party and IFA.

11.4.6.2.3 Any Significant Party who has been removed as a General Partner or managing member by the equity investor from any previously approved LIHTC Project in Iowa or any other state.

11.4.6.3 The following Significant Parties and the Projects with which they are associated shall be ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period of not less than one (1) year from the date of determination of ineligibility; such parties may also be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time (in

determining ineligibility, IFA shall consider conduct occurring up to one (1) year prior to the effective date hereof):

11.4.6.3.1 Significant Parties who have Materially Participated in any Project that has had unsatisfactory performance, in Iowa or any other state, with a state-sponsored or housing-related assisted program, as determined by IFA. This includes parties with loans under any IFA program that are 90 days or more delinquent.

11.4.6.3.2 Significant Parties who have served as an officer, director, General Partner, managing member, accountant, architect, engineer, management agent, financial consultant, or any other consultant of any Entity that has unsatisfactory performance, in Iowa or any other state, with a state-sponsored or housing-related assistance program, or under any agreement or loan, as determined by IFA. This includes Entities with loans under any IFA program that are 90 days or more delinquent.

11.4.6.3.3 Significant Parties who have been declared ineligible or otherwise debarred from any housing-related assistance program by any Iowa state agency, by any LIHTC allocating agency of any other state, or by any federal agency.

11.4.6.3.4 Developers, Ownership Entities and the General Partners/Managing Members thereof, and consultants or any other persons determined by IFA to have an Identity of Interest or of personnel with any thereof, who have Materially Participated in a Project for which Tax Credits awarded in a prior nine percent (9%) Tax Credit round were returned to IFA in calendar year 2013 prior to the closing of such Project's equity investment and no subsequent year Tax Credits were issued to replace the returned Tax Credits. An Ownership Entity or Developer, who returns excess Tax Credits at the time of the IRS Form 8609 issuance, or returns four percent (4%) Tax Credits at any time, will not be disqualified from participating in the current Tax Credit funding round.

11.4.6.3.5 Developers, Ownership Entities and the General Partners/managing members thereof, and consultants or any other persons determined by IFA to have an Identity of Interest or of personnel with any thereof, who have Materially Participated in a Project that was awarded nine percent (9%) Tax Credits in 2011 or 2012 in which the Project costs exceeded the applicable Unit cost cap at the time of the Carryover-10% Test or the IRS Form 8609 Application.

11.4.6.3.6 Developers, Ownership Entities and the General Partners/managing members thereof, or any other persons determined by IFA to have an Identity of Interest or of personnel with any thereof, for whose project an IRS Form 8609 with Part II completed was not timely submitted to IFA, or for whose project an incorrectly completed IRS Form 8609 was submitted.

11.4.6.4 The following Significant Parties and the Projects with which they are associated may be deemed ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period to be determined by IFA, based upon its review of all relevant facts, up to and including permanent debarment, and such Significant Parties may be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time:

11.4.6.4.1 Significant Parties who have Materially Participated in a Project that has received from IFA or from any other state an IRS Form 8823 on which a box in the column headed “Out of compliance” has been checked (regardless of whether the non-compliance for which the IRS Form 8823 was issued has subsequently been corrected) or who have a history of repeated or significant Tax Credit compliance deficiencies, even if such significant Tax Credit compliance deficiencies have not resulted in an uncorrected IRS Form 8823. IFA may consider as mitigating or aggravating factors, the number of instances of non-compliance, whether the non-compliance has been corrected, the speed with which the Project was brought back into compliance, and the degree of Control of the Significant Party in question over the out-of-compliance Project. Applicants are encouraged to work with the IFA Compliance staff to correct any outstanding issues prior to the Application deadline. If corrections cannot be completed prior to the Application deadline, the Applicant must submit a detailed account, on the exhibit provided in the Application, of any noteworthy compliance issues or uncorrected IRS Form 8823’s that have been issued with respect to properties associated with any Significant Parties. IFA issues a report, similar to an IRS Form 8823, called the “Low Income Housing Tax Credit Notice of Non-Compliance –Land Use Restrictive Agreement (LURA) Extended Use Period” which addresses issues that are not in compliance with the LURA to the Owner that also must be corrected.

11.4.6.4.2 Significant Parties who fail to disclose any direct or indirect financial or other interest a member of the Project Qualified Development Team may have with another member of the Project Qualified Development Team or with the Project.

11.4.6.4.3 An Applicant who fails to disclose all known members of the Project Qualified Development Team.

11.4.6.4.4 Significant Parties who have voluntarily agreed to be replaced as a General Partner or managing member of any previously approved LIHTC Project in Iowa or any other state as a result of performance issues.

11.4.6.4.5 Significant Parties who, within the past seven (7) years, have filed for bankruptcy, or been a party to an adverse fair housing settlement, or an adverse civil rights settlement.

11.4.6.5 IFA staff may reduce the ineligibility period as to any given Significant Party, under Sections 11.4.6.1.2, 11.4.6.2 and 11.4.6.3 if such reduction is deemed to be in the best interests of IFA and affordable housing.

11.5 Displacement of Tenants. IFA will accept Applications that have displaced (or will displace) tenants, although involuntary permanent displacement of existing tenants is strongly discouraged. IFA reserves the right to reject any Application that fails to minimize permanent displacement of tenants and/or provide an adequate relocation plan. A formal relocation plan must be submitted with the Application if the Project scope requires any form of temporary or permanent relocation of existing tenants. The proposed relocation plan must provide an overview of the need for relocation, a proposed timeline, an estimated budget, and other information as requested in the Application to document that the need for temporary or permanent relocation of existing tenants is adequately addressed.

11.6 Confirmation of Eligibility—Rehabilitation or Acquisition. The Applicant is required to confirm eligibility under IRC Section 42(d) (2) (B) (ii) (the 10-year rule) by listing each building address, the date the building was Placed-in-Service by the Applicant from whom the building was or will be acquired, the date the building was or is planned for acquisition by the Applicant, and the number of years between the date the building was last Placed-in-Service and the expected date of acquisition. If the number of years for any building is less than 10 years, the Applicant must explain any exception under the Internal Revenue Code which would make the building eligible for Tax Credits under IRC Section 42(d)(2)(B)(ii).

11.7 Rehabilitation Standards. The Applicant is required to provide information regarding Rehabilitation Expenditures for each building as specified in Appendix 1, Threshold Requirements for Building, Construction, Site and Rehabilitation. The Applicant must identify, with respect to each building as required by the Application, the Rehabilitation Expenditures as defined in IRC Section 42(e)(2) which shall be allocable to or substantially benefit the Low-Income Units in such building. The Application must show the calculations for whether the amount of Rehabilitation Expenditures is at least equal to the greater of twenty percent (20%) of the expected adjusted basis of the building or a \$25,000 Rehabilitation Expenditure limited to Hard Construction Costs per Low-Income Unit.

11.8 Building Standards. Preliminary site plan, floor plans and elevations are to be submitted with the Application to IFA for all of the buildings in the proposed development. The Applicant must demonstrate that they have or will meet local state and federal standards that apply to the Project, and meet IFA's minimum development characteristics. For additional requirements and a list of the minimum development characteristics, refer to Appendix 1, Threshold Requirements for Building, Construction, Site and Rehabilitation.

11.9 Scattered Sites. The Applicant must submit a composite Application reflecting the total of all sites as well as separate site specific exhibits for each site included in the Project. A Scattered Site is a Project where multiple buildings with similar Units are not located in proximity to one another, but are owned by the same party and financed under the same agreement(s), and are located within a 20-mile radius, as determined by Google Maps (www.Googlemaps.com). A Scattered Site Project may be new construction, acquisition, rehabilitation or a combination of these types. For Scattered Site Projects, all Units must be qualified LIHTC Units.

11.10 Affirmative Fair Housing Marketing Plans. Each Applicant must acknowledge the Affirmative Fair Housing Marketing Plan requirement and to submit the plan to IFA at least 120 days prior to Placed-in-Service date.

11.11 Adequate Market. The Market Study and Analysis shall demonstrate there is adequate sustained demand for the proposed Project, and that the construction or rehabilitation of the additional affordable Units will not have an adverse impact on the existing affordable Units in the market area.

11.12 Minimum Scoring Met. As a threshold requirement upon submission, the Project must obtain a score of at least 140 points under the criteria set forth in Section 6 Scoring Criteria.

11.13 Senior Projects. Senior Projects are not allowed anything greater than 2 bedrooms per unit.

11.14 Commitment to Notify DHS Referral Network of Vacancies. The Applicant shall acknowledge the Commitment to Notify the DHS Referral Network of vacancies in Accessible Units by notifying each of the following referral sources of any available Accessible Units: (1) Iowa's Money Follows the Person Initiative, (2) Iowa Department of Human Services (DHS) Targeted Case Management Bureau, and (3) the DHS Office serving the county in which the Project is located.

11.15 Lease Addendum. In order to comply with Section 8.27 of Section 504 of the Rehabilitation Act of 1973, the Owner must lease Accessible Units designed for persons with disabilities to tenants requiring the Accessibility features of the Unit. The Applicant must agree to require a Lease Addendum to be executed by a tenant(s) occupying a Accessible Unit who does not require such Accessible features. In the Lease Addendum, the tenant must agree to move to a comparable non-accessible Unit upon the request of the Owner with moving expenses to be paid by the Owner.

SECTION 12. POST RESERVATION REQUIREMENTS

Once a Tax Credit Reservation has been awarded, the following additional requirements will apply. 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.

12.1 Amendments to the Application after Award. The Ownership Entity may amend, with the IFA LIHTC Manager's consent, the Application after a reservation of Tax Credits is made, solely for the purpose of showing changes as described in this Section.

12.1.1 A minor change in the nature of the Project or changes in partnership members, shareholders, or limited liability members.

12.1.2 Site changes that are equal to or exceed the site characteristics of the site first described in the Application. A site change will be permitted at IFA's sole discretion. The substituted site must be within the same city.

12.2 Material Changes. If, upon the submission of the IRS Form 8609 Application, or at any other time, it is determined that the Project is not substantially the same as the Project described in the Application, the Project will not receive an allocation of Tax Credit Reservation, or the amount of the Tax Credits will be adjusted or an IRS Form 8823 will be issued.

12.2.1 Generally, changes in the total number of Low Income Units, number of bedrooms per Unit mix, tenant mix (low-income/market rate) and amenities are deemed to be material, and are not permitted.

12.2.2 Changes in the number of buildings and Units contained in each building will be allowed if changes are required by local regulatory codes and the Applicant has obtained written approval from IFA prior to making the changes.

12.2.3 Failure to notify IFA of a material change will result in revocation of the Tax Credit Reservation, withholding of the IRS Form 8609, or issuance of an IRS Form 8823.

