



**Board Meeting
Tentative Agenda
July 9, 2014
11:00 a.m.**

**Presentation Room
2015 Grand Ave.
Des Moines, Iowa**

I. Consent Agenda

- Approval of Minutes of the June 2 & 3, 2014, IFA Board Workshop
- Approval of Minutes of the June 4, 2014, IFA Board Meeting & Bus Tour
- Approval of Minutes of the June 19, 2014, IFA Board Meeting
- WQ 14-10, SRF Construction Loans
- AG 14-026-IA, Connor L. Cummings
- AG 14-027A, Martin F. and Jessica A. Geelan
- AG 14-028A, Brett Westra
- AG 14-029A, Kyle Westra

II. HousingIowa

- HI 14-11, HOME Award
- HI 14-12, Adoption of LIHTC QAPs and amendment of Ch. 12, LIHTC, Iowa Administrative Code
- HI 14-13, SHTF Project-Based Housing Program Award

III. Administration

- **Election of Officers**
 - ◆ Chair
 - ◆ Vice Chair
 - ◆ Treasurer
- **Summary & Overview**
- **Accounting and Finance**
 - ◆ Review of Financial Statement
 - ◆ Consideration of FY15 Budget
 - ◆ FIN 14-03, HOME Program Loan and Housing Assistance Fund Loan
- **Communications**

IV. Community Development

- **Iowa Agriculture Development Division**
 - ◆ AG 14-026B, Connor L. Cummings
 - ◆ AG 14-027B, Martin F. and Jessica A. Geelan
 - ◆ AG 14-028B, Brett Westra
 - ◆ AG 14-029B, Kyle Westra

V. Iowa Title Guaranty

VI. Miscellaneous Items

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

VII. Adjournment

*Items on the consent agenda 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 WORKSHOP MINUTES

**Waterloo Convention Center
205 W 4th St.
Waterloo, IA
June 2, 2014**

IFA Board Members Present

Darlys Baum, Chair	Michel Nelson
Joan Johnson	Ruth Randleman
Shaner Magalhães	

IFA Board Members Absent

Carmela Brown, Treasurer	Jeffrey Heil
David Greenspon, Vice Chair	Eric Peterson

Iowa Title Guaranty Board Members Present

Iowa Title Guaranty Board Members Absent

Kimberly Downing-Manning	Tim Reilly
Patricia Schneider	Chuck Winkleblack
Daniel Seufferlein	

Iowa Agricultural Development Division Board Members Present

John Fredrickson

Iowa Agricultural Development Board Members Absent

Lyle Borg	Mark Leonard
Stacie Euken	Annette Townsley
Mark Leonard	

Staff Members Present

David Jamison, Executive Director/Board Secretary
Linda Berg, Iowa Title Guaranty Business
Development Director
Steve Harvey, Director of Operations/Comptroller
Cindy Harris, Chief Financial Officer
Deb Haugh, Director of Single-Family Production

Geri Huser, Iowa Title Guaranty Director
Ashley Jared, Communications Director
Carolann Jensen, Chief Administration Officer
Beth Mahaffey, Business Development Director
Wes Peterson, Assistant to the Director
Mark Thompson, General Counsel

Others Present

Melynda DeCarlo, The Meyvn Group, Facilitator
Dean Hoag, The Title Resource Network

Lynn Michl, McGladrey, LLP

Opening

Director Jamison opened the June 2, 2014, workshop session of the Iowa Finance Authority (IFA) Board of Directors at 6:20 p.m. The Board members in attendance at that time were Baum, Fredrickson, Johnson, Magalhães, Nelson and Randleman.

Director Jamison welcomed the Board and members of the public to the workshop and thanked the Board members in attendance for taking the time out of their busy schedules to attend this important strategic workshop session. He provided the three major discussion points of the session:

1. Explore growth strategies for Iowa Title Guaranty market share and revenue, both in the residential and commercial areas.
2. Determine efficient and effective centralized accounting procedures.
3. Establish a comprehensive compliance and privacy strategy.

Director Jamison then introduced the workshop facilitator Melynda DeCarlo, with The Mevyn Group.

Welcome

Ms. DeCarlo led the group through introductions, workshop ground rules and an outline of the agenda. The group then participated in a networking activity before dismissing for the evening at 8:10 p.m.

Dated this 9th day of July 2014.

Respectfully submitted:

Approved as to form:

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

_____, Chair
Iowa Finance Authority



BOARD WORKSHOP MINUTES

**Waterloo Convention Center
205 W 4th St.
Waterloo, IA
June 3, 2014**

IFA Board Members Present

Darlys Baum, Chair	Michel Nelson
Jeffrey Heil	Eric Peterson
Joan Johnson	Ruth Randleman
Shaner Magalhães	

IFA Board Members Absent

Carmela Brown, Treasurer	David Greenspon, Vice Chair
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Iowa Title Guaranty Board Members Present

Patricia Schneider	Daniel Seufferlein
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Iowa Title Guaranty Board Members Absent

Kimberly Downing-Manning	Chuck Winkleblack
Tim Reilly	

Iowa Agricultural Development Division Board Members Present

John Fredrickson

Iowa Agricultural Development Board Members Absent

Lyle Borg	Mark Leonard
Stacie Euken	Annette Townsley
Mark Leonard	

Staff Members Present

David Jamison, Executive Director/Board Secretary
Linda Berg, Iowa Title Guaranty Business
Development Director
Steve Harvey, Director of Operations/Comptroller
Cindy Harris, Chief Financial Officer
Deb Haugh, Director of Single-Family Production
Geri Huser, Iowa Title Guaranty Director

Ashley Jared, Communications Director
Carolann Jensen, Chief Administration Officer
Tara Lawrence, Iowa Title Guaranty Commercial
Underwriting Attorney
Beth Mahaffey, Business Development Director
Wes Peterson, Assistant to the Director
Mark Thompson, General Counsel

Others Present

Melynda DeCarlo, The Meyvn Group, Workshop
Facilitator
David Grossklaus, Dorsey & Whitney
Dean Hoag, The Title Resource Network

Lynn Michl, McGladrey, LLP
James Smith, Dorsey & Whitney

Opening

Director Jamison opened the June 3, 2014, workshop session of the Iowa Finance Authority (IFA) Board of Directors at 8:50 a.m. The Board members in attendance at that time were Baum, Heil, Fredrickson, Johnson, Magalhães, Nelson, Peterson, Randleman and Seufferlein.

Introduction

Ms. DeCarlo welcomed the attendees and spoke about the purpose of the workshop, ground rules and the structure of the workshop agenda.

Iowa Title Guaranty Residential

Ms. Berg presented an overview of Iowa Title Guaranty's Residential Services as well as several administrative changes that will be forthcoming due to regulatory changes. Ms. Berg addressed several questions from the group, including the need and the benefits of Iowa Title Guaranty and why it's unique to Iowa.

Iowa Title Guaranty Commercial

Ms. Lawrence provided an overview of the Iowa Title Guaranty Commercial Division and outlined some upcoming strategic decisions, including pricing structure, increased marketing efforts and internal adjustments to meet best practices standards.

Discussion

Ms. DeCarlo facilitated a group discussion about the benefits and needs of the Iowa Title Guaranty Residential and Commercial Division and sought Board feedback on the future direction of the programs. Board members requested additional information about Iowa Title Guaranty Commercial. Ms. DeCarlo dismissed the group for lunch at 12:10 p.m. Ms. Schneider arrived at 1:00 p.m..

Accounting Review and Discussion

Mr. Michl with McGladery, LLP began the afternoon session at 1:00 p.m.. He presented an overview of his previous work with Iowa Title Guaranty, including a lean design event on accounting procedures and his review of internal processes. He discussed several recommendations to improve procedures and Iowa Title Guaranty’s internal efficiencies. Mr. Smith and Mr. Grossklaus arrived at 1:15 p.m.

Non-Public Personal Information

Mr. Smith with Dorsey & Whitney provided an overview of upcoming regulatory changes that will impact the way that the Iowa Finance Authority will need to handle private information. He indicated that more detailed information and specific recommendations would be made available to the Board soon.

Final Thoughts

Ms. DeCarlo led a discussion for the Board focusing on the discussions from the workshop, key takeaways and follow-up items. Mr. Jamison concluded the discussion with a thank you to each of the Board members and staff for the time and effort put into the workshop. The group was dismissed from the workshop at 4:45 p.m.

Dated this 9th day of July 2014.

Respectfully submitted:

Approved as to form:

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

_____, Chair
Iowa Finance Authority



BOARD WORKSHOP MINUTES

June 3, 2014
Dinner: 6:00 p.m. - 8:00 p.m.
CU Restaurant
320 E 4th Street
Waterloo, IA

IFA Board Members Present

Darlys Baum, Michel Nelson
Chair Ruth Randleman
Jeffrey Heil
Joan Johnson

IFA Board Members Absent

Carmela Brown, Treasurer Shaner Magalhães
David Greenspon, Vice Chair Eric Peterson

Iowa Title Guaranty Board Members Present

Patricia Schneider Daniel Seufferlein

Iowa Title Guaranty Board Members Absent

Kimberly Downing-Manning Chuck Winkleblack
Tim Reilly

Iowa Agricultural Development Division Board Members Present

John Fredrickson

Iowa Agricultural Development Board Members Absent

Lyle Borg Mark Leonard
Stacie Euken Annette Townsley
Mark Leonard

Staff Members Present

David Jamison, Executive Director/Board Secretary
Linda Berg, Iowa Title Guaranty Business
Development Director
Steve Harvey, Director of Operations/Comptroller
Cindy Harris, Chief Financial Officer
Deb Haugh, Director of Single-Family Production
Geri Huser, Iowa Title Guaranty Director

Ashley Jared, Communications Director
Tara Lawrence, Iowa Title Guaranty Commercial
Underwriting Attorney
Beth Mahaffey, Business Development Director
Wes Peterson, Assistant to the Director
Mark Thompson, General Counsel

Others Present

Dean Hoag, The Title Resource Network

Lynn Michl, McGladrey, LLP

Dinner: 6:00-8:00

Dated this 9th day of July 2014.

Respectfully submitted:

Approved as to form:

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

_____, Chair
Iowa Finance Authority



BOARD MEETING MINUTES

**Iowa Finance Authority
2015 Grand Avenue
Waterloo, Iowa
June 4, 2014**

Board Members Present

Darlys Baum, Chair	Joan Johnson
David Greenspon, Vice Chair	Jeff Heil
Michel Nelson	Ruth Randleman
Eric Peterson	

Board Members Absent

Carmela Brown
Shaner Magalhães

Staff Members Present

David Jamison, Executive Director/Board Secretary	Mark Thompson, General Counsel
Lori Beary, Community Development Director	Jess Flaherty, Executive Assistant/ Recording Secretary
Steve Harvey, Chief Operating Officer	Wes Peterson, Director of Government Relations
Terri Rosonke, HousingIowa Development Specialist	Deb Haugh, Director of SF Production
Cindy Harris, Chief Financial Officer	Ashley Jared, Director of Communications

Others Present

James Smith, Dorsey & Whitney, LLP	Paul Rebel, Wells Fargo
Dane Schumann, House Republican Staff	Ali Parrish, Iowa Heartland Habitat for Humanity

Call to Order

Chair Baum called to order the June 4, 2014, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 8:38 a.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Greenspon, Johnson, Randleman, Heil, Nelson, and Peterson.

Consent Agenda

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

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

Approval of Minutes of the May 7, 2014, IFA Board Meeting
ED 14-05, Fairview Village Apartments Project
WQ 14-09, SRF Construction Loans
AG 14-016A Tyler A. and Kimberly A. Carlson
AG 14-017A Keaton Grevengoed
AG 14-018A Jesse Pollema
AG 14-019A Madison and Lanette Dykstra
AG 14-020A Anthony R. and Hillary Recker
AG 14-021A Caleb K. Linke
AG 14-022A Jacob L. Johansen
AG 14-023A Anthony M. and Sara Adrian
AG 14-024A Trenton Garringer
AG 14-025A Jamie L. and Cory J. Bierman
02791M Benjamin K. and Jennifer L. Hemingway
04545M Brian J. Crock
AG-LP 14-02, Loan Participation Program
AG-TC 14-06, Beginning Farmer Tax Credit Program

On a second by Ms. Randleman, the Board unanimously approved the items on the consent agenda.

Administration

Chair Baum thanked the staff at IFA for organizing and putting on the workshop for the Board. She stated that she found them to be very educational and helpful in moving the Board forward. Chair Baum also thanked the other Board members for their attendance and contribution to the workshop.

Director Jamison thanked the Board and staff for their time and effort in attending the workshop and making it a success.

ACCOUNTING AND FINANCE

Review of Financial Statement

Mr. Harvey presented the April 2014 financial results. He said that as a housing agency, year-to-date net operating income of \$21,035,301 is favorable to budget by \$278,037.

The State Revolving Fund year-to-date net operating income of \$32,430,549 is favorable to budget by \$322,080.

MOTION: On a motion by Ms. Randleman and a second by Mr. Greenspon, the Board unanimously accepted the April 2014 financial statement.

Communications

Ms. Jared stated that IowaHousingSearch.org currently has 34,000 units listed, representing 513 landlords. She said there have been approximately 57,000 searches. Secondly, Ms. Jared gave an update on the third annual homeownership contest called "When a House becomes a Home". She said the contest has opened and will end June 30th with voting in July. The final update given was on the 2014 HousingIowa Conference: Awesometown, September 3-5, 2014. Ms. Jared stated that there will be several tracks and trainings offered during the contest.

Community Development

IOWA AGRICULTURAL DEVELOPMENT DIVISION (IADD)

AG 14-016B TYLER A. AND KIMBERLY A. CARLSON

AG 14-017B KEATON GREVENGOED

AG 14-018B JESSE POLLEMA

AG 14-019B MADISON AND LANETTE DYKSTRA

AG 14-020B ANTHONY R. AND HILLARY RECKER

AG 14-021B CALEB K. LINKE

AG 14-022B JACOB L. JOHANSEN

AG 14-023B ANTHONY M. AND SARA ADRIAN

AG 14-024B TRENTON GARRINGER

AG 14-025B JAMIE L. AND CORY J. BIERMAN

Ms. Beary introduced the resolutions for the IADD and asked for Board action.

MOTION: On a motion by Mr. Greenspon and a second by Mr. Peterson, the Board unanimously approved the resolutions for the IADD.

HousingIowa

HI 14-11, SHTF Project-Based Housing Award

Ms. Rosonke introduced resolution HI 14-11, stating Iowa Heartland Habitat for Humanity of Central Iowa has requested a \$50,000 grant to help construct a visitable single-family home on an infill lot in Waterloo to be sold to a low-income family. The new approximately 1,150 square foot two-story home will include three bedrooms and one and a half bathrooms. The partner family will receive financial, home repair, homeownership, and foreclosure prevention education and must also complete the required 300 hours of sweat equity prior to closing on the home. Ms. Rosonke requested Board action on HI 14-11.

Ali Parrish addressed the Board and thanked them for their support of the Iowa Heartland Habitat for Humanity.

MOTION: On a motion by Ms. Randleman and a second by Mr. Nelson, the Board unanimously approved resolution HI 14-11, SHTF Project-Based Housing Awards.

Chair Baum and Director Jamison presented Resolution HI 14-11 to Ali Parrish, Executive Director of Iowa Heartland Habitat for Humanity.

Miscellaneous

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.

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

Adjournment

There being no further business, on a motion by Ms. Randleman and a second by Mr. Greenspon, the June 4, 2014, regular monthly meeting of the IFA Board of Directors adjourned at 8:55 a.m.

Dated this 9th day of July 2014.

Respectfully submitted:

Approved as to form:

David D. Jamison
Executive Director/Board Secretary

_____, Chair
Iowa Finance Authority



BOARD BUS TOUR MINUTES

**Waterloo, IA
June 4, 2014**

IFA Board Members Present

Darlys Baum, Chair	Michel Nelson
Joan Johnson	Eric Peterson
David Greenspon, Vice Chair	Ruth Randleman

IFA Board Members Absent

Carmela Brown, Treasurer	Jeff Heil
Shaner Magalhães	

Staff Members Present

David Jamison, Executive Director/Board Secretary	Ashley Jared, Communications Director
Steve Harvey, Director of Operations/Comptroller	Beth Mahaffey, Business Development Director
Cindy Harris, Chief Financial Officer	Wes Peterson, Assistant to the Director
Jess Flaherty, Executive Assistant/ Recording Secretary	Mark Thompson, General Counsel

Others Present

Noel Anderson, City of Waterloo	Adrienne Voelker, City of Waterloo
Tavis Hall, Congressman Braley's Office	Valerie Nehl, Senator Grassley's Office
Tamara Milton, Senator Harkin's Office	Representative Deborah Berry
Senator Jeff Danielson	

The Board and attendees visited the following IFA Projects:

- Habitat for Humanity Home
- Waterloo Rose
- Preserve at Crossroads

There was no formal business as part of the bus tour.

Dated this 9th day of July 2014.

Respectfully submitted:

Approved as to form:

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

_____, Chair
Iowa Finance Authority



TELEPHONIC BOARD MEETING MINUTES

**Iowa Finance Authority
2015 Grand Avenue
Des Moines, Iowa
June 19, 2014**

Board Members Present

Darlys Baum, Chair	Carmela Brown, Treasurer
David Greenspon, Vice Chair	Joan Johnson
Michel Nelson	Jeff Heil
Eric Peterson	Ruth Randleman
Shaner Magalhães	

Board Members Absent

None

Staff Members Present

David Jamison, Executive Director/Board Secretary	Mark Thompson, General Counsel
Carolann Jensen, Chief Administration Officer	Jess Flaherty, Executive Assistant/ Recording Secretary
Amber Lewis, Homeless Programs Coordinator	

Others Present

None

Call to Order

Chair Baum called to order the June 19, 2014, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:03 a.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Greenspon, Brown, Johnson, Randleman, Heil, Magalhães, Nelson, and Peterson.

Mr. Thompson noted for the minutes that the meeting was being held telephonically because the schedules of the Board members made it impossible for a quorum to meet in one location.

Legal

Amended and Filed Chapter 41, Shelter Assistance Fund

Mr. Thompson introduced the amended rules for Chapter 41, Shelter Assistance Fund. The Board had technical questions regarding the program rules and Ms. Lewis answered them.

Motion: Ms. Randleman made a motion to approve the Amended and Filed Chapter 41, Shelter Assistance Fund rules. On a second by Mr. Greenspon a roll call vote was taken with the following results:

YES: Greenspon, Brown, Heil, Nelson, Magalhães, Johnson, Peterson, Randleman and Baum; **NO:** None.
ABSTAIN: None. The motion passed unanimously.

Miscellaneous

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.

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

Adjournment

There being no further business, on a motion by Ms. Brown and a second by Ms. Randleman, the June 19, 2014, telephonic meeting of the IFA Board of Directors adjourned at 11:13 a.m.

Dated this 9th day of July 2014.

Respectfully submitted:

Approved as to form:

David D. Jamison
Executive Director/Board Secretary

_____, Chair
Iowa Finance Authority



To: IFA Board of Directors
From: Lori Beary, Community Development Director
Date: 6/27/14
Re: Economic Development and Water Quality

Consent Agenda

State Revolving Fund

SRF Construction Loans - WQ 14-10

This is a resolution to approve SRF Construction Loans for a total amount of \$24,322,000 for the cities of Denver, Kiron, Thornton, Toledo and the Wastewater Reclamation Authority (WRA). These loans will have an interest rate of 1.75% for 20 years or 2.75% for up to 30 years.

Also enclosed is the summary of the FY2015 Intended Use Plan (IUP) for the Clean Water and Drinking Water State Revolving Funds. The entire IUP is available at www.IowaSRF.com



INTRODUCTION TO THE IOWA SRF

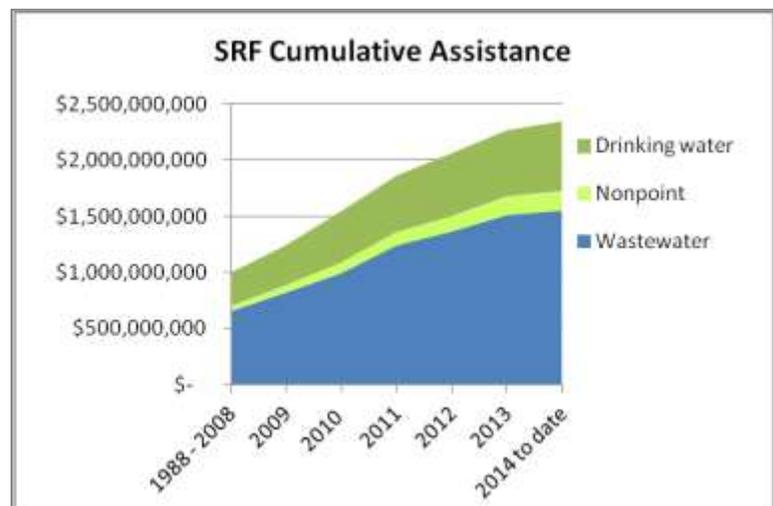
Iowans need clean water – to drink, to supply farms and industries, to provide recreation. Since 1989, the State Revolving Fund (SRF) has offered the financial resources to invest in Iowa’s water.

Two point four billion dollars later, Iowa’s SRF continues to provide financial assistance for water and wastewater infrastructure, agricultural best management practices, and other water quality projects.

These projects, whether carried out to meet regulations or to voluntarily reduce pollution, can be expensive for communities, landowners, and others. The SRF programs offer lower-cost financing tools to make these efforts both more affordable and more viable.

The success of the SRF programs is based on the partnerships formed to deliver the programs. The most important partnership is between the SRF and the assistance recipients. These are Iowa’s cities, counties, rural water systems, sanitary districts, farmers, livestock producers, watershed organizations, and others. The SRF staff strives to provide effective financing tools, streamlined program procedures, and good customer service.

Another key partnership is between the federal government and the state. The U.S. Congress created the SRF programs in the Clean Water Act and the Safe Drinking Water Act and provides annual appropriations via the U.S. Environmental Protection Agency (EPA). Within the broad framework set by the legislation, federal



regulations, and EPA guidance, states have flexibility to set their own priorities and manage their own programs. In Iowa, that flexibility has allowed the SRF to target the specific needs of our state. For example, Iowa has one of the most varied and robust programs to address nonpoint source pollution in the nation.

Also partnering are the state agencies that administer the SRF programs. Iowa statute directs the Iowa Department of Natural Resources (DNR) and the Iowa Finance Authority (IFA) to jointly operate the SRF. DNR handles program prioritization, project permitting, environmental review, and EPA compliance. IFA covers financial management, issues bonds, and disburses loan funds. While each partner carries out their individual responsibilities, they coordinate on programmatic and financial strategies to make the most effective use of the funding.

Many SRF priorities could not be implemented without the involvement of other organizations. These partners include:

- The Iowa Department of Agriculture and Land Stewardship, which, under contract to DNR, administers loan programs for both agricultural and urban water quality practices. IDALS also is instrumental in advancing the Water Resource Restoration Sponsored Project effort.
- The Soil and Water Conservation Districts commissioners and staff from IDALS and the Natural Resources Conservation Service, who deliver loan programs at the local level and work directly with farmers, landowners, and others.
- County environmental health boards and staff, who participate in a program to help homeowners replace failing onsite septic systems.
- Watershed and land trust organizations, including the Iowa Natural Heritage Foundation, county conservation boards, and watershed management authorities, which make the critical links between water quality and other benefits such as flooding prevention, wildlife habitat, and outdoor recreation.
- More than 400 lending institutions across the state, who make low-costs loans available to borrowers through a linked deposit arrangement with the SRF.



Two federal acts authorized the SRF programs. The Clean Water Act created a loan program to protect the nation's lakes and rivers. The Clean Water SRF finances publicly owned wastewater and sewer facilities, storm water management for water quality, and nonpoint source control practices to keep pollution out of Iowa's water bodies.

Since 1989, the Clean Water SRF has committed almost \$1.6 billion in below-market rate loans to meet Iowa's wastewater infrastructure needs. This includes more than 850 loans to cities, counties, sanitary districts, and utility management organizations.

In addition, since 2003, the Clean Water SRF has financed \$172 million to address nonpoint source pollution. More than 4,000 separate loans have been made to farmers, livestock producers, watershed organizations, cities, rural homeowners, landfills, and others.

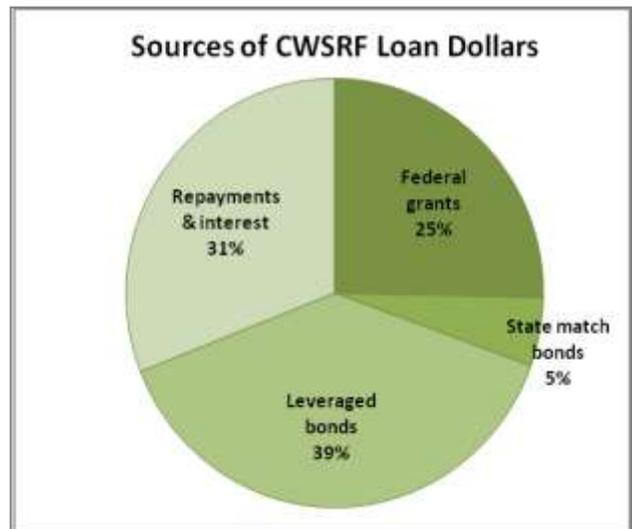
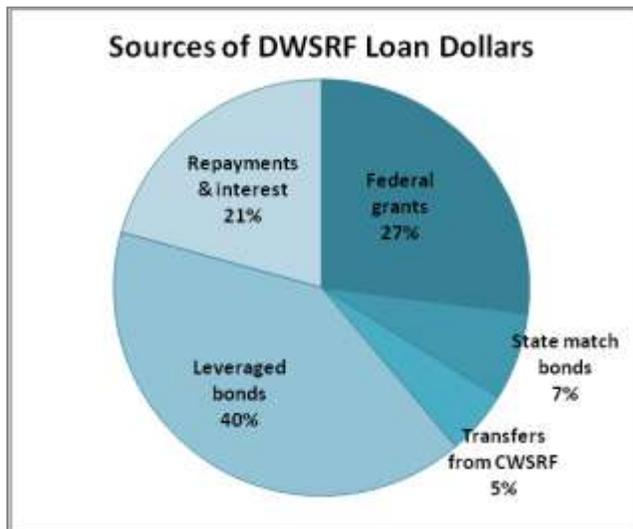
The Safe Drinking Water Act authorized the Drinking Water SRF, which covers water system projects, including source water, treatment, storage, and distribution and transmission, as well as consolidation and connections.

Since 2000, the Drinking Water SRF has committed \$620 million in below-market rate loans to meet Iowa’s water system infrastructure needs. This includes 450 loans to cities, municipal utilities, rural water associations, and homeowners’ associations.

The federal legislation created the programs as revolving loan funds to provide an ongoing source of financing for the states’ water and wastewater needs. Iowa’s SRF draws on several sources of money to make loans. No state general funds are provided.

As shown in the diagrams, the funding sources include:

- Federal capitalization grants. Annually, since the Clean Water SRF was launched in 1988 and the Drinking Water SRF started in 2000, Congress has appropriated funds.
- State match bonds. Each state is required to provide a 20% match to the federal grants. Iowa obtains these funds through bonds issued by IFA.
- Leveraged bonds. States are allowed to issue additional bonds to generate more loan funds. Iowa has leveraged both SRF programs to keep up with the demand for loans.
- Loan repayments and interest income. All repayments and interest must be re-deposited in the SRF loan accounts, keeping the funds revolving.



In addition to the funds devoted to loans, there are several other accounts associated with the SRF programs. They are described in greater detail in the FY 2015 IUPs, but the following is an overview and summary:

- Administration Set-Aside. For both the Clean Water SRF and the Drinking Water SRF, the State of Iowa can use 4% of each federal capitalization grant for administration of the SRF programs.

- Other Set-Asides. There are three additional set-asides in the Drinking Water SRF which can be used for technical assistance to small public water supplies, capacity development, state water program activities, and source water protection. These three set-asides total 27% of the Drinking Water SRF capitalization grants. There are no corresponding set-asides in the Clean Water SRF.
- Loan Fees. Iowa's SRF charges origination fees and servicing fees on loans. The income from origination fees can only be used for SRF program administration, and supplements the 4% set-asides. A portion of the servicing fees also can only be used for the SRF programs. The remainder of the servicing fees, however, is considered "non-program" income. These funds can be used for other water quality or safe drinking water purposes.

Iowa's SRF staff is committed to transparency and accountability in the programs. The primary mechanism is the publication of the Intended Use Plans (IUPs). All IUPs as well as program rules go through public review and comment and approval by the Iowa Environmental Protection Commission. The U.S. Environmental Protection Agency also oversees the operation and performance of the SRF programs, conducting an annual program review and site visit.

An independent audit, conducted by the State Auditor's Office, is completed annually. Project and program milestones and information are reported through the EPA's CWSRF and DWSRF Environmental Benefits and Project Reporting databases on a quarterly basis. An annual report is prepared and published each fall. Iowa is also in compliance with the requirements for reporting in the Federal Funding Accountability and Transparency Act (FFATA).

The Intended Use Plans (IUPs) following this introduction provide a roadmap to the policies and procedures of the SRF programs, along with the lists of projects and activities to be funded. The IUPs outline the proposed management of the Clean Water SRF and the Drinking Water SRF during State Fiscal Year 2015 (July 1, 2014 – June 30, 2015). The IUPs are developed and updated quarterly, in June, September, December, and March or more often as needed.

The highlights of this year's IUPs include the following:

1. A new requirement that applicants engage a Municipal Advisor (MA) to analyze the financial position of the water or wastewater utility. For SFY 2015, all new SRF projects added to the Intended Use Plan (IUP) project lists will be required to engage a registered Municipal Advisor (MA). With the new federal laws and regulations regarding municipal advisors, the SRF Program will require borrowers to rely on registered MA's for financial advice.

The MA will work with the community to analyze the current income and expenses of the utility, assist with setting rates and advise the community on financial planning. The SRF Program will pay up to \$4,000 for eligible MA expenses. This subsidy is only offered the first time a community has a new project starting in FY15. MA expenses are eligible to be reimbursed from a Planning & Design loan. In the event a borrower does not close the SRF construction loan for the project, the SRF program will reimburse the applicant up to \$4,000 for eligible work done by the MA. Relevant invoices will be required to receive the subsidy.

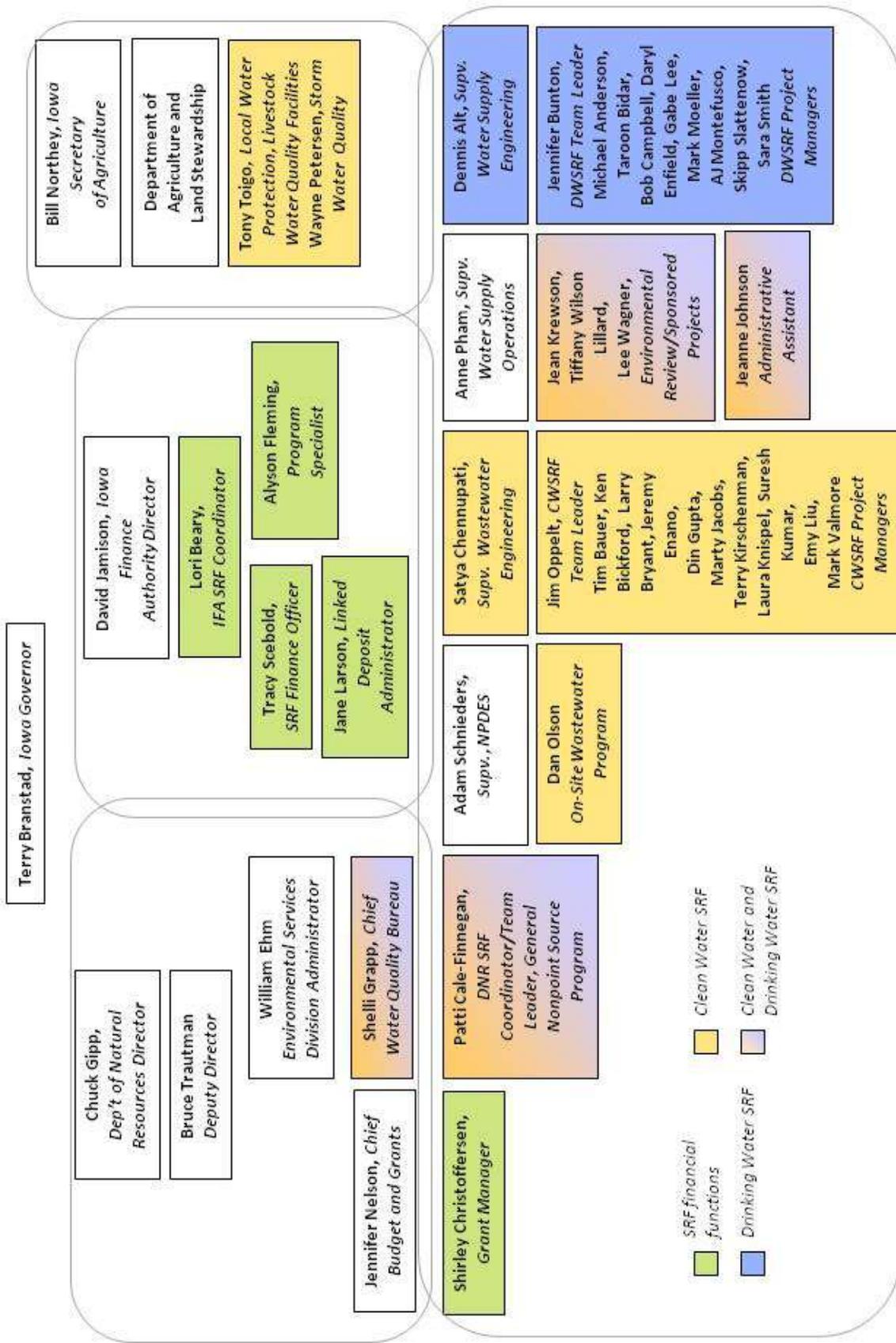
In addition, an updated financial analysis will be required each year for three (3) years after the project is completed and then every five (5) years for the life of the SRF loan to demonstrate and ensure the financial health of the utility and satisfaction of the 1.10% debt coverage ratio requirement.

SRF borrowers will be asked to begin working with a MA as the project is being designed. We want communities, and their MA's, to have adequate time to update financial information, discuss rate increases, plan for future projects, etc. When a new project appears on the IUP, IFA will contact the borrower to gather basic information including, but not limited to, who the community will use as their MA.

This new policy is intended to give communities a financial incentive to use registered municipal advisor professionals to assist them with insuring the financial viability of their system. For those communities that regularly use a MA, they will receive one-time help paying for a portion of that service. For those that have not hired a MA, this policy will help mitigate a portion of the additional cost to the community.