12.2.4 Any Owner election made in regard to the minimum set-aside requirement (twenty percent (20%) or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is fifty percent (50%) or less of AMI or forty percent (40%) or more of the residential Units in a project are both rent restricted and occupied by individuals whose income is sixty percent (60%) or less of AMI) for a qualified low income housing project under IRC Section 42(g) is irrevocable once made. No change in the minimum set-aside requirement is permitted.

12.3 Transfers. A Tax Credit Reservation is not transferable. IRS Form 8609 allocations will be issued only in the name of the Ownership Entity. Transfers subsequent to the issuance of the IRS Form 8609 allocation are subject to the LURA and to the provisions of IRC Sections 42(d)(7) and 42(j) of the Code.

12.4 Notification of Vacancies. Prior to the Placed-in-Service Date, the Ownership Entity shall provide IFA a copy of the Notification to the Public Housing Authority, as set forth in Section 5.4.4.

If IFA enters into a contract with a rental housing locator service, notification to this service will be required of all awarded Projects.

12.5 IRS Form 8609. All Applicants requesting an IRS Form 8609 allocation shall submit all items described in IFA's current IRS Form 8609 request package. The Ownership Entity shall complete Part B and return a copy of the fully executed IRS Form 8609 to IFA within 60 calendar days of IFA's issuance date of the IRS Form 8609. Owners and Management Companies of Projects shall attend a minimum of eight (8) hours compliance training that is provided by an approved third party trainer, or by attending all sessions designated as fulfilling this requirement offered at the annual HousingIowa Conference prior to receiving the IRS Form 8609 from IFA. At the time the IRS Form 8609 Application Package is submitted, a Certificate of Training on compliance for the General Partner and Property Manager shall be provided. The date for the Certificate of Training shall be issued no earlier than 12 months from the time that the IRS Form 8609 Application is submitted.

12.6 Change in General Partner, Majority Shareholder or Managing Member. In the event there is a proposed change in a General Partner, majority shareholder of a corporation or majority membership of a limited liability company after the reservation of Tax Credits is issued, IFA shall be notified by the partnership, corporation or limited liability company to obtain approval prior to the effective date of such change. The new General Partner or new majority shareholder shall agree to meet the requirements described in the QAP before IFA shall consent to the change. If the requirements outlined in the QAP are not met, the request for transfer may not be approved. If IFA is not notified of a change in the General Partner, IFA may withhold the IRS Form 8609 or issue an IRS Form 8823. IFA will not allow any change in the General Partner, majority shareholder or managing member prior to the issuance of the Projects IRS Form 8609.

12.7 Prior to Placed-in-Service Date. Sixty (60) days prior to the Placed-in-Service Date, a copy of the Affirmative Fair Housing Marketing Plan must be submitted to IFA.

12.7.1 Prior to the Placed-in-Service Date, for new construction Projects with three stories or less, the Owner must provide IFA a copy of the home energy rating report as performed by a certified HERS rater. The Project must receive a final HERS index of 70 or less.

12.7.2 Prior to the Placed-in-Service Date, for new construction Projects with four stories or more, the Owner must provide IFA documentation by an independent licensed engineer that the Project exceeds ASHRAE 90.1 Appendix G-2007 by at least fifteen percent (15%).

12.7.3 Prior to the Placed-in-Service Date, for existing structures, the Owner must provide IFA a copy of the energy audit by a certified energy rater that verifies that the recommended energy performance measures established in the final rehabilitation work order were installed correctly.

12.7.4 Prior to the IRS Form 8609 Application, provide IFA verification that the replacement and operating reserves have been established, and the terms and conditions have been met. A binding commitment from the syndicator or direct investor to fund the replacement and operating reserves from the final Tax Credit equity installment will be allowed.

12.8
date.

Construction. Construction must begin on a Project within 18 months from the reservation

12.8.1 IFA may periodically request a status report on the Project's construction timeline.

12.8.2 An IFA construction sign meeting specifications outlined in the Application and appendices must be erected at the initiation of construction.

12.8.3 Final plans and specifications must be submitted to and approved by IFA before commencing site work and construction. Plans must meet all applicable building standards and codes, minimum development characteristics, and all construction related scoring criteria for which points were awarded. Final plans must incorporate any and all remediation plans to address detrimental site characteristics.

12.8.4 The Ownership Entity shall promptly inform IFA of any changes or alterations which deviate from the final plans and specifications, as approved by the IFA LIHTC Manager.

12.8.5 If the site was not zoned appropriately at the time of Application, prior to commencing construction, IFA shall receive a letter or other document from the city that states appropriate zoning has been approved.

12.8.6 If required for the Project in Appendix 1, J, a Capital Need Assessment must be submitted to and approved by IFA prior to commencing construction.

12.8.7 For existing structures, prior to the preparation of the final work rehabilitation order and start of rehabilitation, the Ownership Entity must provide a copy of the energy audit conducted by a certified home energy rater to IFA. The rater, owner, and IFA will determine the feasibility of meeting the requirements of IECC. Appropriate specifications to meet IECC standards or alternate cost-effective energy improvements must be included in the final work rehabilitation order and shall be submitted with the plans and specifications for approval before starting construction.

12.8.8 If the Project meets the criteria set forth in Section 5.5, a copy of the final relocation plan and copy of the notice to existing tenants must be provided to IFA prior to the start of relocation.

PART C – TERMS AND CONDITIONS

The following terms and conditions apply to all Applicants and Projects that receive a reservation of either four percent (4%) or nine percent (9%) Tax Credits, Carryover Allocation (nine percent (9%) Tax Credits only), and IRS Form 8609 allocation.

SECTION 13: TERMS AND CONDITIONS

13.1 Documents Incorporated by Reference. The items described in this Section are incorporated by reference in the QAP. The QAP will be deposited in the Iowa State Law Library. Statutory references are available in the Iowa State Law Library.

13.1.1 26 USC Section 42 as amended and the related Treasury regulations in effect as of January 1, 2014.

13.1.2 Iowa Code Section 16.52 and the rules promulgated by IFA to govern the LIHTC Program in effect as of the effective date hereof.

13.1.3 The Compliance Manual adopted by IFA pursuant to 265 IAC 12.3.

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

13.1.4.1 First, by giving preference to IRC Section 42 and the related Treasury regulations.

13.1.4.2 Second, by giving preference to Iowa Code Sections 16.4, 16.52 and the rules governing the QAP; and

13.1.4.3 Third, by giving preference to the QAP.

13.2 Binding Obligations. The representations made in the Application shall bind the Applicant and 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 QAP and Application with any permitted amendments either prior to the reservation of Tax Credits or after the Carryover Allocation, issuance of the IRS Form 8609 or during the Compliance Period and any other agreements executed between IFA and the Ownership Entity shall constitute the agreement between the parties.

13.3 Land Use Restrictive Covenants (Land Use Restrictive Agreement (LURA)). The Project shall be subject to the LURA which requires among other things, that the Project will be used for affordable housing for the required 15-year Compliance Period and the required 15-year Extended Low-Income Housing Commitment, as set forth in Section 42(h)(6)(B). If the Applicant has agreed to extend the time period of affordability and has waived rights to early termination of the Extended Use Period in its Application, the LURA will reflect the additional Extended Use Period for which the Ownership Entity has waived its rights to early termination. In the event an Applicant receives HOME funding for a Project, the Ownership Entity must enter into a LURA with IFA for the longest Compliance Period required either by the LIHTC Program or HOME regulations. The LURA shall contain covenants that run with the land requiring that the Property be used as an affordable housing Project until the end of the Extended Use Period. The original document must be recorded before an IRS Form 8609 is issued. The LURA must be

binding on all successors of the Ownership Entity and run with the land as provided by Section 42(h) (6). Although the LURA will terminate in the event of foreclosure, Section 42(h) (6) (E) (ii) requires that certain limitations as to termination of tenancies and rent increases survive such foreclosure for a period of three (3) years. As a result, all other lenders or prior lien holders must consent to the recording of the LURA as a restrictive covenant encumbering and running with the land and acknowledge and agree that those provisions of the LURA that set forth the requirements of Section 42(h)(6)(E)(ii) of the Code are superior to the lender or lien holder's security interest and shall continue in full force and effect for a period of three years following the date of acquisition of the Project by foreclosure (or instrument in lieu of foreclosure). The Ownership Entity must provide adequate evidence that the LURA is binding on all successors of the Ownership Entity and runs with the land. Adequate evidence includes but is not limited to a copy of a final title opinion showing all the current liens against the Property or a title guaranty certificate showing exclusions. The LURA will also comply with other requirements under the Code, QAP, other relevant statutes and regulations and all representations made in the Project Application. If the Property in the Application has an existing LIHTC LURA, then the original LURA requirements, in addition to the Project LURA requirements, will be enforced by IFA.

13.4 Disclosure of Information Regarding Equity Investors or Syndicators. The Applicant shall reveal the name and address of all of the equity partners, investors or syndicators involved in a Project regardless of the nature of the placement of the Tax Credits. If the name of the equity partner or syndicator changes following the time of Application, the Application can be amended after the reservation of Tax Credits is issued. An IRS Form 8609 will not be issued unless the name of a syndicator or equity partner is revealed to IFA. Applicants that have been awarded Tax Credits must also disclose the name and address of equity partners, investors or syndicators involved with Projects being monitored by IFA. If an IRS Form 8609 has been issued, failure to supply the syndicator or equity partner or investor information may result in the filing of an IRS Form 8823 with the Internal Revenue Service. See Treasury Regulation 1.42-5(a) (2) (ii); IRS Tax Memorandum No. 199944019, August 8, 1999.

13.5 Document Timeliness. All supporting documentation required by the Application shall not be more than 180 days old on the date that the Application is submitted to IFA. Exceptions allowed would include, documents not specifically produced for the Application, such as a valid purchase agreement, deed, land title document, Articles of Incorporation and IRS letters to a Nonprofit stating they are an exempt organization under IRC Section 501(c)(3) or 501(c)(4).

13.6 Opinions and Certifications. The Applicant shall file certifications and professional opinions in support of the Application. All certifications, opinions and documents submitted by attorneys, the Applicant, or other professionals must be based on an independent investigation into the facts and circumstances regarding the proposed Project. Any opinion submitted by any professional that is not based on an independent investigation of the facts and circumstances of a proposed Project will not be accepted. All certifications must be in the form specified by IFA. The certifications shall be made under penalty of perjury.

13.7 Fractional Rounding. For the purposes of determining the number of Units in an Applicant's election(s), fractional Units will be increased to the next whole Unit.

13.8 Costs Associated with Application Preparation. IFA is not responsible for any costs incurred by the Applicant.

13.9 Ownership of Applications. By submitting an Application, the Applicant agrees that IFA shall become the owner of the Application and that the Application shall not be returned to the Applicant even in the event that no Tax Credits are awarded.

13.10 Public Information. At the conclusion of the selection process, the contents of all Applications shall be placed in the public domain and be opened to inspection by interested parties subject to the provisions of Iowa Code Chapter 22. IFA may treat all information submitted by the Applicant as a public record unless the Applicant properly requests that the information be treated as confidential information at the time the Application is submitted. Any request for confidential treatment of information must be included in a cover letter with the Application and must enumerate the specific grounds in Iowa Code Chapter 22 or other provisions of law that support treatment of the material as confidential and must indicate why disclosure is not in the best interest of the public. The request must also include the name, address, and telephone number of the Person authorized by the Applicant to respond to any inquiries by IFA concerning the confidential status of the materials. In the event IFA receives a request for the release of information that includes material the Applicant has marked as confidential, IFA shall provide a written notice to the Applicant regarding the request. Unless otherwise directed by a court of competent jurisdiction, IFA will release the requested information within 20 days after providing the written notice of the request to the Applicant. The Applicant's failure to request confidential treatment of material pursuant to this Section may be deemed by IFA as a waiver of any right to confidentiality.

13.11 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.

13.12 IFA Policy on Civil Rights Compliance. IFA is an equal opportunity concern. The Applicant and any of its employees, agents or sub-contractors doing business with IFA understands and agrees that it is the responsibility of the Developer and Ownership Entity to adhere to and comply with all federal civil rights legislation including the Fair Housing Laws, Section 504 of the Rehabilitation Act of 1973, the Americans With Disabilities Act as well as any state and local civil rights legislation. It is the legal responsibility of the Developer and Ownership Entity to be aware of and comply with all non-discrimination provisions of federal, state or local law.

13.13 Qualified Residential Rental Property. The Project must be a Qualified Residential Rental Property. The Applicant must certify that the Project as proposed is a Qualified Residential Rental Property. IFA reserves the right to require the Applicant to supply a legal opinion that the Project as proposed is a Qualified Residential Rental Property.

13.14 Compliance. IFA shall establish procedures for monitoring compliance with the provisions of IRC Section 42 and for notifying the Internal Revenue Service of any noncompliance. Each Ownership Entity is required to comply with the requirements described in this Section, the Treasury Regulations governing Section 42, and the compliance manual adopted by IFA pursuant to 265 IAC 12.3.

13.14.1 Record Keeping. For each year in the Compliance Period, the Ownership Entity or its successor in interest shall keep records for each qualified low-income building in the Project, consistent with the Treasury Regulations governing Section 42. The Ownership Entity or its successor in interest shall retain these records for each building in the Project for at least six years after the due date (with extensions) for filing the federal income tax return for that year. The records for the initial taxable year must be retained for at least six years after the due date for filing the federal income tax return for the last year of the Compliance Period of the building.

13.14.2 Certifications. The Ownership Entity shall make all necessary certifications required by IFA for the preceding 12-month period, as described in the Treasury Regulations governing Section 42.

13.14.3 Review and Inspections. IFA shall review the certifications submitted in conformance with the Treasury Regulations governing Section 42 effective on the effective date of this QAP. IFA shall have the right to inspect the Projects in conformance with the standards set forth in the Treasury Regulations governing Section 42. IFA will provide 48 hours' advance notice to the Ownership Entity to inspect any individual Units in a Project. Otherwise, advance notice to the Ownership Entity is not necessary for purposes of the inspection provisions set forth in the Treasury Regulations governing Section 42. The owner certifications and reviews of compliance reports shall be made annually. The physical inspections and tenants files reviews shall be made once every three (3) years covering the 15-year Compliance Period under IRC Section 42(i)(1). IFA may require that certifications, reviews and inspections be made more frequently, provided that all months within each 12-month period are subject to certification. The reviews, audits and inspections shall continue through the length of the Extended Use Period.

13.14.4 Notice of Noncompliance. IFA will provide prompt written notice to the Ownership Entity of a Project if found to be out of compliance. The notice will describe the events of noncompliance and advise the Ownership Entity of the Tax Credit Project of the time period to correct the events of noncompliance.

13.14.5 Correction Period. The correction period shall not exceed 90 days from the date the notice of noncompliance is sent to the Ownership Entity. IFA may extend the correction period for up to six months, but only if IFA determines there is good cause for granting the extension. During the 90-day time period, or an extension thereof, the Ownership Entity must supply any missing certifications and bring the Project into compliance with the provisions of IRC Section 42.

13.14.6 Notice to Internal Revenue Service. IFA will send a written notice to the Internal Revenue Service along with an IRS Form 8823 in the event of a finding of noncompliance by an Ownership Entity. Copies of the IRS Form 8823 and the Internal Revenue Service notice will be forwarded to the Ownership Entity.

13.14.7 IFA Retention of Records. IFA shall retain records of noncompliance or failure to certify for six (6) years beyond IFA's filing of the respective IRS Form 8823. In all other cases, IFA will retain the certifications and records described in the QAP for a period of three (3) years from the end of the calendar year in which IFA receives the certification and records.

13.14.8 Delegation of Monitoring. IFA may retain an agent or other private contractor (the "authorized delegate") to perform compliance monitoring. The authorized delegate shall be unrelated to the Ownership Entity of any building that the authorized delegate monitors.

13.14.9 Liability. Compliance with the requirements of IRC Section 42 is the responsibility of the Ownership Entity of the building for which the Tax Credits are allowable. IFA's obligation to monitor for compliance with the requirements of IRC Section 42 shall not make IFA liable for an Ownership Entity's noncompliance.

APPENDIX 1 – THRESHOLD REQUIREMENTS FOR BUILDING, CONSTRUCTION, SITE AND REHABILITATION

The terms of this Appendix 1 are the minimum requirements for any Project awarded Tax Credits under the 2014 QAP. Required documents for Sections B, F, G, H, and I must be prepared by a duly licensed engineer or architect authorized to do business in Iowa except for item G22. HERS ratings shall be submitted by a RESNET certified rating agent.

Once final plans, specifications, the energy audit or analysis and, if applicable, the CNA's have been completed; the Applicant must submit them to IFA and receive written approval before commencing site work or construction.

At all times after award, the Applicant shall promptly inform IFA of any changes or alterations which deviate from the final plans and specifications approved by IFA. In particular, the Applicant must not take action on any material change in the site layout, floor plan, elevations or amenities without written authorization from IFA, as specified in Section 8.3 and Section 12.2. This includes changes required by local governments to receive building permits.

Requirements for Accessibility must be met regardless of the building type and include single family or duplex designs. All rooms and floors within a multi-level Accessible Unit must be accessible.

All of the Low-Income Units shall be generally distributed in terms of location and number of bedrooms throughout the Project. The Low-Income Units shall be of comparable quality and offer a range of sizes and number of bedrooms comparable to those Units which are available to other tenants.

A. Site Control. At the time of Application, the Applicant shall have site control. The Applicant shall show evidence of site control by providing executed documents. The following may be proper evidence of site control:

1. The Applicant holds title to the Property on which the Project will be located by a properly executed and recorded warranty deed or a title opinion showing title in the name of the Applicant or a title guaranty certificate showing title in the name of the Applicant; or
2. The Applicant has an executed and exclusive purchase option agreement or other binding agreement that is valid for six months following the date of the Application deadline. Evidence of site ownership must be submitted with the Carryover Package; or
3. The Applicant has an executed purchase contract; or
4. The Applicant has an executed lease or an option on a lease, which lease has a term not less than the longer of: 1) the entire period during which the proposed Project will be subject to the LURA, 2) 50 years, or 3) the expected useful life of the buildings comprising the proposed Project.
5. A site including any building located thereon or Project acquired or used for rental activities, must be held in fee simple title by the recipient upon the disbursement of HOME funds and throughout the contract term with IFA. An installment contract or leasehold interest is not an acceptable recipient interest.
6. There must be a common ownership between all Units and buildings within a single Project for the duration of the initial Compliance Period and the Extended Use Period, if applicable.

B. Site Suitability. The site must be suitable for the proposed Project and should be sized to accommodate the number and type of Units and the amenities proposed. The land costs allocated to the Project cannot include excess acreage unnecessary for the construction and use of the Project. Existing sites shall not be native prairie land, lowland flood plains and wet lands, or endangered habitats.

C. Zoning. The Applicant shall demonstrate that the zoning for each site on which the Project will be located allows for the use(s) proposed by the Applicant. A letter from the city regarding zoning must be submitted with the Application. The city zoning department shall provide a statement that the official plat is properly zoned. Site plans submitted with the application must show that the Project will have the proper number of parking stalls. It must also show that it will be located on a paved road; the Property is not landlocked and has a legal easement, and right of ways have been granted if applicable. If the proposed Project location does not have zoning regulations, a letter from the city must be submitted attesting to the fact that no zoning regulations are in effect. If the site is not zoned appropriately at Threshold Application, the Applicant must certify in the LIHTC Application that the site will be zoned appropriately by the Carryover-10% Test Application due date. If proper zoning is ultimately not possible, a substitute site may be submitted in accordance with Section 8.2.3 and Section 12.1.2 of the QAP.

D. Access to Paved Roads. All sites proposed must have direct contiguous access from the Project site to existing paved publicly dedicated right of ways. If the path from the proposed Property entrance to a paved road is de minimis, as determined solely at IFA's discretion, then the Applicant will be allowed to provide a binding commitment for both the construction and financing of the paved road, using funds outside of the Tax Credit development budget. The cost of construction of the paved road must not be included in the Project costs, and the construction of the paved road must be completed prior to the issuance of an IRS Form 8609.

E. Access to Utilities. The Applicant shall certify that all Utilities are or will be physically available to and have adequate capacity for the proposed Project. If Utilities are not available to the site on the date the Application is submitted, the Applicant must supply adequate evidence that demonstrates that the Utilities will be available by start of construction. This evidence must include the appropriate funding source the Applicant will utilize for the Utility extension. Any charges for the extension of services that are not normal extensions may not be included in Eligible Basis. Utilities must be available at the site prior to the issuance of an IRS Form 8609.

F. Building Standards. Preliminary site plan and floor plans are to be submitted with the Application to IFA. The Applicant shall demonstrate that they have or will meet local, state and federal standards that apply to the Project, except for any portions thereof the deletion of which has been approved by the Department of Public Safety, the Department of Public Health, or other implementing State agency (see, e.g., Note following Iowa Administrative Code 661 – 301.8(103A) (2010)), unless a local building code is more restrictive. The current standards are:

1. 2012 International Building Code adopted and published by the International Code Council.
2. 2012 International Existing Building Code adopted and published by the International Code Council.
3. 2012 International Residential Code adopted and published by the International Code Council.
4. 2012 International Fire Code adopted and published by the International Code Council.
5. 2012 International Mechanical Code adopted and published by the International Code Council.
6. 2009 Uniform Plumbing Code adopted by the International Association of Plumbing and Mechanical Officials.