2. Establishment of regular, semi-annual deadlines for Water Resource Restoration Sponsored Project applications. Two application rounds will be held each year, with deadlines in March and September to allow more communities an opportunity to apply.
3. The addition by the U.S. Congress of a new requirement for SRF recipients for the "Use of American Iron and Steel." Congress passed the requirement on January 17, 2014 and the U.S. EPA issued guidance on March 20, 2014. The EPA guidance includes several exemptions and waivers. Iowa's SRF will help determine eligibility for exemptions and provide information and education on compliance processes.

State Revolving Fund Organizational Structure -- Iowa



■ SRF financial functions
■ Drinking Water SRF
■ Clean Water SRF
■ Clean Water and Drinking Water SRF

RESOLUTION
WQ 14-10

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

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

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

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

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

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

SECTION 1. The Board authorizes the Executive Director 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 9th day of July, 2014.

(Seal)

David D. Jamison, Secretary

Exhibit A

SRF Construction Loans

Borrower	County	Population	Amount	CW/ DW	Description
Denver	Bremer	1,780	\$6,153,000	CW	New Treatment Plant
Kiron	Crawford	279	\$1,478,000	CW	Treatment Improvements
Thornton	Cerro Gordo	422	\$226,000	CW	Treatment Improvements
Toledo	Tama	2,341	\$3,065,000	DW	Treatment Plant & Storage
WRA	Multiple	203,433	\$3,000,000	CW	Main Outfall - Supplemental Loan
WRA	Multiple	203,433	\$10,400,000	CW	Main Outfall - Supplemental Loan

\$24,322,000



To: IFA Board of Directors
From: Tammy Nebola, Iowa Ag Program Specialist
Lori Beary, Community Development Director
Date: June 27, 2014
Re: Iowa Agricultural Division Beginning Farmer Loan Program

Consent Agenda

Iowa Agricultural Development Division

Inducement Resolutions

AG 14-026-I Connor L. Cummings

This is an application for \$140,000 of Agricultural Development Revenue Bonds for Connor L. Cummings. The bond will be used: To purchase approximately 40 acres of agricultural land, house and out-buildings in Marion County. The lender is Donald F. Taft in Granger.

- **Need Board action on Resolution AG 14-026-IA**

AG 14-027 Martin F. and Jessica A. Geelan

This is an application for \$250,000 of Agricultural Development Revenue Bonds for Martin F. and Jessica A. Geelan. The bond will be used: To construct a 2,400 Hd Hog Finishing Building in Palo Alto County. The lender is Iowa State Bank in Ruthven.

- **Need Board action on Resolution AG 14-027A**

AG 14-028 Brett Westra

This is an application for \$100,000 of Agricultural Development Revenue Bonds for Brett Westra. The bond will be used: To construct 1/2 interest in a 2,400 Hd Hog Barn in Lyon County. The lender is American State Bank in Hull.

- **Need Board action on Resolution AG 14-028A**

AG 14-029 Kyle Westra

This is an application for \$100,000 of Agricultural Development Revenue Bonds for Kyle Westra. The bond will be used: To construct 1/2 interest in a 2,400 Hd Hog Barn in Lyon County. The lender is American State Bank in Hull.

- **Need Board action on Resolution AG 14-029A**

Loan Participation Program

AG-LP #14-03, Loan Participation Program

The Loan Participation Program (LPP) was established in to assist low income farmers secure loans and make down payments. IADD's participation can be used to supplement the borrower's down payment, thereby helping a farmer secure a loan more readily. The lender's risk is also reduced since the IADD provides a "last-in/last-out" loan participation for the financial institution. The interest rate will be 1.0% over the FSA Direct Farm Ownership Down Payment Loan Program (which is currently at 1.5%) fixed for the first five years, then re-adjusted to the same index and fixed for the final five years. The participation loan is a 10 year balloon with a 20 year amortization. Attached are the LPP applications reviewed last month. The IADD Board has recommended approval.

Beginning Farmer Tax Credit Program

AG-TC #14-07, 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 reviewed last month. The IADD Board has recommended approval.

RESOLUTION
AG 14-026-IA

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 9th day of July, 2014.

(Seal)

David D. Jamison, Secretary

EXHIBIT A

- 1. Project Number:** AG 14-026-I
- 2. Beginning Farmer:** Connor L. Cummings
657 Nevada St
Knoxville, IA 50138-8631
- 3. Bond Purchaser:** Donald F. Taft
PO Box 427
Granger, IA 50109-0427
- 4. Principal Amount:** \$140,000
- 5. Approval Date:** 7/9/2014
- 6. Project:** To purchase approximately 40 acres of agricultural land,
house and out-buildings

RESOLUTION
AG 14-027A

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 9th day of July, 2014.

(Seal)

David D. Jamison, Secretary

EXHIBIT A

- 1. Project Number: AG 14-027**
- 2. Beginning Farmer: Martin F. and Jessica A. Geelan
3733 390th Ave
Ruthven, IA 51358-8633**
- 3. Bond Purchaser: Iowa State Bank
1108 Gowrie St, PO Box 249
Ruthven, IA 51358-0249**
- 4. Principal Amount: \$250,000**
- 5. Approval Date: 7/9/2014**
- 6. Project: To construct a 2,400 Hd Hog Finishing Building**

RESOLUTION
AG 14-028A

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 9th day of July, 2014.

(Seal)

David D. Jamison, Secretary

EXHIBIT A

- 1. Project Number:** AG 14-028
- 2. Beginning Farmer:** Brett Westra
3060 Harrison Ave
Hull, IA 51239-7578
- 3. Bond Purchaser:** American State Bank
624 Main St, PO Box 806
Hull, IA 51239-0806
- 4. Principal Amount:** \$100,000
- 5. Approval Date:** 7/9/2014
- 6. Project:** To construct 1/2 interest in a 2,400 Hd Hog Barn

RESOLUTION
AG 14-029A

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 9th day of July, 2014.

(Seal)

David D. Jamison, Secretary

EXHIBIT A

- 1. Project Number:** AG 14-029
- 2. Beginning Farmer:** Kyle Westra
3060 Harrison Ave
Hull, IA 51239-7578
- 3. Bond Purchaser:** American State Bank
624 Main St, PO Box 806
Hull, IA 51239-0806
- 4. Principal Amount:** \$100,000
- 5. Approval Date:** 7/9/2014
- 6. Project:** To construct 1/2 interest in a 2,400 Hd Hog Barn

**RESOLUTION
AG-LP 14-03**

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 Loan Participation Program pursuant to Chapter 175 and Chapter 16

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

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

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

WHEREAS, the IADD Board has recommended approval of the funding of the Loan Participation set forth on Exhibit A;

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

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

SECTION 2. The Board authorizes the Authority to finalize this transaction with the Borrower, to negotiate and complete the necessary loan documents, and to fund the participation in the Loan as described herein. The Executive Director is authorized to prepare and execute any necessary documents in connection with the participation in the Loan, consistent with the terms of this Resolution.

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

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

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

PASSED AND APPROVED this 9th day of July, 2014.

David D. Jamison, Secretary

(Seal)

Exhibit A

Loan Participation Program

Project No.	Beginning Farmer	Bank	Purpose	Loan Amt
P0189	Martin F. & Jessica A. Geelan	Iowa State Bank, Ruthven	To construct a 2,400 Hd Hog Building	\$150,000.00
P0190	Michael & Nicholas Murch	Lincoln Savings Bank, Reinbeck	To construct 2 Hoop Hog Buildings	<u>\$15,000.00</u>
				<u>\$165,000.00</u>

**RESOLUTION
AG-TC 14-07**

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 and the Custom Farming Contract Tax Credit pursuant to Chapter 175.38 (together the “Iowa Agricultural Tax Credit Programs”); and

WHEREAS, the Authority offers tax credits under the Iowa Agricultural Tax Credit Programs as a means of encouraging the execution of assets transfer agreements and custom farming contracts with beginning farmers; and

WHEREAS, the Authority has received applications seeking tax credit allocations from the Iowa Agricultural Tax Credit Programs; and

WHEREAS, the IADD has determined the applications meet the eligibility requirements of Chapter 175.37 and 175.38; and

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

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

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

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

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

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

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

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

PASSED AND APPROVED this 4th day of July 9, 2014.

(Seal)

David D. Jamison, Secretary

Exhibit A

Agricultural Assets Transfer Tax Credit Program

Project #	Owner Name	Town	Beginning Farmer	Rental Type	Term(Years)	Tax Credit
1526	Elsie Pick	Carroll	Adam Pick	CS	2	\$ 1,310.84
1527	Richard Black	Farnhamville	Dustin Weston	CS	5	\$ 3,993.20
1528	WNR Corp	Estherville	Keith Richard	CS	2	\$ 8,240.57
1529	Kenneth Mallas	Corning	Tyler Ogburn	CS	5	\$ 7,998.24
1530	Lois Reiger	Waterloo	Peter Schneider	CR	2	\$ 2,181.20
1531	Janice Basler Rev Trust	Humboldt	Nathan Huntley	CR	5	\$ 3,162.25
1532	Martin Halbur	Carroll	Martin Danner	CS	5	\$ 19,498.97
1533	Martin Halbur	Carroll	Martin Danner	CR	5	\$ 1,674.40
1534	Lyle Cluver Conservatorship	Okoboji	Adam Pick	CS	2	\$ 11,001.67
1536	Stewart Iverson	Clarion	Clint Holtkamp	CR	3	\$ 8,400.00
1537	Mildred Reinig Rev Trust	Harlan	Benjamin Reinig	CS	3	\$ 4,818.72
1538	Alvin Reinig Rev Trust	Harlan	Benjamin Reinig	CS	3	\$ 4,339.40
1539	Tom Reinig LTD	Portsmouth	Benjamin Reinig	CS	2	\$ 19,669.61
1541	Russell Richard	Estherville	Keith Richard	CS	5	\$ 17,629.65
1542	Koger Farms, Inc.	Grinnell	John McNulty	CR	2	\$ 966.00
15						<u>\$ 114,884.72</u>

 Denotes Military Veteran



To: IFA Board of Directors
From: Carolann Jensen
Chief Administration Officer
Date: July 9, 2014
Re: HOME Award

In December of 2012, the IFA Board of Directors approved an award of \$490,000 in HOME funds for an acquisition/rehab rental project in Des Moines referred to as Lease-Affordable Living Apartments on 6th Ave. Since that time, the project has experienced rehabilitation costs that were not anticipated in its original scope of work and is requesting an additional \$98,000 to cover these expenses.

IFA staff is requesting approval by the Board for a supplemental award of \$98,000 to complete the project. Attached is a letter from Vuong Investments, Inc. explaining their request and anticipated timeline for completion of the project.

This successful application was the first award of federal funding for this experienced rehabilitation contractor/developer. The owner has participated in technical assistance sessions, HUD sponsored environmental review training, and has complied with all requirements of the program. IFA staff has monitored the progress of the project during the rehabilitation and has met with the owner and discussed the situation. Hidden defects that were not apparent without destructive inspection and improvements required by the City of Des Moines subsequent to the application are the items driving the additional costs.

If approved, this resolution would supplement the first award amount passed by the Board in December of 2012. The existing contract, exhibits, mortgage, and promissory note would be amended to reflect this additional amount of HOME funding.

The approval of this new award would not impact any other project that applied for funds. IFA has not denied any project due to lack of funds. Applications to this point have only been denied due to lack of capacity of the developer or sponsor.

If you have questions, please feel free to contact Jerry Floyd at jerry.floyd@iowa.gov or (515) 725-4907.

RESOLUTION
HI 14-11

WHEREAS, the Iowa Finance Authority (the "Authority") is the allocating agency in the State of Iowa for the HOME Partnership Program ("HOME Program") of the federal Department of Housing and Urban Development ("HUD"); and

WHEREAS, the Authority previously awarded HOME funds to the ownership entity ("Ownership Entity") set forth on Exhibit A, attached hereto, in the 2012 August funding round pursuant to the Authority's administrative rules (Iowa Administrative Code 265-Ch. 39) ("HOME Rules"), the State of Iowa Consolidated Plan for Housing & Community Development ("Consolidated Plan"), and the applicable Annual Action Plans ("AAP"); and

WHEREAS, the Authority, in consultation with the Ownership Entity has determined that the Ownership Entity has increased demand for rehabilitation, as set forth on Exhibit A; and

WHEREAS, the Authority, may, under the HOME Rules and applicable federal law loan additional HOME Program funds; and

WHEREAS, the Authority has determined that it would be appropriate to loan additional HOME Program funds to the Ownership Entity in the amount set forth on Exhibit A.

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

SECTION 1. The Iowa Finance Authority hereby authorizes financing for the eligible rental property as set forth on Exhibit A, hereto.

SECTION 2. The financing authorized in the preceding Section is contingent upon the execution of a contract amendment between the Authority and the Ownership Entity (collectively entitled the "Loan Documents").

SECTION 3. The Executive Director and Authority staff are hereby authorized to negotiate, draft, and execute amendments to the Loan Documents in accordance with this resolution.

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

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

PASSED AND APPROVED this 9th day of July, 2014.

David D. Jamison, Secretary

(Seal)

Exhibit A – Supplemental Award**July 9, 2014**

Project #	Project Name	Developer	Project City	Project Type	# of HOME Units	Original Award Amount	New Award Amount
12AUG-HM-335	Lease-Affordable Living Apartments on 6th Ave.	Vuong Investments, Inc.	Des Moines	Rental	7	\$ 490,000	\$ 588,000

Iowa Finance Authority
Attn:// Jerry Floyd, Project supervisor
2015 Grand Avenue
Des Moines, IA 50312

Julian Caselli
Vuong Investments, Inc
6350 Coachlight Dr. # 1208
West Des Moines, IA 50266
6/20/14
RE: 12-Aug-HM-335

Dear Jerry:

I am submitting to you to present to the board a request to increase the HOME Funds to cover the over budget that the project as incurred into due to unforeseen elements that couldn't been seen before the Renovation/Rehabilitation have begun, common factors in this kind of Renovation/Rehabilitation.

There are two months of good work left in the Renovation/Rehabilitation in the buildings, where I have to trim the interior in all three floors, the exterior has to be trim as well and the fire escape has to be repair, the garage house will be framed by the end of the week and then plumbing, electrical and HVAC will be rough in and then we can do finishing and trimming as well; we have set shop in the building to able to do as much of the restoration work ourselves to minimize the cost that could have been incurred by replacing windows, lead abatement, and so on.

In the projected budget the amount of \$490,000 was allocated to the project, including the purchase price of \$145,000, with a balance of \$345,000 to Restore/Rehabilitate the six units in the main building and the garage/carriage house for a total of seven units. The total per unit costs estimated at application was \$70,000 per unit, including all professional fees, soft & interim cost & developer fees.

I am respectfully requesting an increase of 20% (\$98,000) in the funds for the project to cover the Renovation/Rehabilitation cost, by this the cost per unit including all professional fees, soft & interim cost & developer fees will be \$92,357 allowing us to be able to place the building on service in August of 2014.

Thank you for your understanding and I apologized for the inconvenience.

Respectfully,

Julian Caselli.

Budget

		Budget	Actual	Difference	Description
I. Purchase Land and Buildings					
	Existing Structures	\$145,000	\$145,000	\$0	
II. Site Work				\$0	
	Rain Garden	\$0	\$15,425	-\$15,425	Required by City of Des Moines subsequent to application
	Less Polk County Soil and Water Conservation Grant	\$0	-\$6,363	\$6,363	Grant to offset costs of Rain Garden
III. Construction					
	Rehabilitation	\$240,000	\$275,635	-\$35,635	Interior cost overruns
	Roof Repairs	\$5,000	\$13,500	-\$8,500	Roof repair not feasible, had to replace
	Repointing / Brickwork	\$8,000	\$13,500	-\$5,500	Carriage house complete repointing and city required trash bin receptacle
	Lead Based Paint Interim Control	\$35,500	\$35,500	\$0	
	General Requirments	\$500	\$500	\$0	
	Construction Contingency	\$15,000	\$15,000	\$0	
	Plumbing	\$8,000	\$28,000	-\$20,000	New sewer line required.
	Central Alarm Panel	\$0	\$6,000	-\$6,000	Required by City of Des Moines subsequent to application
	Asbestos Abatement/Containment	\$7,075	\$7,075	\$0	
IV. Professional Fees					
	Architect Fees- Design	\$4,000	\$4,000	\$0	
	Architect Fees- Supervision (Inspection)	\$350	\$350	\$0	
	Engineer Fees	\$0	\$2,488	-\$2,488	Engineering plans and report needed for truss splices and stairway not anticipated
	Attorney Fees (Real Estate)	\$1,000	\$1,000	\$0	
	Accountant Fees	\$500	\$500	\$0	
V. Interim Costs					
	Construction Insurance	\$1,000	\$1,000	\$0	
	Construction Interest	\$1,700	\$1,700	\$0	
	Taxes During Construction	\$7,831	\$7,831	\$0	
VI. Financing Fees and Expenses					
	Attorney's Fees	\$500	\$500	\$0	
	Title and Recording	\$350	\$350	\$0	

VII. Soft Cost				\$0	
	Property Appraisal	\$2,500	\$2,500	\$0	
	Market Study	\$3,000	\$3,000	\$0	
	Environmental Report	\$3,500	\$3,500	\$0	
	Survey	\$0	\$650	-\$650	Required by Title Guaranty
	Rent-Up Marketing	\$300	\$300	\$0	
	Other Attorney's Fees	\$1,000	\$1,000	\$0	
VIII. Developers Fees					
	Developer's Fees	\$42,706	\$49,000	-\$6,294	Maximizing 10% Developer Fee
	Developer's Overhead	\$0	\$3,871	-\$3,871	Heating costs for interior winter work and property insurance during construction
IV. Project Reserve					
	Rent-Up Reserve	\$11,988	\$11,988	\$0	
	Operating/Replacement Reserve (Limit 18 Months)	\$2,200	\$2,200	\$0	
	TOTAL	\$548,500	\$646,500	-\$98,000	

7 Units

Total Per-Unit Cost

\$92,357.14



Roof Prior to Repairs



Completed New Roof



Trench for Required New Sewer Line



Front of Property prior to rehab



Rear of Property prior to rehab



Rear of Property post rehab



Garage Apartment prior to rehab



New Parking and Trash Bin



Rain Garden/Parking/Rear of Building

OVERVIEW OF CHANGES FOR THE 4% QUALIFIED ALLOCATION PLAN

Summary:

Developers and syndicators expressed confusion and frustration regarding the previous 4% tax credit application process. Previous 4% provisions required an application to reach a minimum score, so some thought it was just too similar to the 9% process. All interested parties requested more flexibility in the program especially since this is not a competitive commodity. IFA staff kept all of that in mind when orchestrating the changes in the 4% QAP.

Changes:

- Removed all references to 9% Tax Credits.
- Removed Tax Credit Reservation Schedule.
- Allowed applications to be submitted throughout the year, but clarified that they may not be reviewed during December through March.
- Removed Extended Use Period language – Projects would have to adhere to all regulations for 15 years.
- Increased Application Fees and Change in Application Fees – same as the 9% QAP.
- Allowed a developer to defer up to 65 percent of their fee rather than 50 percent if there is a gap in financing.
- Increased range of DSCR to between 1.00 and 2.00.
- Required a tax credit investor with an Identity of Interest to have a third party asset manager.
- Required a project that wishes to exceed the cost cap to ask the IFA Board of Directors for approval.
- Clarified Qualified Development Team language.
- Removed the requirement that a member of the QDT attend mandatory developer training
- Removed requirement to Notify DHS Referral Network of Vacancies and added requirement to post vacancies on the Iowa Housing Search website.
- Simplified the construction requirements.
- Added Violence Against Women Act (VAWA) language.
- Lowered the required amount of rehabilitation costs from \$25,000 per unit to \$15,000 per unit
- Amended Glossary items.



IOWA FINANCE AUTHORITY

Iowa Finance Authority Low-Income Housing Tax Credit Program 4% Qualified Allocation Plan

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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) for 4% Tax Credits to establish the criteria and process for Qualified Residential Rental properties 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 the Tax Credit Reservation under this QAP. This QAP for 4% Tax Credits shall govern the allocation of the bond capacity for calendar year 2015 and beyond.

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Deleted: any Carryover Agreement

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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; and (2) IFA's past practice. IFA may, at its discretion, conduct due diligence to verify information provided by the applicant. An applicant's interpretation of the QAP and its requirements is immaterial.

Deleted: 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.¶

To the extent possible, the following schedule applies to the Tax Credit Reservation Application process for four percent (4%) Tax Credits:

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- Applications may be submitted at any time using the Online Application.
- Applications submitted between December and March may not be reviewed until April due to the 9% Tax Credit Application Review Process. Any questions in relation to the Application Review Process, contact the IFA LIHTC Manager.
- Applications for the IRS Form 8609 will be due October 15 of the first year in which Tax Credits are taken.

REQUIREMENTS FOR 4% TAX CREDITS WITH TAX-EXEMPT BONDS

SECTION 1. 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. The requirements for a Project using tax-exempt bond financing are as follows:

Deleted: and without the need to participate in the competitive round.

1.1. Private Activity Bond Cap. The bonds to finance the Project shall 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 shall 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.

1.2 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.

1.3 Application Criteria. A Project using tax-exempt financing shall satisfy all of the underwriting and threshold requirements. A market study, completed within the past six (6) months, is required to be submitted by a disinterested third party analyst. The market study may be submitted within thirty (30) days after the Application is submitted. 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 Compliance Period. The Project shall be subject to the compliance monitoring requirements of Section 5.14.

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Deleted: 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.

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1.4 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.

1.4.1 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.

1.4.2 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.

1.4.3 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.

1.4.4 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).

1.4.5 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.

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

1.4.7 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.

1.4.8 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.

1.4.9 Tax-exempt Projects are required to enter into a LURA for a 15-year period, which will govern the low-income use and any other QAP requirements.

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1.4.10 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. The current LIHTC Application will provide a list of QCTs.

Deleted: A map of the census tract showing the Project location shall be submitted with the Application.

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1.4.10.1 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. A “Community Service Facility” may include childcare, workforce development, healthcare, etc., and shall be designed primarily to serve individuals whose income is sixty percent (60%) or less of AMI.

1.4.11 Site Visits. IFA shall make site visits as it deems necessary to review the proposed Project and to 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.

1.4.12 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. Members of the QDT, as determined by IFA, shall execute an Authorization to Release Information as part of the online Application.

Deleted: 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.

1.4.13 Fees. IFA shall collect the fees described below for the LIHTC Program. Electronic payment of the fees shall be made payable to IFA. 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: \$1,700 36 to 60 Units: \$2,200 61 to 100 Units: \$2,750 Over 100 Units: \$5,500
Change in Application Fee	\$1,000 each time the Applicant submits a revised Application that changes the Tax Credit amount requested, or requests amendments or changes to the Application under Sections 4.1 and 4.5.
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	\$25 per Unit x number of total Project Units; submitted annually on or before January 31 for each year of the Compliance Period. (Example: \$25 per Unit x 24-Unit Project = \$600.00 paid annually for 30 years.) Annual rate increases may apply. First annual payment shall be submitted with the IRS Form 8609 Application. The Ownership Entity has the option of paying the Compliance Monitoring Fee in advance for the entire Compliance Period; however, additional fees may be assessed to the Property during the Compliance if annual rate increases are applied during that time. Other fees as provided in the Compliance Manual.
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 the IRS Form	If a late submission of the IRS Form 8609 Application is allowed by IFA, the Applicant will be billed for an

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8609 Application	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 <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>
<p>Construction Monitoring Fees</p> <p>Inspections: Fees for Failed and Missed Inspections</p>	<p>A \$2,000 Construction monitoring fee will be due with the IRS Form 8609 Application.</p> <p>IFA will typically conduct five (5) site visits consisting of four (4) inspections and one (1) preconstruction meeting. There will be an additional \$500 fee for any re-inspections when one or more items failed inspection and 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 4.7.4.</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>

1.4.14 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.

1.4.15 Returning or New Developer in Iowa. If the Applicant has not submitted an Application to IFA in the previous three (3) 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. IFA reserves the right to request a personal credit report of the Developer/Co-Developer.

Deleted: 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.

1.4.16 Tax Credit Investor. A Project with a tax credit investor who has an Identity of Interest with the Project shall have a third party asset manager that is pre-approved by the IFA LIHTC Manager.

SECTION 2. 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 sixty-five percent (65%) 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 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.

2.1 Underwriting Standards.

2.1.1 A Project with a tax credit investor who has an Identity of Interest with the Project shall have a third party asset manager that is pre-approved by IFA LIHTC Manager.

2.1.2 All Projects shall reflect an average Debt Service Coverage Ratio (DSCR) between 1.00 DSCR and 2.00 DSCR.

2.2 Deferred Developer Fees.

2.2.1 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 sixty-five percent (65 %) 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 shall include a resolution from the Board of Directors allowing such a deferred payment obligation to the Project. The deferred Developer Fee shall be paid from the net cash flow and not be calculated into the minimum Debt Service Coverage Ratio.

2.3 Financing Commitment.

2.3.1 The Applicant shall provide a letter of intent for construction and permanent financing from the lending institution on the institution's letterhead. This letter shall clearly state the term of

REQUIREMENTS FOR 4% TAX CREDITS WITH TAX EXEMPT BONDS

Deleted: 19.4.16 - 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.

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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%).

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10.2.1 - Housing for Older Persons: Minimum of \$2,830 800 per Unit per year not including taxes and reserves or if a rehab project the actual expenses incurred over the previous 12 months whichever is greater.

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

10.2.3 - Operating and Replacement Reserves.

10.2.3.1 - 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.

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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.

Deleted: The letter of intent must extend at least six (6) months beyond the Application due at IFA date.

2.3.2 For all other sources, a commitment for funding shall 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 shall be provided from the entity making the commitment. A resolution adopted by the city council is an acceptable commitment for providing tax increment financing.

Deleted: except state HOME funds and IFA approved participating Cities with allocated HOME funds.

2.4 Developer and Builder Fees.

2.4.1 Developer Fees (including overhead and profit, 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. Fees paid to parties who have an Identity of Interest shall be fully disclosed, and at IFAs discretion, will be included in the allowable Developer fee. For Acquisition/Rehabilitation or Rehabilitation Projects, the Developer’s Fee is listed in the schedule below. The fees shall be limited as follows:

Deleted: 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.

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).

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

2.4.3 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.

2.4.4. 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.

2.4.5 IFA reserves the right to limit professional fees and other fees related to services rendered to the Project.

2.5 Other Fees and Considerations.

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

2.6 Unit Cost Cap. IFA shall not award LIHTC to a Project in which the cost per Unit is greater than the Unit Cost Cap limits listed in Appendix D. 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.

Deleted: HUD 221(d)(3)

Deleted: Enterprise Zone sales tax rebates and

Please refer to Appendix D for the Unit Cost Cap limits.

Deleted: 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.

IFA may, on a case-by-case basis, allow a Project to exceed the Unit cost cap. All requests to exceed the Unit Cost Cap on a 4% Tax Credit Project shall be required to go before the IFA Board of Directors for approval.

SECTION 3. THRESHOLD REQUIREMENTS - ALL DEVELOPERS\OWNERSHIP ENTITIES

To be considered for a reservation of Tax Credits, a Project shall demonstrate that it meets the requirements described in this Section.

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

Deleted: Scoring and threshold determinations made in prior years are not binding on IFA for the 2014 round. ¶

3.2 Location Requirements. The proposed Project shall be located in an incorporated city.

Deleted: 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.

3.3 Readiness to Proceed. The Applicant shall 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:

Deleted: **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

3.3.1 Appraisals.

3.3.1.1 Land/Acquisition with an Identity of Interest. For land and buildings which are acquired from a party with an Identity of Interest, the Applicant shall provide an appraisal by an MAI certified appraiser who is not a related party and is currently in good standing. The appraisal shall 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.

Deleted: Applications shall not contain or propose alternate sites. Alternate sites must be presented as separate Projects with separate Applications.

3.3.2 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, Co-Developer, managing member, General Partner or

Deleted: **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. ¶

REQUIREMENTS FOR 4% TAX CREDITS WITH TAX EXEMPT BONDS

Development Consultant shall have Materially Participated in such a role in the development of a LIHTC Project that has received an IRS Form 8609 from any state within the past five (5) years. Such qualifying member of the QDT shall Materially Participate in the proposed Project through two (2) years after the issuance of the IRS Form 8609. The qualifications of the QDT will be evaluated again at the reservation of Tax Credits and at the time of IRS Form 8609 Application. 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 Management Company/Manager shall have at least three (3) years of experience successfully managing a Section 42 Property. IFA reserves the right to request the audited financials of the management company.

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 Tax Credit Reservation; 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).

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

3.3.4 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.

3.3.5 Ineligibility. If you have been determined ineligible under any IFA Program you are ineligible to apply for 4% Tax Credits until you are determined eligible. Significant Parties are subject to being deemed ineligible to participate in the LIHTC program as set forth below:

3.3.5.1 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 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):

3.3.5.1.1 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,

Deleted: 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.

Deleted: reservation and Carryover Allocation;

Deleted: 3.3 Capital Needs Assessment (CNA) for Rehabilitation, and 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.¶

Deleted: a Tax Credit Allocation at Carryover time or

- 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 .

3.3.5.1.2 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.

3.3.5.2 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 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):

Deleted: a Tax Credit Allocation at Carryover time or

3.3.5.2.1 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.

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

3.3.5.2.3 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.

3.3.5.3 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 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):

Deleted: a Tax Credit Allocation at Carryover time or

3.3.5.3.1 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 60 days or more delinquent or have received more than two (2) delinquency letters in the previous twelve (12) month period.

Deleted: are 90 days or more delinquent.

3.3.5.3.2 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 60 days or more delinquent or have received more than two (2) delinquency letters in the previous twelve (12) month period.

3.3.5.3.3 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.

Deleted: are 90 days or more delinquent. ¶

3.3.5.3.4 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.

Deleted: 3...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.¶
3...3. 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. ¶

3.3.5.4 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 an IRS Form 8609 for the same period of time:

Deleted: a Tax Credit Allocation at Carryover time or

3.3.5.4.1 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 shall 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 shall be corrected.

3.3.5.4.2 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.

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

3.3.5.4.4 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.

3.3.5.4.5 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.

3.3.5.4.6 IFA staff may reduce the ineligibility period as to any given Significant Party, under Sections 3.3.5.1.2, 3.3.5.2 and 3.3.5.3, if such reduction is deemed to be in the best interests of IFA and affordable housing.

Deleted: 11.4.6.1.2, 11.4.6.2 and 11.4.6.3

3.4 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 shall be submitted with the Application if the Project scope requires any form of temporary or permanent relocation of existing tenants. The proposed relocation plan shall 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. **If a federal funding source is used, the most restrictive relocation plan requirements shall be followed.**

3.5 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 shall 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).

3.6 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 shall 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 Rehabilitation Expenditures shall be at least equal to \$15,000 of Hard Construction Costs per Low-Income Unit.

Deleted: Application shall show the calculations for whether the amount of

Deleted: is

Deleted: the greater of twenty percent (20%) of the expected adjusted basis of the building or a

Deleted: 25

Deleted: Rehabilitation Expenditure limited to

3.7 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 shall 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.

3.8 Scattered Sites. The Applicant shall 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). A Scattered Site Project may be new construction, acquisition, rehabilitation or a combination of these types. For Scattered Site Projects, all Units shall be qualified LIHTC Units.

3.9 Affirmative Fair Housing Marketing Plans (AFHMP). Each Applicant shall acknowledge the Affirmative Fair Housing Marketing Plan requirement and shall submit the plan to IFA at least 120 days prior to Placed-in-Service date.

3.10 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.

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

3.12 Iowa Housing Search. All awarded Projects shall be listed in Iowa's free rental housing locator at www.IowaHousingSearch.org prior to the Placed-in-Service Date. Failure to list the property is an unsatisfactory performance issue with IFA and may deem the party ineligible.

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

SECTION 4. 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.

4.1 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.

4.1.1 A minor change, as determined by IFA at its' sole discretion, in the nature of the Project or changes in partnership members, shareholders, or limited liability members.

4.1.2 Any changes beyond this, the Applicant needs to request a new Tax Credit Reservation.

4.2 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

Deleted: and are located within a 20-mile radius, as determined by Google Maps (www.Googlemaps.com).

Deleted: 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

Deleted: - 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.

Deleted: - 412.1.2 - 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.¶

¶ 124.2 - 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.¶

8609 allocation are subject to the LURA and to the provisions of IRC Sections 42(d)(7) and 42(j) of the Code.

4.3 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 3.3.3.

Deleted: 5.4.4

4.4 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. ~~The Owner completed IRS Form 8609 shall match the terms agreed upon in the LURA.~~

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

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 Compliance Training 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.

Deleted: on compliance

4.5 Changes to Ownership Entity Structure.

Prior to any change to the structure of the Ownership Entity (such as a change in a General Partner, change in the ownership of a corporation or change in the membership of a limited liability company) after the reservation of Tax Credits is issued, IFA shall be notified by the Ownership Entity. Any change in the Ownership Entity shall 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 may not be approved. It is at IFA's sole discretion to approve.

4.6 Prior to Placed-in-Service Date. Sixty (60) days prior to the Placed-in-Service Date, a copy of the AFHMP shall be submitted to IFA.

Deleted: 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

4.6.1 Prior to the Placed-in-Service Date, for new construction Projects with three 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.

4.6.2 Prior to the Placed-in-Service Date, for new construction Projects with four stories or more, 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%).

4.6.3 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.

4.6.4 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.

Deleted: Affirmative Fair Housing Marketing Plan

4.6.5 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 shall be certified by a Certified Public Accountant (CPA).

4.7 Construction. Construction shall begin on a Project within 18 months from the reservation date.

4.7.1 IFA may periodically request a status report on the Project’s construction timeline.

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

4.7.3 Final plans and specifications shall be submitted to and approved by IFA before commencing site work and construction. Plans shall meet all applicable building standards and codes, and minimum development characteristics. Final plans shall incorporate any and all remediation plans to address detrimental site characteristics.

Deleted: , and all construction related scoring criteria for which points were awarded

4.7.4 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.

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

Deleted: .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.

4.7.6 For existing structures the Ownership Entity shall provide a copy of the energy audit conducted by a certified home energy rater to IFA, with the submittal of the final plans and specifications and before the start of construction. Appropriate specifications to meet IECC standards or alternate cost-effective energy improvements shall be included in the plans and specifications and shall be submitted for approval before starting construction.

4.7.7 If the Project meets the criteria set forth in Section 3.4, a copy of the final relocation plan and copy of the notice to existing tenants shall be provided to IFA prior to the start of relocation.