7. 2012 National Electric Code adopted by the National Electrical Code Committee and published by the National Fire Protection Association, Inc.
8. 2012 International Energy Conservation Code adopted by the International Code Council.
9. Iowa Administrative Code Chapters: 300 (Administration), 301 (General Provisions), 302 (Accessibility of Building), 303 (Energy Conservation), and 350 (State Historic Building), and 25 (State Plumbing Code).
10. Uniform Federal Accessibility Standards provided in 24 CFR Part 8 and delineated in the American National Standards Institute Standard 2007 A117.1.
11. The Americans with Disabilities Act 1990 provided by the Federal Department of Justice.
12. The Federal Fair Housing Act of 1988 including Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Title VIII of the Civil Rights Act of 1968, Section 3 of the Housing and Urban Development Act of 1968, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973.
13. 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.
14. For adaptive reuse/rehabilitation, 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.

G. Minimum Development Characteristics. In order to enable long-term housing affordability, low maintenance building exteriors and high energy efficiency components and appliances are encouraged. For nine percent (9%) Tax Credits, installations that exceed the minimum standards may be awarded extra points in the Application as described in Section 6, Scoring Criteria.

The following minimum development characteristics shall be utilized in all construction:

1. Exterior Construction: Air infiltration barrier building wrap required on all new siding Applications.
2. Roofs: If shingles will be installed, then the use of a minimum of 25-year shingles with 30 pound roofing felt shall be required. For flat roofs, a system with a 10-year full warranty is required. Full warranty includes: all labor and materials for the entire roofing system and insurance rider for consequential damage.
3. Exterior Entry Doors to Common Areas: Insulated metal or fiberglass type with optional thermo-pane glass insert or thermo-pane glass full lite doors with metal thermal break type frame.
4. Unit Doors: Direct Unit access to exteriors, insulated metal or fiberglass panel type with optional thermo-pane glass insert, 180-degree peephole, lockset and deadbolt lock with one inch throw.
5. Unit Doors: Interior common hall Unit entry of steel or solid core wood with 180-degree peephole, with passage set and deadbolt lock with one inch throw.
6. Overhead Doors: Embossed steel panel doors without insulation to non-heated areas.
7. Appliances: The kitchen must have a cook top, an oven, a microwave, a cooling/freezing unit, and a sink. A Family Unit must have a two bowl kitchen sink. See the Single Room Occupancy definition in Appendix 2-Glossary of Terms for exceptions.
8. Carpeting: Carpets, carpet cushion (i.e. padding), and carpet adhesives shall be labeled with the Carpet & Rug Institute (CRI) Green Label or documented to meet the CRI Green Label testing program criteria. Carpet shall meet the face weight criteria in the table below.

Minimum Weight and Density Requirements for Carpet			
		Nylon	Nylon /Olefin Blend
Location:		Face Weight	Face Weight
In Units	Level/textured Loop	22 oz.	26 oz.
	Cut-Pile Heat Set Plied	24 oz.	30 oz.
Common Areas	Level/textured Loop	26 oz.	28 oz.
	Cut-Pile Heat Set Plied	28 oz.	32 oz.

*Carpet should contain minimum 45% recycled content. Polyester carpet is not allowed.

9. Resilient Flooring: Kitchens – either 1/8 inch vinyl composition tile, color and pattern full thickness, LVT with a 12 mil wear layer or sheet vinyl complying with bathroom specification below, made from products that do not use vinyl chloride in the manufacturing process and do not produce dioxin. An alternative to vinyl composite tile or sheet vinyl is natural linoleum flooring, tile flooring, or bamboo.

10. Resilient Flooring: Bathrooms – sheet vinyl with wear surface of 20 mils or greater, with underlayment product on second or higher floors. Resilient flooring should be made from products that do not use vinyl chloride in the manufacturing process and do not produce dioxin. An alternative is natural linoleum flooring, tile flooring, or bamboo. VCT or LVT is not allowed in restrooms, must be a sheet product.

11. Shower Flooring: Bathrooms that have Accessible roll in showers shall use molded fiberglass pan or manufactured fiberglass surround unit, non-slip type ceramic floor tiles, or terrazzo flooring.

12. Cabinetry: All cabinets, shelves, and countertops made with formaldehyde free materials: solid wood, formaldehyde free particleboard or MDF (medium density fiberboard), metal with natural or baked enamel factory finish. Laminate countertops are required, at a minimum.

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

14. Sidewalks: A concrete sidewalk shall be provided from each entrance door to a public way and where possible, combine the sidewalks. In the event the city requires additional sidewalks, that requirement shall be followed. ADA/UFAS/ANSI A117.1 slope and curb cut ramp requirements shall apply.

15. Laundry: A common laundry room facility located on site with a minimum of one washer/dryer to serve each 12 Units. A minimum of one front loading accessible washer and dryer is required. Central laundry facilities in buildings with an elevator will comply. An Applicant can provide a washer and dryer in each Unit in lieu of a common laundry room facility.

16. Heating and Air Conditioning: All Units shall be heated and air conditioned. Air conditioning equipment should be at least 13 SEER and use R-410a refrigerant that is charged according to manufacturer specifications. Thru-wall A/C units must be at least 10.7 EER. Heating equipment should be at least 90 AFUE for furnaces and 85 AFUE for boilers. Window units are not allowed.

17. Accessible Units: In new, as well as rehab construction, a minimum of ten percent (10%) of all Units supplied must be Fully Accessible, (as defined in ANSI 117.1) on the building accessible routes which includes all floors if an elevator is provided. All Units on the accessible routes must be adaptable, (Type B Units per the International Building Code, (IBC)), upon reasonable tenant request for special needs. A minimum of two percent (2%) of all Units supplied must be adapted for hearing and/or vision impairments as Units with Accessible Communications Features. The two percent (2%) cannot be included in the ten percent (10%) of the accessible Units. When an

Applicant elects to exceed the ten (10%) requirement for Fully Accessible Units, those Units over and above that requirement shall be Accessible Type A Units per the IBC.

18. Construction Warranty: Obtain a minimum of one-year construction blanket warranty that is enforceable. The warranty will stipulate that the General Contractor is responsible to do or have done any and all required warranty repair work at its expense.

19. High-Speed Internet Access: Provide high speed internet access to each Unit by wiring for broadband, wireless, or digital subscriber line (DSL). Service provider is the responsibility of the tenant, unless the Applicant requested scoring points for free wireless internet connectivity.

20. Closets: A closet with a door (2 foot x 5 foot minimum) must be provided in each bedroom. The minimum complement of closets per Unit include: 1 linen, 1 coat, all 2 foot x 3 foot minimum; 1 in each bedroom 2 foot x 5 foot minimum.

21. Energy Efficiency: New construction developments with three (3) stories of residential space or less, in addition to meeting Iowa State Code and the IECC, must meet or exceed Energy Star 3.0 standards 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 (5) Units with different floor plans and orientations for complexes of less than 50 Units and ten percent (10%) of Units, up to a maximum of (10) Units in complexes of 50 or more Units must be rated. The contract for the determination of the HERS index must be between the certified rater and the Ownership Entity. If upon completion, a Project does not meet the HERS index of 70 or less, additional steps must be taken by the Ownership Entity to obtain the HERS index of 70 prior to issuance of the IRS Form 8609.

For existing structures that receive a Tax Credit Reservation, an energy audit conducted by a certified home energy rater or firm specializing in energy efficiency that is acceptable to IFA, must be provided on each building prior to the preparation of the final work rehabilitation order. At the credit reservation stage, IFA requires an engineer or architect to certify that the design meets the 2012 IECC. The review must be documented with a letter from the engineer or architect to IFA indicating whether the proposed construction meets the IECC. In the event that the proposed construction does not meet the code requirements, the engineer or architect will provide suggestions for corrections to plans and specifications that will ensure that IECC will be met. At the completion of the rehabilitation, an energy audit by a certified energy rater is required to verify that the rehabilitation work on each building meets the standards of IECC. The contract for the determination of the energy audit must be between the certified rater and the Ownership Entity. If upon completion, a Project does not verify that the Project has met the specified energy improvements, additional steps must be taken by the Ownership Entity prior to the issuance of the IRS Form 8609.

22. Minimum Unit Square Footage for New Construction and Adaptive/Reuse:

Unit Type	Minimum Unit Square Footage
Efficiency	450
1 Bedroom	625
2 Bedroom	800
3 Bedroom	1000
4 Bedroom	1175

23. Site Lighting: It is important that projects include site lighting adequate to ensure safe and secure travel from parking areas to Unit or building entries. Care should be taken to provide energy efficient lighting that is not excessive or intrusive to the neighborhood. Areas covered by security cameras

should be illuminated. Cutoff fixtures that direct light downward are encouraged. Minimum requirements of the Iowa State Code will apply in any case. Adequate security lighting is a requirement for final inspection sign-off by IFA

H. Submission of Site Characteristics. The Applicant shall provide a narrative of the current use of the Property, all adjacent Property land uses, and the surrounding neighborhood. Labeled colored photographs (or color copies) of the proposed Property and all adjacent properties must be provided, as well as a clear map identifying the exact location of the Project site. In addition, a plat map of the site or proposed replatting map of the site must be submitted. If the site(s) includes any detrimental characteristics, the Applicant must provide a remediation plan and budget, subject to IFA's approval at its sole discretion, to make the site suitable for the Project. If any detrimental site characteristics exist on, or adjacent to the site, IFA may reject the Application. The following may represent some, but not all, detrimental site characteristics:

1. Sites located within a half mile of storage areas for hazardous or noxious materials, sewage treatment plant or other solid waste facility, 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. Sites where the slope/terrain is not suitable for a Project based on extensive earth removal/replacement required for development;
3. Sites where there are obvious physical barriers to the Project;
4. Sites that are located within a half mile of a sanitary landfill or sites that were previously used as a sanitary landfill;
5. Sites that are located within a flood hazard area, at or on a 100-year flood plain as determined by the Iowa Department of Natural Resources, FEMA map, FIRMA map, or a designated wetland;
6. Sites that are located within 500 feet of an airport runway clear zone or accident potential zone;
7. Sites that are landlocked.

I. Rehabilitation Standards. For all Preservation and Rehabilitation Projects, IFA requires the Applicant to provide information regarding Rehabilitation Expenditures for each building. The information must address how the Applicant will meet all of the Building Standards and Minimum Construction Characteristics. The Applicant must identify, with respect to each building as required by the Application, the Rehabilitation Expenditures as defined in IRC Section 42(e)(2) which shall be allocable to or substantially benefit the Low-Income Units in such building. The Applicant shall provide the calculations for whether the amount of Rehabilitation Expenditures is at least equal to the greater of twenty percent (20%) of the expected adjusted basis of the building or a \$25,000 Rehabilitation Expenditure limited to Hard Construction Costs per Low-Income Unit. The Scope of Work shall, at a minimum, address activities related 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 installing high quality vinyl, hardiplank siding or brick.
3. Using energy efficient related Energy Star labeled products to replace inferior ones, including insulated windows.