Deleted: 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.¶

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TERMS AND CONDITIONS

The following terms and conditions apply to all Applicants and Projects that receive a reservation of four percent (4%) Tax Credits, and IRS Form 8609 allocation.

SECTION 5: TERMS AND CONDITIONS

5.1 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.

5.1.1 26 USC Section 42 as amended and the related Treasury regulations in effect as of January 1, 2014.

5.1.2 Iowa Code Section 16.52 and the rules promulgated by IFA to govern the LIHTC Program in effect as of the effective date hereof.

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

5.1.3.1 First, by giving preference to IRC Section 42 and the related Treasury regulations.

5.1.3.2 Second, by giving preference to Iowa Code Sections 16.4, 16.52 and the rules governing the QAP; and

5.1.3.3 Third, by giving preference to the QAP.

5.2 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 the 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.

5.3 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. The original document shall be recorded before an IRS Form 8609 is issued. The LURA shall 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 shall 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 shall 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

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...1.3. The Compliance Manual adopted by IFA pursuant to 265 IAC 12.3.¶

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Deleted: or after the Carryover Allocation,

Deleted: 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.

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.

5.4 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 shall 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. [A Project with a tax credit investor who has an Identity of Interest shall have a third party asset manager that is pre-approved by IFA LIHTC Manager.](#)

5.5 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).

5.6 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 shall 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 shall be in the form specified by IFA. The certifications shall be made under penalty of perjury.

5.7 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.

5.8 Costs Associated with Application Preparation. IFA is not responsible for any costs incurred by the Applicant.

5.9 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.

Deleted: even in the event that no Tax Credits are awarded.

5.10 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 shall be included in a cover letter with the Application and shall enumerate the specific grounds in Iowa Code Chapter 22 or other provisions of law that support treatment of the material as confidential and shall indicate why disclosure is not in the best interest of the public. The request shall 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.

5.11 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.

5.12 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.

5.13 Qualified Residential Rental Property. The Project shall be a Qualified Residential Rental Property. The Applicant shall 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.

5.14 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.

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5.14.1 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 shall 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.

5.14.2 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.

5.14.3 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

REQUIREMENTS FOR 4% TAX CREDITS WITH TAX EXEMPT BONDS

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.

Deleted: The reviews, audits and inspections shall continue through the length of the Extended Use Period.

5.14.4 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.

5.14.5 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 shall supply any missing certifications and bring the Project into compliance with the provisions of IRC Section 42.

5.14.6 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.

5.14.7 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.

5.14.8 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.

5.14.9 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.

5.14.10 Violence Against Women Act (VAWA). Title VI of the 2013 VAWA Act, Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking, expanded the applicability of the ACT to Low Income Housing Tax Credit program. VAWA protects both child and adult victims of domestic violence, dating violence, sexual assault and stalking. All LIHTC owners and managers shall comply with the requirements of this Act and shall use HUD 91066, Certification of Domestic Violence, Dating Violence or Stalking and HUD 91067, Lease Addendum.

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 QAP for 4% tax credits. Required documents for Sections C, F, G (except for item G-21), H, and I shall 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.

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Once final plans, specifications, the energy audit or analysis and, if applicable, the CNA's have been completed; the Applicant shall 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 shall not take action on any material change in the site layout, floor plan, elevations or amenities without written authorization from IFA. This includes changes required by local governments to receive building permits.

Deleted: , as specified in Section 8.3 and Section 12.2.

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.

Deleted: 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. ¶

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 shall be submitted with the IRS Form 8609 Application 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, shall 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 shall be a common ownership between all Units and buildings within a single Project for the duration of the Compliance Period.

Deleted: Carryover

B. Site Suitability. The site shall 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. Sites shall not be located in a FEMA identified or proposed 100-year flood zone.

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Deleted: and the Extended Use Period, if applicable.

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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 shall be submitted with the Application. The city zoning department shall provide a statement that the official

Deleted: Existing sites shall not be native prairie land, lowland flood plains and wet lands, or endangered habitats. ¶

plat is properly zoned. Site plans submitted with the application shall show that the Project will have the proper number of parking stalls. It shall 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 shall 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 shall certify in the LIHTC Application that the site will be zoned appropriately by the IRS Form 8609 Application due date.

D. Access to Paved Roads. All sites proposed shall, by the time of construction completion, have direct contiguous access from the Project site to existing paved publicly dedicated right of ways. Where the construction of a paved road to the site is required the cost of construction of the paved road shall not be included in the Project costs.

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 shall supply adequate evidence that demonstrates that the Utilities will be available by start of construction. This evidence shall 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 shall 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. Applicable Codes are:

1. 2009 International Energy Conservation Code adopted by the International Code Council.
2. Current 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) or the codes in effect in the jurisdiction in which the project is located.
3. Accessibility Standards - American National Standards Institute Standard 2009 A117.1.

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. The following minimum development characteristics shall be utilized in all construction:

1. Exterior Construction: Siding within six (6) feet of the ground shall be durable and impact resistant.
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. 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.
4. 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.
5. Appliances: The kitchen shall have a cook top, an oven, a microwave, a cooling/freezing unit, and a sink. A Family Unit shall have a two bowl kitchen sink. See the Single Room

Deleted: Carryover-10% Test

Deleted: . 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

Deleted: 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.

Deleted: 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:¶

- Deleted:** 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

Deleted: For four percent (4%) Tax Credits, installations that exceed the minimum standards may be awarded extra points in the Application as described in Section 6, Scoring Criteria.

Deleted: Air infiltration barrier building wrap required on all new siding Applications. ¶

Deleted: 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.¶

Deleted: 6. Overhead Doors: Embossed steel panel doors without insulation to non-heated areas.¶

Occupancy definition in Appendix 2 - Glossary of Terms for exceptions. Appliances, (refrigerators, washing machines, dishwashers and exhaust fans), shall be Energy Star rated.

6. Carpeting: Carpets, carpet cushion (i.e. padding), and carpet adhesives shall be low VOC and meet the face weight criteria in the table below.

Minimum Weight and Density Requirements for Carpet			
Location:		Nylon	Nylon /Olefin Blend
		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.

7. Resilient Flooring: Kitchens – made from products that do not use vinyl chloride in the manufacturing process and do not produce dioxin
8. Resilient Flooring: Bathrooms – sheet vinyl with wear surface of 20 mils or greater, with underlayment product on second or higher floors. Resilient flooring shall 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.
9. Cabinetry: All cabinets, shelves, and countertops made with materials that have no added formaldehyde in the manufacturing process.: Laminate countertops are required, at a minimum.
10. Window Covering: Window coverings are required. A spring loaded type window shade is not an approved covering.
11. 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. An Applicant can provide a washer and dryer in each Unit in lieu of a common laundry room facility.
12. 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 shall 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.
13. Accessible Units: In new, as well as rehab construction, a minimum of five percent (5%) of all Units supplied shall be Fully Accessible, (as defined in ANSI 117.1) on the building accessible routes which includes all floors if an elevator is provided. A minimum of two percent (2%) of all Units supplied shall be adapted for hearing and/or vision impairments as Units with Accessible Communications Features. The two percent (2%) cannot be included in the five percent (5%) of the accessible Units. Accessible units shall be dispersed throughout the property and different bedroom sizes rather than segregated.
14. High-Speed Internet Access: Provide high speed internet access to each Unit by wiring for broadband, wireless, or digital subscriber line (DSL). The monthly service fees shall be the responsibility of the tenant.
15. Closets: A closet with a door (2 foot x 5 foot minimum) shall be provided in each bedroom. The minimum complement of closets per Unit include 1 linen and 1 coat closet.
16. Energy Efficiency: New construction developments with three (3) stories of residential space or less shall meet the Iowa State Code and the IECC A home energy rating performed by a certified energy rater is required on each building after it is completed to verify that actual

Deleted: labeled with the Carpet & Rug Institute (CRI) Green Label or documented to meet the CRI Green Label testing program criteria. Carpet shall

Deleted: 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 exc...

construction meets the IECC The contract for the compliance determination shall be between the certified rater and the Ownership Entity. If upon completion, a Project does not meet the IECC, additional steps shall be taken by the Ownership Entity to obtain compliance 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, shall be provided on each building with the submittal of the drawings and specifications to IFA for review. At the completion of the rehabilitation, an energy audit by the same certified energy rater is required to verify that the rehabilitation work on each building meets the standards of IECC. If upon completion, a Project does not meet the specified energy improvements, additional steps to do so shall be taken by the Ownership Entity prior to the issuance of the IRS Form 8609.

17. 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

18. 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 shall 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 shall be submitted. If the site(s) includes any detrimental characteristics, the Applicant shall 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 zone as determined by the Iowa Department of Natural Resources, FEMA map, FIRM map, or a designated wetland;

Deleted: 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: ¶

Deleted: 23

6. Sites that are located within 500 feet of an airport runway clear zone or accident potential zone;
7. Sites that are landlocked; or
8. Sites shall not be native prairie land, and wet lands, or endangered habitats.

Deleted: 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.*

I. Rehabilitation Standards. For all Preservation and Rehabilitation Projects, IFA requires the Applicant to provide information regarding Rehabilitation Expenditures for each building. The information shall address how the Applicant will meet all of the Building Standards and Minimum Construction Characteristics. The Applicant shall identify, with respect to each building as required by the Application, the Rehabilitation Expenditures as defined in IRC Section 42(e)(2) 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 **\$15,000 of Hard Construction Costs per Low-Income Unit.**

Deleted: the greater of twenty percent (20%) of the expected adjusted basis of the building or a

Deleted: 25

Deleted: Rehabilitation Expenditure limited to

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 and Preservation. The Applicant shall acknowledge the CNA requirement and that IFA will use it prior to commencing construction. The CNA shall 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.

Deleted: Preservation and Adaptive Reuse

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 (AFHMP) 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 shall include all information required by the QAP and as may be subsequently required by IFA.

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).

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.

Capital Needs Assessment (CNA) means an assessment of the rehabilitation needs of an existing structure. The assessment shall 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 shall also consider the presence of hazardous materials on the site. The assessment shall 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 shall include a projection of recurring probably 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.

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

Deleted: ¶
Assisted Living Program/Facility means housing with services, as defined in Chapter 231C of the Iowa Code. The Developer shall 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.¶

Deleted: 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.¶

Deleted: Built-in Dishwasher means the Project will provide and maintain a built-in dishwasher throughout the Compliance Period and the Extended Use Period.¶

Deleted: 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.¶

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.

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.

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 shall 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.

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 (DDA) 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.

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 shall be reduced by the portion of the grant.

Deleted: 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.¶

Deleted: 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.¶

Deleted: ¶
¶ **DHS** means The Iowa Department of Human Services.

Deleted: 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 1/2 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 mark...

Deleted: 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 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; or (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.

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.

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.

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, permit fees, architect's and engineering fees—for design and construction administration.

Held for Occupancy means the percentage of the total Project Units specified in the approved Application shall 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 shall 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 shall 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 shall 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 shall 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 shall 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

Deleted: 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.¶

Deleted: 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.¶

Deleted: 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.¶

Deleted: 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.¶

compliance with the Minimum Unit Percentage; and (5) The Project shall comply with the Minimum Unit Percentage and all other Target Population requirements at initial lease-up and throughout the 15-year Compliance Period. In addition, the Target Population commitments will be specified in the LURA.

Deleted: and the Extended Use Period, if applicable.

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 shall 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

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.

Deleted: ¶
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. ¶

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.

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 city HOME funds. Staff for the respective agency (ies) will make recommendations regarding Tax Credit awards and city 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.

Deleted: 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).¶

Deleted: and the state HOME funds,

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 Compliance Period by the Ownership Entity and upon which the award of Tax Credits was in part, based. The LURA will contain restrictive covenants that shall encumber the land where the Project is located for the life of the

Deleted: Extended Use

agreement. The LURA shall 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.

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 a LIHTC project on a basis which is regular, continuous, and substantial.

New Developer means a Developer that has not been allocated Low-Income Housing Tax Credits in the last five years.

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.

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.

Qualified Allocation Plan (QAP) means an allocation plan used to select and award Tax Credits to qualified recipients.

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).

Deleted: 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. ¶

Deleted: 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. ¶

Deleted: 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. ¶

Deleted: 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. ¶

Deleted: 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. ¶

Deleted: 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.). ¶

Deleted: The requirements of the QAP also apply to any tax-exempt bond financed Project.

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 following mandatory members: Project Developer, General Partner/managing member, Architect, Tax Attorney, Management Company, Energy Consultant, Tax Accountant and non-mandatory members: Development Consultant, Contractor, Engineer and Syndicator. Anyone with an Identity of Interest is a mandatory team member. Failure to disclose an Identity of Interest is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

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 \$6,500 per Unit. See also, IRC Section 42(e)(2). The Application shall show the calculations for whether the amount of Rehabilitation Expenditures is at least equal to \$15,000 of Hard Construction Costs per Low-Income Unit.

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). A Scattered Site Project may be new construction, acquisition, rehabilitation or a combination of these types. For Scattered Site Projects, all Units shall be qualified LIHTC Units.

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 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; or (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

Deleted: 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.¶

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Deleted: the greater of twenty percent (20%) of the expected adjusted basis of the building or a

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Deleted: Rehabilitation Expenditure limited to

Deleted: 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.¶

Deleted: , and are located within a 20-mile radius, as determined by Google Maps (www.Googlemaps.com).

Deleted: 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. ¶

Deleted: 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.

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 shall 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 shall 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 shall contain sanitary facilities that are shared by tenants. SRO does not include facilities for students.

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.

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

Utilities mean gas, electricity, water and sewer service.

Deleted: 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.¶

¶
Deleted: 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.¶

¶
Deleted: 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.¶

Deleted: 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.¶

Deleted: 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. ¶

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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.¶

¶
Deleted: 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 certific...

OVERVIEW OF CHANGES FOR THE 2015 QUALIFIED ALLOCATION PLAN

Introduction

- Eliminates 4% Tax Credits with Tax Exempt Bonds Section and updates Parts A, B, Appendix 1 and 2 headings.
- Updates the schedule with the applications due on December 9, 2014 and awards presented at the March 2015 Board Meeting.

Part A: Requirements for 9% Tax Credits

- 2.1 Updates the Per Capita Tax Credit amount.
- 2.2 Set-Asides
 - Reduces the Preservation set-aside from 15% to 10% of all available Tax Credits.
 - Reduces the Rural set-aside from 15% to 10% of all available Tax Credits.
- 2.4 Adds a provision that a Project cannot come back in for additional tax credits until after the 15th year of the Compliance Period.
- 3.2.1 Adds the requirement for Returning or New Developers to meet with the IFA LIHTC Manager prior to Application submittal and IFA may request a personal credit report of the Developer/Co-Developer.
- 3.2.3 Recommends who should attend the Mandatory Developer Training Sessions.
- 3.4.1 Clarifies the Market Study Process.
- 3.4.3.1 Adds Compliance with Environmental Requirements for Projects with State HOME funds.
- 3.4.4 Adds a date in which the entities seeking nonprofit status must send in the appropriate documentation.
- 3.4.7 Increases the Application Fees, Change in Application Fee and late submissions must be given prior approval from the IFA LIHTC Manager.
- 4 Requires a GP loan to be used for projects that are waiting for a State Historic Tax Credit commitment.
 - 4.1.4 Clarifies how IFA will underwrite Projects.
 - 4.1.5 Clarifies how IFA will use a 30 year amortizations on the permanent debt.
 - 4.2.3 Allows IFA to request the last three (3) years of financials of existing housing projects.
 - 4.5.2 Clarifies acceptable commitment requirements for URTEs and TIF districts.
 - 4.6.1 Clarifies what is included in the Developer Fees.
 - 4.6.2 Limits the Builder and General Contractor fees to 10% of hard construction costs if there is an Identity of Interest.
 - 4.6.5 Requires full disclosure of fees paid to all parties with an Identity of Interest.
 - 4.6.6 Eliminates the creation of sub recipients of Federal Historic Tax Credits to increase LIHTC.
 - 4.7.2 Clarifies allowable construction contingency uses.
 - 4.9 Clarifies language.
 - 5.1 Clarifies change in funding sources language.
 - 5.2 Requires the Ownership Entity to be a single asset entity and that all members, managers, partners and officers of all entities of the Ownership Entity be disclosed.
 - 5.4.2 Clarifies Qualified Development Team language and states that IFA reserves the right to request the audited financials of the management company.
 - 5.4.3 Removes the requirement of a CNA for adaptive re-use Projects.
 - 5.4.6.3.1 Clarifies the delinquent loan language.
 - 5.4.6.3.6 Requires IRS Form 8609 language to match terms agreed upon in the LURA.
- 5.5 Requires the most restrictive relocation plan to be followed.

- 5.14 Removes the DHS notification and instead requires the use of Iowa Housing Search.

Section 6 - Scoring:

- Changes the numbering system throughout the Section.
- 6.1.1 Rewrites the language to include points for 40% AMI housing, 15 points maximum and includes points for 30% AMI housing, 5 points maximum.
- 6.1.2 Rewrites language to include points for Market rate units. 10 points maximum.
- 6.1.3 Decreases percentage from 25% to 15%. Increases points from 5 to 7.
- 6.1.4 Clarifies language for the Iowa ROSE Program.
- 6.2.1 Increases points to 32 possible. Addition of more menu items.
- 6.2.3 Reduces points from 30 to 20. Supporting documents language clarified.
- 6.2.4 Reduces Underserved City points from 10 to 7.
- 6.3.1 Increases points from 30 to 41. Addition of menu items and clarified language.
- 6.3.2 Requires all buildings to meet IFA historical significance requirements to receive points. Requires Federal and State Historic Tax Credits be used for Projects requesting these points.
- 6.3.3 Changes the heading from Project-Based Rental Assistance (Nonlocal PHA Source) to Federal Project-Based Rental Assistance.
- 6.3.4 Breaks out the exterior construction-durability points. Adds menu items.
- 6.3.5 Clarifies the chart and language for Olmstead Goals.
- 6.3.6 Clarifies language.
- 6.3.7 Reduces the points for HERS rating from 64 to 62 points and states that Projects utilizing Historic Tax Credits aren't eligible for this section.
- 6.4.3 Updates language.
- 6.4.5 Adds scoring category Annual Recertification for 2 points.
- 6.6.2 Clarifies additional credits language.
- 7.2.3 Adds a basis boost for Projects Serving Lower AMIs.
- 7.2.3.1 Adds special consideration for Projects Serving 30% AMI tenants.
- 7.2.3.2 Adds special consideration for Projects Serving 40% AMI tenants.
- 7.10 Adds 10 points to those Projects who have successfully won an appeal and which the waiting list has expired.
- 8.1.8 Requires the Final Relocation Plan to be due with the 8609 Application package.
- 8.7 Requires IRS Form 8609 language to match terms agreed upon in the LURA.
- 8.8 Changes heading from Changes to the General Partner, Majority Shareholder and managing member to Changes to the Ownership Entity Structure. Clarifies new language.
- Removes 4% Tax Credit Language.

Part B-Terms and Conditions

- Part B is retitled-Terms and Conditions.
- 9.1.3 Compliance manual language taken out.
- 9.14.10 Adds Violence Against Women Act language.

Appendix 1-Threshold Requirements for Building, Construction, Site and Rehabilitation

- Clarifies flood zone language.
- G-17 Clarifies that accessible units to be dispersed throughout the property and bedroom sizes.
- H-8 Clarifies detrimental site language.

Appendix 2-Glossary of Terms

- Amends and adds glossary terms.



**IOWA FINANCE
AUTHORITY**

**Iowa Finance Authority
Low-Income Housing Tax Credit Program
2015 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 properties 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 2015 and additional Tax Credits authorized by the Heartland Disaster Tax Relief Act of 2008.

The QAP consists of:

- Part A-Requirements for nine percent (9%) Tax Credits.
- ~~Part B-Terms and Conditions.~~
- Appendix 1-Threshold requirements for building, construction, site, and rehabilitation.
- Appendix 2-Glossary of Terms.

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Deleted: <#>Part B-requirements for four percent (4%) Tax Credits with tax-exempt bonds.¶

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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. **IFA may, at its’ discretion, conduct due diligence to verify information provided by the applicant.** An applicant’s interpretation of the QAP and its requirements is immaterial.

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 2015 QAP	On or about October 15, 2014
Step 3	Mandatory Developer Application training session	On or about October 20-23, 2014
Step 4	Nonprofit set-aside exhibits due to IFA (if applicable)	On or about November 7, 2014
Step 5	Application due to IFA	December 9, 2014 at 4:30 PM
Step 6	IFA Tax Credit Reservation recommendations presented to Board	March 2015 IFA Board of Directors meeting

Step 7	Issuance of 2015 Carryover Agreements	On or about May 31, 2015
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 October 15 of the first year credit period

DRAFT

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 2014, IFA’s Per Capita Tax Credit authority was \$7,107,956. The 2015 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.

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2.2 Set-Asides. There will be one pool of Tax Credits with four (4) set-asides in 2015. 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 2015, 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. Entities seeking Nonprofit status must request approval no later than November 7, 2014. 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 an 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 shall demonstrate its capacity and intention to Materially Participate in the operation of the Project throughout the Compliance Period.

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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. Ten percent (10%) 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.

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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: (1) HUD has determined that the dwelling 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 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. Ten percent (10%) of all available are set aside for Projects located in a non-MSA city or county.

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2.3 Tax Credit Cap for Single Developer/Project.

2.3.1 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.

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.

2.3.2 The maximum Tax Credit amount that will be awarded to any one Project is \$800,000.

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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.¶

2.4 Prohibition of Applying Within the Initial 15 Year Compliance Period. Once a Project has been issued an IRS Form 8609, the Project is prohibited from applying for LIHTC credits until after the 15th year has been completed (of the initial 15 year Compliance Period).

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. **During the application review process, IFA will resolve any errors that affect the operation of the online Application system on a case by case basis. IFA reserves the right to determine if a Project meets threshold.**

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 shall be submitted via the [IFA 2015 Q&A email box](#) established on the IFA website. Responses **deemed by IFA to be of general interest to potential Applicants** 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.

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3.2.1 Returning or New Developer in Iowa. If the Applicant has not submitted an Application to IFA in the previous **three (3)** 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 party that meets the Section 5.4.2 requirement shall attend this meeting.** The Developer/Co-Developer must provide IFA financial statements from the past three (3) years. **IFA reserves the right to request a personal credit report of the Developer/Co-Developer.**

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 Section 1-Introduction-Tax Credit Reservation Schedule. IFA recommends the following parties also attend the mandatory developer training sessions; the Development Consultant (if applicable), any party who will be completing the online application and the party that meets the Section 5.4.2 requirement.

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 the 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 process consists of: (1) market study and analysis; (2) threshold review; and (3) scoring determination. Any revisions to the Tax Credit Reservation 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 shall provide a brief one page statement with market information they believe may be helpful in determining market feasibility of their project. The Applicant is also encouraged to submit any third party market information they believe would be helpful in determining the market feasibility of their project, including but not limited to an independently obtained market study, information from proposed service providers, or other market information. IFA will then provide the exhibit from the on-line Application to the commissioned market study provider. The market study provider shall review and evaluate the information submitted while conducting their market analysis. By submitting this information, Applicants are afforded the opportunity to provide input that may be considered in the determination of market feasibility. However, neither IFA nor commissioned market study provider will be bound by the Applicant's written statements, independent market study or other market information provided.

3.4.1.2 The market study provider will be instructed to assume all LIHTC units have a minimum ten percent (10%) market advantage for each bedroom size when evaluating comparable market rate (free market) units in a primary market area. If the Applicant applies with rent that exceeds this level, the Applicant may be required to adjust rent levels in the deficiency period.

Deleted: 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.¶

3.4.1.3 During the threshold deficiency period Applicants will be permitted to make changes to income targeting, decreased rents and the addition of amenities, if recommended by the market study analyst. Changes that are made by the Applicant and were not recommended, will not be allowed. An updated market study will not be prepared. Underwriting shall be adjusted if applicable. If required changes are indicated by the market study analyst and it would affect points elected in the application, IFA has the discretion to adjust points in scoring. If the Applicant does not make the requested change(s), then the Project may fail to meet threshold by reason of market feasibility.

Deleted: 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.

3.4.1.4 The market study provider may contact the Applicant at any time to clarify information provided in the online Application or exhibits. However, the Applicant may not contact the market study provider unless they are responding to a question posed by the market study provider. If an Applicant would directly contact the market study provider the market study provider shall notify IFA that contact was made and content of information received.

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 2015 LIHTC Application, and all required exhibits by the due date as outlined in Section 1-Introduction-Tax Credit Reservation Schedule.”

Deleted: 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.¶

3.4.3 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.

Deleted: 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.¶

3.4.3.1 Compliance with Environmental Requirements. The environmental review process is required for all HUD-assisted projects to ensure that the proposed Project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. The Applicant agrees and acknowledges that if the Project is funded under the Tax Credit and HOME programs that this does not constitute a commitment of funds or site approval and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt, by the Project, of a Release of Funds from the State of Iowa under 24 CFR Part 58 (National Environmental Policy Act-NEPA). The parties further agree that the provision of funds to the Project is conditioned on the State of Iowa's determination to proceed with, modify or cancel the Project based on the results of a subsequent environmental review. Every Project must be in compliance with NEPA, and other related state and Federal environmental laws. The environmental requirements covered by related

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federal laws and authorities and referenced in HUD’s regulations at 24 CFR Part 50.4, 58.5, and 58.6. It is further understood that the environmental clearance must be obtained prior to any commitment of funds or the undertaking of any physical or choice-limiting actions, including property acquisition, demolition, movement rehabilitation, conversion, repair or construction. This requirement applies to the Applicant, as well as to any Project team member. Any violation of this requirement may result in the denial of 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. **Entities seeking Nonprofit status must request approval no later than November 7, 2014.**

3.4.5 Site Visits. IFA shall 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. Additionally, members of the Qualified Development Team, as determined by IFA, must execute an Authorization to Release Information as part of the on-line Application.

Deleted: . 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.

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 the 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: \$1,700 36 to 60 Units: \$2,200 61 to 100 Units: \$2,750 Over 100 Units: \$5,500

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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	\$1,000 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	<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>Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple building Project on the IRS Form 8609, if eligible to do so.</p> <p>Annual rate increases may apply.</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. Approval of late submissions by the LIHTC Manager is required prior to either Application due date.
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

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	<ul style="list-style-type: none"> • 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.
Fees for Failed and Missed Inspections	<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>

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, [workforce housing tax credits](#) 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. [If the Applicant does not have a commitment for State Historic Tax Credits, a General Partner loan commitment is required.](#)

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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 1.20 DSCR and 1.50 DSCR. Any one year cannot go below 1.15 DSCR or above 1.80 DSCR for the first 15 years.

4.1.4 IFA reserves the right to underwrite the Project at current market interest rates.

4.1.5 IFA will underwrite using a thirty (30) year minimum amortization on the first mortgage debt.

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.

4.2.3 IFA reserves the right to request the last three (3) years of financial statements, which shall include a balance sheet and income statement, of existing housing projects.

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

4.3.1.2 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 shall not be included in the Project costs. The fees associated with obtaining the letter of credit may be included in Project costs.

4.3.1.3 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 Section 4.3.1. 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 Section 4.3.2. Applicants are required to submit to IFA a verification that the terms and conditions of the replacement reserve required by lenders or other

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fundes 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 DSCR.

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 shall be provided from the entity making the commitment. A resolution adopted by the city council that allows the creation of a TIF district or an URTE, subject to the Project being awarded LIHTC, is an acceptable commitment. The owner contribution letter must be an unconditional and non expiring commitment to the Project.

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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. Fees paid to parties who have an Identity of Interest shall be fully disclosed, and at IFAs discretion, will be included in the allowable developer fee. 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. [This fee is limited to ten percent \(10%\) of Hard Construction Costs, if an Identity of Interest exists between the Owner, the builder and general contractor.](#)

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 [related to services rendered to the Project. Fees paid to parties who have an Identity of Interest shall be fully disclosed, and at IFAs discretion, will be included in the allowable developer fee.](#)

4.6.6 [Applicants shall not create a subrecipient of the Federal Historic Tax Credits in order to become eligible for more LIHTC.](#)

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. Construction Contingency shall be used to cover costs for unknown conditions discovered and cost overruns incurred during construction. Applicants shall obtain IFA approval for the use of Construction Contingency funds for items that were not part of the initial Scope of Work.

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 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 Unit Cost Cap limits listed in Appendix D. Utility company rebates for energy efficiency measures will be included in the calculation of Total Project Costs. Projects receiving Federal Historic rehabilitation Tax Credits will be allowed to deduct the residential portion of the Federal Historic Tax Credit from the Project costs to allow for stricter rehabilitation standards.

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Please refer to Appendix D for the Unit Cost Cap limits.

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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, will be allowed to exceed the Tax Credit Cap per LIHTC Unit listed above as defined in Section 7.2.

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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 2015 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 ([deficiency period](#)) to respond to [all items in the initial written deficiency notification](#). [A change in funding sources, including equity pricing, will not be allowed during the deficiency period unless specifically requested by IFA.](#) 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.

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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. [The Ownership Entity shall be a single asset entity. All members, managers, partners and officers of all entities of the Ownership Entity shall be disclosed in the Application.](#)

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.

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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.

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 QDT. 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, Co-Developer, managing member, General Partner or Development Consultant shall have **Materially Participated in such a role in the development of a LIHTC Project that has received an IRS Form 8609 from any state within the past five (5) years. Such qualifying member of the QDT shall Materially Participate in the proposed Project through two (2) years after the issuance of the IRS Form 8609.** 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 shall attend a mandatory Developer Application training session, as noted in Section 3.2.3. The Management Company/Manager shall have at least three (3) years of experience successfully managing a Section 42 Property. **IFA reserves the right to request the audited financials of the management company.**

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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; and/or
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 and Preservation. 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.

Deleted: and Adaptive Reuse Projects.

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 **60** days or more delinquent **or have received more than two (2) delinquency letters in the previous twelve (12) month period.**

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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 **60** days or more delinquent **or have received more than two (2) delinquency letters in the previous twelve (12) month period.**

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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 2014 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 2012 or 2013 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. [The Owner completed IRS Form 8609 must match the terms agreed upon in the LURA.](#)

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. **If a federal funding source is used, the most restrictive relocation plan requirements shall be followed.**

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 Plan (AFHMP). 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 Iowa Housing Search. All awarded Projects shall be listed in Iowa's free rental housing locator at www.IowaHousingSearch.org prior to the Placed-in-Service Date. Failure to list the property is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

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 shall 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.

Deleted: 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. ¶

5.16 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 2015 round.

6.1 Resident Profile

6.1.1 Serves Lowest Income Residents 0 to 20 points

Projects that provide Units that are set aside and occupied by tenants with incomes at forty percent (40%) AMI or less and are rent restricted. Annual re-certification of tenant income is required.

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

Projects that provide Units that are set aside and occupied by tenants with incomes at thirty percent (30%) AMI or less and are rent restricted. Annual re-certification of tenant income is required. These Units must be in addition to any Units selected for the 40% AMI or less.

- 1 point for each full one percent (1%) of the total Project Units -5 points maximum

If a project is a previous LIHTC Project with an existing LURA, Applicant shall not elect scoring points for this category if it would be less restrictive than the existing LURA. Current LURA requirements shall be adhered to or can be made more restrictive only.

This category is not available to an Applicant that elects points in Section 6.1.4-Provides an Opportunity for Homeownership, Section 6.3.3-Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance or Section 6.4.5-Annual Recertification.

6.1.2 Market Rate Incentive 0 to 10 points

Projects that provide market rate Units (not eligible for Tax Credits). On-site staff Units cannot be counted for points. Annual re-certification of tenant income is required.

- 1 point for each full one percent (1%) of the Units (10 points maximum)

This category is not available to an Applicant that elects points in Section 6.1.4-Provides an Opportunity for Homeownership or Section 6.4.5-Annual Recertification.

6.1.3 Serves Tenant Population of individuals with children 7 points

At least fifteen percent (15%) of the Units must be four (4) or more bedroom LIHTC Units.

6.1.4 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 is only for low-income tenants which are qualified under the LIHTC Program and the Owner shall be required to elect a 40/60 minimum set-aside for each single family detached unit. The Iowa Rose Program provides a savings plan for homeownership in years 1 through 15 to purchase a home of their choice and provides a plan to sell the house to an existing LIHTC tenant at the end of the initial 15-year Compliance Period. All utilities shall be paid by the tenants in this Program. See Appendix G – Iowa ROSE Program for further details.

This category is not available to an Applicant that elects points for Section 6.1.1-Serves Lowest Income Residents, Section 6.1.2-Market Rate Incentive or Section 6.4.4-Waives Right to a Qualified Contract.

6.2 Location

6.2.1 Location Near Services 0 to 32 points

The Project's Primary Address (PA) shall be shown in the Building Tab of the LIHTC on-line Application. The PA will be used to determine the distance to the services that are available. The service must be in operation and accessible via existing roads at the time of the Application due date. Using Google Maps (www.Googlemaps.com) driving directions, the distance between the PA and the service shall not be greater than the distance listed below. If the Project has not been assigned a PA by the municipality, or should the PA not be shown on Google Map(s), contact the LIHTC Manager via email ten (10) business days prior to submission of the Application for approval of an alternate method. IFA will generate the Google Map(s) for each service.

If a Scattered Site Project, all building addresses shall be listed at all site locations. Each building address of a Scattered Site Project shall meet the distance listed below.

- Deleted: 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)
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- Deleted: Category 1.
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- Deleted: and the Applicant has clearly defined the PA by listing "True".
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- Deleted: that can be traveled by motor vehicle or pedestrian is not
- Deleted: than 1.0 mile from the (PA) as
- Deleted: determined by Google Maps (www.Googlemaps.com) using driving directions
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- Deleted: providing evidence that the PA can't be shown on the Google Maps(s) and an explanation
- Deleted: must list the name of the service and show the mileage between the PA and the existing
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The Applicant may select from the following options (all services are defined in Appendix 1-Glossary):

The following services shall be within one (1) mile (driving distance):	
Full Service Grocery Store	4 points
Schools (Family Project only)	4 points
Senior Center (Older Persons Project only)	4 points
Medical Services	4 points
Workforce Training	4 points
Public Library	4 points
Cultural arts facility	4 points
Park (City, state or county)	4 points
The following services shall be within one half (1/2) mile (walking distance):	
Public Transportation	4 points

6.2.2 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.

6.2.3 Local Government Contribution

0 to 20 points

A qualified Government Entity or Political Subdivision contributes one percent (1%) of the Total Project Costs, in the form of a contribution as listed in the Table below. 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. All documents shall be signed by the appropriate contributing entity. The scoring exhibit must be supported by corresponding documents listed in the table below.

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.

- 3 points for each full one percent (1%) of the Total Project Costs (20 points maximum)

Form of Contribution	Additional Supporting documents
Cash contribution	Commitment letter
Gift of land or building	Third party MAI certified appraisal
Tax abatement (not tax exemption)	Scoring exhibit only
Tax increment financing	Project specific resolution of the City Council
Urban Revitalization Tax Exemption (URTE)	Project specific resolution of the City Council
Workforce housing tax credit	Commitment letter from Iowa Economic

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 <#>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¶

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	Development Authority (IEDA)
Waiver of fees	Scoring exhibit only
Below market interest rate loan	Calculation showing value of imputed savings using a market rate of seven percent (7%)

6.2.4 Underserved City

7 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.

6.3 Building Characteristics

6.3.1 Market Appeal

0 to 41 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 (all amenities are defined in Appendix 1-Glossary):

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. To be eligible for points, single family or scattered site Projects are required to have the video security system to cover all Units.	10 points
Medical Alert System. The Project must be a 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.	7 points
In-Unit Laundry Space with washer and dryer (Dryer must vent to exterior. Projects with Historic tax credits do not qualify)	6 points
Storage Units	5 points
Computer Learning Center or free internet connectivity	5 points
Built-in Dishwasher	3 points
Free parking (1 space per unit within one half mile of the Project-Googlemaps walking distance)	3 points
Bike racks	2 points

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

6.3.2 Projects with Historical Significance

10 points

All buildings within the Project shall be on the National Register of Historic Places or are determined eligible for the National Register by the State Historic Preservation Officer. Applicants requesting points for historic significance shall use state and federal historic tax credits as a funding source.

6.3.3 Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance.

0 to 35 points

Deleted: 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)¶

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- 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.¶

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

HUD-VASH Voucher Assistance:	
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
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 five percent (5%) of the total Project Units are covered by a written commitment for HUD-VASH Voucher assistance.	10 points

Local Project-Based PHA Voucher Assistance:	
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
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 five percent (5%) of the total Project Units are covered by a written commitment for Local Project-Based PHA Voucher assistance.	10 points

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 for Section 6.1.1-Serves Lowest Income Residents or Section 6.1.2-Market Rate Incentive.

6.3.4 Construction/Unit Characteristics 0 to 13 points

The applicant may select from the following options:

Exterior construction (durability): 0 to 8 points	
Minimum of 60% of the gross exterior (excluding window and door areas), of brick, stone, stucco over masonry, architectural CMU block, pre-cast concrete wall panels. The remaining 40% shall be aesthetically pleasing and in harmony with the architecture of the rest of the building. Window infill panels, if present, must be constructed of 100% fiber cement board siding or pre-finished aluminum metal AND pre-finished aluminum metal or fiber cement board fascia and vented soffit systems.	8 points
100% fiber cement board siding (excluding window and door areas) AND pre-finished aluminum metal or fiber cement board fascia or nominal 2" thick manufactured stone over 3/4" stucco and vented soffit systems.	7 points
Minimum of 60% of the gross exterior (excluding window and door areas), of brick, stone, stucco over masonry, architectural CMU block, pre-cast concrete wall panels or nominal 2" thick manufactured stone over 3/4" stucco. The remaining 40% shall be aesthetically pleasing and in harmony with the architecture of the rest of the building. Window infill panels, if present, must be constructed of 100% fiber cement board siding OR pre-finished aluminum metal.	6 points
100% fiber cement board siding (excluding window and door areas).	5 points

Deleted: 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

Deleted: 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

Deleted: 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

Deleted: 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.

Deleted: 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".

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Pre-finished aluminum metal or fiber cement board fascia or nominal 2” thick manufactured stone over ¾” stucco and vented soffit systems.	2 points
Steel frame doors (Projects with Historic tax credits do not qualify)	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
Vertical grab bars in the bathtub/shower and lever door hardware throughout the unit (Senior projects only)	1 point

Deleted: <#>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.

6.3.5 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.	Additional Accessible Type A Units (optional for scoring)	Visitable (Type C) Units (optional for scoring)	Scoring
10%	2%	N/A	all remaining units	3 points
10%	2%	5%	N/A	5 points
10%	2%	5%	all remaining units	8 points
10%	2%	15%	N/A	7 points
10%	2%	15%	all remaining units	10 points
10%	2%	30%	N/A	9 points
10%	2%	30%	all remaining units	12 points

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In determining the number of Accessible Units, fractional calculations must be rounded up to the next whole Unit number. The sequence of percentages will go left to right in order of the table.

Deleted: 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	10 points
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(15%) of the total Project Units as Fully Accessible or Accessible Type A.	
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

Accessible units must be dispersed throughout the property rather than segregated
Any building with more than one story must have an elevator to receive points in this section.

6.3.6 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. (dual flush toilets do not qualify)	2 points
Passive (New Construction) or Active (rehab/reuse) Radon System Radon-reducing features below the building slab along with vertical vent pipe(s) and junction box(es) following requirements in Appendix F, “Radon Control Methods” in the 2012 International Residential Code.	2 points

6.3.7 Energy Efficiency 0 to 8 points

New Construction:	
Home Energy Rating Systems (HERS) Index of 62 or less	8 points
Existing Structures:	
2012 International Energy Conservation Code (IECC) exceeded by eight percent (8%) or more. (not available to Projects utilizing Historic Tax Credits)	8 points

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

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

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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¶

Deleted: 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¶

Deleted: 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¶
¶

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

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.

6.4 Other

6.4.1 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.

6.4.2 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)

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

6.4.3 Qualified Development Team Experience

10 points

A member of the QDT shall have completed three (3) LIHTC Projects which have received an IRS Form 8609 between the dates of July 1, 2008 and July 1, 2014 as a Developer, managing member or General Partner .

6.4.4 Waives Right to Qualified Contract

25 points

Ownership waives the right to ask IFA to find a buyer after year 14.

Deleted: 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. . .

This category is not available to an Applicant that elects points in Section 6.1.4-Provides an Opportunity for Homeownership.

Deleted: Resident Profile-Category 4, "

6.4.5 Annual Recertification

2 points

Annual recertification for 100% LIHTC Projects throughout the Compliance Period and the Extended Use Period.

This category is not available to an Applicant that elects points in for Section 6.1.1-Serves Lowest Income Residents or Section 6.1.2-Market Rate Incentive.

6.5 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 2015 allocation year.

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

6.6.1 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 6.6.2 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).

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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.

6.6.2 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 April 1, 2015. IFA will not allow additional Tax Credits to Projects to exceed the Unit cost caps. Additional Tax Credits shall be awarded based on the requirements in the QAP under which the Project originally received Tax Credits.

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6.6.3 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:

PART A – REQUIREMENTS FOR 9% TAX CREDITS

- 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/or
- Adequate Tax Credits are available in the 2015 funding round.

7.2 Basis Boost

No Project may receive more than a thirty percent (30%) increase in Eligible Basis.

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 2015 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 ~~fifteen percent (15%)~~ increase in Eligible Basis in order for such Projects to be financially feasible, as allowed by the HERA.

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7.2.3 Special Considerations for Projects Serving Lower AMIs. Applicants that elected points under Section 6.1.1 and 6.1.2 shall qualify for the following:

7.2.3.1 Projects that provide thirty percent (30%) of the Units serving tenants with incomes at forty percent (40%) or less AMI shall qualify for an increase of fifteen percent (15%) in Eligible Basis.

7.2.3.2 Projects that provide ten percent (10%) of the Units serving tenants with incomes at thirty percent (30%) or less AMI shall eligible for an increase of fifteen percent (15%) in Eligible Basis. These Units must be in addition to any Units selected for the 40% AMI or less.

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 2015 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, 2015, 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 6.6.2.
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.

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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 6.6.1, 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.

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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. **Once the waiting list has expired a Project that has been placed on the waiting list shall be awarded five (5) points in the next nine percent (9%) Tax Credit Round. The Project shall be the same Project that was the subject of the successful appeal.**

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 [at the time of the IRS Form 8609 Application](#).

Deleted: 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.

Deleted: **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.

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. **The Owner completed IRS Form 8609 must match the terms agreed upon in the LURA.**

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 Changes to the Ownership Entity Structure. Prior to any change to the structure of the Ownership Entity (such as a change in a General Partner, change in the ownership of a corporation or change in the membership of a limited liability company) after the reservation of Tax Credits is issued, IFA shall be notified by the Ownership Entity. Any change in the Ownership Entity shall 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 may not be approved. It is at IFA's sole discretion to approve or disapprove the request.

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.

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

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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 – TERMS AND CONDITIONS

The following terms and conditions apply to all Applicants and Projects that receive a reservation of nine percent (9%) Tax Credits, Carryover Allocation and IRS Form 8609 allocation.

SECTION 9: TERMS AND CONDITIONS

9.1 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.

9.1.1 26 USC Section 42 as amended and the related Treasury regulations in effect as of January 1, 2014.

9.1.2 Iowa Code Section 16.52 and the rules promulgated by IFA to govern the LIHTC Program in effect as of the effective date hereof.

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

9.1.3.1 First, by giving preference to IRC Section 42 and the related Treasury regulations.

9.1.3.2 Second, by giving preference to Iowa Code Sections 16.4, 16.52 and the rules governing the QAP; and

9.1.3.3 Third, by giving preference to the QAP.

9.2 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.

9.3 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

~~Deleted: **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.¶~~

~~Deleted: .1.3 The Compliance Manual adopted by IFA pursuant to 265 IAC 12.3.¶~~

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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, the original LURA requirements, in addition to the Project LURA requirements, will be enforced by IFA.

9.4 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.

9.5 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).

9.6 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.

9.7 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.

9.8 Costs Associated with Application Preparation. IFA is not responsible for any costs incurred by the Applicant.

9.9 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.

Deleted: even in the event that no Tax Credits are awarded.

9.10 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.

9.11 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.

9.12 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.

9.13 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.

9.14 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.

Deleted: pursuant to 265 IAC 12.3.

9.14.1 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.

9.14.2 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.

9.14.3 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.

9.14.4 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.

9.14.5 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.

9.14.6 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.

9.14.7 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.

9.14.8 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.

9.14.9 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.

9.14.10 Violence Against Women Act (VAWA). Title VI of the 2013 VAWA Act, Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking, expanded the applicability of the ACT to Low Income Housing Tax Credit program. VAWA protects both child and adult victims of domestic violence, dating violence, sexual assault and stalking. All LIHTC owners and managers shall comply with the requirements of this Act and shall use HUD 91066, Certification of Domestic Violence, Dating Violence or Stalking and HUD 91067, Lease Addendum.

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 2015 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 G-22. 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. ~~This includes changes required by local governments to receive building permits.~~

Deleted: and Section 12.2

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 shall be suitable for the proposed Project and shall 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. ~~Sites shall not be located in a FEMA identified or proposed 100-year flood zones.~~

Deleted: Existing sites shall not be native prairie land,

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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.

Deleted: 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 shall 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 shall 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 shall 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 shall 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. Accessible units must be dispersed throughout the Property and different bedroom sizes rather than segregated.

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 (2 foot x 5 foot minimum) with a door 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 shall be taken to provide

energy efficient lighting that is not excessive or intrusive to the neighborhood. Areas covered by security cameras shall 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 replating 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 **zone** as determined by the Iowa Department of Natural Resources, FEMA map, FIRM 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.
8. **Sites shall not be native prairie land, wet lands or endangered habitats.**

Deleted: plain

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; and/or
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 and Preservation. 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.

Deleted: and Adaptive Reuse Projects.

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; (1) any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person; (2) any other Person directly or indirectly Controlling fifty percent (50%) or more of the voting securities of such Person; or (3) any officer, director, manager, member or partner acts in any such capacity.

Affirmative Fair Housing Marketing Plan (AFHMP) 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 **AFHMP**, the proposed activities to be carried out during advance marketing, where applicable, and during all rent ups. The **AFHMP** also shall 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.

Deleted: Marketing Plan

Deleted: affirmative marketing program

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 ~~the Project will provide and maintain bike racks 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.~~

Deleted: are provided

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 shall identify critical building systems or components that have reached or exceeded their expected useful lives. The assessment must include a projection of recurring probably 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 shall 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;
- Mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems and elevators; and
- The CNA shall conform to standards outlined in ASTM E 2178-08, 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.

Deleted: 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.

Cultural Arts Facility means a museum, science center, performing arts theater (plays, concerts, ballet, etc) that offers educational and entertainment activities on various cultures and the arts to the general public.

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.

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 (DDA) 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

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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).¶

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; and (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 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.).

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.

Deleted: 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 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. **Failure to disclose an Identity of Interest is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.**

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), **workforce housing tax credits**, waiver of fees, or below market interest rate loan (value calculated on imputed savings). **A resolution adopted by the city council that allows the creation of a TIF district or an URTE, subject to the Project being awarded LIHTC, is an acceptable commitment.** State HOME funds or USDA funds are not eligible sources for this category however City HOME funds do qualify.

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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 a LHHC project on a basis which is regular, continuous, and substantial.

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; (2) 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 Single Asset Entity to which Tax Credits will be or have been awarded.

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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.

Park (City, State or County) means an area of land that is established at the date of the Application and set-apart, owned, or managed by a city, state or county governmental entity and available to the general public for use of its facilities for recreation. This does not include exclusively sports facilities and fairgrounds.

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.).

Public Transportation means a Passenger (transportation) service which is available for use by the general public that has set routes, stops, and time points. This type of transit is provided where no advance reservations are necessary. Service is available to the general public, including persons with disabilities. This does not include Amtrack and multi-state bus companies.

Qualified Allocation Plan (QAP) means an allocation plan used to select and award Tax Credits to qualified recipients.

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.

Deleted: Passive Radon System (Sub-slab Depressurization System) means 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.

Deleted: The requirements of the QAP also apply to any tax-exempt bond financed Project.

Qualified Development Team means the individuals or companies that develop the Project including but not limited to the following mandatory members: Project Developer, General Partner/managing member, architect, tax attorney, management company, energy consultant, tax accountant and non-mandatory members: development consultant, contractor, engineer and syndicator. Anyone with an Identity of Interest is a mandatory team member. Failure to disclose an Identity of Interest is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

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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).

Radon System (Sub-slab Depressurization System) means 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.

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 \$6,500 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.

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ROSE Program means Renter to Ownership Savings Equity (ROSE) Program. The Iowa ROSE Program is only for low-income tenants which are qualified under the LIHTC Program and the Owner shall be required to elect a 40/60 minimum set-aside for each single family detached unit. The Iowa Rose Program provides a savings plan for homeownership in years 1 through 15 to purchase a home of their choice, and provides a plan to sell the house to an existing LIHTC tenant at the end of the initial 15-year Compliance Period. All utilities shall be paid by the tenants in this 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 (3) 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 shall 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, ~~structurally strong and secure,~~ floor to ceiling room that is at least twenty (20) square feet. The Storage Unit must be in addition to and excess of the ~~required Bedroom, Linen and Coat closets,~~ Storage rooms must be maintained in compliance with the requirements for fire safety and Uniform Fire Code, which limits flammable and combustible materials.

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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 shall 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.

RESOLUTION
HI 14-12

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

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

WHEREAS, the Authority has determined it would be more efficient to have separate QAPs for four percent tax credit awards and nine percent tax credit awards; and

WHEREAS, the Board’s proposed Low Income Housing Tax Credit Qualified Allocation Plan for four percent tax credits is attached as Exhibit A hereto; and

WHEREAS, the Board’s proposed Low Income Housing Tax Credit Qualified Allocation Plan for nine percent tax credits is attached as Exhibit B hereto; and

WHEREAS, the Authority now wishes to adopt both QAPs.

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

SECTION 1. The Board hereby approves the Low Income Housing Tax Credit Qualified Allocation Plan for four percent tax credits set forth as Exhibit A hereto.

SECTION 2. The Board hereby approves the 2015 Low Income Housing Tax Credit Qualified Allocation Plan for nine percent tax credits set forth as Exhibit B hereto.

SECTION 3. The Board approves the publication of a Notice of Intended Action as set forth on Exhibit C attached hereto for the amendments to chapter 12 of the Authority’s administrative rules.

PASSED AND APPROVED this 9th day of July, 2014.

David D. Jamison, Secretary



**IOWA FINANCE
AUTHORITY**

**Iowa Finance Authority
Low-Income Housing Tax Credit Program
4% Qualified Allocation Plan**

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) for 4% Tax Credits to establish the criteria and process for Qualified Residential Rental properties 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 the Tax Credit Reservation under this QAP. This QAP for 4% Tax Credits shall govern the allocation of the bond capacity for calendar year 2015 and beyond.

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; and (2) IFA's past practice. IFA may, at its' discretion, conduct due diligence to verify information provided by the applicant. An applicant's interpretation of the QAP and its requirements is immaterial.

To the extent possible, the following schedule applies to the Tax Credit Reservation Application process for four percent (4%) Tax Credits:

- Applications may be submitted at any time using the Online Application.
- Applications submitted between December and March may not be reviewed until April due to the 9% Tax Credit Application Review Process. Any questions in relation to the Application Review Process, contact the IFA LIHTC Manager.
- Applications for the IRS Form 8609 will be due October 15 of the first year in which Tax Credits are taken.

REQUIREMENTS FOR 4% TAX CREDITS WITH TAX-EXEMPT BONDS

SECTION 1. 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. The requirements for a Project using tax-exempt bond financing are as follows:

1.1. Private Activity Bond Cap. The bonds to finance the Project shall 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 shall 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.

1.2 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.

1.3 Application Criteria. A Project using tax-exempt financing shall satisfy all of the underwriting and threshold requirements. A market study, completed within the past six (6) months, is required to be submitted by a disinterested third party analyst. The market study may be submitted within thirty (30) days after the Application is submitted. 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 Compliance Period. The Project shall be subject to the compliance monitoring requirements of Section 5.14.

1.4 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.

1.4.1 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.

1.4.2 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.

1.4.3 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.

1.4.4 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).

1.4.5 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.

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

1.4.7 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.

1.4.8 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.

1.4.9 Tax-exempt Projects are required to enter into a LURA for a 15-year period, which will govern the low-income use and any other QAP requirements.

1.4.10 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. The current LIHTC Application will provide a list of QCTs.

1.4.10.1 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. A "Community Service Facility" may include childcare, workforce development, healthcare, etc., and shall be designed primarily to serve individuals whose income is sixty percent (60%) or less of AMI.

1.4.11 Site Visits. IFA shall make site visits as it deems necessary to review the proposed Project and to 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.

1.4.12 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. Members of the QDT, as determined by IFA, shall execute an Authorization to Release Information as part of the online Application.

1.4.13 Fees. IFA shall collect the fees described below for the LIHTC Program. Electronic payment of the fees shall be made payable to IFA. 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: \$1,700 36 to 60 Units: \$2,200 61 to 100 Units: \$2,750 Over 100 Units: \$5,500
Change in Application Fee	\$1,000 each time the Applicant submits a revised Application that changes the Tax Credit amount requested, or requests amendments or changes to the Application under Sections 4.1 and 4.5.
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	\$25 per Unit x number of total Project Units; submitted annually on or before January 31 for each year of the Compliance Period. (Example: \$25 per Unit x 24-Unit Project = \$600.00 paid annually for 30 years.) Annual rate increases may apply. First annual payment shall be submitted with the IRS Form 8609 Application. The Ownership Entity has the option of paying the Compliance Monitoring Fee in advance for the entire Compliance Period; however, additional fees may be assessed to the Property during the Compliance if annual rate increases are applied during that time. Other fees as provided in the Compliance Manual.
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 the IRS Form	If a late submission of the IRS Form 8609 Application is allowed by IFA, the Applicant will be billed for an

1.4.16 Tax Credit Investor. A Project with a tax credit investor who has an Identity of Interest with the Project shall have a third party asset manager that is pre-approved by the IFA LIHTC Manager.

SECTION 2. 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 sixty-five percent (65%) 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 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.

2.1 Underwriting Standards.

2.1.1 A Project with a tax credit investor who has an Identity of Interest with the Project shall have a third party asset manager that is pre-approved by IFA LIHTC Manager.

2.1.2 All Projects shall reflect an average Debt Service Coverage Ratio (DSCR) between 1.00 DSCR and 2.00 DSCR.

2.2 Deferred Developer Fees.

2.2.1 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 sixty-five percent (65 %) 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 shall include a resolution from the Board of Directors allowing such a deferred payment obligation to the Project. The deferred Developer Fee shall be paid from the net cash flow and not be calculated into the minimum Debt Service Coverage Ratio.

2.3 Financing Commitment.

2.3.1 The Applicant shall provide a letter of intent for construction and permanent financing from the lending institution on the institution's letterhead. This letter shall 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.

2.3.2 For all other sources, a commitment for funding shall 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 shall be provided from the entity making the commitment. A resolution adopted by the city council is an acceptable commitment for providing tax increment financing.

2.4 Developer and Builder Fees.

2.4.1 Developer Fees (including overhead and profit, 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. Fees paid to parties who have an Identity of Interest shall be fully disclosed, and at IFAs discretion, will be included in the allowable Developer fee. 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).

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

2.4.3 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.

2.4.4. 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.

2.4.5 IFA reserves the right to limit professional fees and other fees related to services rendered to the Project.

2.5 Other Fees and Considerations.

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

2.6 Unit Cost Cap. IFA shall not award LIHTC to a Project in which the cost per Unit is greater than the Unit Cost Cap limits listed in Appendix D. 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 Unit Cost Cap 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.

IFA may, on a case-by-case basis, allow a Project to exceed the Unit cost cap. All requests to exceed the Unit Cost Cap on a 4% Tax Credit Project shall be required to go before the IFA Board of Directors for approval.

SECTION 3. THRESHOLD REQUIREMENTS - ALL DEVELOPERS\OWNERSHIP ENTITIES

To be considered for a reservation of Tax Credits, a Project shall demonstrate that it meets the requirements described in this Section.

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

3.2 Location Requirements. The proposed Project shall be located in an incorporated city.

3.3 Readiness to Proceed. The Applicant shall 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:

3.3.1 Appraisals.

3.3.1.1 Land/Acquisition with an Identity of Interest. For land and buildings which are acquired from a party with an Identity of Interest, the Applicant shall provide an appraisal by an MAI certified appraiser who is not a related party and is currently in good standing. The appraisal shall 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.

3.3.2 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, Co-Developer, managing member, General Partner or

Development Consultant shall have Materially Participated in such a role in the development of a LIHTC Project that has received an IRS Form 8609 from any state within the past five (5) years. Such qualifying member of the QDT shall Materially Participate in the proposed Project through two (2) years after the issuance of the IRS Form 8609. The qualifications of the QDT will be evaluated again at the reservation of Tax Credits and at the time of IRS Form 8609 Application. 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 Management Company/Manager shall have at least three (3) years of experience successfully managing a Section 42 Property. IFA reserves the right to request the audited financials of the management company.

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 Tax Credit Reservation: 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).

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

3.3.4 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.

3.3.5 Ineligibility. If you have been determined ineligible under any IFA Program you are ineligible to apply for 4% Tax Credits until you are determined eligible. Significant Parties are subject to being deemed ineligible to participate in the LIHTC program as set forth below:

3.3.5.1 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 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):

3.3.5.1.1 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 .

3.3.5.1.2 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.

3.3.5.2 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 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):

3.3.5.2.1 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.

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

3.3.5.2.3 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.

3.3.5.3 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 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):

3.3.5.3.1 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 60 days or more delinquent or have received more than two (2) delinquency letters in the previous twelve (12) month period.

3.3.5.3.2 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 60 days or more delinquent or have received more than two (2) delinquency letters in the previous twelve (12) month period.

3.3.5.3.3 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.

3.3.5.3.4 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.

3.3.5.4 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 an IRS Form 8609 for the same period of time:

3.3.5.4.1 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 shall 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 shall be corrected.

3.3.5.4.2 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.

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

3.3.5.4.4 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.

3.3.5.4.5 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.

3.3.5.4.6 IFA staff may reduce the ineligibility period as to any given Significant Party, under Sections 3.3.5.1.2, 3.3.5.2 and 3.3.5.3 if such reduction is deemed to be in the best interests of IFA and affordable housing.

3.4 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 shall be submitted with the Application if the Project scope requires any form of temporary or permanent relocation of existing tenants. The proposed relocation plan shall 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. If a federal funding source is used, the most restrictive relocation plan requirements shall be followed.

3.5 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 shall 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).

3.6 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 shall 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 Rehabilitation Expenditures shall be at least equal to \$15,000 of Hard Construction Costs per Low-Income Unit.

3.7 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 shall 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.

3.8 Scattered Sites. The Applicant shall 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). A Scattered Site Project may be new construction, acquisition, rehabilitation or a combination of these types. For Scattered Site Projects, all Units shall be qualified LIHTC Units.

3.9 Affirmative Fair Housing Marketing Plans (AFHMP). Each Applicant shall acknowledge the Affirmative Fair Housing Marketing Plan requirement and shall submit the plan to IFA at least 120 days prior to Placed-in-Service date.

3.10 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.

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

3.12 Iowa Housing Search. All awarded Projects shall be listed in Iowa's free rental housing locator at www.IowaHousingSearch.org prior to the Placed-in-Service Date. Failure to list the property is an unsatisfactory performance issue with IFA and may deem the party ineligible.

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

SECTION 4. 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.

4.1 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.

4.1.1 A minor change, as determined by IFA at its' sole discretion, in the nature of the Project or changes in partnership members, shareholders, or limited liability members.

4.1.2 Any changes beyond this, the Applicant needs to request a new Tax Credit Reservation.

4.2 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.

4.3 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 3.3.3.

4.4 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. The Owner completed IRS Form 8609 shall match the terms agreed upon in the LURA.

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 Compliance Training 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.

4.5 Changes to Ownership Entity Structure.

Prior to any change to the structure of the Ownership Entity (such as a change in a General Partner, change in the ownership of a corporation or change in the membership of a limited liability company) after the reservation of Tax Credits is issued, IFA shall be notified by the Ownership Entity. Any change in the Ownership Entity shall 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 may not be approved. It is at IFA's sole discretion to approve.

4.6 Prior to Placed-in-Service Date. Sixty (60) days prior to the Placed-in-Service Date, a copy of the AFHMP shall be submitted to IFA.

4.6.1 Prior to the Placed-in-Service Date, for new construction Projects with three 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.

4.6.2 Prior to the Placed-in-Service Date, for new construction Projects with four stories or more, 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%).

4.6.3 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.

4.6.4 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.

4.6.5 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 shall be certified by a Certified Public Accountant (CPA).

4.7 Construction. Construction shall begin on a Project within 18 months from the reservation date.

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

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

4.7.3 Final plans and specifications shall be submitted to and approved by IFA before commencing site work and construction. Plans shall meet all applicable building standards and codes, and minimum development characteristics. Final plans shall incorporate any and all remediation plans to address detrimental site characteristics.

4.7.4 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.

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

4.7.6 For existing structures the Ownership Entity shall provide a copy of the energy audit conducted by a certified home energy rater to IFA, with the submittal of the final plans and specifications and before the start of construction. Appropriate specifications to meet IECC standards or alternate cost-effective energy improvements shall be included in the plans and specifications and shall be submitted for approval before starting construction.

4.7.7 If the Project meets the criteria set forth in Section 3.4, a copy of the final relocation plan and copy of the notice to existing tenants shall be provided to IFA prior to the start of relocation.

TERMS AND CONDITIONS

The following terms and conditions apply to all Applicants and Projects that receive a reservation of four percent (4%) Tax Credits, and IRS Form 8609 allocation.

SECTION 5: TERMS AND CONDITIONS

5.1 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.

5.1.1 26 USC Section 42 as amended and the related Treasury regulations in effect as of January 1, 2014.

5.1.2 Iowa Code Section 16.52 and the rules promulgated by IFA to govern the LIHTC Program in effect as of the effective date hereof.

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

5.1.3.1 First, by giving preference to IRC Section 42 and the related Treasury regulations.

5.1.3.2 Second, by giving preference to Iowa Code Sections 16.4, 16.52 and the rules governing the QAP; and

5.1.3.3 Third, by giving preference to the QAP.

5.2 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 the 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.

5.3 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. The original document shall be recorded before an IRS Form 8609 is issued. The LURA shall 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 shall 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 shall 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.

5.4 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 shall 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. A Project with a tax credit investor who has an Identity of Interest shall have a third party asset manager that is pre-approved by IFA LIHTC Manager.

5.5 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).

5.6 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 shall 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 shall be in the form specified by IFA. The certifications shall be made under penalty of perjury.

5.7 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.

5.8 Costs Associated with Application Preparation. IFA is not responsible for any costs incurred by the Applicant.

5.9 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.

5.10 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 shall be included in a cover letter with the Application and shall enumerate the specific grounds in Iowa Code Chapter 22 or other provisions of law that support treatment of the material as confidential and shall indicate why disclosure is not in the best interest of the public. The request shall 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.

5.11 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.

5.12 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.

5.13 Qualified Residential Rental Property. The Project shall be a Qualified Residential Rental Property. The Applicant shall 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.

5.14 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.

5.14.1 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 shall 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.

5.14.2 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.

5.14.3 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.

5.14.4 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.

5.14.5 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 shall supply any missing certifications and bring the Project into compliance with the provisions of IRC Section 42.

5.14.6 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.

5.14.7 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.

5.14.8 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.

5.14.9 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.

5.14.10 Violence Against Women Act (VAWA). Title VI of the 2013 VAWA Act, Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking, expanded the applicability of the ACT to Low Income Housing Tax Credit program. VAWA protects both child and adult victims of domestic violence, dating violence, sexual assault and stalking. All LIHTC owners and managers shall comply with the requirements of this Act and shall use HUD 91066, Certification of Domestic Violence, Dating Violence or Stalking and HUD 91067, Lease Addendum.

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 QAP for 4% tax credits. Required documents for Sections C, F, G (except for item G-21), H, and I shall 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 shall 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 shall not take action on any material change in the site layout, floor plan, elevations or amenities without written authorization from IFA. This includes changes required by local governments to receive building permits.

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 shall be submitted with the IRS Form 8609 Application 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, shall 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 shall be a common ownership between all Units and buildings within a single Project for the duration of the Compliance Period.

B. Site Suitability. The site shall 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. Sites shall not be located in a FEMA identified or proposed 100-year flood zone.

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 shall 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 shall show that the Project will have the proper number of parking stalls. It shall 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 shall 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 shall certify in the LIHTC Application that the site will be zoned appropriately by the IRS Form 8609 Application due date.

D. Access to Paved Roads. All sites proposed shall, by the time of construction completion, have direct contiguous access from the Project site to existing paved publicly dedicated right of ways. Where the construction of a paved road to the site is required the cost of construction of the paved road shall not be included in the Project costs

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 shall supply adequate evidence that demonstrates that the Utilities will be available by start of construction. This evidence shall 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 shall 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. Applicable Codes are:

1. 2009 International Energy Conservation Code adopted by the International Code Council.
2. Current 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) or the codes in effect in the jurisdiction in which the project is located.
3. Accessibility Standards - American National Standards Institute Standard 2009 A117.1.

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. The following minimum development characteristics shall be utilized in all construction:

1. Exterior Construction: Siding within six (6) feet of the ground shall be durable and impact resistant.
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. 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.
4. 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.
5. Appliances: The kitchen shall have a cook top, an oven, a microwave, a cooling/freezing unit, and a sink. A Family Unit shall have a two bowl kitchen sink. See the Single Room

Occupancy definition in Appendix 2 - Glossary of Terms for exceptions. Appliances, (refrigerators, washing machines, dishwashers and exhaust fans), shall be Energy Star rated.

6. Carpeting: Carpets, carpet cushion (i.e. padding), and carpet adhesives shall be low VOC and 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.

7. Resilient Flooring: Kitchens – made from products that do not use vinyl chloride in the manufacturing process and do not produce dioxin

8. Resilient Flooring: Bathrooms – sheet vinyl with wear surface of 20 mils or greater, with underlayment product on second or higher floors. Resilient flooring shall 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.

9. Cabinetry: All cabinets, shelves, and countertops made with materials that have no added formaldehyde in the manufacturing process.: Laminate countertops are required, at a minimum.

10. Window Covering: Window coverings are required. A spring loaded type window shade is not an approved covering.

11. 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. An Applicant can provide a washer and dryer in each Unit in lieu of a common laundry room facility.

12. 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 shall 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.

13. Accessible Units: In new, as well as rehab construction, a minimum of five percent (5%) of all Units supplied shall be Fully Accessible, (as defined in ANSI 117.1) on the building accessible routes which includes all floors if an elevator is provided. A minimum of two percent (2%) of all Units supplied shall be adapted for hearing and/or vision impairments as Units with Accessible Communications Features. The two percent (2%) cannot be included in the five percent (5%) of the accessible Units. Accessible units shall be dispersed throughout the property and different bedroom sizes rather than segregated.

14. High-Speed Internet Access: Provide high speed internet access to each Unit by wiring for broadband, wireless, or digital subscriber line (DSL). The monthly service fees shall be the responsibility of the tenant.

15. Closets: A closet with a door (2 foot x 5 foot minimum) shall be provided in each bedroom. The minimum complement of closets per Unit include 1 linen and 1 coat closet.

16. Energy Efficiency: New construction developments with three (3) stories of residential space or less shall meet the Iowa State Code and the IECC A home energy rating performed by a certified energy rater is required on each building after it is completed to verify that actual

construction meets the IECC The contract for the compliance determination shall be between the certified rater and the Ownership Entity. If upon completion, a Project does not meet the IECC, additional steps shall be taken by the Ownership Entity to obtain compliance 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, shall be provided on each building with the submittal of the drawings and specifications to IFA for review. At the completion of the rehabilitation, an energy audit by the same certified energy rater is required to verify that the rehabilitation work on each building meets the standards of IECC. If upon completion, a Project does not meet the specified energy improvements, additional steps to do so shall be taken by the Ownership Entity prior to the issuance of the IRS Form 8609.

17. 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

18. 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 shall 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 shall be submitted. If the site(s) includes any detrimental characteristics, the Applicant shall 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 zone as determined by the Iowa Department of Natural Resources, FEMA map, FIRM 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; or
8. Sites shall not be native prairie land, and wet lands, or endangered habitats.

I. Rehabilitation Standards. For all Preservation and Rehabilitation Projects, IFA requires the Applicant to provide information regarding Rehabilitation Expenditures for each building. The information shall address how the Applicant will meet all of the Building Standards and Minimum Construction Characteristics. The Applicant shall identify, with respect to each building as required by the Application, the Rehabilitation Expenditures as defined in IRC Section 42(e)(2) 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 \$15,000 of 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 and Preservation. The Applicant shall acknowledge the CNA requirement and that IFA will use it prior to commencing construction. The CNA shall 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 (AFHMP) 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 shall include all information required by the QAP and as may be subsequently required by IFA.