4. Improving heating and cooling Units, plumbing fixtures and water heaters, toilets, sinks, faucets, and tub/shower Units to meet minimum efficiency standards for new construction above.
 5. Improving quality of interior conditions and fixtures, including carpet, vinyl, interior doors, painting, drywall repairs, cabinets, Energy Star appliances, Energy Star light fixtures, and window coverings to meet minimum efficiency standards for new construction above.
- Drawings shall show the location of the work indicated in the Scope of Work.

J. Capital Needs Assessment (CNA) for Rehabilitation, Preservation and Adaptive Reuse Projects. The Applicant shall acknowledge the CNA requirement and that IFA will use it prior to commencing construction. The CNA must be prepared by a competent third party that regularly provides CNA's as a basic or core service. The third party may be a member of the Qualified Development Team with prior approval by IFA, but may not be the Ownership Entity or Developer.

APPENDIX 2 – GLOSSARY OF TERMS

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

Accessibility means buildings used by the public, accessible to, and functional for, persons with disabilities to, through and within their doors, without loss of function, space, or facility where the general public is concerned. An accessible route means a continuous unobstructed path connecting all accessible elements and spaces in a building or facility that can be negotiated by a severely disabled person using a wheelchair and that is also safe for and usable by people with other disabilities. Interior accessible routes may include corridors, floors, ramps, elevators, lifts, and clear floor space at fixtures. Exterior accessible routes may include parking, access aisles, curb ramps, walks, ramps and lifts.

Accessible Units means the following;

- **Fully Accessible Unit:** A dwelling Unit designed and constructed for full Accessibility in accordance with Section 1002 of ICC A117.1.
- **Type A Unit:** A dwelling Unit designed and constructed for Accessibility in accordance with the provisions for Type A Units in ICC A117.1- 2009.
- **Type B Unit:** A dwelling Unit designed and constructed for accessibility in accordance with the provisions for Type B Units in ICC A117.1
- **Visitable (Type C) Unit:** A dwelling Unit designed and constructed for Accessibility in accordance with the provisions for Type C Units in ICC A117.1,
- **Units with Accessible Communication Features:** A dwelling Unit designed and constructed to include accessible communication features in accordance with the provisions for such Units in ICC A117.

Affiliates means with respect to any Person, (i) any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person, (ii) any other Person directly or indirectly Controlling fifty percent (50%) or more of the voting securities of such Person, or (iii) any officer, director, manager, member, or partner acts in any such capacity.

Affirmative Fair Housing Marketing Plan means to carry out an affirmative program to attract prospective tenants of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, Disability, familial status, religious affiliation, creed, sexual orientation, and gender identity. Racial groups include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. Other groups in the housing market area who may be subject to housing discrimination include, but are not limited to, Hispanic or Latino, Persons with disabilities, families with children, or Persons with different religious affiliations. The Applicant shall describe in the Marketing Plan the proposed activities to be carried out during advance marketing, where applicable, and during all rent ups. The affirmative marketing program also should ensure that any groups of Persons ordinarily not likely to apply for this housing without special outreach know about the housing, feel welcome to apply and have the opportunity to rent.

Applicable Fraction means the fraction used to determine the Qualified Basis of the qualified low-income building, which is the smaller of the Unit fraction or the floor space fraction, as defined more fully in IRC Section 42(c)(1).

Applicable Percentage means the percentage multiplied by the Ownership Entity's Qualified Basis to determine the amount of annual Tax Credits available to the Ownership Entity for each year of the Tax Credit Period and as more fully described in IRC Section 42(b).

Applicant means the Ownership Entity.

Application or Application Package means those forms and instructions prepared by IFA to make a determination to allocate Tax Credits. Applicants are required by IFA to use the forms contained in the Application Package. The Application must include all information required by the QAP and as may be subsequently required by IFA.

Assisted Living Program/Facility means housing with services, as defined in Chapter 231C of the Iowa Code. The Developer must have successfully obtained an Assisted Living certification for at least one Project from the State of Iowa and is currently in good standing with the Iowa Dept. of Inspections and Appeals.

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

Bike racks means bike racks are provided that are adjacent to the primary entrance of each building. The area must be lighted and in close proximity to a paved path that leads to a recreation trail or safe entrance to a public street.

Board means the Board of Directors of IFA.

Builder Overhead means the cost of continuing operations of a building construction firm.

Builder Profit means the return anticipated for providing building construction services under competitive conditions taking into consideration on-site construction time, work performed by the builder, number of subcontractors and extent of subcontract work and risk and responsibility.

Built-in Dishwasher means the Project will provide and maintain a built-in dishwasher throughout the Compliance Period and the Extended Use Period.

Capital Needs Assessment (CNA) means an assessment of the rehabilitation needs of an existing structure. The assessment must include a site visit and physical inspection of the interior and exterior of Units and structures, as well as an interview with on-site Property management and maintenance personnel to inquire about past repairs/improvements, pending repairs, and existing or chronic physical deficiencies. The assessment must also consider the presence of hazardous materials on the site. The assessment must include a detailed opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. The assessment must include 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. The following components should be examined and analyzed for a CNA:

- Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utilities and lines;
- Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, stairs and drainage;
- Interiors, including Unit and common area finishes (carpeting, vinyl tile, plaster walls, paint conditions, etc.), Unit kitchen finishes, cabinets and appliances, Unit bathroom finishes and fixtures, and common area lobbies and corridors; and
- Mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems and elevators.
- The CNA should 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 in their format is acceptable.

Carryover Allocation Agreement or Carryover Agreement or Carryover Allocation means the document which 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, § 1.42-6 and the contents are derived from the Carryover Allocation Package.

Carryover Agreement Date means the date that the Carryover Allocation Agreement is executed by IFA and the Ownership Entity.

Code or IRC means the Internal Revenue Code of 1986, as amended, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued there under by the United States Department of the Treasury or the Internal Revenue Service relating to the Low-Income Housing Tax Credit Program authorized by IRC Section 42 to and including October 31, 2008. These documents are incorporated in the QAP by reference and pursuant to 265 IAC §§ 17.4(2) and 17.12(2). A copy of the Internal Revenue Code and Treasury regulations and related information relating to this program are found in the state law library and are available for review by the public.

Community Room means a defined space made available exclusively to all tenants and guests of the Project, either in a stand-alone building or incorporated within a residential structure, located in whole upon the Property. The size of the Community Room shall equal or exceed 20 square feet per residential Unit.

Community Service Facility means any facility designed to serve primarily individuals whose income is sixty percent (60%) or less of Area Median Gross Income within the meaning of in Section 42(g)(1)(B). It must meet the following criteria: (1) The facility must be used to provide services that will improve the quality of life for community residents; (2) The Ownership Entity must demonstrate that the services provided at the facility will be appropriate and helpful to individuals in the area of the Project whose income is sixty percent (60%) or less of AMI; (3) The facility must be located on the same tract of land as one of the buildings that comprises the qualified low-income housing Project; (4) If fees are charged for the services provided, they must be affordable to individuals whose income is sixty percent (60%) or less of AMI; and (5) The Community Service Facility must be located in a QCT.

Compliance Period means 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.

Computer Learning Center means an on-site physical space or room used for the purpose of providing access and education related to computers. The Computer Learning Center must provide a minimum of one computer per 24 units, be in a location suitable for the use as designated by IFA. The Computer Learning Center provided in a previous or subsequent phase cannot be substituted.

Construction Contingency means a set percentage of Hard Construction Costs that is budgeted for unforeseen emergencies or shortfalls identified after construction commencement.

Consultant Fee means a fee paid to a housing consultant. No Entity having an Identity of Interest with the Developer may earn a fee for providing services that would otherwise be provided on a fee basis by a housing consultant. Consultant efforts must be directed exclusively towards serving the specific Project being proposed.

Control (including the terms Controlling, Controls, Controlled by, under common Control with, or some variation or combination of all three) 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 fifty percent (50%) of the General Partner interest in a limited partnership, or designation as a managing General Partner or the managing member of a limited liability company.

DHS means The Iowa Department of Human Services.

Debt Service Coverage Ratio (DSCR) or Debt Coverage Ratio (DCR) means the ratio of a Property's net operating income (rental income less operating expenses and reserve payments) to foreclosable, currently amortizing, debt service obligations.

Deep Rent Skew means that in addition to the minimum set-aside election, a project will meet the deep rent skewed Project requirements as defined in Section 142(d)(4) of the Code: (1) 15% or more of the Units are occupied by individuals whose income is 40% or less of the AMI; (2) the gross rent, with respect to each low-income Unit in the Project, does not exceed 30% of the applicable income limit which applies to individuals occupying the Unit and; (3) the gross rent with respect to each low-income Unit in the Project, does not exceed ½ of the average gross rent, with respect to Units of comparable size which are not occupied by individuals who meet the applicable income limit (if market rate Units are included). Annual certification is required for any deep rent skewed Project, whether it consists of 100% LIHTC Units or a mix of LIHTC and market rate Units. Mixed income levels are required to be monitored for compliance. The next available Unit rule applies to deep rent skewed properties. The owner shall rent to low-income tenants all the comparable Units that are available or that subsequently become available in the same building. Situations where: (1) an *initially* qualified household's income rises above 170% of the current income limit, in deep rent skewed Projects; or (2) a household that is not income qualified moves into a Unit of comparable or smaller size in the low-income building evokes the next available Unit rule (see Chapter 11i in the IRS Form 8823 guide).

Developer means any individual or Entity responsible for initiating and Controlling the development process and ensuring that all phases of the development process, or any material portion thereof, are accomplished.

Difficult Development Areas mean any areas that are so designated by the Secretary of HUD as areas which have high construction, land, and utility costs relative to area median family income.

Disability means 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.

Disaster Relief Tax Credits means low-income housing Tax Credits for Disaster Recovery Assistance housing in the amount of \$8.00 per capita authorized pursuant to the Heartland Disaster Tax Relief Act of 2008.

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

Eligible Basis for Rehabilitation Project includes the definition of Eligible Basis with the adjustments described in this Section. No Tax Credits shall be available for acquisition of an existing building unless all of the following criteria are met: (1) The building is acquired by purchase; (2) Subject to limited exceptions, at least 10 years has elapsed since the building was last Placed-in-Service or if more recent, the date of certain improvements costing at least twenty-five percent (25%) of the Applicant's adjusted basis in the building; (3) The building was not previously Placed-in-Service by a related Person to the current Applicant. For the purposes of this paragraph "Related Person" shall have the same meaning as IRC Section 42(d)(2)(D)(ii); and The used building is rehabilitated in a manner which is eligible for Tax Credits.

Entity means any General Partnership, limited partnership, corporation, joint venture, trust, Limited Liability Company, limited liability partnership, business trust, cooperative or other business association.

Evaluators mean members of IFA Staff, temporary staff hired to evaluate the Tax Credit Applications, or staff from municipalities, or other state or federal agencies, including but not limited to the Department of Human Services, Department of Cultural Affairs, IEDA, and USDA.