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).

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.

Capital Needs Assessment (CNA) means an assessment of the rehabilitation needs of an existing structure. The assessment shall 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 shall also consider the presence of hazardous materials on the site. The assessment shall 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 shall include a projection of recurring probably 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.

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.

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.

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 shall 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.

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 (DDA) 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.

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 shall 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; or (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.

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.

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.

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, permit fees, architect's and engineering fees— for design and construction administration.

Held for Occupancy means the percentage of the total Project Units specified in the approved Application shall 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 shall 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 shall 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 shall 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 shall 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 shall 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; and (5) The Project shall comply with the Minimum Unit Percentage and all other Target Population requirements at initial lease-up and throughout the 15-year Compliance Period. 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 shall 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

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.

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 city HOME funds. Staff for the respective agency (ies) will make recommendations regarding Tax Credit awards and city 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 Compliance Period by the Ownership Entity and upon which the award of Tax Credits was in part, based. The LURA will contain restrictive covenants that shall encumber the land where the Project is located for the life of the

agreement. The LURA shall 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.

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 a LIHTC project on a basis which is regular, continuous, and substantial.

New Developer means a Developer that has not been allocated Low-Income Housing Tax Credits in the last five years.

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.

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.

Qualified Allocation Plan (QAP) means an allocation plan used to select and award Tax Credits to qualified recipients.

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 following mandatory members: Project Developer, General Partner/managing member, Architect, Tax Attorney, Management Company, Energy Consultant, Tax Accountant and non-mandatory members: Development Consultant, Contractor, Engineer and Syndicator. Anyone with an Identity of Interest is a mandatory team member. Failure to disclose an Identity of Interest is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

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 \$6,500 per Unit. See also, IRC Section 42(e)(2). The Application shall show the calculations for whether the amount of Rehabilitation Expenditures is at least equal to \$15,000 of Hard Construction Costs per Low-Income Unit.

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). A Scattered Site Project may be new construction, acquisition, rehabilitation or a combination of these types. For Scattered Site Projects, all Units shall be qualified LIHTC Units.

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 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; or (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 shall 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 shall 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 shall contain sanitary facilities that are shared by tenants. SRO does not include facilities for students.

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.

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

Utilities mean gas, electricity, water and sewer service.



**IOWA FINANCE
AUTHORITY**

**Iowa Finance Authority
Low-Income Housing Tax Credit Program
2015 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 properties 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 2015 and additional Tax Credits authorized by the Heartland Disaster Tax Relief Act of 2008.

The QAP consists of:

- Part A-Requirements for nine percent (9%) Tax Credits.
- Part B-Terms and Conditions.
- Appendix 1-Threshold requirements for building, construction, site, and rehabilitation.
- 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. IFA may, at its’ discretion, conduct due diligence to verify information provided by the applicant. An applicant’s interpretation of the QAP and its requirements is immaterial.

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 2015 QAP	On or about October 15, 2014
Step 3	Mandatory Developer Application training session	On or about October 20-23, 2014
Step 4	Nonprofit set-aside exhibits due to IFA (if applicable)	On or about November 7, 2014
Step 5	Application due to IFA	December 9, 2014 at 4:30 PM
Step 6	IFA Tax Credit Reservation recommendations presented to Board	March 2015 IFA Board of Directors meeting

Step 7	Issuance of 2015 Carryover Agreements	On or about May 31, 2015
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 October 15 of the first year credit period

DRAFT

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 2014, IFA’s Per Capita Tax Credit authority was \$7,107,956. The 2015 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. .

2.2 Set-Asides. There will be one pool of Tax Credits with four (4) set-asides in 2015. 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 2015, 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. Entities seeking Nonprofit status must request approval no later than November 7, 2014. 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 an 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 shall demonstrate its capacity and intention to Materially Participate 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. Ten percent (10%) 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: (1) HUD has determined that the dwelling 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 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. Ten percent (10%) 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.

2.3.1 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.

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.

2.3.2 The maximum Tax Credit amount that will be awarded to any one Project is \$800,000.

2.4 Prohibition of Applying Within the Initial 15 Year Compliance Period. Once a Project has been issued an IRS Form 8609, the Project is prohibited from applying for LIHTC credits until after the 15th year has been completed (of the initial 15 year Compliance Period).

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. During the application review process, IFA will resolve any errors that affect the operation of the online Application system on a case by case basis. IFA reserves the right to determine if a Project meets threshold.

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 shall be submitted via the IFA 2015 Q&A email box established on the IFA website. Responses deemed by IFA to be of general interest to potential Applicants 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 Returning or New Developer in Iowa. If the Applicant has not submitted an Application to IFA in the previous three (3) 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 party that meets the Section 5.4.2 requirement shall attend this meeting. The Developer/Co-Developer must provide IFA financial statements from the past three (3) years. IFA reserves the right to request a personal credit report of the Developer/Co-Developer.

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 Section 1-Introduction-Tax Credit Reservation Schedule. IFA recommends the following parties also attend the mandatory developer training sessions; the Development Consultant (if applicable), any party who will be completing the online application and the party that meets the Section 5.4.2 requirement.

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 the 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 process consists of: (1) market study and analysis; (2) threshold review; and (3) scoring determination. Any revisions to the Tax Credit Reservation 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 shall provide a brief one page statement with market information they believe may be helpful in determining market feasibility of their project. The Applicant is also encouraged to submit any third party market information they believe would be helpful in determining the market feasibility of their project, including but not limited to an independently obtained market study, information from proposed service providers, or other market information. IFA will then provide the exhibit from the on-line Application to the commissioned market study provider. The market study provider shall review and evaluate the information submitted while conducting their market analysis. By submitting this information, Applicants are afforded the opportunity to provide input that may be considered in the determination of market feasibility. However, neither IFA nor commissioned market study provider will be bound by the Applicant's written statements, independent market study or other market information provided.

3.4.1.2 The market study provider will be instructed to assume all LIHTC units have a minimum ten percent (10%) market advantage for each bedroom size when evaluating comparable market rate (free market) units in a primary market area. If the Applicant applies with rent that exceeds this level, the Applicant may be required to adjust rent levels in the deficiency period.

3.4.1.3 During the threshold deficiency period Applicants will be permitted to make changes to income targeting, decreased rents and the addition of amenities, if recommended by the market study analyst. Changes that are made by the Applicant and were not recommended, will not be allowed. An updated market study will not be prepared. Underwriting shall be adjusted if applicable. If required changes are indicated by the market study analyst and it would affect points elected in the application, IFA has the discretion to adjust points in scoring. If the Applicant does not make the requested change(s), then the Project may fail to meet threshold by reason of market feasibility.

3.4.1.4 The market study provider may contact the Applicant at any time to clarify information provided in the online Application or exhibits. However, the Applicant may not contact the market study provider unless they are responding to a question posed by the market study provider. If an Applicant would directly contact the market study provider the market study provider shall notify IFA that contact was made and content of information received.

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 2015 LIHTC Application, and all required exhibits by the due date as outlined in Section 1-Introduction-Tax Credit Reservation Schedule.”

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.

3.4.3.1 Compliance with Environmental Requirements. The environmental review process is required for all HUD-assisted projects to ensure that the proposed Project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. The Applicant agrees and acknowledges that if the Project is funded under the Tax Credit and HOME programs that this does not constitute a commitment of funds or site approval and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt, by the Project, of a Release of Funds from the State of Iowa under 24 CFR Part 58 (National Environmental Policy Act-NEPA). The parties further agree that the provision of funds to the Project is conditioned on the State of Iowa's determination to proceed with, modify or cancel the Project based on the results of a subsequent environmental review. Every Project must be in compliance with NEPA, and other related state and Federal environmental laws. The environmental requirements covered by related

federal laws and authorities and referenced in HUD’s regulations at 24 CFR Part 50.4, 58.5, and 58.6. It is further understood that the environmental clearance must be obtained prior to any commitment of funds or the undertaking of any physical or choice-limiting actions, including property acquisition, demolition, movement rehabilitation, conversion, repair or construction. This requirement applies to the Applicant, as well as to any Project team member. Any violation of this requirement may result in the denial of 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. Entities seeking Nonprofit status must request approval no later than November 7, 2014.

3.4.5 Site Visits. IFA shall 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. Additionally, 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 the 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: \$1,700 36 to 60 Units: \$2,200 61 to 100 Units: \$2,750 Over 100 Units: \$5,500

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	\$1,000 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	<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>Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple building Project on the IRS Form 8609, if eligible to do so.</p> <p>Annual rate increases may apply.</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. Approval of late submissions by the LIHTC Manager is required prior to either Application due date.
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

	<ul style="list-style-type: none"> • 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>
<p>Construction Monitoring Fees</p> <p>Inspections</p> <p>Fees for Failed and Missed Inspections</p>	<p>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.</p> <p>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> <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>

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, workforce housing tax credits 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. If the Applicant does not have a commitment for State Historic Tax Credits, a General Partner loan commitment is required.

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 1.20 DSCR and 1.50 DSCR. Any one year cannot go below 1.15 DSCR or above 1.80 DSCR for the first 15 years.

4.1.4 IFA reserves the right to underwrite the Project at current market interest rates.

4.1.5 IFA will underwrite using a thirty (30) year minimum amortization on the first mortgage debt.

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.

4.2.3 IFA reserves the right to request the last three (3) years of financial statements, which shall include a balance sheet and income statement, of existing housing projects.

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

4.3.1.2 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 shall not be included in the Project costs. The fees associated with obtaining the letter of credit may be included in Project costs.

4.3.1.3 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 Section 4.3.1. 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 Section 4.3.2. Applicants are required to submit to IFA a verification that the terms and conditions of the replacement reserve required by lenders or other

fundors 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 DSCR.

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 shall be provided from the entity making the commitment. A resolution adopted by the city council that allows the creation of a TIF district or an URTE, subject to the Project being awarded LIHTC, is an acceptable commitment. The owner contribution letter must be an unconditional and non expiring commitment to the Project.

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. Fees paid to parties who have an Identity of Interest shall be fully disclosed, and at IFAs discretion, will be included in the allowable developer fee. 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. This fee is limited to ten percent (10%) of Hard Construction Costs, if an Identity of Interest exists between the Owner, the builder and general contractor.

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 related to services rendered to the Project. Fees paid to parties who have an Identity of Interest shall be fully disclosed, and at IFAs discretion, will be included in the allowable developer fee.

4.6.6 Applicants shall not create a subrecipient of the Federal Historic Tax Credits in order to become eligible for more LIHTC.

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. Construction Contingency shall be used to cover costs for unknown conditions discovered and cost overruns incurred during construction. Applicants shall obtain IFA approval for the use of Construction Contingency funds for items that were not part of the initial Scope of Work.

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 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 Unit Cost Cap limits listed in Appendix D. Utility company rebates for energy efficiency measures will be included in the calculation of Total Project Costs. Projects receiving Federal Historic rehabilitation Tax Credits will be allowed to deduct the residential portion of the Federal Historic Tax Credit from the Project costs to allow for stricter rehabilitation standards.

Please refer to Appendix D for the Unit Cost Cap 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, will be allowed to exceed the Tax Credit Cap per LIHTC Unit listed above as defined in Section 7.2.

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 2015 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 (deficiency period) to respond to all items in the initial written deficiency notification. A change in funding sources, including equity pricing, will not be allowed during the deficiency period unless specifically requested by IFA. 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. The Ownership Entity shall be a single asset entity. All members, managers, partners and officers of all entities of the Ownership Entity shall be disclosed in the Application.

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.

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.

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 QDT. 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, Co-Developer, managing member, General Partner or Development Consultant shall have Materially Participated in such a role in the development of a LIHTC Project that has received an IRS Form 8609 from any state within the past five (5) years. Such qualifying member of the QDT shall Materially Participate in the proposed Project through two (2) years after the issuance of the IRS Form 8609. 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 shall attend a mandatory Developer Application training session, as noted in Section 3.2.3. The Management Company/Manager shall have at least three (3) years of experience successfully managing a Section 42 Property. IFA reserves the right to request the audited financials of the management company.

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; and/or
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 and Preservation. 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 60 days or more delinquent or have received more than two (2) delinquency letters in the previous twelve (12) month period.

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 60 days or more delinquent or have received more than two (2) delinquency letters in the previous twelve (12) month period.

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 2014 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 2012 or 2013 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. The Owner completed IRS Form 8609 must match the terms agreed upon in the LURA.

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. If a federal funding source is used, the most restrictive relocation plan requirements shall be followed.

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 Plan (AFHMP). 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 Iowa Housing Search. All awarded Projects shall be listed in Iowa's free rental housing locator at www.IowaHousingSearch.org prior to the Placed-in-Service Date. Failure to list the property is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

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 shall 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 a 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 2015 round.

6.1 Resident Profile

6.1.1 Serves Lowest Income Residents 0 to 20 points

Projects that provide Units that are set aside and occupied by tenants with incomes at forty percent (40%) AMI or less and are rent restricted. Annual re-certification of tenant income is required.

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

Projects that provide Units that are set aside and occupied by tenants with incomes at thirty percent (30%) AMI or less and are rent restricted. Annual re-certification of tenant income is required. These Units must be in addition to any Units selected for the 40% AMI or less.

- 1 point for each full one percent (1%) of the total Project Units -5 points maximum

If a project is a previous LIHTC Project with an existing LURA, Applicant shall not elect scoring points for this category if it would be less restrictive than the existing LURA. Current LURA requirements shall be adhered to or can be made more restrictive only.

This category is not available to an Applicant that elects points in Section 6.1.4-Provides an Opportunity for Homeownership, Section 6.3.3-Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance or Section 6.4.5-Annual Recertification.

6.1.2 Market Rate Incentive 0 to 10 points

Projects that provide market rate Units (not eligible for Tax Credits). On-site staff Units cannot be counted for points. Annual re-certification of tenant income is required.

- 1 point for each full one percent (1%) of the Units (10 points maximum)

This category is not available to an Applicant that elects points in Section 6.1.4-Provides an Opportunity for Homeownership or Section 6.4.5-Annual Recertification.

6.1.3 Serves Tenant Population of individuals with children 7 points

At least fifteen percent (15%) of the Units must be four (4) or more bedroom LIHTC Units.

6.1.4 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 is only for low-income tenants which are qualified under the LIHTC Program and the Owner shall be required to elect a 40/60 minimum set-aside for each single family detached unit. The Iowa Rose Program provides a savings plan for homeownership in years 1 through 15 to purchase a home of their choice and provides a plan to sell the house to an existing LIHTC tenant at the end of the initial 15-year Compliance Period. All utilities shall be paid by the tenants in this Program. See Appendix G – Iowa ROSE Program for further details.

This category is not available to an Applicant that elects points for Section 6.1.1-Serves Lowest Income Residents, Section 6.1.2-Market Rate Incentive or Section 6.4.4-Waives Right to a Qualified Contract.

6.2 Location

6.2.1 Location Near Services 0 to 32 points

The Project's Primary Address (PA) shall be shown in the Building Tab of the LIHTC on-line Application. The PA will be used to determine the distance to the services that are available. The service must be in operation and accessible via existing roads at the time of the Application due date. Using Google Maps (www.Googlemaps.com) driving directions, the distance between the PA and the service shall not be greater than the distance listed below. If the Project has not been assigned a PA by the municipality, or should the PA not be shown on Google Map(s), contact the LIHTC Manager via email ten (10) business days prior to submission of the Application for approval of an alternate method. IFA will generate the Google Map(s) for each service.

If a Scattered Site Project, all building addresses shall be listed at all site locations. Each building address of a Scattered Site Project shall meet the distance listed below.

The Applicant may select from the following options (all services are defined in Appendix 1- Glossary):

The following services shall be within one (1) mile (driving distance):	
Full Service Grocery Store	4 points
Schools (Family Project only)	4 points
Senior Center (Older Persons Project only)	4 points
Medical Services	4 points
Workforce Training	4 points
Public Library	4 points
Cultural arts facility	4 points
Park (City, state or county)	4 points
The following services shall be within one half (1/2) mile (walking distance):	
Public Transportation	4 points

6.2.2 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.

6.2.3 Local Government Contribution 0 to 20 points

A qualified Government Entity or Political Subdivision contributes one percent (1%) of the Total Project Costs, in the form of a contribution as listed in the Table below. 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. All documents shall be signed by the appropriate contributing entity. The scoring exhibit must be supported by corresponding documents listed in the table below.

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.

- 3 points for each full one percent (1%) of the Total Project Costs (20 points maximum)

Form of Contribution	Additional Supporting documents
Cash contribution	Commitment letter
Gift of land or building	Third party MAI certified appraisal
Tax abatement (not tax exemption)	Scoring exhibit only
Tax increment financing	Project specific resolution of the City Council
Urban Revitalization Tax Exemption (URTE)	Project specific resolution of the City Council
Workforce housing tax credit	Commitment letter from Iowa Economic

	Development Authority (IEDA)
Waiver of fees	Scoring exhibit only
Below market interest rate loan	Calculation showing value of imputed savings using a market rate of seven percent (7%)

6.2.4 Underserved City 7 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.

6.3 Building Characteristics

6.3.1 Market Appeal 0 to 41 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 (all amenities are defined in Appendix 1-Glossary):

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. To be eligible for points, single family or scattered site Projects are required to have the video security system to cover all Units.	10 points
Medical Alert System. The Project must be a 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.	7 points
In-Unit Laundry Space with washer and dryer (Dryer must vent to exterior. Projects with Historic tax credits do not qualify)	6 points
Storage Units	5 points
Computer Learning Center or free internet connectivity	5 points
Built-in Dishwasher	3 points
Free parking (1 space per unit within one half mile of the Project-Googlemaps walking distance)	3 points
Bike racks	2 points

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

6.3.2 Projects with Historical Significance 10 points
 All buildings within the Project shall be on the National Register of Historic Places or are determined eligible for the National Register by the State Historic Preservation Officer. Applicants requesting points for historic significance shall use state and federal historic tax credits as a funding source.

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

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

HUD-VASH Voucher Assistance:	
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
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 five percent (5%) of the total Project Units are covered by a written commitment for HUD-VASH Voucher assistance.	10 points

Local Project-Based PHA Voucher Assistance:	
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
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 five percent (5%) of the total Project Units are covered by a written commitment for Local Project-Based PHA Voucher assistance.	10 points

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 for Section 6.1.1-Serves Lowest Income Residents or Section 6.1.2-Market Rate Incentive.

6.3.4 Construction/Unit Characteristics 0 to 13 points

The applicant may select from the following options:

Exterior construction (durability):	0 to 8 points
Minimum of 60% of the gross exterior (excluding window and door areas), of brick, stone, stucco over masonry, architectural CMU block, pre-cast concrete wall panels. The remaining 40% shall be aesthetically pleasing and in harmony with the architecture of the rest of the building. Window infill panels, if present, must be constructed of 100% fiber cement board siding or pre-finished aluminum metal AND pre-finished aluminum metal or fiber cement board fascia and vented soffit systems.	8 points
100% fiber cement board siding (excluding window and door areas) AND pre-finished aluminum metal or fiber cement board fascia or nominal 2” thick manufactured stone over ¾” stucco and vented soffit systems.	7 points
Minimum of 60% of the gross exterior (excluding window and door areas), of brick, stone, stucco over masonry, architectural CMU block, pre-cast concrete wall panels or nominal 2” thick manufactured stone over ¾” stucco. The remaining 40% shall be aesthetically pleasing and in harmony with the architecture of the rest of the building. Window infill panels, if present, must be constructed of 100% fiber cement board siding OR pre-finished aluminum metal.	6 points
100% fiber cement board siding (excluding window and door areas).	5 points

Pre-finished aluminum metal or fiber cement board fascia or nominal 2” thick manufactured stone over ¾” stucco and vented soffit systems.	2 points
Steel frame doors (Projects with Historic tax credits do not qualify)	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
Vertical grab bars in the bathtub/shower and lever door hardware throughout the unit (Senior projects only)	1 point

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.

6.3.5 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.	Additional Accessible Type A Units (optional for scoring)	Visitable (Type C) Units (optional for scoring)	Scoring
10%	2%	N/A	all remaining units	3 points
10%	2%	5%	N/A	5 points
10%	2%	5%	all remaining units	8 points
10%	2%	15%	N/A	7 points
10%	2%	15%	all remaining units	10 points
10%	2%	30%	N/A	9 points
10%	2%	30%	all remaining units	12 points

In determining the number of Accessible Units, fractional calculations must be rounded up to the next whole Unit number. The sequence of percentages will go left to right in order of the table. 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	10 points
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(15%) of the total Project Units as Fully Accessible or Accessible Type A.	
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

Accessible units must be dispersed throughout the property rather than segregated
Any building with more than one story must have an elevator to receive points in this section.

6.3.6 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. (dual flush toilets do not qualify)	2 points
Passive (New Construction) or Active (rehab/reuse) Radon System Radon-reducing features below the building slab along with vertical vent pipe(s) and junction box(es) following requirements in Appendix F, “Radon Control Methods” in the 2012 International Residential Code.	2 points

6.3.7 Energy Efficiency 0 to 8 points

New Construction:	
Home Energy Rating Systems (HERS) Index of 62 or less	8 points
Existing Structures:	
2012 International Energy Conservation Code (IECC) exceeded by eight percent (8%) or more. (not available to Projects utilizing Historic Tax Credits)	8 points

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

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.

6.4 Other

6.4.1 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.

6.4.2 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 General Partner in Section 4.7.1.

6.4.3 Qualified Development Team Experience 10 points

A member of the QDT shall have completed three (3) LIHTC Projects which have received an IRS Form 8609 between the dates of July 1, 2008 and July 1, 2014 as a Developer, managing member or General Partner .

6.4.4 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 Section 6.1.4-Provides an Opportunity for Homeownership.

6.4.5 Annual Recertification 2 points

Annual recertification for 100% LIHTC Projects throughout the Compliance Period and the Extended Use Period.

This category is not available to an Applicant that elects points in for Section 6.1.1-Serves Lowest Income Residents or Section 6.1.2-Market Rate Incentive.

6.5 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 2015 allocation year.

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

6.6.1 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 6.6.2 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.

6.6.2 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 April 1, 2015. IFA will not allow additional Tax Credits to Projects to exceed the Unit cost caps. Additional Tax Credits shall be awarded based on the requirements in the QAP under which the Project originally received Tax Credits.

6.6.3 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/or
- Adequate Tax Credits are available in the 2015 funding round.

7.2 Basis Boost

No Project may receive more than a thirty percent (30%) increase in Eligible Basis.

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 2015 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 fifteen percent (15%) increase in Eligible Basis in order for such Projects to be financially feasible, as allowed by the HERA.

7.2.3 Special Considerations for Projects Serving Lower AMIs. Applicants that elected points under Section 6.1.1 and 6.1.2 shall qualify for the following:

7.2.3.1 Projects that provide thirty percent (30%) of the Units serving tenants with incomes at forty percent (40%) or less AMI shall qualify for an increase of fifteen percent (15%) in Eligible Basis.

7.2.3.2 Projects that provide ten percent (10%) of the Units serving tenants with incomes at thirty percent (30%) or less AMI shall be eligible for an increase of fifteen percent (15%) in Eligible Basis. These Units must be in addition to any Units selected for the 40% AMI or less.

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 2015 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, 2015, 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 6.6.2.
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 6.6.1, 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. Once the waiting list has expired a Project that has been placed on the waiting list shall be awarded five (5) points in the next nine percent (9%) Tax Credit Round. The Project shall be the same Project that was the subject of the successful appeal.

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 at the time of the IRS Form 8609 Application.

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.

8.3 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.

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. The Owner completed IRS Form 8609 must match the terms agreed upon in the LURA.

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 Changes to the Ownership Entity Structure. Prior to any change to the structure of the Ownership Entity (such as a change in a General Partner, change in the ownership of a corporation or change in the membership of a limited liability company) after the reservation of Tax Credits is issued, IFA shall be notified by the Ownership Entity. Any change in the Ownership Entity shall 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 may not be approved. It is at IFA's sole discretion to approve or disapprove the request.

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 – TERMS AND CONDITIONS

The following terms and conditions apply to all Applicants and Projects that receive a reservation of nine percent (9%) Tax Credits, Carryover Allocation and IRS Form 8609 allocation.

SECTION 9: TERMS AND CONDITIONS

9.1 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.

9.1.1 26 USC Section 42 as amended and the related Treasury regulations in effect as of January 1, 2014.

9.1.2 Iowa Code Section 16.52 and the rules promulgated by IFA to govern the LIHTC Program in effect as of the effective date hereof.

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

9.1.3.1 First, by giving preference to IRC Section 42 and the related Treasury regulations.

9.1.3.2 Second, by giving preference to Iowa Code Sections 16.4, 16.52 and the rules governing the QAP; and

9.1.3.3 Third, by giving preference to the QAP.

9.2 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.

9.3 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, the original LURA requirements, in addition to the Project LURA requirements, will be enforced by IFA.

9.4 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.

9.5 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).

9.6 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.

9.7 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.

9.8 Costs Associated with Application Preparation. IFA is not responsible for any costs incurred by the Applicant.

9.9 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.

9.10 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.

9.11 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.

9.12 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.

9.13 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.

9.14 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.

9.14.1 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.

9.14.2 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.

9.14.3 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.

9.14.4 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.

9.14.5 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.

9.14.6 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.

9.14.7 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.

9.14.8 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.

9.14.9 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.

9.14.10 Violence Against Women Act (VAWA). Title VI of the 2013 VAWA Act, Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking, expanded the applicability of the ACT to Low Income Housing Tax Credit program. VAWA protects both child and adult victims of domestic violence, dating violence, sexual assault and stalking. All LIHTC owners and managers shall comply with the requirements of this Act and shall use HUD 91066, Certification of Domestic Violence, Dating Violence or Stalking and HUD 91067, Lease Addendum.

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 2015 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 G-22. 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. 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 shall be suitable for the proposed Project and shall 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. Sites shall not be located in a FEMA identified or proposed 100-year flood zones.

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.

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 shall 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 shall 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 shall 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 shall 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. Accessible units must be dispersed throughout the Property and different bedroom sizes rather than segregated.

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 (2 foot x 5 foot minimum) with a door 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 shall be taken to provide

energy efficient lighting that is not excessive or intrusive to the neighborhood. Areas covered by security cameras shall 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 zone as determined by the Iowa Department of Natural Resources, FEMA map, FIRM 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.
8. Sites shall not be native prairie land, wet lands or endangered habitats.

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; and/or
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 and Preservation. 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; (1) any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person; (2) any other Person directly or indirectly Controlling fifty percent (50%) or more of the voting securities of such Person; or (3) any officer, director, manager, member or partner acts in any such capacity.

Affirmative Fair Housing Marketing Plan (AFHMP) 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 AFHMP, the proposed activities to be carried out during advance marketing, where applicable, and during all rent ups. The AFHMP also shall 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 the Project will provide and maintain bike racks 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 shall 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 shall 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;
- Mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems and elevators; and
- The CNA shall conform to standards outlined in ASTM E 2018-08, Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process. An assessment done for and accepted by USDA Rural Development 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.

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.

Cultural Arts Facility means a museum, science center, performing arts theater (plays, concerts, ballet, etc) that offers educational and entertainment activities on various cultures and the arts to the general public.

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.

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 (DDA) 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; and (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 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.).

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. Failure to disclose an Identity of Interest is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

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), workforce housing tax credits, waiver of fees, or below market interest rate loan (value calculated on imputed savings). A resolution adopted by the city council that allows the creation of a TIF district or an URTE, subject to the Project being awarded LIHTC, is an acceptable commitment. 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 a LIHTC project on a basis which is regular, continuous and substantial.

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; (2) 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 Single Asset 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.

Park (City, State or County) means an area of land that is established at the date of the Application and set-apart, owned, or managed by a city, state or county governmental entity and available to the general public for use of its facilities for recreation. This does not include exclusively sports facilities and fairgrounds.

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.).

Public Transportation means a Passenger (transportation) service which is available for use by the general public that has set routes, stops, and time points. This type of transit is provided where no advance reservations are necessary. Service is available to the general public, including persons with disabilities. This does not include Amtrak and multi-state bus companies.

Qualified Allocation Plan (QAP) means an allocation plan used to select and award Tax Credits to qualified recipients.

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 following mandatory members: Project Developer, General Partner/managing member, architect, tax attorney, management company, energy consultant, tax accountant and non-mandatory members: development consultant, contractor, engineer and syndicator. Anyone with an Identity of Interest is a mandatory team member. Failure to disclose an Identity of Interest is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

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).

Radon System (Sub-slab Depressurization System) means 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.

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 \$6,500 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. The Iowa ROSE Program is only for low-income tenants which are qualified under the LIHTC Program and the Owner shall be required to elect a 40/60 minimum set-aside for each single family detached unit. The Iowa Rose Program provides a savings plan for homeownership in years 1 through 15 to purchase a home of their choice, and provides a plan to sell the house to an existing LIHTC tenant at the end of the initial 15-year Compliance Period. All utilities shall be paid by the tenants in this 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 (3) 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 shall 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, structurally strong and secure, floor to ceiling room that is at least twenty (20) square feet. The Storage Unit must be in addition to and excess of the required Bedroom, Linen and Coat closets. Storage rooms must be maintained in compliance with the 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 shall 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.

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” and 16.5(1)“r,” the Iowa Finance Authority proposes to amend Chapter 12, “Low-Income Housing Tax Credits,” Iowa Administrative Code.

These amendments replace the current qualified allocation plan for the Low-Income Housing Tax Credit Program with two qualified allocation plans – one for nine percent tax credits and another for four percent tax credits – both of which are to be incorporated by reference in rule 265—12.1(16).

The qualified allocation plans set forth the purposes of the plans, the administrative information required for participation, threshold criteria, selection criteria, post reservation requirements, the appeal process, and the compliance monitoring component. The plans also establish the fees for filing an application for low-income housing tax credits and for compliance monitoring. Copies of the qualified allocation plans are available upon request from the Authority and are available electronically on the Authority’s Web site at www.iowafinanceauthority.gov. It is the Authority’s intent to incorporate the qualified allocation plans by reference consistent with Iowa Code chapter 17A and 265—subrules 17.4(2) and 17.12(2).

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

waivers. The qualified allocation plans are subject to state and federal requirements that cannot be waived. (See Internal Revenue Code Section 42 and Iowa Code section 16.52.)

The Authority will receive written comments on the proposed amendments and on the qualified allocation plans until 4:30 p.m. on August 26, 2014. Comments may be addressed to Dave Vaske, Low-Income Housing Tax Credit Manager, Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50312. Comments may also be faxed to Dave Vaske at (515)725-4941 or E-mailed to dave.vaske@iowa.gov.

The Authority will hold a public hearing on August 26, 2014, to receive public comments on these amendments and on the proposed 2015 qualified allocation plans. The public hearing will be held from 9 to 11 a.m. at the Authority's offices, located at 2015 Grand Avenue, Des Moines, Iowa.

The Authority anticipates that it may make changes to the qualified allocation plans based on comments received from the public.

After analysis and review of this rule making, the impact on jobs is expected to be consistent with the impact of previous years' QAPs. The Low Income Housing Tax Credit program has a substantial positive impact on job creation in Iowa with many jobs created annually in the construction, finance, and property management fields, among others.

These amendments are intended to implement Iowa Code sections 16.5(1)“r,” 16.52, 17A.12, and 17A.16 and IRC Section 42.

The following amendments are proposed.

ITEM 1. Amend rule 265—12.1(16) as follows:

265—12.1(16) Qualified allocation plans. ~~The qualified allocation plan entitled Iowa~~

~~Finance Authority Low Income Housing Tax Credit Program 2014 Qualified Allocation Plan shall be the qualified allocation plan for the allocation of 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 2, 2013.~~ 12.1(1) *Four percent qualified allocation plan.* The qualified allocation plan entitled Iowa Finance Authority Low-Income Housing Tax Credit Program 4% Qualified Allocation Plan (“4% QAP”) shall be the qualified allocation plan for the allocation of 4% low-income housing tax credits consistent with IRC Section 42 and the applicable Treasury regulations and Iowa Code section 16.52. The 4% QAP is incorporated by reference pursuant to Iowa Code section 17A.6 and 265—subrules 17.4(2) and 17.12(2). The 4% QAP does not include any amendments or editions created subsequent to July 9, 2014.

12.1(2) *Nine percent qualified allocation plan.* The qualified allocation plan entitled Iowa Finance Authority Low-Income Housing Tax Credit Program 2015 Qualified Allocation Plan (“9% QAP”) shall be the qualified allocation plan for the allocation of 9% low-income housing tax credits consistent with IRC Section 42 and the applicable Treasury regulations and Iowa Code section 16.52. The 9% QAP is incorporated by reference pursuant to Iowa Code section 17A.6 and 265—subrules 17.4(2) and 17.12(2). The 9% QAP does not include any amendments or editions created subsequent to July 9, 2014.

ITEM 2. Amend rule 265—12.2(16) as follows:

265—12.2(16) Location of copies of the plans. ~~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 2, 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.~~ 12.2(1) 4% QAP. The 4% QAP can be reviewed and copied in its entirety on the authority's Web site at <http://www.iowafinanceauthority.gov>. Copies of the 4% QAP, application, and all related attachments and exhibits shall be deposited with the administrative rules coordinator and at the state law library and shall be available on the authority's Web site. The 4% QAP incorporates by reference IRC Section 42 and the regulations in effect as of July 9, 2014. Additionally, the 4% QAP 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.

12.2(2) 9% QAP. The 9% QAP can be reviewed and copied in its entirety on the authority's Web site at <http://www.iowafinanceauthority.gov>. Copies of the 9% QAP, application, and all related attachments and exhibits shall be deposited with the administrative rules coordinator and at the state law library and shall be available on the authority's Web site. The 9% QAP incorporates by reference IRC Section 42 and the regulations in effect as of July 9, 2014. Additionally, the 9% QAP 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.

ITEM 3. Rescind rules 265—12.3(16), Compliance manual, and 265—12.4(16), Location of copies of the manual.

Respectfully submitted,

July 9, 2014

David D. Jamison, Executive Director

By Authority of the Board of the Iowa Finance Authority

Respectfully submitted,



To: IFA Board of Directors
From: Terri Rosonke, HousingIowa Development Specialist
Date: 7/9/14
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 2015 Project-Based Housing Program totals \$350,000. The attached funding recommendation is offered for your consideration for one award totaling \$20,000.

If the attached FY 2015 Project-Based Housing Program funding recommendation is approved by the Board, awards to date will total \$20,000, with \$330,000 remaining available for allocation.

Awards approved by the Board in FY 2015 are leveraging an additional \$56,076 in other financing resources or \$2.80 for every dollar of Project-Based funding. The approved FY 2015 projects will assist a total of 1 affordable housing unit in Iowa with an average per unit subsidy of \$20,000.



**FY 2015 State Housing Trust Fund – Project-Based Housing Program
Application Summary and Funding Recommendations
July 9, 2014**

Project-Based Application #15-01

Applicant: Habitat for Humanity of Boone and Greene Counties, Inc.

Project Location: Greene (Jefferson County)

Project Name: Jefferson House Acquisition and Repair

Funding Request: \$20,000

Number of Units: 1

Total Budget: \$76,076

Project Type: Homeownership

Activity: Acquisition of housing property, rehabilitation, and resale for affordable housing

Background: Habitat for Humanity of Boone and Greene Counties has requested a \$20,000 grant to help acquire and rehabilitate a vacant single-family home in Jefferson for resale to a low-income family. Constructed in 1947, the 1.5 story home consists of 1,365 finished square feet, including three bedrooms and 1.5 bathrooms. The home was foreclosed on in 2012 and will require major rehabilitation prior to resale. The city of Jefferson has committed Neighborhood Stabilization Program (NSP) funding to the proposed project, having successfully partnered with the Habitat affiliate on two previous NSP-assisted renovations.

Since its inception in 1996, Habitat for Humanity of Boone and Greene Counties has constructed 23 single-family homes for low-income homebuyers and completed an additional 10 owner-occupied housing repair projects. The partner family for this build will receive financial, home repair, homeownership, and foreclosure prevention education and must complete the required sweat equity/community service hours prior to closing on the home.

The Project-Based Housing Program award will be used to help finance acquisition and rehabilitation costs. The requested grant represents 28 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 \$20,000 contingent upon satisfaction of the following prior to the disbursement of any Project-Based Housing Program grant funds: IFA compliance staff must review and approve the homebuyer's

gross annual household income verification documentation as submitted by Habitat for Humanity of Boone and Greene Counties, Inc.

RESOLUTION
HI 14-13

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 a grant under the Project-Based Housing Program to the recipient and in the amount 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 a grant award agreement for the recipient consistent with this resolution and with the Allocation Plan.

PASSED AND APPROVED this 9th day of July, 2014.

David D. Jamison, Secretary
(Seal)

EXHIBIT A

Applicant	Category	Funding Recommendation
#15-01, Habitat for Humanity of Boone and Greene Counties, Inc. <i>Project Location: Jefferson (Greene County)</i>	Project-Based	\$ 20,000
Total Funding Recommendations 7/9/14	Project-Based	\$ 20,000
Total Prior Awards FY2015	Project-Based	\$ 0
Total FY2015 Funding Recommendations/Awards To Date	Project-Based	\$ 0
Total FY2015 Funding Remaining	Project-Based	\$ 330,000



To: David D Jamison
 From: Steven E Harvey
 Date: June 23, 2014
 Re: May 2014 Financial Results

Financial Performance Targets:

Housing Agency:	6/30/2010	6/30/2011	6/30/2012	6/30/2013	5/31/2014	Budget
Equity/asset ratio > 12.2%	11.5%	16.9%	24.4%	31.9%	37.0%	32.4%
Return on assets ≥ .80%	0.46%	3.20%	1.87%	1.64%	0.96%	0.80%
Net interest margin > 1.15%	0.67%	0.78%	1.38%	1.27%	1.86%	1.67%
Loans/asset ratio > 80%	58.9%	63.9%	72.9%	77.0%	75.3%	75.9%
Loan & mbs portfolio	963,477,424	897,839,338	776,764,795	670,520,419	580,693,514	654,067,400
SRF loan portfolio	859,436,730	1,079,065,360	1,214,680,727	1,317,080,585	1,448,956,671	1,430,719,000
Staff Count	86	88	90	90	93	94

Housing Agency results –

YTD operating income of \$22,262,935 is \$139,126 or 0.6% favorable to budget.

- Fee income exceeds budget by \$428,771 with Compliance, LIHTC, Economic Development Bond Fees, and MCC fees all favorable.
- Net interest income exceeds budget by \$1,471,299 due to favorable MBS volume and selling 98% of that volume into the secondary market.
- Net grant expense exceeds budget by \$1,964,770 due to:
 - DPA expense associated with MBS sales \$825,166
 - SF Service Acquisition/Release costs \$610,116
 - HOME program \$626,848 expending funds received in FY13
 - Mortgage Settlement grants for advertising are favorable to budget by \$341,034.

YTD operating expense of \$15,007,769 is \$305,187 or 2.0% favorable to budget.

- Employee and operating expenses are favorable to budget by \$251,060.
- Marketing expense is unfavorable to budget by \$492,697 due mainly to Iowa Mortgage Help advertising that is paid by the Mortgage settlement grants mentioned above.
- Professional Services is favorable to budget by \$176,240 as consulting for Housing Iowa lower than plan.
- Provision for losses is favorable to budget by \$387,127 due to a TG loss recovery and favorable loan loss reserves.

Net operating income of \$7,255,166 is \$444,313 or 6.5% favorable to budget.

State Revolving Fund results -

YTD operating income of \$32,835,242 is \$140,275 or 0.6% unfavorable to budget.

YTD operating expense of \$8,019,049 is \$704,055 or 8.1% favorable to budget.

Net operating income of \$24,816,193 is \$563,780 or 2.3% favorable to budget.

Iowa Finance Authority
Summary Financial Information

May 31, 2014

Housing Agency	Current Month				Year to date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Fee income	740,001	848,744	(108,743)	-12.8%	10,814,931	10,386,160	428,771	4.1%
Net interest income	1,298,233	1,123,559	174,674	15.5%	13,781,193	12,309,894	1,471,299	12.0%
Net grant income	(818,765)	(610,919)	(207,846)	34.0%	(2,661,792)	(697,022)	(1,964,770)	281.9%
Other income	8,165	5,161	3,004	58.2%	328,603	124,777	203,826	163.4%
Total operating income	1,227,634	1,366,545	(138,911)	-10.2%	22,262,935	22,123,809	139,126	0.6%
Direct employee exp	746,908	803,653	(56,745)	-7.1%	8,464,383	8,715,775	(251,392)	-2.9%
Indirect operating exp	88,279	81,640	6,639	8.1%	898,259	897,927	332	0.0%
Marketing exp	37,077	21,036	16,041	76.3%	842,102	349,405	492,697	141.0%
Professional service exp	227,773	367,490	(139,717)	-38.0%	4,377,328	4,553,568	(176,240)	-3.9%
Provision for losses	65,494	46,591	18,903	40.6%	245,374	632,501	(387,127)	-61.2%
Miscellaneous exp	16,322	14,888	1,434	9.6%	180,323	163,780	16,543	10.1%
Total operating expense	1,181,853	1,335,298	(153,445)	-11.5%	15,007,769	15,312,956	(305,187)	-2.0%
Net operating income (loss)	45,781	31,247	14,534	46.5%	7,255,166	6,810,853	444,313	6.5%
State Revolving Fund								
Fee income	295,609	352,962	(57,353)	-16.2%	3,550,835	3,703,898	(153,063)	-4.1%
Net interest income	457,999	333,086	124,913	37.5%	2,915,177	2,027,859	887,318	43.8%
Net grant income	(348,915)	181,000	(529,915)	-292.8%	26,369,227	27,243,760	(874,533)	-3.2%
Other income	-	-	-	0.0%	3	-	3	0.0%
Total operating income	404,693	867,048	(462,355)	-53.3%	32,835,242	32,975,517	(140,275)	-0.4%
Direct employee exp	59,326	73,222	(13,896)	-19.0%	627,663	796,455	(168,792)	-21.2%
Indirect operating exp	6,535	5,801	734	12.7%	73,140	63,805	9,335	14.6%
Marketing exp	3,470	1,400	2,070	147.9%	35,780	15,400	20,380	132.3%
Professional service exp	25,013	37,886	(12,873)	-34.0%	289,638	419,924	(130,286)	-31.0%
Provision for losses	-	-	-	0.0%	(25,000)	-	(25,000)	0.0%
Miscellaneous exp	541,421	686,360	(144,939)	-21.1%	7,017,828	7,427,520	(409,692)	-5.5%
Total operating expense	635,765	804,669	(168,904)	-21.0%	8,019,049	8,723,104	(704,055)	-8.1%
Net operating income (loss)	(231,072)	62,379	(293,451)	-470.4%	24,816,193	24,252,413	563,780	2.3%
Consolidated								
Fee income	1,035,611	1,201,706	(166,095)	-13.8%	14,365,767	14,090,058	275,709	2.0%
Net interest income	1,756,232	1,456,645	299,587	20.6%	16,696,371	14,337,753	2,358,618	16.5%
Net grant income	(1,167,680)	(429,919)	(737,761)	171.6%	23,707,435	26,546,738	(2,839,303)	-10.7%
Other income	8,165	5,161	3,004	58.2%	328,606	124,777	203,829	163.4%
Total operating income	1,632,328	2,233,593	(601,265)	-26.9%	55,098,179	55,099,326	(1,147)	0.0%
Direct employee exp	806,234	876,875	(70,641)	-8.1%	9,092,048	9,512,230	(420,182)	-4.4%
Indirect operating exp	94,815	87,441	7,374	8.4%	971,402	961,732	9,670	1.0%
Marketing exp	40,546	22,436	18,110	80.7%	877,882	364,805	513,077	140.6%
Professional service exp	252,785	405,376	(152,591)	-37.6%	4,666,966	4,973,492	(306,526)	-6.2%
Provision for losses	65,494	46,591	18,903	40.6%	220,374	632,501	(412,127)	-65.2%
Miscellaneous exp	557,743	701,248	(143,505)	-20.5%	7,198,152	7,591,300	(393,148)	-5.2%
Total operating expense	1,817,617	2,139,967	(322,350)	-15.1%	23,026,824	24,036,060	(1,009,236)	-4.2%
Net operating income (loss)	(185,289)	93,626	(278,915)	-297.9%	32,071,355	31,063,266	1,008,089	3.2%

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	46,847-	83,314-	56.23	404,909-	918,634-	44.08	1001,947-	597,038-
EC DEV & MWD BOND FEES	31,290-	12,500-	250.32	232,120-	137,500-	168.81	150,000-	82,120
TG FEES	377,771-	568,033-	66.51	6138,574-	6248,354-	98.24	6816,387-	677,813-
LIHTC APP & RESERVATION FEES	7,300-		.00	1267,456-	1050,000-	120.71	1050,000-	217,456
LIHTC & 1602 COMPLIANCE FEES	30,996-	39,041-	79.39	570,620-	429,451-	132.87	468,494-	102,126
SECTION 8 FEES	201,384-	197,659-	101.88	2204,004-	2174,243-	101.37	2371,903-	167,899
MISC FEES	340,024-	301,159-	112.91	3548,080-	3131,876-	113.29	3431,590-	116,490
TOTAL FEE INCOME	1035,612-	1201,706-	86.18	14365,763-	14090,058-	101.96	15290,321-	924,558-
INVESTMENT INTERST INCOME	428,521-	314,296-	136.34	3903,956-	3584,265-	108.92	3926,097-	22,141-
GAIN OR LOSS ON SALE	312,552-	170,069-	183.78	3051,759-	1870,755-	163.13	2040,824-	1010,935
REBATE EXPENSE			.00	45,524-		.00		45,524
MBS INTEREST INCOME	1749,004-	1941,395-	90.09	20975,955-	22999,859-	91.20	24908,205-	3932,250-
LOAN INTEREST INCOME	3494,462-	3500,801-	99.82	37571,207-	37254,858-	100.85	40544,207-	2973,000-
OTHER INTEREST INCOME			.00			.00		
TOTAL INTEREST INCOME	5984,539-	5926,561-	100.98	65548,401-	65709,737-	99.75	71419,333-	5870,932-
BOND INTEREST EXPENSE	4700,530	4853,385	96.85	53349,739	54849,062	97.27	59676,790	6327,051
COST OF ISSUANCE EXPENSE		30,068	.00	1013,803	496,583	204.16	526,654	487,149-
DISCOUNT / PREMIUM AMORT	596,953-	552,421-	108.06	6941,623-	5536,880-	125.37	6089,303-	852,320
REMARKETING FEES	15,292	18,647	82.01	174,375	205,118	85.01	223,765	49,390
LIQUIDITY FEES	69,013	70,132	98.40	786,192	771,455	101.91	841,588	55,396
OTHER INTEREST COSTS	40,428	50,105	80.69	469,545	586,646	80.04	636,750	167,205
TOTAL INTEREST EXPENSE	4228,310	4469,916	94.59	48852,031	51371,984	95.09	55816,244	6964,213
NET INTEREST INCOME	1756,229-	1456,645-	120.57	16696,370-	14337,753-	116.45	15603,089-	1093,281
NET GRANT EXPENSE (INC)	1167,680	429,919	271.60	23707,435-	26546,738-	89.30	26220,071-	2512,636-
AUTHORITY FEES			.00			.00		
OTHER INCOME	8,165-	5,161-	158.21	328,606-	124,777-	263.35	141,940-	186,666
TOTAL OPERATING INCOME	1632,326-	2233,593-	73.08	55098,174-	55099,326-	100.00	57255,421-	2157,247-
OPERATING EXPENSES	1817,616	2139,967	84.94	23026,829	24036,060	95.80	26345,226	3318,397
NET OPERATING INCOME	185,290	93,626-	197.90-	32071,345-	31063,266-	103.25	30910,195-	1161,150
NON OPERATING EXPENSES	3283,629-		.00	921,067		.00		921,067-
NET INCOME	3098,339-	93,626-	3309.27	31150,278-	31063,266-	100.28	30910,195-	240,083

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
FEE INCOME	1035,611-	1201,706-	86.18	14365,767-	14090,058-	101.96	15290,321-	924,554-
NET INTEREST INCOME	1756,232-	1456,645-	120.57	16696,371-	14337,753-	116.45	15603,089-	1093,282
NET GRANT INCOME	1167,680	429,919	271.60	23707,435-	26546,738-	89.30	26220,071-	2512,636-
AUTHORITY FEE INCOME			.00			.00		
OTHER INCOME	8,165-	5,161-	158.21	328,606-	124,777-	263.35	141,940-	186,666
TOTAL OPERATING INCOME	1632,328-	2233,593-	73.08	55098,179-	55099,326-	100.00	57255,421-	2157,242-
SALARY & BENEFITS	787,492	857,456	91.84	8854,171	9298,636	95.22	10119,241	1265,070
TRAVEL & EDUCATION	18,741	19,419	96.51	237,877	213,594	111.37	233,026	4,851-
OFFICE SUPPLIES AND POSTAGE	15,145	12,791	118.40	139,409	140,692	99.09	153,501	14,092
TELEPHONE & DATA	11,333	7,815	145.02	109,296	85,935	127.18	93,764	15,532-
FACILITIES	17,520	17,800	98.43	179,765	195,729	91.84	213,544	33,779
EQUIPMENT & SOFTWARE	23,240	19,829	117.20	246,489	218,119	113.01	237,970	8,519-
DEPRECIATION	27,577	29,206	94.42	296,443	321,257	92.28	350,466	54,023
STATE INDIRECT	6,681	6,300	106.05	77,240	69,291	111.47	75,611	1,629-
MARKETING	28,398	22,436	126.57	654,326	249,805	261.93	272,249	382,077-
MARKETING - CONFERENCE HOSTING	12,148		.00	223,555	115,000	194.40	115,000	108,555-
PS - ACCOUNTING	897	10,847	8.27	100,530	119,323	84.25	130,172	29,642
PS - LEGAL	10,094	15,900	63.48	211,544	174,894	120.96	190,797	20,747-
PS - COMPLIANCE	14,805	11,299	131.03	145,399	124,295	116.98	135,596	9,803-
PS - LIHTC MARKET STUDY			.00	220,000	358,365	61.39	358,365	138,365
PS - BANKING	38,273	41,469	92.29	459,961	489,912	93.89	529,836	69,875
PS - TG FIELD ISSUE FEE	154,530	216,628	71.33	2359,718	2382,908	99.03	2599,538	239,820
PS - IT CONSULTING	14,959	36,424	41.07	332,974	400,664	83.11	437,093	104,119
PS - MISC CONSULTING	16,692	51,712	32.28	290,829	568,808	51.13	620,528	329,699
PS - S8 SERVICES	13,830	15,000	92.20	152,278	165,000	92.29	180,000	27,722
PS - STATE AUDITOR			.00	74,517	62,317	119.58	62,317	12,200-
PS - MISC	11,296-	6,097	185.27-	319,213	127,006	251.34	138,110	181,103-
PROVISION FOR LOSSES	65,494	46,591	140.57	220,374	632,501	34.84	699,095	478,721
MISC EXPENSES	551,062	694,948	79.30	7120,911	7522,009	94.67	8399,407	1278,496
INDIRECT COST TRANSFER			.00			.00		
TOTAL OPERATING EXPENSES	1817,615	2139,967	84.94	23026,819	24036,060	95.80	26345,226	3318,407
NET OPERATING INCOME	185,287	93,626-	197.90-	32071,360-	31063,266-	103.25	30910,195-	1161,165
INTERAGENCY GRANTS			.00			.00		
FMVA	3283,629-		.00	921,067		.00		921,067-
OTHER NON-OPERATING			.00			.00		
NET INCOME	3098,342-	93,626-	3309.28	31150,293-	31063,266-	100.28	30910,195-	240,098

DESCRIPTION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE	LAST YR BALANCE	% VAR
CASH	93,580,404.82	6,679,786.40	100,260,191.22	101,103,974.79	99.17
CASH EQUIVALENTS	259,615,170.62	12,555,522.31	272,170,692.93	255,724,573.33	106.43
INVESTMENTS	159,694,162.24	16,424,553.99-	143,269,608.25	152,687,693.64	93.83
INV FMVA	1,687,909.73	221,391.56	1,909,301.29	1,652,213.37	115.56
MORTGAGE BACKED SECURITIES	444,744,327.71	6,850,476.06-	437,893,851.65	545,785,275.45	80.23
MBS FMVA	32,434,093.85	3,062,237.70	35,496,331.55	42,043,194.44	84.43
OTHER HOUSING LOANS	142,335,416.17	464,246.65	142,799,662.82	134,299,287.15	106.33
SRF LOANS	1,440,460,582.79	8,496,087.91	1,448,956,670.70	1,342,709,796.20	107.91
INTEREST RECEIVABLE	18,968,651.97	3,143,162.93	22,111,814.90	20,661,955.97	107.02
CAPITAL ASSETS	5,311,866.46		5,311,866.46	4,975,804.30	106.75
PROVISION FOR ACCUMULATED DEPRECIATION	2,240,745.49-	27,577.17-	2,268,322.66-	1,946,527.48-	116.53
TRADE ACCOUNTS RECEIVABLE	693,745.24	241,458.22-	452,287.02	292,389.90	154.69
OTHER ASSETS	10,846,313.59	238,009.64	11,084,323.23	14,561,026.49	76.12
DEFERRED DERIVATIVES	41,124,640.68		41,124,640.68	39,512,981.31	104.08
TOTAL ASSETS	2,649,256,540.38	11,316,379.66	2,660,572,920.04	2,654,063,638.86	100.25
BOND PAYABLE	1,432,222,821.15-	1,953,716.62	1,430,269,104.53-	1,453,814,340.04-	98.38
INTEREST PAYABLE	14,024,693.02-	4,272,527.29-	18,297,220.31-	19,042,491.01-	96.09
DEFERRED INCOME	3,555,681.52-	14,502.45	3,541,179.07-	18,048,974.45-	19.62
REBATES OWED	29,076.94-		29,076.94-	127,519.48-	22.80
RESERVE FOR LOSSES	5,480,177.44-	80,171.29-	5,560,348.73-	5,093,955.86-	109.16
ACCOUNTS PAYABLE & OTHER CURR LIAB	23,379,342.25-	5,834,172.49-	29,213,514.74-	25,409,625.07-	114.97
DERIVATIVE LIABILITY	41,653,089.63-		41,653,089.63-	39,510,326.03-	105.42
TOTAL LIABILITIES	1,520,344,881.95-	8,218,652.00-	1,528,563,533.95-	1,561,047,231.94-	97.92
FUND BALANCE	1,100,866,254.04-		1,100,866,254.04-	1,068,414,982.79-	103.04
TRANSFER BETWEEN FUNDS		.01	.01	710.80-	
CURRENT YEAR EARNINGS	28,045,404.39-	3,097,727.67-	31,143,132.06-	24,600,713.33-	126.59
TOTAL NET ASSETS	1,128,911,658.43-	3,097,727.66-	1,132,009,386.09-	1,093,016,406.92-	103.57
TOTAL LIABILITIES AND NET ASSETS	2,649,256,540.38-	11,316,379.66-	2,660,572,920.04-	2,654,063,638.86-	100.25

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
LOAN ORIGATION FEES	37,662-	7,301-	515.85	51,614-	80,302-	64.27	87,603-	35,989-
EC DEV & MWD BOND FEES	31,290-	12,500-	250.32	232,120-	137,500-	168.81	150,000-	82,120
TG FEES	377,771-	568,033-	66.51	6138,574-	6248,354-	98.24	6816,387-	677,813-
LIHTC APP & RESERVATION FEES	7,300-		.00	1267,456-	1050,000-	120.71	1050,000-	217,456
LIHTC & 1602 COMPLIANCE FEES	30,996-	39,041-	79.39	570,620-	429,451-	132.87	468,494-	102,126
SECTION 8 FEES	201,384-	197,659-	101.88	2204,004-	2174,243-	101.37	2371,903-	167,899
MISC FEES	53,599-	24,210-	221.39	350,539-	266,310-	131.63	290,520-	60,019
TOTAL FEE INCOME	740,002-	848,744-	87.19	10814,927-	10386,160-	104.13	11234,907-	419,980-
INVESTMENT INTERST INCOME	356,250-	267,685-	133.09	3263,168-	2887,397-	113.01	3160,628-	102,540
GAIN OR LOSS ON SALE	312,552-	170,069-	183.78	3050,425-	1870,755-	163.06	2040,824-	1009,601
REBATE EXPENSE			.00			.00		
MBS INTEREST INCOME	1749,004-	1941,395-	90.09	20975,955-	22999,859-	91.20	24908,205-	3932,250-
LOAN INTEREST INCOME	307,604-	369,713-	83.20	3519,583-	3807,428-	92.44	4181,819-	662,236-
OTHER INTEREST INCOME			.00			.00		
TOTAL INTEREST INCOME	2725,410-	2748,862-	99.15	30809,131-	31565,439-	97.60	34291,476-	3482,345-
BOND INTEREST EXPENSE	1360,053	1509,132	90.12	16516,086	17977,648	91.87	19461,125	2945,039
COST OF ISSUANCE EXPENSE		30,068	.00	145,303	330,775	43.93	360,846	215,543
DISCOUNT / PREMIUM AMORT	19,598-	13,076-	149.88	643,754-	143,851-	447.51	156,929-	486,825
REMARKETING FEES	15,292	18,647	82.01	174,375	205,118	85.01	223,765	49,390
LIQUIDITY FEES	69,013	70,132	98.40	786,192	771,455	101.91	841,588	55,396
OTHER INTEREST COSTS	2,416	10,400	23.23	49,734	114,400	43.47	124,800	75,066
TOTAL INTEREST EXPENSE	1427,176	1625,303	87.81	17027,936	19255,545	88.43	20855,195	3827,259
NET INTEREST INCOME	1298,234-	1123,559-	115.55	13781,195-	12309,894-	111.95	13436,281-	344,914
NET GRANT EXPENSE (INC)	818,765	610,919	134.02	2661,792	697,022	381.88	1262,129	1399,663-
AUTHORITY FEES			.00			.00		
OTHER INCOME	8,165-	5,161-	158.21	328,603-	124,777-	263.35	141,940-	186,663
TOTAL OPERATING INCOME	1227,636-	1366,545-	89.84	22262,933-	22123,809-	100.63	23550,999-	1288,066-
OPERATING EXPENSES	1181,853	1335,298	88.51	15007,775	15312,956	98.01	16634,875	1627,100
NET OPERATING INCOME	45,783-	31,247-	146.52	7255,158-	6810,853-	106.52	6916,124-	339,034
NON OPERATING EXPENSES	3066,123-		.00	1375,732		.00		1375,732-
NET INCOME	3111,906-	31,247-	9959.06	5879,426-	6810,853-	86.32	6916,124-	1036,698-

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
FEE INCOME	740,001-	848,744-	87.19	10814,931-	10386,160-	104.13	11234,907-	419,976-
NET INTEREST INCOME	1298,233-	1123,559-	115.55	13781,193-	12309,894-	111.95	13436,281-	344,912
NET GRANT INCOME	818,765	610,919	134.02	2661,792	697,022	381.88	1262,129	1399,663-
AUTHORITY FEE INCOME			.00			.00		
OTHER INCOME	8,165-	5,161-	158.21	328,603-	124,777-	263.35	141,940-	186,663
TOTAL OPERATING INCOME	1227,634-	1366,545-	89.83	22262,935-	22123,809-	100.63	23550,999-	1288,064-
SALARY & BENEFITS	734,799	794,553	92.48	8300,549	8614,463	96.36	9375,025	1074,476
TRAVEL & EDUCATION	17,464	18,989	91.97	231,948	208,864	111.05	227,866	4,082-
OFFICE SUPPLIES AND POSTAGE	14,831	12,271	120.86	132,961	134,972	98.51	147,261	14,300
TELEPHONE & DATA	10,916	7,435	146.82	105,535	81,755	129.09	89,204	16,331-
FACILITIES	16,793	16,810	99.90	172,272	184,839	93.20	201,664	29,392
EQUIPMENT & SOFTWARE	23,098	19,599	117.85	244,959	215,589	113.62	235,210	9,749-
DEPRECIATION	22,641	25,525	88.70	242,532	280,772	86.38	306,299	63,767
STATE INDIRECT	6,397	5,940	107.69	74,175	65,331	113.54	71,291	2,884-
MARKETING	24,929	21,036	118.51	618,546	234,405	263.88	255,449	363,097-
MARKETING - CONFERENCE HOSTING	12,148		.00	223,555	115,000	194.40	115,000	108,555-
PS - ACCOUNTING	859	10,187	8.43	96,252	112,063	85.89	122,252	26,000
PS - LEGAL	10,095	7,640	132.13	173,885	84,034	206.92	91,677	82,208-
PS - COMPLIANCE	14,805	11,299	131.03	145,399	124,295	116.98	135,596	9,803-
PS - LIHTC MARKET STUDY			.00	220,000	358,365	61.39	358,365	138,365
PS - BANKING	16,799	18,833	89.20	225,555	240,238	93.89	259,079	33,524
PS - TG FIELD ISSUE FEE	154,530	216,628	71.33	2359,718	2382,908	99.03	2599,538	239,820
PS - IT CONSULTING	13,959	36,364	38.39	330,679	400,004	82.67	436,373	105,694
PS - MISC CONSULTING	16,692	45,442	36.73	290,829	499,838	58.18	545,288	254,459
PS - S8 SERVICES	13,830	15,000	92.20	152,278	165,000	92.29	180,000	27,722
PS - STATE AUDITOR			.00	74,517	62,317	119.58	62,317	12,200-
PS - MISC	13,796-	6,097	226.28-	308,213	124,506	247.55	130,610	177,603-
PROVISION FOR LOSSES	65,494	46,591	140.57	245,374	632,501	38.79	699,095	453,721
MISC EXPENSES	9,926	8,948	110.93	106,148	98,449	107.82	107,407	1,259
INDIRECT COST TRANSFER	5,356-	9,889-	54.16	68,114-	107,552-	63.33	116,991-	48,877-
TOTAL OPERATING EXPENSES	1181,853	1335,298	88.51	15007,765	15312,956	98.01	16634,875	1627,110
NET OPERATING INCOME	45,781-	31,247-	146.51	7255,170-	6810,853-	106.52	6916,124-	339,046
INTERAGENCY GRANTS			.00			.00		
FMVA	3066,123-		.00	1375,732		.00		1375,732-
OTHER NON-OPERATING			.00			.00		
NET INCOME	3111,904-	31,247-9959.05		5879,438-	6810,853-	86.32	6916,124-	1036,686-

DESCRIPTION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE	LAST YR BALANCE	% VAR
CASH	32,101,822.93	367,105.66	32,468,928.59	29,855,815.50	108.75
CASH EQUIVALENTS	119,870,415.56	5,309,555.93	125,179,971.49	140,514,690.92	89.09
INVESTMENTS	18,525,521.53	611,607.61	19,137,129.14	18,874,276.14	101.39
INV FMVA	1,651,320.36	3,885.21	1,655,205.57	1,690,265.92	97.93
MORTGAGE BACKED SECURITIES	444,744,327.71	6,850,476.06-	437,893,851.65	545,785,275.45	80.23
MBS FMVA	32,434,093.85	3,062,237.70	35,496,331.55	42,043,194.44	84.43
OTHER HOUSING LOANS	142,335,416.17	464,246.65	142,799,662.82	134,299,287.15	106.33
SRF LOANS					
INTEREST RECEIVABLE	2,793,291.87	100,031.33	2,893,323.20	3,187,803.53	90.76
CAPITAL ASSETS	5,179,366.46		5,179,366.46	4,843,304.30	106.94
PROVISION FOR ACCUMULATED DEPRECIATION	2,185,537.09-	23,896.61-	2,209,433.70-	1,931,805.24-	114.37
TRADE ACCOUNTS RECEIVABLE	291,365.93	94,689.43-	196,676.50	184,223.95	106.76
OTHER ASSETS	8,045,924.89	22,232.12-	8,023,692.77	10,450,619.78	76.78
DEFERRED DERIVATIVES	41,124,640.68		41,124,640.68	39,512,981.31	104.08
TOTAL ASSETS	846,911,970.85	2,927,375.87	849,839,346.72	969,309,933.15	87.67
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BOND PAYABLE	450,663,628.21-	1,414,371.82	449,249,256.39-	571,577,301.43-	78.60
INTEREST PAYABLE	4,003,265.85-	932,051.61-	4,935,317.46-	7,123,322.87-	69.28
DEFERRED INCOME	3,555,681.52-	14,502.45	3,541,179.07-	4,488,476.05-	78.89
REBATES OWED	29,076.94-		29,076.94-	16,098.73-	180.62
RESERVE FOR LOSSES	5,480,177.44-	80,171.29-	5,560,348.73-	5,093,955.86-	109.16
ACCOUNTS PAYABLE & OTHER CURR LIAB	22,325,706.08-	232,736.01-	22,558,442.09-	23,880,229.11-	94.46
DERIVATIVE LIABILITY	41,653,089.63-		41,653,089.63-	39,510,326.03-	105.42
TOTAL LIABILITIES	527,710,625.67-	183,915.36	527,526,710.31-	651,689,710.08-	80.95
FUND BALANCE	316,440,359.79-		316,440,359.79-	326,235,850.65-	97.00
TRANSFER BETWEEN FUNDS		.01	.01	710.80-	
CURRENT YEAR EARNINGS	2,760,985.39-	3,111,291.24-	5,872,276.63-	8,616,338.38	68.15-
TOTAL NET ASSETS	319,201,345.18-	3,111,291.23-	322,312,636.41-	317,620,223.07-	101.48
TOTAL LIABILITIES AND NET ASSETS	846,911,970.85-	2,927,375.87-	849,839,346.72-	969,309,933.15-	87.67
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DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
LOAN ORIGATION FEES	9,185-	76,013-	12.08	353,295-	838,332-	42.14	914,344-	561,049-
EC DEV & MWD BOND FEES								
MG FEES								
LIHTC APP & RESERVATION FEES								
LIHTC & 1602 COMPLIANCE FEES								
SECTION 8 FEES								
MISC FEES	286,424-	276,949-	103.42	3197,540-	2865,566-	111.58	3141,070-	56,470
TOTAL FEE INCOME	295,609-	352,962-	83.75	3550,835-	3703,898-	95.87	4055,414-	504,579-
INVESTMENT INTERST INCOME	72,272-	46,611-	155.05	640,788-	696,868-	91.95	765,469-	124,681-
GAIN OR LOSS ON SALE			.00	1,334-		.00		1,334
REBATE EXPENSE			.00	45,524-		.00		45,524
MBS INTEREST INCOME			.00			.00		
LOAN INTEREST INCOME	3186,858-	3131,088-	101.78	34051,623-	33447,430-	101.81	36362,388-	2310,765-
OTHER INTEREST INCOME								
TOTAL INTEREST INCOME	3259,130-	3177,699-	102.56	34739,269-	34144,298-	101.74	37127,857-	2388,588-
BOND INTEREST EXPENSE	3340,476	3344,253	99.89	36833,652	36871,414	99.90	40215,665	3382,013
COST OF ISSUANCE EXPENSE			.00	868,499	165,808	523.80	165,808	702,691-
DISCOUNT / PREMIUM AMORT	577,356-	539,345-	107.05	6297,869-	5393,029-	116.78	5932,374-	365,495
REMARKETING FEES								
LIQUIDITY FEES								
OTHER INTEREST COSTS	38,011	39,705	95.73	419,810	472,246	88.90	511,950	92,140
TOTAL INTEREST EXPENSE	2801,131	2844,613	98.47	31824,092	32116,439	99.09	34961,049	3136,957
NET INTEREST INCOME	457,999-	333,086-	137.50	2915,177-	2027,859-	143.76	2166,808-	748,369
NET GRANT EXPENSE (INC)	348,915	181,000-	192.77-	26369,227-	27243,760-	96.79	27482,200-	1112,973-
AUTHORITY FEES			.00			.00		
OTHER INCOME			.00	3-		.00		3
TOTAL OPERATING INCOME	404,693-	867,048-	46.67	32835,242-	32975,517-	99.57	33704,422-	869,180-
OPERATING EXPENSES	635,763	804,669	79.01	8019,054	8723,104	91.93	9710,351	1691,297
NET OPERATING INCOME	231,070	62,379-	370.43-	24816,188-	24252,413-	102.32	23994,071-	822,117
NON OPERATING EXPENSES	217,507-		.00	454,665-		.00		454,665
NET INCOME	13,563	62,379-	21.74-	25270,853-	24252,413-	104.20	23994,071-	1276,782