Extended Use Period or Extended Low Income Housing Commitment means the time frame which 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 Compliance Period, or the date specified by IFA in the LURA.

Family means one or more individuals that may be domiciled with one or more Persons under age 18. A Family Project is not an Older Persons Project.

Free Internet Connectivity means the project will provide, at no cost to the tenant, broadband internet access to each unit. The term broadband includes a broad range of technologies, all of which provide a minimum rate of 768K-3Mbps. These technologies include those using telephone wires (DSL), fiber optic, cable TV and wireless satellite cable TV.

Full Service Grocery Store means a grocery store that has available for purchase the following categories: Fresh meat (beef, pork, chicken, etc.); dairy products (milk, cheese, butter, etc.); frozen foods (vegetables, pizza, ice cream, frozen meals, etc.); canned goods (beans, tomato products, juices, soups, etc.); paper products (toilet paper, paper towels, diapers, feminine products, etc.); health & beauty products (OTC medicines, hair care products, deodorant, etc.); spices (salt, pepper, cinnamon, oregano, etc.); and bread & bakery products (loaves, buns, donuts, lunch/snack items, etc.).

Garden Area means adequate space, tools, and seeds or seedlings for a community garden with a minimum of 200 square feet. Scattered sites do not qualify for this section.

General Partner means the General Partner of a limited partnership or a limited liability limited partnership as set forth in the limited partnership agreement or as otherwise established by the Uniform Limited Partnership Act, Iowa Code chapter 488.

General Pool means all low income housing Per Capita Tax Credits available under the QAP, other than those committed to Set-Asides under the QAP.

Governmental Entity or Political Subdivision means federal or state agencies, departments, boards, bureaus, commissions, authorities, and political subdivisions, special districts and other similar entities, their employees, board members or agents.

Hard Construction Costs mean the following items: site improvements or work, new construction, accessory buildings, garages, general requirements, Construction Contingency, asbestos abatement, lead based paint measures, builder's overhead, builder's profit, builder bond fee, other fees, architect's and engineering fees—design, architect's and engineering fees—supervisory, rehabilitation.

Held for Occupancy means the percentage of the total Project Units specified in the approved Application must be designed and Held for Occupancy by members of the Target Population, with IFA's "Held for Occupancy Policy" that states the following: (1) During initial lease-up, priority must be given in the tenant screening process to income-qualified households in the Target Population. A minimum of the percentage of total Project Units committed in the approved Application for occupancy by the Target Population (the "Minimum Unit Percentage") up to a maximum of twenty-five percent (25%) of the total Project Units must be Held for Occupancy by qualified Target Population households until the lesser of such time as the minimum unit commitment has been met or for a period of 60 days from the Placed-in-Service date; (2) Once a Unit occupied by a Target Population household has vacated, that Unit must be held for a minimum of 30 days for occupancy by another qualified Target Population household unless the Project otherwise complies with the Minimum Unit Percentage. Efforts to market the available Unit to

the Target Population must be demonstrated during this time period; (3) If after a 30-day period the Unit is leased to a household that does not meet the Target Population commitment and the Project does not otherwise meet the Minimum Unit Percentage, the next subsequent available Unit must be marketed to and Held for Occupancy by the Target Population for 30 days. This subsequent unoccupied Unit rule will continue to apply until the Project has once again met its Minimum Unit Percentage requirement; (4) Any household that qualified as a member of the Target Population at initial occupancy or at any time during occupancy will be counted as occupying a qualified service plan Unit when calculating the Project's compliance with the Minimum Unit Percentage; (5) The Project must comply with the Minimum Unit Percentage and all other Target Population requirements at initial lease-up and throughout the 15-year Compliance Period and the Extended Use Period, if applicable. In addition, the Target Population commitments will be specified in the LURA.

Implementation of the Held for Occupancy policy's required 30-day hold period shall begin on the date the tenant gives notice to vacate. In theory, the 30-day hold marketing of the available Unit to the Target Population will be done while the Unit is still occupied. Once the tenant leaves the Project at the end of the 30-day notice period, the Project will rent the Unit to the next eligible applicant, giving priority to members of the Target Population.

If the tenant does not provide a 30-day notice to vacate, the 30-day hold period will begin on the day Property Management becomes aware of the tenant household's intent to vacate or becomes aware that the tenant has already moved out of the Unit. Compliance with the 30-day hold period must be demonstrated whether or not the tenant provides a full 30-day notice to vacate.

HERA means the Housing and Economic Recovery Act of 2008

Homeless means the term as defined by The McKinney-Vento Homeless Assistance Act as amended by S. 896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act; the reference for the regulatory definition is 24 CFR Part 91.5.

Housing Credit Agency means IFA. Pursuant to Iowa Code Section 16.52, IFA is charged with the responsibility of allocating Tax Credits pursuant to IRC Section 42(h)(8)(A) and pursuant to Iowa Code Section 16.52.

HUD means the United States Department of Housing and Urban Development, or its successor.

Identity of Interest means 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.

IEDA means the Iowa Economic Development Authority.

IFA means the Iowa Finance Authority.

IFA LIHTC Manager means an individual who is charged with administering the LIHTC division of the IFA.

In-Unit Laundry space with washer and dryer means a dedicated laundry space within the Unit with at least one washer and dryer provided and maintained by the Owner. If a Unit is Accessible, the Accessibility requirements must be met for the laundry space and the laundry equipment (washer and dryer).

IRS means the Internal Revenue Service, or its successor.

Joint Review Team means representatives of IFA, IEDA, USDA, or the City of Des Moines to review Projects that have requested funding by IFA's LIHTC Program and the state HOME funds, and city HOME funds. Staff for the respective agency (ies) will make recommendations regarding Tax Credit awards and HOME awards to their respective decision makers. A decision by one agency or department within an agency to fund a Project does not bind the other department or agency to fund a Project. The failure to provide funds is a financial feasibility issue that could ultimately disqualify the Project from consideration.

Land Use Restrictive Covenants a/k/a Land Use Restrictive Agreement (LURA) means an agreement between IFA and the Ownership Entity and all of its successors in interest where the parties agree that the Project will be an affordable housing Project through the length of the Extended Use Period by the Ownership Entity and upon which the award of Tax Credits was in part, based. The LURA will contain restrictive covenants that must encumber the land where the Project is located for the life of the agreement. The LURA must conform to the requirements of IRC Section 42(h), Iowa Code Section 16.52 and the QAP.

LIHTC means the Low-Income Housing Tax Credit Program authorized by IRC Section 42.

Local Government Contribution means contributions by a city or county, or an agency, department or similar subunit thereof, in the form of a cash contribution, gift of land, tax abatement (not tax exemption), tax increment financing, Urban Revitalization Tax Exemption (URTE) that is authorized and approved by a resolution of the City Council, enterprise zone credit, waiver of fees, or below market interest rate loan (value calculated on imputed savings). State HOME funds or USDA funds are not eligible sources for this category however City HOME funds do qualify.

Local Housing Trust Fund (LHTF) means a Local Housing Trust Fund that has been certified by the Iowa Finance Authority in accordance with administrative rules governing the Local Housing Trust Fund Program.

Local Lead Agency means a nonprofit organization, an Aging and Disability Resource Center, or a governmental or quasi-governmental entity that is not affiliated with or Controlled by a for-profit organization and includes in its mission the provision of case management, service coordination, or social services to improve the quality of life of Persons with Disabilities. The Local Lead Agency or its direct predecessor entity must have a minimum of two years of experience in serving Persons with Disabilities in the state of Iowa.

Low-Income Unit means 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.

Manager's Unit means a residential Property (common space) Unit, occupied by a full-time employee, to benefit the tenants. The Unit is considered necessary and used exclusively for the Property.

Materially Participating means the participant is involved in the development and operation of the activity on a basis which it is regular, continuous, and substantial, throughout the compliance period as defined in IRC Section 42 and the regulations promulgated thereunder.

Medical Alert System means a system that provides monitoring center communication with limited physical effort by the tenant. The monitoring center will communicate with the tenant and determine if emergency help is needed and will contact emergency responders if necessary.

Medical Services means a clinic or hospital at which a clinical diagnosis can be obtained from a medical doctor (MD), Doctor of Osteopathic Medicine (DO) or a Physician Assistant (PA). A physician or physician assistant is concerned with preventing, maintaining, and treating human illness and injury. The Physician and Physician Assistants may conduct physical exams, diagnose and treat illnesses, order and interpret tests, counsel on preventive health care, assist in surgery, and write prescriptions.

Metropolitan Statistical Area (MSA) means (as defined by the U.S. Office of Management and Budget (OMB), Federal Register Doc. 2010-15605, dated June 25, 2010) a Core Based Statistical Area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties that have a high degree of social and economic integration with the central county or counties as measured through commuting. A listing of Iowa MSA's will be available in the on-line application.

New Developer means a Developer that has not been allocated Low-Income Housing Tax Credits in the last five years.

Non-Metropolitan Statistical Area (MSA) means an area not identified as a MSA as defined by the U.S. Office of Management and Budget (OMB), Federal Register Doc. 2010-15605, dated June 25, 2010.

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

Owner/Ownership Entity means the Entity to which Tax Credits will be or have been awarded.

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

Ownership Entity Agreement means a written, legally binding agreement describing the rights, duties, and obligations of the owners in the Ownership Entity.

Passive Radon System (Sub-slab Depressurization System (Passive)) means Passive radon-resistant features below the building slab along with vertical vent pipe(s) with junction box(es) following requirements in Appendix F, "Radon Control Methods" in the 2012 International Residential Code.

Find technical guidance at www.epa.gov/iaq/radon/pubs/index.html.

Per Capita Tax Credits means the credits that IFA is authorized to allocate pursuant to the formula set forth in IRC Section 42(h)(3)(c)(ii)(1).

Person means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits; and, unless the context otherwise requires, the singular shall include the plural, and the masculine gender shall include the feminine and the neuter and vice versa.

Placed-in-Service Date means the date the Property is ready for occupancy. The Placed-in-Service date generally marks the beginning of the credit period.

Project means 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 means 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.

Public Library means a facility accessible by the general public, generally funded from public sources such as taxes, and operated by a government entity to help educate and promote literacy. A public library is: (1) governed by a local board; (2) open to every community member; and (3) provides basic services without charge (story times, quiet study areas, etc.).

Qualified Allocation Plan (QAP) means an allocation plan used to select and award Tax Credits to qualified recipients. The requirements of the QAP also apply to any tax-exempt bond financed Project.

Qualified Basis means, with respect to a building within a Project, the building's Eligible Basis multiplied by the Applicable Fraction, within the meaning of IRC Section 42(c)(1).

Qualified Census Tract means any census tract which is designated by the Secretary of HUD and, for the most recent year for which census data is available on household income in such tract, either in which fifty percent (50%) or more of the households have an income which is less than sixty percent (60%) of the AMI for such year or which has a poverty rate of at least twenty-five percent (25%).