DESCRIPTION	----- THIS MONTH -----			----- THIS Y-T-D -----			----- ANNUAL BUDGET -----	
	CURRENT	BUDGET	% BDGT	CURRENT	BUDGET	% BDGT	(REFERENCE)	(UNUTILIZED)
FEE INCOME	295,609-	352,962-	83.75	3550,835-	3703,898-	95.87	4055,414-	504,579-
NET INTEREST INCOME	457,999-	333,086-	137.50	2915,177-	2027,859-	143.76	2166,808-	748,369
NET GRANT INCOME	348,915	181,000-	192.77-	26369,227-	27243,760-	96.79	27482,200-	1112,973-
AUTHORITY FEE INCOME			.00			.00		
OTHER INCOME			.00	3-		.00		3
TOTAL OPERATING INCOME	404,693-	867,048-	46.67	32835,242-	32975,517-	99.57	33704,422-	869,180-
SALARY & BENEFITS	52,693	62,903	83.77	553,621	684,173	80.92	744,216	190,595
TRAVEL & EDUCATION	1,277	430	296.98	5,928	4,730	125.33	5,160	768-
OFFICE SUPPLIES AND POSTAGE	314	520	60.38	6,447	5,720	112.71	6,240	207-
TELEPHONE & DATA	416	380	109.47	3,760	4,180	89.95	4,560	800
FACILITIES	727	990	73.43	7,493	10,890	68.81	11,880	4,387
EQUIPMENT & SOFTWARE	142	230	61.74	1,530	2,530	60.47	2,760	1,230
DEPRECIATION	4,936	3,681	134.09	53,910	40,485	133.16	44,167	9,743-
STATE INDIRECT	285	360	79.17	3,065	3,960	77.40	4,320	1,255
MARKETING	3,470	1,400	247.86	35,780	15,400	232.34	16,800	18,980-
MARKETING - CONFERENCE HOSTING								
PS - ACCOUNTING	38	660	5.76	4,277	7,260	58.91	7,920	3,643
PS - LEGAL		8,260	.00	37,659	90,860	41.45	99,120	61,461
PS - COMPLIANCE								
PS - LIHTC MARKET STUDY								
PS - BANKING	21,473	22,636	94.86	234,405	249,674	93.88	270,757	36,352
PS - TG FIELD ISSUE FEE								
PS - IT CONSULTING	1,000	60	1666.67	2,294	660	347.58	720	1,574-
PS - MISC CONSULTING		6,270	.00		68,970	.00	75,240	75,240
PS - S8 SERVICES								
PS - STATE AUDITOR								
PS - MISC	2,500		.00	11,000	2,500	440.00	7,500	3,500-
PROVISION FOR LOSSES			.00	25,000-		.00		25,000
MISC EXPENSES	541,137	686,000	78.88	7014,763	7423,560	94.49	8292,000	1277,237
INDIRECT COST TRANSFER	5,356	9,889	54.16	68,114	107,552	63.33	116,991	48,877
TOTAL OPERATING EXPENSES	635,764	804,669	79.01	8019,046	8723,104	91.93	9710,351	1691,305
NET OPERATING INCOME	231,071	62,379-	370.43-	24816,196-	24252,413-	102.32	23994,071-	822,125
INTERAGENCY GRANTS								
FMVA	217,507-		.00	454,665-		.00		454,665
OTHER NON-OPERATING			.00			.00		
NET INCOME	13,564	62,379-	21.74-	25270,861-	24252,413-	104.20	23994,071-	1276,790

DESCRIPTION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE	LAST YR BALANCE	% VAR
CASH	61,478,581.89	6,312,680.74	67,791,262.63	71,248,159.29	95.15
CASH EQUIVALENTS	139,744,755.06	7,245,966.38	146,990,721.44	115,209,882.41	127.59
INVESTMENTS	141,168,640.71	17,036,161.60-	124,132,479.11	133,813,417.50	92.77
INV FMVA	36,589.37	217,506.35	254,095.72	38,052.55-	667.75-
MORTGAGE BACKED SECURITIES					
MBS FMVA					
OTHER HOUSING LOANS					
SRF LOANS	1,440,460,582.79	8,496,087.91	1,448,956,670.70	1,342,709,796.20	107.91
INTEREST RECEIVABLE	16,175,360.10	3,043,131.60	19,218,491.70	17,474,152.44	109.98
CAPITAL ASSETS	132,500.00		132,500.00	132,500.00	100.00
PROVISION FOR ACCUMULATED DEPRECIATION	55,208.40-	3,680.56-	58,888.96-	14,722.24-	400.00
TRADE ACCOUNTS RECEIVABLE	402,379.31	146,768.79-	255,610.52	108,165.95	236.31
OTHER ASSETS	2,800,388.70	260,241.76	3,060,630.46	4,110,406.71	74.46
DEFERRED DERIVATIVES					
TOTAL ASSETS	1,802,344,569.53	8,389,003.79	1,810,733,573.32	1,684,753,705.71	107.48
BOND PAYABLE	981,559,192.94-	539,344.80	981,019,848.14-	882,237,038.61-	111.20
INTEREST PAYABLE	10,021,427.17-	3,340,475.68-	13,361,902.85-	11,919,168.14-	112.10
DEFERRED INCOME				13,560,498.40-	
REBATES OWED				111,420.75-	
RESERVE FOR LOSSES					
ACCOUNTS PAYABLE & OTHER CURR LIAB	1,053,636.17-	5,601,436.48-	6,655,072.65-	1,529,395.96-	435.14
DERIVATIVE LIABILITY					
TOTAL LIABILITIES	992,634,256.28-	8,402,567.36-	1,001,036,823.64-	909,357,521.86-	110.08
FUND BALANCE	784,425,894.25-		784,425,894.25-	742,179,132.14-	105.69
TRANSFER BETWEEN FUNDS					
CURRENT YEAR EARNINGS	25,284,419.00-	13,563.57	25,270,855.43-	33,217,051.71-	76.08
TOTAL NET ASSETS	809,710,313.25-	13,563.57	809,696,749.68-	775,396,183.85-	104.42
TOTAL LIABILITIES AND NET ASSETS	1,802,344,569.53-	8,389,003.79-	1,810,733,573.32-	1,684,753,705.71-	107.48

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	145,972-		.00	6885,461-	6000,000-	114.76	6000,000-	885,461
HCBS Rent Subsidy	56,618-	54,833-	103.26	600,211-	603,166-	99.51	658,000-	57,789-
Military DPA	63,312-	133,333-	47.48	1963,297-	1466,666-	133.86	1600,000-	363,297
Shelter Assistance Fund		75,000-	.00		825,000-	.00	900,000-	900,000-
Aftercare Rent Subsidy	6,643-	4,000-	166.08	48,696-	44,000-	110.67	48,000-	696
Wastewater Treatment Grants			.00			.00		
Jumpstart			.00			.00		
IJOBS - FY10 Programs		1500,000-	.00	4100,860-	16500,000-	24.85	18000,000-	13899,140-
IJOBS - Administration			.00			.00		
IJOBS - FY11 Programs	1114,276-	2500,000-	44.57	4081,700-	27500,000-	14.84	30000,000-	25918,300-
Iowans Helping Iowans			.00			.00		
Mortgage Settlement Funds	123,700-	115,500-	107.10	1719,445-	1270,500-	135.34	1386,000-	333,445
Misc State Funds			.00	171,952-		.00	50,000-	121,952

Total State Funds	1510,521-	4382,666-	34.47	19571,622-	54209,332-	36.10	58642,000-	39070,378-
Grant Income - Federal Funds								
Telework & AFP (84.235T & 84.224C)			.00			.00		
Hsg Ops Persons with Aids (14.241)	42,355-	35,000-	121.01	323,150-	385,000-	83.94	420,000-	96,850-
Rural Comm Dev Initiative (10.446)			.00			.00		
Emergency Shelter Grant Prog (14.231)	166,856-	160,000-	104.29	1897,137-	1765,319-	107.47	1925,319-	28,182-
HSG Counseling Assistance (14.169)			.00			.00		
Shelter Care Plus (14.238)			.00			.00		
National Foreclosue Mit. (21.000)		50,356-	.00	334,011-	553,910-	60.30	604,266-	270,255-
LIHTC S1602 (21.XXX)			.00			.00		
TCAP (14.258)			.00			.00		
Homelessness Prevention (14.257)			.00		895-	.00	895-	895-
HOME (14.239)	990,531-	535,412-	185.00	8403,303-	5873,397-	143.07	6405,220-	1998,083
SSBG (93.667)			.00			.00		
CDBG (14.228)			.00			.00		

Total Federal Funds	1199,742-	780,768-	153.66	10957,601-	8578,521-	127.73	9355,700-	1601,901

Total Grant Income	2710,263-	5163,434-	52.49	30529,223-	62787,853-	48.62	67997,700-	37468,477-
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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	1,807-		.00	610,116		.00		610,116-
FirstHome Plus	272,618	232,483	117.26	3349,477	2524,311	132.69	2757,394	592,083-
Misc IFA Grants	6,428	500	1285.60	51,051	5,500	928.20	6,000	45,051-
Total IFA Grants	277,239	232,983	119.00	4010,644	2529,811	158.54	2763,394	1247,250
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	654,077	500,000	130.82	5446,253	5500,000	99.02	6000,000	553,747
HCBS Rent Subsidy	53,796	50,995	105.49	569,897	560,945	101.60	611,940	42,043
Military DPA	63,312	133,333	47.48	1963,297	1466,666	133.86	1600,000	363,297-
Shelter Assistance Fund	114,238	72,500	157.57	881,907	797,500	110.58	870,000	11,907-
Aftercare Rent Subsidy	6,643	4,000	166.08	48,696	44,000	110.67	48,000	696-
Wastewater Treatment Grants			.00			.00		
Jumpstart			.00			.00		
IJOBS - FY10 Programs		1500,000	.00	4100,860	16500,000	24.85	18000,000	13899,140
IJOBS - FY11 Programs	1114,276	2500,000	44.57	4081,700	27500,000	14.84	30000,000	25918,300
Iowans Helping Iowans			.00			.00		
Mortgage Settlement Fund	205,031	107,415	190.88	1289,476	1181,565	109.13	1288,980	496-
Misc State Funds			.00			.00		
Total State Funds	2211,373	4868,243	45.42	18382,086	53550,676	34.33	58418,920	40036,834
Grant Expense - Federal Funds								
Telework & AFP (84.235T & 84.224C)			.00			.00		
Hsg Ops Persons with Aids (14.241)	32,369	31,500	102.76	313,164	346,500	90.38	378,000	64,836
Rural Comm Dev Initiative (10.446)			.00			.00		
Emergency Shelter Grant Prog (14.231)	166,855	144,000	115.87	1826,265	1584,000	115.29	1728,000	98,265-
HSG Counseling Assistance (14.169)			.00			.00		
Shelter Care Plus (14.238)			.00			.00		
National Foreclosure Mit. (21.000)	23,838	47,627	50.05	552,102	523,888	105.39	571,515	19,413
LIHTC S1602 (21.XXX)			.00			.00		
TCAP (14.258)			.00			.00		
Homeless Prev & RR (14.257)			.00			.00		
HOME (14.239)	817,355	450,000	181.63	8106,754	4950,000	163.77	5400,000	2706,754-
SSBG (93.667)			.00			.00		
CDBG (14.228)			.00			.00		
Total Federal Funds	1040,417	673,127	154.56	10798,285	7404,388	145.84	8077,515	2720,770-
Total Grant Expense	3529,029	5774,353	61.12	33191,015	63484,875	52.28	69259,829	36068,814

**Iowa Finance Authority
Housing Agency Grant Commitments**

Grant Program	Grant #	Original Commitment	Balance 06/30/2013	FY14	FY14 Payments				Commitment Balance
				Additions (Red)	5/16/2014	5/23/2014	5/30/2014	Total	
I-JOBS Local Infrastructure - \$165,000,000									
City of Forest City - Public Works Facility	6	\$537,050	(0)	0				0	(\$0)
City of Stratford - Storm Sewer on Moore	14	\$16,586	1,723	0				0	\$1,723
Linn County - Juvenile Law Cntr & Courthouse	16	\$3,690,000	0	0				0	\$0
City of Mount Pleasant - Police Department Renov	21	\$600,000	0	0				0	\$0
City of Eldora - HWY 175 Flood Mitigation	25	\$261,000	0	0				0	\$0
City of Marquette, Iowa - Beach Flood Mitigation	27	\$677,048	0	0				0	\$0
Black Hawk County Board of Supervisors - Office	30	\$187,791	0	0				0	\$0
City of Glidden - Storm Water	34	\$287,500	0	0				0	\$0
City of Marion - Thomas Park Maint-Storm Shelter	40	\$1,031,500	0	0				0	\$0
City of Brooklyn - Public Safety Building	41	\$573,500	0	0				0	\$0
City of Story City - Storm Sewer Improvements	47	\$295,680	0	0				0	\$0
City of Indianola - National Balloon Museum	49	\$188,300	41,715	0				0	\$41,715
City of Stanhope - Library/Community Building	53	\$500,000	(0)	0				0	(\$0)
City of Cedar Falls - Public Works Complex	55	\$8,741,250	326,371	(248,577)				0	\$77,794
City of Marshalltown - Carnegie Library Re-Use	56	\$618,618	0	0				0	\$0
City of Sergeant Bluff - City Hall Renovation	60	\$250,000	0	0				0	\$0
City of Letts - New Library & Community Center	70	\$400,000	42,299	0				0	\$42,299
City of Mason City - Equipment Storage Facility	71	\$772,500	114,863	0				0	\$114,863
City of Cedar Rapids - US Cellular Center/Event Center	78	\$15,000,000	816,100	0				(816,100)	\$0
City of Avoca - West Ditch (Pershing St. to Hwy 83)	81	\$203,910	3,758	0				0	\$3,758
City of Cedar Rapids - Public Library Main Facility	83	\$5,000,000	27,250	0				0	\$27,250
City of Fort Madison - Santa Fe Depot	85	\$1,131,344	0	0				0	\$0
City of Cedar Rapids - Acq Flood-Blighted Dwn Prop	90	\$380,250	15,329	0				0	\$15,329
City of Fayette - Concrete Flood Wall	103	\$53,750	6,307	0				0	\$6,307
City of Cedar Rapids - 6th St SW Reconstruction	109	\$3,309,375	482,172	0				(107,265)	\$374,908
City of Monticello - Emergency Response Center	117	\$300,000	0	0				0	\$0
City of Creston - Northeast Sewer /Storm Sewer	119	\$686,250	4,475	0				0	\$4,475
City of Waukeo - Public Works Facility	122	\$3,450,000	0	0				0	\$0
Polk County Board of Supervisors - Reg Emerg Op Ctr	133	\$1,840,000	393,015	0				0	\$393,015
Legion Arts - CSPS Hall	142	\$4,800,000	0	0				0	\$0
City of Des Moines - Birdland Levee Replacement	143	\$2,205,000	(0)	0				0	(\$0)
African American Museum of Iowa - Museum	147	\$268,510	0	0				0	\$0
City of Hartford - Vine Street Drainage Improvements	150	\$52,875	0	0				0	\$0
Humboldt County Board of Supervisors - Emer Op Ctr	154	\$190,594	0	0				0	\$0
City of Windsor Heights - Community Center	167	\$640,104	21,022	0				0	\$21,022
City of Volga - River and Nagle Creek Levee	168	\$16,429,000	0	0				0	\$0
City of Defiance - Storm Sewer Construction	169	\$155,000	61,491	0				0	\$61,491
Johnson County - Old Armory Removal	170	\$975,000	25,232	0				(25,232)	\$0
City of Des Moines - Franklin Avenue Library Renov	173	\$2,200,000	383,557	0				0	\$383,557
Cedar Falls Historical Society - Ice House Museum	180	\$545,700	0	0				0	\$0
City of DeWitt - East Side Storm Water	182	\$300,000	0	0				0	\$0
Des Moines County - Tama Road Reconstruction	184	\$175,000	26,509	0				0	\$26,509
City of Toledo, Iowa - Public Works Facility Flood Mit	186	\$727,500	(0)	0				0	(\$0)
City of Council Bluffs - Public Works Operation Fac	188	\$3,869,000	0	0				0	\$0
City of Spillville - WWTF Improvements	192	\$906,225	53,939	0				0	\$53,939
City of Iowa City - Fire Station #4	195	\$2,268,867	601,423	(601,423)				0	\$0
City of Iowa City - Wastewater Treatment Plant	196	\$3,495,293	0	850,000				(850,000)	\$0
City of Anamosa, Iowa - Wastewater Treatment Plant	202	\$3,069,000	52,971	0				(6,433)	\$46,538
City of Storm Lake - Sunrise Campground	208	\$700,000	(0)	0				0	(\$0)
Northeast Iowa Community College Foundation - Library	210	\$750,000	154,843	0				0	\$154,843
Wapello County - Bridge and Road Rebuilding	214	\$5,350,000	0	0				0	\$0
Operation Threshold - Central Office	217	\$2,003,910	0	0				0	\$0
Perry Economic Development - DMACC Center	224	\$1,550,000	0	0				0	\$0
City of Avoca - RR ROW Storm Sewer Replacement	226	\$203,970	22,259	0				0	\$22,259
City of Coralville - Flood Recov & Protect 1st Ave Corr	230	\$27,140,573	195,268	0				0	\$195,268
Webster County - LEC Renovation	234	\$1,910,000	143,006	0				0	\$143,006
City of Ottumwa - City Hall Entrance/ Energy Efficiency	241	\$229,500	0	0				0	\$0
Polk County - River Place Flood Wall Construction	246	\$818,750	0	0				0	\$0
Human Services Campus of East Central Iowa - Center	NC01/296	\$10,000,000	0	0				0	\$0
Linn County - Options Mental Health Building	NC02/297	\$5,000,000	0	0				0	\$0
City of Cedar Rapids - Steam Energy Solution	NC03/298	\$5,000,000	1,202,353	0				(766,058)	\$436,296
City of Cedar Rapids - Paramount Theater	NC04/299	\$5,000,000	270,664	0				(270,664)	\$0
City of Cedar Rapids - Public Library Main Facility	NC05/300	\$5,000,000	202,941	0				(103,741)	\$99,200
City of Cedar Rapids - Public Works Building	NC06/301	\$5,000,000	5,000,000	0				(4,243,152)	\$756,848
National Czech & Slovak Museum & Library - Museum	NC07/302	\$10,000,000	0	0				0	\$0
City of Palo - Fire Station	NC08/303	\$500,000	338,632	0				0	\$338,632
City of Elkader - Fire Station	NC09/304	\$500,000	0	0				0	\$0
City of Charles City - Fire Station	NC10/305	\$500,000	0	0				0	\$0
Subtotal		\$165,000,002	\$11,031,489	\$0	\$0	\$0	\$0	(\$7,188,644)	\$3,842,844
I-JOBS Affordable Housing Assistance - \$20,000,000									
Mosaic Housing Corp. XV-Council Bluffs	IJH-01	\$500,000	0	0				0	\$0
City of Red Oak	IJH-02	\$50,000	0	0				0	\$0
Affordable Housing Network, Inc.	IJH-03	\$6,500,000	0	0				0	\$0
Northeast IA Community Action Corp.	IJH-04	\$150,000	0	0				0	\$0
Iowa Valley Habitat for Humanity	IJH-05	\$105,000	0	0				0	\$0
City of Iowa City	IJH-06	\$1,250,000	56,967	0				(56,967)	\$0
Hope Haven Area Development Ctr Corp	IJH-07	\$422,403	0	0				0	\$0
Greater Des Moines Habitat for Humanity, Inc.	IJH-08	\$697,000	0	0				0	\$0
Mahaska County Habitat for Humanity	IJH-09	\$50,000	0	0				0	\$0
Scott County Housing Council	IJH-10	\$150,000	0	0				0	\$0
Polk County Housing Trust Fund	IJH-11	\$159,250	0	0				0	\$0
Avoca Betterment Association	IJH-12	\$350,000	0	0				0	\$0
Affordable Housing Network, Inc.	IJH-14	\$2,250,000	0	0				0	\$0
Iowa Heartland Habitat for Humanity	IJH-15	\$120,000	0	0				0	\$0
Siouxland Habitat for Humanity	IJH-16	\$525,525	0	0				0	\$0
The Housing Fellowship	IJH-17	\$141,148	0	0				0	\$0
Fayette County Habitat for Humanity	IJH-20	\$50,000	0	0				0	\$0
City of Council Bluffs	IJH-21	\$2,400,000	0	0				0	\$0
Scott County Housing Council	IJH-22	\$153,838	0	0				0	\$0
City of Dubuque	IJH-26	\$240,000	0	0				0	\$0
Northeast IA Community Action Corp.	IJH-23	\$150,000	0	0				0	\$0
Polk County Housing Trust Fund	IJH-27	\$199,805	0	0				0	\$0
Habitat for Humanity of Marion County-Knoxville/Pella	IJH-28	\$200,000	0	0				0	\$0
Kalona Valley Apartments, Inc.	IJH-29	\$150,000	0	0				0	\$0
City of Davenport	IJH-30	\$349,722	0	0				0	\$0
City of Woodbine	IJH-31	\$100,000	0	0				0	\$0
Sioux Falls Environmental Access, Inc.	IJH-35	\$725,000	0	0				0	\$0
Sioux Falls Environmental Access, Inc.	IJH-36	\$393,000	0	0				0	\$0
Sioux Falls Environmental Access, Inc.	IJH-37	\$827,900	0	0				0	\$0
Cedar Valley Habitat for Humanity	IJH-39	\$640,409	0	0				0	\$0
Subtotal		\$20,000,000	\$56,967	\$0	\$0	\$0	\$0	(\$56,967)	\$0

**Iowa Finance Authority
Housing Agency Grant Commitments**

Grant Program	Grant #	Original Commitment	Balance 06/30/2013	FY 14 Additions (Red)	FY 14 Payments				Commitment Balance
					5/16/2014	5/23/2014	5/30/2014	Total	
I-JOBS Water Quality Financial Assist. - \$55,000,000									
Clinton	WQ-02	\$2,500,000	0	0				0	\$0
Davenport	WQ-03	\$9,500,000	0	0				0	\$0
Sioux City	WQ-28	\$8,000,000	0	0				0	\$0
Small Community		\$35,000,000	10,348,697	0				(4,043,893)	\$6,304,804
Subtotal		\$55,000,000	\$10,348,697	\$0	\$0	\$0	\$0	(\$4,043,893)	\$6,304,804
I-JOBS Local Disaster Prevention Competitive - \$30,000,000									
Calhoun County	307	\$339,364	0	0				0	\$0
City of Sabula	313	\$296,240	19,479	0				0	\$19,479
City of Stanton	317	\$625,100	546,138	0				(546,138)	\$0
City of Dubuque	326	\$3,965,500	0	0				0	\$0
City of Sergeant Bluff	331	\$1,076,500	13,089	0				0	\$13,089
Plymouth County	344	\$85,000	(0)	0				0	(\$0)
City of Des Moines	351	\$2,100,000	295,760	0				0	\$295,760
City of Muscatine	354	\$850,250	0	0				0	\$0
Hardin County	356	\$270,000	0	0				0	\$0
City of Hudson	365	\$288,000	32,142	0				0	\$32,142
City of Cedar Rapids	379	\$1,075,000	0	0				0	\$0
City of Humboldt	382	\$453,441	0	0				0	\$0
City of Lewis	396	\$280,950	0	0				0	\$0
City of Sioux City	401	\$3,800,000	3,749,539	0				0	\$3,749,539
City of Fairfield	403	\$480,000	238,998	0				0	\$238,998
City of Cedar Rapids	404	\$6,600,000	2,104,170	0				(1,708,460)	\$395,709
City of Woodbine	407	\$102,000	0	0				0	\$0
City of Fort Madison	416	\$2,485,500	393,011	0				(384,360)	\$8,651
City of Edgewood	424	\$300,000	0	0				0	\$0
City of Coralville	432	\$3,657,090	1,623,879	0		(1,114,276)		(1,114,276)	\$509,603
City of Afton	451	\$54,000	0	0				0	\$0
City of Ottumwa	452	\$800,000	0	0				0	\$0
City of Volga	461	\$16,065	1,553	0				0	\$1,553
Subtotal		\$30,000,000	\$9,017,758	\$0	\$0	(\$1,114,276)	\$0	(\$3,753,234)	\$5,264,523
I-JOBS Targeted Disaster Relief - \$30,900,000									
City of Belmond	491	\$600,000	407,386	0				(271,905)	\$135,480
City of Cedar Rapids	492	\$2,000,000	0	0				0	\$0
City of Davenport	493	\$1,050,000	0	0				0	\$0
City of Des Moines	494	\$3,000,000	0	0				0	\$0
City of Des Moines	495	\$700,000	0	0				0	\$0
City of Iowa City	496	\$2,000,000	0	0				0	\$0
Linn County	497	\$4,400,000	0	0				0	\$0
City of Waterloo	498	\$5,000,000	0	0				0	\$0
Broadlawns	499	\$1,000,000	0	0				0	\$0
City of Cedar Rapids	500	\$4,400,000	0	0				0	\$0
City of Des Moines	501	\$3,050,000	0	0				0	\$0
City of Des Moines	502	\$1,250,000	0	0				0	\$0
City of Des Moines	503	\$500,000	0	0				0	\$0
City of Jesup	504	\$475,000	0	0				0	\$0
City of Norwalk	505	\$300,000	9,520	0				0	\$9,520
City of West Union	506	\$1,175,000	312,603	0				(56,561)	\$256,042
Subtotal		\$30,900,000	\$729,509	\$0	\$0	\$0	\$0	(\$328,466)	\$401,042
Local Housing Trust Fund Grant (FY12) - \$4,858,252									
Floyd County Housing Trust Fund	12-04	\$46,303	0	0				0	\$0
Northeast Iowa Regional Housing Trust Fund	12-05	\$208,081	22,710	0				(22,710)	\$0
Fayette County Local Housing Trust Fund	12-06	\$50,880	0	0				0	\$0
Southern Iowa COG Housing Trust Fund	12-07	\$214,115	214,115	0				(214,115)	\$0
Scott County Housing Council	12-08	\$352,969	54,974	0				(54,974)	\$0
Region 6 Housing Trust Fund	12-09	\$239,863	143,610	0				(143,610)	\$0
Homeward Housing Trust Fund	12-10	\$261,249	0	0				0	\$0
Southwest Iowa Housing Trust Fund, Inc.	12-11	\$266,151	69,558	0				(69,558)	\$0
AHEAD Regional Housing Trust Fund	12-12	\$32,000	32,000	0				(32,000)	\$0
Lakes Community Land Trust	12-13	\$46,667	19,479	(19,479)				0	\$0
City of Dubuque Housing Trust Fund	12-14	\$132,637	11,257	0				(11,257)	\$0
Northwest Iowa Regional Housing Trust Fund, Inc.	12-15	\$241,707	150,177	0				(150,177)	\$0
Sioux City Housing Trust Fund, Inc.	12-16	\$157,684	68,461	0				(68,461)	\$0
Iowa Northland Regional Housing Council LHFT	12-17	\$253,417	59,858	0				(59,858)	\$0
Clay County Local Housing Trust Fund, Inc.	12-18	\$46,667	18,804	0				(18,804)	\$0
Housing Trust Fund of Johnson County	12-19	\$225,882	0	0				0	\$0
NIACOG Housing Trust Fund, Inc.	12-20	\$74,151	20,693	0				(20,693)	\$0
Polk County Housing Trust Fund	12-21	\$525,640	390,766	0				(390,766)	\$0
Dallas County Local Housing Trust Fund, Inc.	12-22	\$155,412	45,347	0	(35,356)			(45,347)	\$0
Great River Housing, Inc.	12-23	\$252,719	252,719	0	(19,750)			(194,807)	\$57,912
Council Bluffs Housing Trust Fund, Inc.	12-24	\$137,230	137,230	0				(82,188)	\$55,042
Housing Fund for Linn County	12-25	\$306,226	217,815	0				(174,338)	\$43,477
East Central Iowa Housing Trust Fund	12-26	\$229,773	132,403	0		(10,169)		(93,362)	\$39,041
COG Housing, Inc.	12-27	\$219,671	0	0				0	\$0
Chariton Valley Regional Housing Trust Fund, Inc.	12-28	\$181,158	103,010	0				(103,010)	\$0
Subtotal		\$4,858,252	\$2,164,985	(\$19,479)	(\$55,106)	\$0	(\$10,169)	(\$1,950,033)	\$195,472
Local Housing Trust Fund Grant (FY13) - \$5,469,749									
Floyd County Housing Trust Fund	13-04	\$46,303	0	0				0	\$0
NIACOG Housing Trust Fund Inc	13-05	\$74,151	74,151	0				(54,728)	\$19,423
Northwest Iowa Regional Housing Trust Fund Inc	13-06	\$271,707	271,707	0				(18,311)	\$253,396
Southern Iowa COG Housing Trust Fund	13-07	\$244,115	244,115	0				0	\$244,115
Northeast Iowa Regional Housing Trust Fund	13-08	\$238,081	214,655	0		(8,693)		(146,767)	\$67,889
Region 6 Housing Trust Fund	13-09	\$269,863	258,771	0	(20,267)	(12,037)		(157,720)	\$101,051
Fayette County Local Housing Trust Fund	13-10	\$50,880	50,880	0				(39,009)	\$11,871
Iowa Northland Regional Housing Council LHFT	13-11	\$283,417	255,076	0				(185,650)	\$69,426
Southwest Iowa Housing Trust Fund Inc	13-13	\$296,151	296,151	0				(186,840)	\$109,311
Homeward Housing Trust Fund	13-14	\$291,249	127,393	0				(127,393)	\$0
Scott County Housing Council	13-15	\$382,969	196,517	0	(6,842)	(1,353)	(3,000)	(164,739)	\$31,777
Clay County Local Housing Trust Fund Inc	13-16	\$46,667	46,667	0				(10,665)	\$36,002
City of Dubuque Housing Trust Fund	13-17	\$147,637	147,637	0				(39,280)	\$108,357
Polk County Housing Trust Fund	13-18	\$550,640	550,640	0				(458,187)	\$92,453
AHEAD Regional Housing Trust Fund	13-19	\$165,600	165,600	0	(16,088)			(39,828)	\$125,772
COG Housing Inc	13-20	\$249,671	224,704	0				(224,704)	\$0
Great River Housing Inc	13-21	\$282,719	282,719	0	(65,000)			(65,000)	\$217,719
Council Bluffs Housing Trust Fund Inc	13-22	\$152,230	152,230	0				(50,000)	\$102,230
East Central Iowa Housing Trust Fund	13-23	\$259,773	259,773	0				(74,519)	\$185,254
Housing Trust Fund of Johnson County	13-24	\$250,882	177,486	0				(108,315)	\$69,171
Housing Fund for Linn County	13-25	\$331,226	331,226	0				(71,012)	\$260,214
Dallas County Local Housing Trust Fund Inc	13-26	\$152,036	152,036	0	(40,258)			(140,741)	\$11,295
Sioux City Housing Trust Fund Inc	13-27	\$172,684	172,684	0			(8,358)	(118,120)	\$54,564
Chariton Valley Regional Housing Trust Fund Inc	13-28	\$212,431	212,431	0		(13,190)		(111,319)	\$101,112