Qualified Contract means a bona fide contract to acquire a LIHTC Project for the sum of the existing debt, adjusted investor equity and other capital contributions, less Project cash distributions.

Qualified Development Team means the individuals or companies that develop the Project including but not limited to the Project Developer (mandatory), General Partner/managing member (mandatory), Development Consultant, Architect (mandatory), Engineer, Energy Consultant (mandatory), Contractor, Tax Accountant (mandatory), Tax Attorney (mandatory), Management Company (mandatory), Lead Service Provider (mandatory) and Syndicator.

Qualified Nonprofit Organization or Nonprofit means an organization that is described in IRC Section 501(c)(3) or (4), that is exempt from federal income taxation under IRC Section 501(a), that is not

affiliated with or Controlled by a for-profit organization, and includes as one of its exempt purposes the fostering of low-income housing within the meaning of IRC Section 42(h)(5)(C) and is allowed by law or otherwise to hold and develop Property.

Qualified Residential Rental Property shall have the same meaning as defined in IRC Section 42(d).

Rehabilitation Expenditure(s) means depreciable expenditures which are for Property or improvements that are chargeable to the capital account and which are incurred in connection with the rehabilitation of a building. Rehabilitation Expenditures are not eligible for Tax Credits unless the expenditures are allocable to or substantially benefit one or more Low-Income Units and the amount of such expenditures during any 24 month period selected by the Applicant is at least the greater of twenty percent (20%) of the Applicant's adjusted basis of the building at the start of the 24 month period, or \$6,000 per Unit. See also, IRC Section 42(e)(2). The Application must show the calculations for whether the amount of Rehabilitation Expenditures is at least equal to the greater of twenty percent (20%) of the expected adjusted basis of the building or a \$25,000 Rehabilitation Expenditure limited to Hard Construction Costs per Low-Income Unit.

ROSE Program means Renter to Ownership Savings Equity (ROSE) Program. For each month that the tenant resides in a Unit, at least \$50 will be placed in an account to be used by the tenant, at the completion of a lease term, for the purpose of securing homeownership. If a tenant leaves a Property without securing homeownership, the residual of the deposits made on behalf of the tenant are to be shared among the remaining tenants. Interest earned on the account shall go to the tenant, or be used by the Owner to assist with the cost of providing homeownership education and credit counseling. Only detached single family homes qualify for the ROSE program and must be new construction without an existing LURA. At the completion of the 15-year Compliance Period, the Unit shall be offered to the current tenant. Prior to sale of the Unit, any reserves available shall be used to make improvements as determined by a Capitol Needs Assessment performed by a third-party contractor. If the reserves are not sufficient, the Owner will provide other sources of funds to make repairs. The owner must provide documentation illustrating how the purchase price is being determined, and evidencing the tenants' monthly anticipated mortgage payment, and tenant-paid Utilities.

Rural means a non-MSA city or county.

Scattered Site is a Project where multiple buildings with similar Units are not located in proximity to one another, but are owned by the same party and financed under the same agreement(s), and are located within a 20-mile radius, as determined by Google Maps (www.Googlemaps.com). A Scattered Site Project may be new construction, acquisition, rehabilitation or a combination of these types. For Scattered Site Projects, all Units must be qualified LIHTC Units.

Schools mean an elementary, junior high or high school accredited by the Iowa Department of Education. The school(s) selected must be in the school district which would serve the Project and the school must be tuition free for those attending.

Scope of Work means the division of work to be performed under a contract or subcontract in the completion of a Project, typically broken out into specific tasks with deadlines.

Senior Center means a community-based, federally funded, program that provides a variety of services that can include social activities, nutrition, and educational and recreational opportunities for older adults.

Senior Housing means housing specifically designed to meet the needs of senior citizens. Housing that meets the Fair Housing Act definition of housing for older persons 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, State or Local Government program; (2) it is occupied solely by persons who are 62 or older; or it houses at least one person who is 55 years or older in at least 80 percent of the occupied Units, and adheres to a policy that demonstrates intent to house persons who are 55 years old or older. Therefore, housing that satisfies the legal definition of Senior Housing or housing for older persons described above, can legally exclude families with children. The Housing for Older Persons Act (HOPA) signed into law on December 28, 1995, further modified definition to require facilities or communities claiming the exemption establish age verification procedures. A housing community or facility is any dwelling or group of dwelling Units governed by a common set of rules, regulations or restrictions. A portion of a single building may not be considered a housing facility or community. There must be a sufficient number of dwelling Units to constitute a “community” or “facility”. Advertising and manner in which the facility/community is described to prospective residents should show intent to provide housing for elderly persons.

Significant Parties include, but are not limited to, the Ownership Entity, the eventual owner of the Tax Credit Project, the eventual taxpayer of the Tax Credit Project, the Developer, General Partner, managing member, accountant, architect, engineer, financial consultant, any other consultant, management agent and the general contractor, and other Persons determined by IFA to have an Identity of Interest or of personnel with any Significant Party.

Single Room Occupancy (SRO) Housing means housing consisting of single room dwelling Units that is the primary residence of its occupant or occupants. The Unit must contain either food preparation or sanitary facilities, or both, if the Project consists of new construction, conversion of non-residential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure, neither food preparation nor sanitary facilities are required to be in the Unit. If the Units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants. SRO does not include facilities for students.

State Ceiling means the limitation imposed by IRC Section 42(h) on the aggregate amount of Tax Credit Allocations that may be made by IFA during any calendar year, as determined from time to time by IFA in accordance with IRC Section 42(h)(3).

Storage Unit means a dedicated, lockable, solid, floor to ceiling room that is at least twenty (20) square feet. The Storage Unit must be in addition to and excess of the standard two feet (2 ft.) by five feet (5 ft.) required closet. Storage rooms must be maintained in compliance with the manufacturer’s installation requirements for fire safety and Uniform Fire Code, which limits flammable and combustible materials.

Target Population means Persons with a physical or mental, and/or developmental Disability, which may include persons with brain injury, mental illness, or co-occurring disorders.

Tax Credit means the Low-Income Housing Tax Credits issued pursuant to the program, IRC Section 42 and Iowa Code Section 16.52. Tax Credits are determined under IRC Section 42(a) for any taxable year in the Tax Credit Period equal to the amount of the Applicable Percentage of the Qualified Basis for each qualified low-income building.

Tax Credit Allocation or Reservation amount means, with respect to a Project or a building within a Project, the amount of Tax Credits IFA allocates to a Project and determines to be necessary for the

financial feasibility of the Project and its viability as a qualified low-income housing Project throughout the Compliance Period.

Tax Credit Period means, with respect to a building within a Project, the period of 10 taxable years beginning with the taxable year the building is Placed-in-Service or, at the election of the Ownership Entity the succeeding taxable year, as more fully defined in IRC Section 42(f)(1).

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

Total Project Costs means the total costs reflected in the Application.

Transitional Housing means housing with the purpose of facilitating the movement of individuals and families experiencing homelessness to permanent housing within 24 months.

Underserved City means a city that has not received an allocation of Low-Income Housing Tax Credits in the last three (3) years.

Unit means 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, except as allowed in a Single Room Occupancy

Unreserved Tax Credits means Tax Credits that were not awarded by IFA during its most recent round of allocation or are returned to IFA during the current year. These Tax Credits may be eligible for redistribution in accordance with the rules of IFA or may be carried forward to the next year's allocation cycle.

Utilities mean gas, electricity, water and sewer service.

Video Security System means a security system that shall record activity at the site such that no part of the site can be accessed without that activity being recorded at a level of resolution wherein the persons recorded are recognizable. The recordings must be maintained for a minimum of 30 days.

Visitable (Type C) Unit means a dwelling Unit designed and constructed for Accessibility in accordance with the provisions for Type C Units in ICC A117.1. Please refer to Accessible Units for all Unit type definitions.

Walking Trails means a continuous walking path on the property that is paved, has a width of no less than four (4) feet, and has effective lighting directed towards the ground. Benches or other seating options will be provided to offer tenants a place to rest.

Workforce Training means a federally-funded Workforce Investment Act (WIA) training program with a course of study that upon successful completion leads to a certificate, an associate degree, baccalaureate degree, or competency skill. The workforce training must be provided by certified eligible training providers that include; (1) Post-Secondary educational institutions eligible to receive funds under Title IV of the Higher Education Act of 1965 and provide a program that leads to an associate degree, baccalaureate degree or certificate; (2) Entities that carry out programs under the National Apprenticeship Act, or; (3) Other public or private providers of a training services program. Refer to Appendix C for list of certified training providers.

Exhibit B

IOWA FINANCE AUTHORITY[265]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 16.5(1)“r,” 16.52 and 17A.3(1)“b,” the Iowa Finance Authority hereby amends Chapter 12, “Low-Income Housing Tax Credits,” Iowa Administrative Code.

These amendments replace the 2013 qualified allocation plan with the 2014 Low Income Tax Credit Qualified Allocation Plan (“QAP”), which is incorporated by reference in rule 265—12.1(16).

Notice of Intended Action was published in the Iowa Administrative Bulletin on August 7, 2013, as **ARC 0929C**. The Authority received public comment on the QAP and made certain changes to the QAP based on those comments.

The Iowa Finance Authority adopted these amendments on October 2, 2013.

After analysis and review of this rule making, it has been found that the rules will have a strong positive impact on jobs, in that the award of tax credits pursuant to the rules will result in a substantial amount of construction and related work within the state of Iowa.

These amendments are intended to implement Iowa Code sections 16.5(1)“r,” 16.52, 17A.12, and 17A.16 and Internal Revenue Code Section 42.

These amendments will become effective on December 4, 2013.

The following amendments are adopted.

ITEM 1. Amend rule 265—12.1(16) as follows:

265—12.1(16) Qualified allocation plan. The qualified allocation plan entitled Iowa Finance Authority Low-Income Housing Tax Credit Program ~~2013~~ 2014 Qualified Allocation Plan shall be the qualified allocation plan for the allocation of ~~2013~~ 2014 low-income housing tax credits consistent with IRC Section 42 and the applicable Treasury regulations and Iowa Code section 16.52. The qualified allocation plan is incorporated by reference pursuant to Iowa Code section 17A.6 and 265—subrules 17.4(2) and 17.12(2). The qualified allocation plan does not include any amendments or

editions created subsequent to October ~~10 2, 2012~~ 2013.

ITEM 2. Amend rule 265—12.2(16) as follows:

265—12.2(16) Location of copies of the plan. The qualified allocation plan can be reviewed and copied in its entirety on the authority's Web site at <http://www.iowafinanceauthority.gov>. Copies of the qualified allocation plan, application, and all related attachments and exhibits shall be deposited with the administrative rules coordinator and at the state law library and shall be available on the authority's Web site. The plan incorporates by reference IRC Section 42 and the regulations in effect as of October ~~10 2, 2012~~ 2013. Additionally, the plan incorporates by reference Iowa Code section 16.52. These documents are available from the state law library, and information about these statutes, regulations and rules is on the authority's Web site.

PASSED AND APPROVED this 2nd day of October, 2013.

David D. Jamison, Secretary



IOWA FINANCE
AUTHORITY

To: Board of Directors of the Iowa Finance Authority
From: Tim Morlan & Derek Folden
Date: October 2, 2013
Re: Multifamily Loan Program Review

Production Status

Loans in Process:

<u>Project</u>	<u>Loan Program</u>	<u>Target Closing</u>	<u>Amount</u>	<u>Loan Type</u>
Valley View Apartments, Columbus Junction	Multifamily	2013	\$133,098	P

Applications in Process:

<u>Project</u>	<u>Loan Program</u>	<u>Amount</u>	<u>Loan Type</u>
Danamere Duplexes, Carlisle	Multifamily	\$2,886,000	C/P
Cedarbrooke II, Norwalk	Multifamily	\$4,029,230	C/P



IOWA FINANCE
AUTHORITY

To: Iowa Finance Authority Board of Directors
From: Brian Sullivan, Director, Section 8
Date: September 23, 2013
Re: Section 8 Summary FY 2013 Quarter 4

IFA holds a performance-based contract with HUD to provide oversight of select Section 8 Housing Assistance Payments (HAP) contracts in Iowa. Our current ACC covers 230 HAP contracts that provide housing assistance to 12,085 individuals and families in 73 counties. These totals represent no change from the previous report.

This month's board package contains a report covering all work performed by Section 8 Contract Administration for the Quarter ending June 30, 2013. In FY 2013 Quarter 4, there were 61 Management and Occupancy Reviews (MORs) completed, 58 requests for contract rent adjustments processed, 685 HAP vouchers reviewed, approved, and paid, 15 full HAP contract renewals completed, and 1 Opt-Outs processed.

It is anticipated that staff will perform 63 on-site MOR's, will process 65 requests for HAP contract renewals and contract rent adjustments, and review and approve 690 HAP voucher requests during the next quarter ending September 30, 2013.

Three Congressional Inquiries were received during the FY 2013 Q4:

Coralville Senior Residences, Coralville

A Congressional Inquiry was received from U.S. Senator Charles Grassley on April 4, 2013. This is the second Congressional Inquiry submitted by this resident regarding the property's decision to change the smoke-free regulations at the building to once again allow smoking. Follow-up with the owner/agent was conducted by IFA staff. Additional information and clarification was obtained by IFA staff and a satisfactory resolution was reported to Des Moines Multifamily HUD office on April 16, 2013.

Keystone & Stonehaven Apartments, Ames

A Congressional Inquiry was received from U.S. Senator Tom Harkin on May 30, 2013. A Resident reported that Management was attempting to collect unpaid subsidy that was not the Resident's responsibility to pay. Follow-up with the owner/agent was conducted by IFA staff. A satisfactory resolution was reported to the Des Multifamily HUD office on June 11, 2013.

The Folks Apartments, Mount Pleasant

A Congressional Inquiry was received from U.S. Senator Charles Grassley on June 17, 2013. Multiple Residents were concerned about property policies involving bed bugs and applicant disability screening. Follow-up with the owner/agent was conducted by IFA staff. A satisfactory resolution was reported to the Des Multifamily HUD office on July 1, 2013.

One property experienced unusual activity during FY2013 Q4:

Oakridge Neighborhood, Des Moines

On April 14, 2013 at 11:43 a.m. the Des Moines Police Department responded to a call of shots fired. At the scene, they found an unidentified male lying in an area between two buildings in the East Ridge Terrace courtyard near a children's playground. The victim was transported to the Iowa Methodist Medical Center where he was listed in critical condition and later died. The victim was a visiting a resident who lives in Building 203, Unit 66. One witness was taken to the police department for questioning.

Oakridge Neighborhood, Des Moines

On June 23, 2013 a child fell from their second-story window at the property. The boy's mother told police she and the victim were in an upstairs bedroom when she had to use the restroom. While in the restroom, the mother heard banging on her door and screaming from outside. She then discovered her son had fallen from the window onto the ground outside. The victim was transported to the Blank Children's Hospital where it was indicated that he did not incur any life threatening injuries. Management inspected all screens in the complex and made necessary repairs to ensure they are safe and secure.

Section 8 Director, Brian Sullivan, attended the AHMA Spring Workshop in Omaha NE on May 14, 2013. Updates on the HUD Multifamily reorganization, HUD Special Claim processing and Fair Housing items were discussed by experts in the field and HUD officials.

Section 8 Project Based HAP Administration

**Quarter Ending
June 30, 2013**

	# Events Completed		Basic Fee Earned		Incentive Fees Earned		Disincentives	FYTD		FYTD	FYTD
PBT Requirements-(New ACC Effective 10/11/2011)	Current Qrt.	FYTD	Current Qrt.	FYTD	Current Qrt.	FYTD					
01. Management and Occupancy Reviews	61	223	\$107,756.19	\$424,855.55	\$5,387.82	\$21,242.81		\$446,098.36			
02. Adjust Contract Rents	58	232	\$53,878.11	\$212,427.82	\$5,387.82	\$21,242.81		\$233,670.63			
03. Review and Pay Monthly Vouchers	685	2752	\$107,756.19	\$424,855.55	\$5,387.82	\$21,242.81		\$446,098.36			
04. Renew HPA Contracts and Process Terminations	15	62	\$107,756.19	\$424,855.55	\$5,387.82	\$21,242.81		\$446,098.36			
05. Tenant Health, Safety & Maintenance Issues	5	29	\$53,878.11	\$212,427.82	\$5,387.82	\$21,242.81		\$233,670.63			
06. Administration - Monthly and Quarterly Reports	5	18	\$53,878.11	\$212,427.82	N/A	N/A		\$212,427.82			
07. Administration-ACC Year End Reports & Certifications	1	6	\$43,102.47	\$169,942.20	N/A	N/A		\$169,942.20			
08. Annual Financial Reports - PHA FYE	0	3	\$10,775.61	\$42,485.53	N/A	N/A		\$42,485.53			
PBTs #1-8-(New ACC Eff. 10/1/2011)	830	3325	\$538,780.98	\$2,124,277.84	\$26,939.10	\$106,214.05	\$0.00	\$2,230,491.89			
Customer Service - Annual Incentive Fee	N/A	N/A	N/A	N/A	\$26,939.04	\$106,213.87	N/A	\$106,213.87			
TOTAL:	830	3325	538,780.98	2,124,277.84	53,878.14	212,427.92	0.00	\$2,336,705.76	*	\$2,232,000.00	\$104,705.76

Contracts 230
Units 12,085
Counties 73



To: IFA Board Members
From: Title Guaranty Division
Date: September 20, 2013
Re: August 2013 Board Report

Production/Title Guaranty Overview

August 2013 Commitments and Certificates totaled 13,792 compared to 14,081 in FY13. 93% of all Certificates and Commitments were field issued compared to 92% in FY 13. While volume is down slightly from FY13, refinance transactions continue strong, comprising 49% of total transactions and 52% of revenue. The Title Guaranty Board held a special meeting to address title plant waiver applications.

Compliance and Claims

We have hired a new Attorney for the Claims and Compliance position. Ann Marie Malave brings extensive title insurance experience, including four years as associate counsel, claims for First American Title Company.

Marketing

- Continuing Education classes for Realtors –Iowa Association of Realtors
- Advertising and promotion – Iowa Association of Realtors *Benchmark* magazine, Home Builders *BluePrint* magazine, *The Iowa Lawyer*

Business Development

- Meeting with Wells Fargo Compliance staff to discuss privacy concerns, verification of Title Guaranty division closers, verification of closing protection letters and other issues. The updated CAP system should automate many of the reports they currently require and streamline the process.

Training

During August, we conducted one training webinar and trained two law offices on site in New Hampton and West Des Moines.

Commercial

Commercial closing volume is strong, including HOME and LIHTC projects. 50\$ of August closings were private transactions (Non-HOME,LIHTC)

Mortgage Release

We have received 4563 requests since the inception of the program and have released 3392 mortgages. Yearly comparisons:

Release requests received this month	43
Release requests received since 7/1/2013	103
Total requests received 7/1/2012 – 6/30/2013	577
Total Fees received 7/1/2013 - 08/31/2013	\$2430

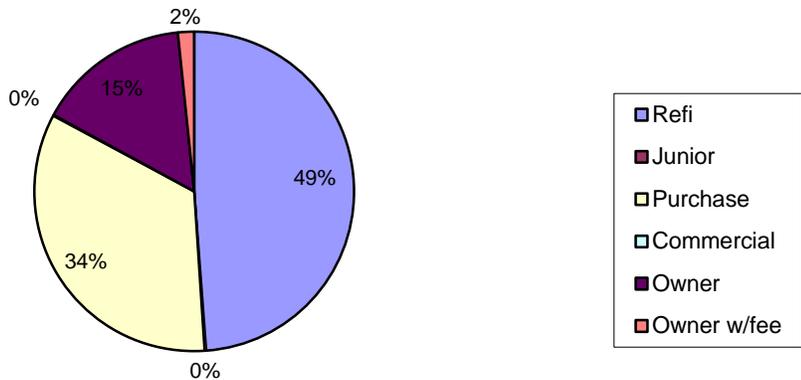
Mortgage Release fee increase to \$100 was implemented February 1, 2013.

All mortgage Release fees received from 2007 through June 30, 2013 were recognized as revenue in FY 2013.

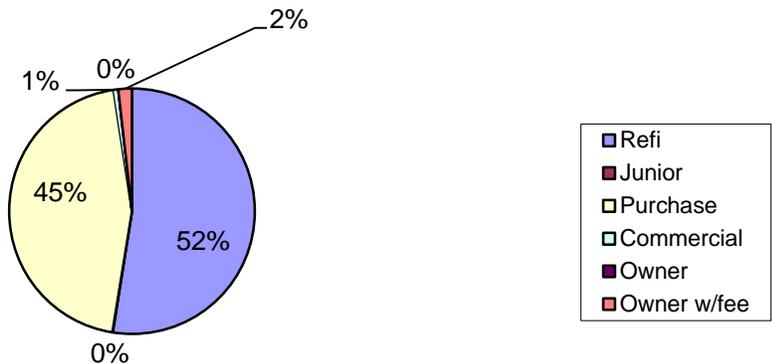
August 2013 Transaction Breakdown

Refi	4464	Refi	\$407,715
Junior	14	Junior	\$510
Purchase	3097	Purchase	\$349,809
Commercial	9	Commercial	\$4,853
Owner	1412	Owner	\$ -
Owner w/fee	149	Owner w/fee	\$13,852
	9145		\$776,739

August 2013 Certificate Breakdown



August 2013 Revenue Breakdown



Title Guaranty Quarterly Premiums