**Iowa Finance Authority
Housing Agency Grant Commitments**

Grant Program	Grant #	Original Commitment	Balance 06/30/2013	FY14	FY14 Payments				Commitment Balance
				Additions (Red)	5/16/2014	5/23/2014	5/30/2014	Total	
Subtotal		\$5,423,082	\$4,865,249	\$0	(\$148,455)	(\$35,273)	(\$11,358)	(\$2,592,846)	\$2,272,403
Local Housing Trust Fund Grant (FY14) \$7,514,816									
Sioux City Housing Trust Fund Inc	14-04	\$234,697	\$0	234,697				0	\$234,697
City of Dubuque Housing Trust Fund	14-05	\$190,865	0	190,865				0	\$190,865
Northwest Iowa Regional Housing Trust Fund Inc	14-06	\$344,237	0	344,237				0	\$344,237
Floyd County Housing Trust Fund	14-07	\$58,530	0	58,530				(58,530)	\$0
Southwest Iowa Housing Trust Fund Inc	14-08	\$387,014	0	387,014				0	\$387,014
Region 6 Housing Trust Fund	14-09	\$341,010	0	341,010				0	\$341,010
AHEAD Regional Housing Trust Fund	14-10	\$176,235	0	176,235				0	\$176,235
Southern Iowa COG Housing Trust Fund	14-11	\$295,951	0	295,951				0	\$295,951
Homeward Housing Trust Fund	14-12	\$378,436	0	378,436		(22,335)		(70,368)	\$308,068
COG Housing Inc	14-13	\$305,674	0	305,674				0	\$305,674
Scott County Housing Council	14-14	\$538,946	0	538,946	(5,812)	(27,635)		(133,914)	\$405,032
NIACOG Housing Trust Fund Inc	14-15	\$107,264	0	107,264				(62,165)	\$45,099
Northeast Iowa Regional Housing Trust Fund	14-16	\$285,392	0	285,392		(7,178)		(7,178)	\$278,214
Council Bluffs Housing Trust Fund Inc	14-17	\$198,903	0	198,903				0	\$198,903
Fayette County Local Housing Trust Fund	14-18	\$66,540	0	66,540				0	\$66,540
Iowa Northland Regional Housing Council LHFP	14-19	\$364,730	0	364,730				(36,473)	\$328,257
Western Iowa Community Improvement Regional Housing Trust Fund	14-20	\$302,537	0	302,537			(29,384)	(33,884)	\$268,653
Polk County Housing Trust Fund	14-21	\$867,333	0	867,333		(50,073)		(176,557)	\$690,776
Clay County Local Housing Trust Funds Inc	14-22	\$59,167	0	59,167				0	\$59,167
Great River Housing Inc	14-23	\$363,508	0	363,508				0	\$363,508
Waterloo Housing Trust Fund	14-24	\$90,000	0	90,000				(6,000)	\$84,000
Housing Trust Fund of Johnson County	14-25	\$349,044	0	349,044				0	\$349,044
East Central Iowa Housing Trust Fund	14-26	\$323,353	0	323,353				0	\$323,353
Housing Fund for Linn County	14-27	\$489,646	0	489,646				0	\$489,646
Dallas County Local Housing Trust Fund Inc	14-28	\$155,300	0	155,300				0	\$155,300
Chariton Valley Regional Housing Trust Fund Inc	14-29	\$240,504	0	240,504				0	\$240,504
Subtotal		\$7,514,816	\$0	\$7,514,816	(\$5,812)	(\$136,604)	\$0	(\$585,069)	\$6,929,747
Project Based Grant									
Habitat for Humanity of IA - NW Iowa Corridor	08-46	\$90,000	0	0				0	\$0
Cornerstone Sr Communities/Remsen-Sutherland	09-26	\$90,000	0	0				0	\$0
City of Harlan	10-23	\$50,000	0	0				0	\$0
Iowa Mortgage Help	10-39	\$200,000	0	0				0	\$0
Webster/Humboldt County Habitat for Humanity	11-03	\$49,800	0	0				0	\$0
Iowa Home Ownership Education Project	11-04	\$44,000	13,717	(3,407)				(10,310)	\$0
Habitat for Humanity of North Central Iowa	11-06	\$50,000	0	0				0	\$0
City of Fort Madison	11-07	\$50,000	0	0				0	\$0
Fort Dodge Housing Agency	11-08	\$50,000	0	0				0	\$0
Habitat for Humanity of Marion County	11-32	\$50,000	0	0				0	\$0
Northeast Iowa Community Action Corporation	11-33	\$50,000	0	0				0	\$0
City of Keokuk	11-34	\$50,000	43,440	0				0	\$43,440
Hope Haven, Inc.	11-35	\$50,000	0	0				0	\$0
Mosaic	11-36	\$50,000	0	0				0	\$0
Subtotal		\$923,800	\$57,157	(\$3,407)	\$0	\$0	\$0	(\$10,310)	\$43,440
Project Based Grant (FY13) - \$350,000									
Fort Dodge Housing Agency	13-01	\$50,000	50,000	0		(12,035)		(50,000)	\$0
Habitat for Humanity of Marion County Inc	13-02	\$50,000	0	0				0	\$0
Habitat for Humanity of Mitchell County	13-03	\$50,000	50,000	0				(50,000)	\$0
Habitat for Humanity of Central Iowa	13-30	\$50,000	8,995	0				(8,995)	\$0
Habitat for Humanity of North Central Iowa	13-31	\$50,000	50,000	0				0	\$50,000
Iowa Heartland Habitat for Humanity	13-34	\$50,000	50,000	0				(50,000)	\$0
Subtotal		\$300,000	\$208,995	\$0	\$0	(\$12,035)	\$0	(\$158,995)	\$50,000
Project Based Grant (FY14) - \$500,000									
Habitat for Humanity of Marion County	14-01	\$25,000	0	25,000				0	\$25,000
Hope Haven Area Development Center Corporation	14-02	\$50,000	0	50,000				(50,000)	\$0
Habitat for Humanity of Marion County Inc	14-03	\$25,000	0	25,000				0	\$25,000
Hope Haven Support Foundation	14-30	\$50,000	0	50,000				(50,000)	\$0
Hope Haven, Incorporated	14-31	\$49,000	0	49,000				(49,000)	\$0
Subtotal		\$199,000	\$0	\$199,000	\$0	\$0	\$0	(\$149,000)	\$50,000
Shelter Assistance Fund (2013)									
Area Substance Abuse Council		\$75,000	21,888	0				(21,888)	\$0
Beacon of Life		\$30,000	17,505	0				(17,505)	\$0
Cedar Valley Friends of the Family		\$23,000	15,578	0				(15,578)	\$0
Center for Siouxland		\$30,000	29,322	0				(29,322)	\$0
Centers Against Abuse & Sexual Assault		\$17,000	10,925	0				(10,925)	\$0
Central Iowa Shelter & Services		\$75,000	22,789	0				(22,789)	\$0
Cottage Grove Avenue Presbyterian Church		\$25,000	14,582	0				(14,582)	\$0
Council on Sexual Assault & Domestic Violence		\$30,000	16,267	0				(16,267)	\$0
Crisis Center and Women's Shelter		\$30,000	20,694	(6,539)				(14,155)	\$0
Crisis Intervention Services		\$30,000	25,604	0				(25,604)	\$0
Des Moines Area Religious Council		\$30,000	15,000	0				(15,000)	\$0
Dubuque Community YWCA DV Program		\$30,000	25,482	0				(25,482)	\$0
Family Crisis Centers of Northwest Iowa		\$20,000	12,562	(700)				(11,862)	\$0
Family Promise of Greater Des Moines		\$16,000	11,221	(275)				(10,946)	\$0
Fort Dodge Housing Agency		\$30,000	23,930	0				(23,930)	\$0
Foundation 2		\$50,500	32,212	0				(32,212)	\$0
Hawkeye Area Community Action Program		\$75,000	75,000	0				(75,000)	\$0
Information, Referral, & Assistance Services		\$30,000	14,362	(2)				(14,360)	\$0
Muscatine Center for Social Action		\$20,000	0	0				0	\$0
Northern Lights Alliance for the Homeless		\$30,000	19,199	0				(19,199)	\$0
Opening Doors		\$30,000	20,000	0				(20,000)	\$0
Pathway Living Center		\$60,000	23,034	0				(23,034)	\$0
Rural Iowa Crisis Center		\$19,697	14,724	(3,891)				(10,833)	\$0
Seeds of Hope		\$26,824	15,762	0				(15,762)	\$0
Shesler Hall		\$20,000	8,974	0				(8,974)	\$0
The Salvation Army		\$30,000	20,000	0				(20,000)	\$0
Willis Dady Emergency Shelter		\$20,000	7,022	0				(7,022)	\$0
Youth Emergency Services & Shelter		\$27,755	19,833	(392)				(19,441)	\$0
Iowa Institute for Community Alliances		\$93,600	56,385	0				(56,385)	\$0
Iowa Finance Authority		\$20,240	10,142	0				(10,142)	\$0
Subtotal		\$1,044,616	\$619,997	(\$11,798)	\$0	\$0	\$0	(\$608,199)	\$0
Shelter Assistance Fund (2014) - \$945,385									
Area Substance Abuse Council		\$79,200	0	79,200	(10,611)			(43,939)	\$35,261
Center for Siouxland		\$36,000	0	36,000	(3,640)			(5,510)	\$30,490
Central Iowa Shelter & Services		\$80,000	0	80,000				0	\$80,000
Children & Families of Iowa		\$28,000	0	28,000		(2,601)		(12,323)	\$15,677
Community Housing Initiatives Inc		\$11,900	0	11,900	(3,732)			(3,732)	\$8,168
Cottage Grove Avenue Presbyterian Church		\$36,000	0	36,000	(3,000)			(12,000)	\$24,000
Council on Sexual Assault & Domestic Violence		\$32,000	0	32,000	(2,099)			(13,785)	\$18,215
Crisis Intervention Services - NIAD Center for Human Development		\$56,902	0	56,902				(11,318)	\$45,584
Des Moines Area Religious Council		\$28,000	0	28,000				(28,000)	\$0
Dubuque Community YMCA/YWCA		\$36,000	0	36,000	(9,879)			(9,879)	\$26,121
Family Crisis Centers		\$36,000	0	36,000		(2,422)		(7,517)	\$28,483
Family Promise of Greater Des Moines		\$18,000	0	18,000	(8,728)			(8,728)	\$9,272
Fort Dodge Housing Agency		\$38,785	0	38,785				0	\$38,785
Foundation 2		\$54,000	0	54,000	(3,500)	(3,904)		(13,654)	\$40,346

**Iowa Finance Authority
Housing Agency Grant Commitments**

Grant Program	Grant #	Original Commitment	Balance 06/30/2013	FY14	FY14 Payments				Commitment Balance
				Additions (Red)	5/16/2014	5/23/2014	5/30/2014	Total	
Francis Lauer Youth Services Inc		\$28,000	0	28,000	(2,250)			(9,000)	\$19,000
Hawkeye Area Community Action Program Inc		\$85,000	0	85,000				0	\$85,000
Muscatine Center for Social Action		\$28,000	0	28,000	(20,000)			(20,000)	\$8,000
Opening Doors		\$32,000	0	32,000		(10,935)		(10,935)	\$21,065
Pathway Living Center		\$54,000	0	54,000		(7,723)		(7,723)	\$26,382
Project Concern Inc		\$27,318	0	27,318				(6,525)	\$20,793
Shesler Hall		\$14,000	0	14,000	(1,835)			(7,646)	\$6,354
The Salvation Army - Davenport		\$28,000	0	28,000				(9,497)	\$18,503
The Salvation Army - Waterloo/Cedar Falls		\$28,000	0	28,000				0	\$28,000
Willis Dady Emergency Shelter		\$26,600	0	26,600	(14,679)			(14,679)	\$11,921
Youth Emergency Services & Shelter		\$23,680	0	23,680		(2,699)		(7,567)	\$16,113
Iowa Finance Authority		\$18,908	0	18,908				(6,720)	\$12,187
Subtotal		\$964,293	\$0	\$964,293	(\$83,953)	(\$30,285)	\$0	(\$290,571)	\$673,722
Emergency Shelter Grant Program (2010) - \$1,522,628									
Iowa Institute for Community Alliances		\$1,522,628	43,556	(43,556)				0	\$0
Subtotal		\$1,522,628	\$43,556	(\$43,556)	\$0	\$0	\$0	\$0	\$0
Emergency Solutions Grant Program (FFY 2011-Phase II) \$1,032,813									
Domestic Violence Intervention Program		\$30,000	30,000	0				(30,000)	\$0
Heartland Family Service		\$20,000	20,000	0				(20,000)	\$0
North Iowa Community Action Organization		\$200,000	101,849	(34,835)				(67,014)	\$0
Quad Cities Family Resources Domestic Violence Shelter		\$122,096	96,667	(8,512)				(88,155)	\$0
Shelter House Community Shelter and Transition Services		\$200,000	163,115	0				(163,115)	\$0
Waypoint Services		\$200,000	158,207	0				(158,207)	\$0
YWCA Clinton		\$200,000	157,565	(47,341)				(110,225)	\$0
Iowa Finance Authority		\$60,717	20,083	0				0	\$20,083
Subtotal		\$1,032,813	\$747,487	(\$90,688)	\$0	\$0	\$0	(\$636,715)	\$20,083
Emergency Solutions Grant Program (FFY 2012 in CY 2012) - \$1,621,410									
Area Substance Abuse Council - ASAC Adult Halfway House		\$22,000	0	0				0	\$0
Area Substance Abuse Council - Heart of IA Halfway House		\$22,000	0	0				0	\$0
Area Substance Abuse Council - Hightower Place		\$22,000	0	0				0	\$0
Area Substance Abuse Council - King House		\$22,000	0	0				0	\$0
Assault Care Center Extending Shelter & Support		\$22,000	0	0				0	\$0
Beacon of Life		\$12,000	0	0				0	\$0
Burlington Area Community YMCA-YWCA		\$14,500	0	0				0	\$0
Catherine McAuley Center		\$17,650	0	0				0	\$0
Catholic Charities Diocese of DM - Phoenix House		\$14,500	0	0				0	\$0
Catholic Charities Diocese of DM - St Joseph Emerg Family Shelter		\$14,500	0	0				0	\$0
Center for Siouxland		\$17,650	407	(407)				0	(\$0)
Centers Against Abuse and Sexual Assault		\$17,650	0	0				0	\$0
Children & Families of Iowa - Compass Transitional Housing		\$14,500	0	0				0	\$0
Children & Families of Iowa - Domestic Violence Services		\$17,650	0	0				0	\$0
Community Action Agency of Siouxland - Transitional Housing		\$14,500	0	0				0	\$0
Community Action Agency of Siouxland - Welcome Home		\$14,500	0	0				0	\$0
Community Action of Southeast Iowa		\$14,500	0	0				0	\$0
Community and Family Resources		\$12,000	0	0				0	\$0
Community Housing Initiatives Inc		\$12,000	0	0				0	\$0
Creative Visions Human Development Institute		\$10,000	10,000	(10,000)				0	\$0
Crisis Center & Women's Shelter		\$14,500	10,713	(10,713)				0	\$0
Crisis Intervention Services		\$17,650	0	0				0	\$0
Crittenton Center		\$14,500	2,563	(2,563)				0	\$0
Des Moines Area Interfaith Hospitality Network		\$14,500	46	(46)				0	(\$0)
Des Moines Community Action Agency		\$12,000	0	0				0	\$0
Domestic Violence Alternatives/Sexual Assault Center Inc		\$22,000	84	(84)				0	\$0
Domestic Violence Intervention Program		\$22,000	10,031	(10,031)				0	\$0
Domestic/Sexual Assault Outreach Center		\$12,000	81	(81)				0	\$0
Dubuque Community Y		\$24,609	0	0				0	\$0
Family Crisis Centers of NW Iowa		\$17,650	0	0				0	\$0
Family Crisis Centers of NW Iowa - House of Ruth & House of Hope		\$17,650	0	0				0	\$0
Family Housing Advisory Services		\$14,500	0	0				0	\$0
Family Resource Center		\$14,500	0	0				0	\$0
Family Resources - Quad Cities - Davenport		\$22,000	0	0				0	\$0
Family Resources - Sexual Assault/Domestic Abuse Advocacy-Muscatine		\$22,000	0	0				0	\$0
Handicap Village dba Northwoods Living		\$14,500	14,500	(14,500)				0	\$0
Harbor of Hope		\$14,500	9,200	(9,200)				0	\$0
Hawkeye Area Community Action Program Inc - Homeless Prevent		\$14,500	0	0				0	\$0
Hawthorn Hill		\$22,000	0	0				0	\$0
Helping Services for Northeast Iowa Inc		\$14,500	3,493	(3,493)				0	(\$0)
HOME Inc		\$12,000	0	0				0	\$0
Humility of Mary Shelter Inc		\$22,000	0	0				0	\$0
Iowa Homeless Youth Centers - Street Outreach Program		\$14,500	0	0				0	\$0
Iowa Legal Aid - Central Iowa Homeless Prevention Project		\$14,500	0	0				0	\$0
Iowa Legal Aid - Eastern Iowa Homeless Prevention Project		\$17,650	1,546	(1,546)				0	\$0
Iowa Legal Aid - Waterloo Iowa Homeless Prevention Project		\$17,650	8,754	(8,754)				0	\$0
Iowa Legal Aid - Western Iowa Homeless Prevention Project		\$14,500	1,792	(1,792)				0	\$0
MICAH House Emergency Family Shelter		\$14,500	0	0				0	\$0
Mid-Iowa Community Action - Hardin County		\$10,000	0	0				0	\$0
Mid-Iowa Community Action - Poweshiek County		\$10,000	0	0				0	\$0
Mid-Iowa Community Action - Story County		\$10,000	0	0				0	\$0
Mid-Iowa Community Action - Tama County		\$10,000	0	0				0	\$0
Mid-Iowa Community Action Inc - Marshall County		\$10,000	0	0				0	\$0
Mid-Sioux Opportunity Inc		\$14,500	1,346	(1,346)				0	(\$0)
Muscatine Center for Social Action		\$17,650	0	0				0	\$0
New Opportunities Inc		\$17,650	0	0				0	\$0
NIAD Center for Human Development dba Crisis Intervention		\$17,650	0	0				0	\$0
North Iowa Community Action Organization		\$15,000	0	0				0	\$0
Northern Lights Alliance for the Homeless - Men's Shelter		\$17,650	12,806	(12,806)				0	(\$0)
Northern Lights Alliance for the Homeless - Trinity House of Hope		\$14,500	1,000	(1,000)				0	\$0
Opening Doors - Teresa Shelter		\$17,650	0	0				0	\$0
Operation Threshold - Rural Homeless Prevention		\$17,650	17,650	(17,650)				0	\$0
Operation Threshold - Urban Homeless Prevention		\$14,500	14,500	(14,500)				0	\$0
Primary Health Care Inc - Families in Transition		\$17,650	0	0				0	\$0
Project Concern		\$14,500	1,314	(1,314)				0	(\$0)
Proteus Inc		\$12,000	100	(100)				0	\$0
Red Rock Area Community Action Program Inc - Homeless Prevent		\$17,650	0	0				0	\$0
Red Rock Area Community Action Program Inc - Rural Homeless		\$17,650	0	0				0	\$0
Shelter House Community Shelter and Transition Services		\$22,000	0	0				0	\$0
Shesler Hall		\$14,500	0	0				0	\$0
The Safe Place Foundation		\$10,000	0	0				0	\$0
The Salvation Army - Family Service Center Emergency Shelter		\$14,500	0	0				0	\$0
The Salvation Army - Homeless Prevention		\$22,000	0	0				0	\$0
The Salvation Army - Men's Emergency Lodge		\$12,000	1,938	(1,938)				0	\$0
The Salvation Army - Women's and Children's Shelter		\$14,500	0	0				0	\$0
The Salvation Army - Homeless Prevention/Aftercare Program		\$17,650	0	0				0	\$0
Tri-State Coalition Against Domestic and Sexual Abuse		\$22,000	16,466	(16,466)				0	\$0

**Iowa Finance Authority
Housing Agency Grant Commitments**

Grant Program	Grant #	Original Commitment	Balance 06/30/2013	FY 14 Additions (Red)	FY 14 Payments				Commitment Balance
					5/16/2014	5/23/2014	5/30/2014	Total	
Upper Des Moines Opportunity Inc		\$12,000	0	0				0	\$0
Waypoint Serv for Women, Children and Families - Homeless		\$22,000	1	0				0	\$1
Waypoint Serv for Women, Children and Families - Madge Phillips		\$17,650	0	0				0	\$0
West Central Community Action		\$17,650	0	0				0	\$0
West Des Moines Human Services		\$12,000	0	0				0	\$0
Willis Dady Emergency Shelter		\$22,000	0	0				0	\$0
YWCA Clinton - Crisis Services Clinton County		\$22,000	170	(170)				0	(\$0)
YWCA Clinton - Crisis Services Jackson County		\$17,650	516	(516)				0	\$0
YWCA of Fort Dodge IA		\$17,650	0	0				0	\$0
Iowa Institute for Community Alliances		\$62,237	30,502	(30,502)				0	\$0
Iowa Institute for Community Alliances - HMIS		\$95,809	27	0				0	\$27
Iowa Finance Authority		\$62,305	0	0				0	\$0
Subtotal		\$1,621,410	\$171,549	(\$171,521)	\$0	\$0	\$0	\$0	\$28
Emergency Solutions Grant Program (FFY 2012 in CY 2013)									
Assault Care Center Extending Shelter and Support		\$40,000	36,899	0				(36,899)	\$0
Catherine McAuley Center		\$39,200	11,232	(1)				(11,231)	\$0
Catholic Charities, Diocese of Des Moines		\$50,000	25,481	(0)				(25,481)	\$0
Children & Families of Iowa		\$70,867	59,795	0				(59,795)	\$0
Community Action of Southeast Iowa		\$50,000	47,423	0				(47,423)	\$0
Crisis Intervention & Advocacy Center		\$24,000	24,000	0				(24,000)	\$0
Crisis Intervention Services		\$41,800	32,644	0				(32,644)	\$0
Domestic Violence Alternatives/Sexual Assault Center Inc		\$50,000	32,641	(23,953)				(8,688)	\$0
Domestic Violence Intervention Program		\$50,000	25,725	0				(25,725)	\$0
Hawthorne Hill		\$30,000	17,500	0				(17,500)	\$0
Heartland Family Service		\$20,000	20,000	0				(20,000)	\$0
Home Inc		\$41,400	30,332	(4,675)				(25,656)	\$0
Humility of Mary Housing Inc		\$50,000	29,058	0				(29,058)	\$0
Humility of Mary Shelter Inc		\$50,000	28,276	0				(28,276)	\$0
Iowa Coalition Against Domestic Violence		\$5,000	0	5,000				(5,000)	\$0
Iowa Legal Aid		\$41,400	38,257	(20,480)				(17,777)	\$0
MATURA Action Corporation		\$36,400	36,400	0				(36,400)	\$0
MICAH House Corporation		\$21,797	0	0				0	\$0
Shelter House Community Shelter and Transition Services		\$50,000	42,500	0				(42,500)	\$0
Upper Des Moines Opportunity Inc		\$41,400	41,400	(2,141)				(39,259)	\$0
Waypoint Services		\$41,797	24,227	(13)				(24,214)	\$0
Youth and Shelter Services Inc		\$128,330	114,737	(3,508)				(111,229)	\$0
YWCA Clinton		\$10,000	10,000	0				(10,000)	\$0
YWCA of Fort Dodge Iowa		\$50,000	45,001	(45,001)				0	\$0
Iowa Finance Authority		\$80,380	0	110,882				(70,871)	\$40,011
Subtotal		\$1,113,771	\$773,529	\$16,111	\$0	\$0	\$0	(\$749,629)	\$40,011
Emergency Solutions Grant Program (FFY 2013 in CY 2014)									
Assault Care Center Extending Shelter and Support		\$60,000	0	60,000		(15,593)		(15,593)	\$44,407
Catherine McAuley Center		\$76,000	0	76,000		(9,899)		(25,430)	\$50,570
Catholic Council for Social Concern		\$75,000	0	75,000		(7,088)		(26,315)	\$48,685
Cedar Valley Friends of the Family		\$93,000	0	93,000		(8,089)		(8,523)	\$84,477
Community Action Agency of Siouxland		\$73,269	0	73,269				(10,727)	\$62,542
Community Action of Southeast Iowa		\$50,000	0	50,000				(4,651)	\$45,349
Crisis Intervention & Advocacy Center		\$72,000	0	72,000				0	\$72,000
Crisis Intervention Services		\$100,000	0	100,000		(3,278)		(8,493)	\$91,507
Domestic/Sexual Assault Outreach Center		\$99,906	0	99,906				(27,072)	\$72,834
Domestic Violence Intervention Program		\$100,000	0	100,000				0	\$100,000
Family Resources		\$100,000	0	100,000		(12,128)		(72,914)	\$27,086
Hawthorne Hill		\$35,000	0	35,000		(3,000)		(14,000)	\$21,000
Heartland Family Service		\$50,000	0	50,000		(18,228)		(18,228)	\$31,772
Home Inc		\$50,000	0	50,000		(3,583)		(3,583)	\$46,417
Humility of Mary Housing Inc		\$85,000	0	85,000		(6,582)		(26,257)	\$58,743
Humility of Mary Shelter Inc		\$85,000	0	85,000		(6,895)		(28,448)	\$56,552
Iowa Legal Aid		\$75,000	0	75,000		(7,123)		(7,123)	\$67,877
MICAH House Corporation		\$50,000	0	50,000				(25,000)	\$25,000
North Iowa Community Action Organization		\$100,000	0	100,000				(2,981)	\$97,019
Shelter House Community Shelter and Transition Services		\$150,000	0	150,000		(14,970)		(39,834)	\$110,166
Upper Des Moines Opportunity Inc		\$80,000	0	80,000				(22,962)	\$57,038
Waypoint Services		\$115,697	0	115,697		(16,503)		(30,851)	\$84,846
Youth and Shelter Services Inc		\$128,330	0	128,330		(7,268)		(12,653)	\$115,677
YWCA Clinton		\$100,000	0	100,000		(10,341)		(44,135)	\$55,865
Iowa Institute for Community Alliances - HMIS		\$93,600	0	93,600		(16,288)		(35,019)	\$58,581
Iowa Finance Authority		\$153,277	0	153,277				0	\$153,277
Subtotal		\$2,250,079	\$0	\$2,250,079	\$0	(\$166,856)	\$0	(\$510,793)	\$1,739,286
HOPWA (FFY 2011 in CY 2012) - \$405,944									
Siouxland Community Health Center	218	\$49,671	3,867	(3,867)				0	(\$0)
AIDS Project of Central Iowa	219	\$159,858	616	(616)				0	(\$0)
Cedar Valley Hospice	220	\$27,981	2,764	(2,764)				0	\$0
Mid-Eastern Council on Chemical Abuse	221	\$85,460	156	(156)				0	(\$0)
The Project of the Quad Cities	222	\$59,649	830	(830)				0	\$0
Iowa Finance Authority	223	\$12,178	0	0				0	\$0
Iowa Institute for Community Alliances	224	\$11,147	1,530	(1,530)				0	\$0
Subtotal		\$405,944	\$9,763	(\$9,763)	\$0	\$0	\$0	\$0	(\$0)
HOPWA (FFY 2012 in CY 2013) - \$409,416									
Cedar Valley Hospice		\$26,797	24,291	(13,996)				(10,295)	\$0
Primary Health Care Inc		\$162,017	136,791	(21,290)				(115,501)	\$0
Siouxland Community Health Center		\$51,120	35,626	(4,665)				(30,961)	\$0
The Project of the Quad Cities		\$60,602	41,324	(50)				(41,274)	\$0
University of Iowa		\$85,543	67,607	(9,646)				(57,962)	\$0
Iowa Finance Authority		\$12,282	0	0				0	\$0
Iowa Institute for Community Alliances		\$10,096	0	10,096				(10,096)	\$0
Subtotal		\$408,458	\$305,639	(\$39,551)	\$0	\$0	\$0	(\$266,088)	\$0
HOPWA (FFY 2013 in CY 2014) - \$395,682									
Cedar Valley Hospice		\$24,634	0	24,634				(3,274)	\$21,360
Primary Health Care Inc		\$160,577	0	160,577		(11,421)		(11,421)	\$149,156
Siouxland Community Health Center		\$50,450	0	50,450	(2,457)			(7,364)	\$43,086
The Project of the Quad Cities		\$59,873	0	59,873	(5,252)	(4,706)		(13,942)	\$45,932
University of Iowa		\$87,944	0	87,944	(7,083)			(7,083)	\$80,860
Iowa Finance Authority		\$11,870	0	11,870		(9,987)		(9,987)	\$1,884
Iowa Institute for Community Alliances		\$10,096	0	10,096	(1,450)			(3,992)	\$6,104
Subtotal		\$405,445	\$0	\$405,445	(\$16,242)	(\$26,114)	\$0	(\$57,063)	\$348,383
HOME									
Lone Tree/The Housing Fellowship	09-HM-103	\$194,444	36,000	0				(36,000)	\$0
Upper Explorerland RHA	09-HM-602	\$215,050	131,847	0	(11,567)			(84,043)	\$47,804
Mason City Housing Authority	10-HM-002	\$214,215	146,170	0			(27,507)	(105,858)	\$40,312
Carroll	10-HM-115	\$362,500	20,707	0				(20,707)	\$0

**Iowa Finance Authority
Housing Agency Grant Commitments**

Grant Program	Grant #	Original Commitment	Balance 06/30/2013	FY14 Additions (Red)	FY14 Payments				Commitment Balance
					5/16/2014	5/23/2014	5/30/2014	Total	
Mason City	10-HM-116	\$312,500	152,397	0				0	\$152,397
Manchester	10-HM-117	\$252,000	245,000	0				(153,298)	\$91,702
Ottumwa	10-HM-119	\$411,192	256,154	0				(147,412)	\$108,742
Downtown Partners Inc	10-HM-303	\$855,000	181,789	0				(120,000)	\$61,789
Habitat for Humanity of Iowa	10-HM-314	\$423,000	109,980	0				(684)	\$109,296
City of Marshalltown	11-HM-105	\$50,000	119,788	0				(18,425)	\$101,363
East Central Intergovernmental Association	11-HM-112	\$399,990	325,127	0				(73,735)	\$251,392
East Central Intergovernmental Association	11-HM-113	\$269,493	196,035	0				(149,844)	\$46,191
City of DeWitt	11-HM-114	\$218,994	123,634	0				(68,066)	\$55,568
Region 6 Planning Commission	11-HM-302	\$400,000	53,433	0				(48,638)	\$4,795
Region XII Council of Governments	11-HM-306	\$500,000	133,081	0				(128,935)	\$4,146
Habitat for Humanity of Iowa	11-HM-311	\$423,500	333,662	0				(69,807)	\$263,855
Community Housing Initiatives Inc	12-HM-03CO	\$50,000	0	50,000				(50,000)	\$0
Scott County Housing Council	12-HM-115	\$499,975	375,538	0			(15,478)	(273,389)	\$102,149
Greater Des Moines Habitat for Humanity Inc	12-HM-131	\$305,000	305,000	0				(16,500)	\$288,500
Upper Explorerland Regional Planning Commission	12-HM-138	\$410,000	295,465	0				(176,926)	\$118,539
Upper Explorerland Regional Planning Commission	12-HM-141	\$410,000	369,405	0				(97,184)	\$272,221
Habitat for Humanity of Iowa	12-HM-144	\$423,500	423,500	0				0	\$423,500
Habitat for Humanity of Marion County Inc	12-HM-150	\$154,000	115,500	0				(38,500)	\$77,000
Capax Infniti Housing Inc	12-HM-506	\$67,000	12,906	0				(12,879)	\$27
Family Housing Assistance - Anawim Housing	12-HM-510	\$212,258	127,294	0			(7,375)	(68,701)	\$58,593
Domestic Violence Service - Children & Families of Iowa	12-HM-534	\$80,325	75,339	0		(17,585)		(57,804)	\$17,535
Mason City Housing Authority	12-HM-545	\$208,850	148,539	0				(73,948)	\$74,591
Affordable Housing Network Inc	12AUG-HM-1CO	\$50,000	50,000	0				(50,000)	\$0
Subtotal		\$8,372,786	\$4,863,290	\$50,000	(\$11,567)	(\$17,585)	(\$50,360)	(\$2,141,283)	\$2,772,007
HOME (2013)									
MSA Professional Services Inc	13-HM-01ADM	\$400	\$0	400				(400)	\$0
Northeast Iowa Community Action Corporation	13-HM-01CO	\$50,000	50,000	0				(50,000)	\$0
Northeast Iowa Community Action Corporation	13-HM-113	\$11,000	0	11,000				0	\$11,000
Upper Explorerland Regional Planning Commission	13-HM-169	\$395,000	0	395,000			(11,000)	(58,528)	\$336,472
Scott County Housing Council	13-HM-177	\$499,975	0	499,975				0	\$499,975
Siouxland Interstate Metropolitan Planning Council	13-HM-180	\$242,200	0	242,200				0	\$242,200
East Central Intergovernmental Association	13-HM-192	\$285,250	0	285,250				(3,423)	\$281,827
Habitat for Humanity of Marion County Inc	13-HM-197	\$154,000	0	154,000				0	\$154,000
Iowa Community Action Association	13-HM-563	\$1,099,960	1,099,960	0	(21,425)	(6,377)		(73,487)	\$1,026,473
Children and Families of Iowa	13-HM-570	\$84,150	0	84,150				(1,725)	\$82,425
Anawim Housing	13-HM-573	\$241,986	241,986	0		(7,971)		(29,593)	\$212,393
Fort Dodge Housing Agency	13-HM-575	\$241,670	0	241,670				(40,433)	\$201,237
Des Moines Municipal Housing Agency	13-HM-578	\$1,100,000	1,100,000	0	(39,580)			(92,174)	\$1,007,826
Capax Infniti Housing Inc	13-HM-594	\$212,200	0	212,200		(3,210)		(209,199)	\$3,001
United Neighbors Inc - No Limits Program	13-HM-595	\$316,800	0	316,800		(16,629)	(24,531)	(192,287)	\$124,513
City of Clinton, Iowa Housing Authority	13AUG-HM-513	\$184,965	0	184,965				0	\$184,965
Capax Infniti Housing Inc	13AUG-HM-595	\$366,031	0	366,031	(1,472)			(9,320)	\$356,711
Children and Families of Iowa	13AUG-HM-597	\$123,420	0	123,420				0	\$123,420
Subtotal		\$5,609,007	\$2,491,946	\$3,117,061	(\$62,477)	(\$34,187)	(\$35,531)	(\$760,569)	\$4,848,438
HOME (2014)									
Region XII Council of Governments Inc	14-HM-161	\$412,500	0	412,500				0	\$412,500
Upper Explorerland Regional Planning Commission	14-HM-163	\$395,000	0	395,000				0	\$395,000
Upper Explorerland Regional Planning Commission	14-HM-164	\$395,000	0	395,000				0	\$395,000
Upper Explorerland Regional Planning Commission	14-HM-165	\$276,000	0	276,000				0	\$276,000
Region XII Council of Governments Inc	14-HM-177	\$412,500	0	412,500				0	\$412,500
Capax Infniti Housing Inc	14-HM-503	\$630,958	0	630,958				0	\$630,958
Children and Families of Iowa	14-HM-556	\$156,674	0	156,674				0	\$156,674
Eastern Iowa Regional Housing Corporation	14-HM-566	\$998,064	0	998,064				0	\$998,064
Anawim Housing	14-HM-570	\$327,383	0	327,383				0	\$327,383
Mason City Housing Authority	14-HM-586	\$442,161	0	442,161				0	\$442,161
Iowa Community Action Association	14-HM-593	\$999,586	0	999,586				0	\$999,586
Subtotal		\$5,445,826	\$0	\$5,445,826	\$0	\$0	\$0	\$0	\$5,445,826
Total		\$38,316,028	\$48,507,560	\$19,572,867	(\$383,612)	(\$1,573,214)	(\$107,418)	(\$26,838,368)	\$41,242,059

GRANT COMMITMENT SUMMARY:

I-JOBS	15,813,214
STATE	10,214,784
FEDERAL	15,214,062

TOTAL COMMITMENT BALANCE **41,242,059**

0

RECONCILIATION FY13 to FY14 ROLL FORWARD:

Grant Commitment Balance - 6/30/13	48,507,560.10
Grant Commitment Balance - 6/30/13 Adjusted	48,507,560.10
Grant Commitment Balance - 6/30/13 This Report	48,507,560.10
Difference	0.00



To: IFA Board of Directors
 From: Steven E Harvey
 Date: June 23, 2014
 Subject: **Housing Authority FY15 Budget - Preliminary**

FY14 Forecast

The Housing Authority should meet the financial objectives of the FY14 Budget:

- Total Operating Income of \$23.3 million is slightly unfavorable to budget.
- Total Operating Expense of \$16.2 million is slightly favorable to budget.
- Net Operating Income of \$7.1 million should exceed budget by \$0.2 million.

This forecast is based on 9 months of actual results and 3 months of current trends and will be used for all comparisons for the FY15 budget.

FY15 Budget Overview

The FY15 Housing Authority budget yields a decrease in net operating income of 16% due to overarching initiatives to improve information security to meet regulatory and market demands. Assets decrease 8% due to payoff of mortgage backed securities in our Single Family Program.

Fee & other income will decline by \$0.9 million or 8% due to a \$0.7 million reduction in TG's refinancing product; and \$0.2 million reduction in LIHTC and economic development bond fees.

Net interest income declines \$0.2 million as the Single Family assets shrink \$66.3 million.

Net grant expense decreases \$0.3 million with most programs remaining status quo.

Operating expenses will increase \$0.3 million or 2%. Employee costs increase \$0.6 or 7% due to the planned addition of a data security administrator, a TG controller, and filling 2 current vacancies. Marketing Expense declines by \$0.4 million due to the elimination of Iowa Mortgage Help advertising. Professional Services expense decline by \$0.3 million due to TG's field issuer fees. Other Operating Expenses increase by \$0.4 million to further support initiatives.

Net operating income declines \$1.2 million to \$5.9 million.

Ratios	Actual	Actual	Actual	Forecast	Budget
	FY11	FY12	FY13	FY14	FY15
Equity / asset ratio > 12.2%	16.6%	23.6%	30.2%	35.3%	39.3%
Return on assets ≥ .80%	3.41%	2.09%	1.95%	.88%	0.80%
Net interest margin > 1.15%	0.85%	1.61%	1.40%	1.97%	2.12%
Assets on Mission >80%	62.9%	70.3%	73.5%	71.7%	69.1%

Single Family (SF)

SF volume is budgeted at \$134 million funded by selling 100% into the secondary market. Repayments will shrink the SF assets by 12%.

Authority fees were not transferred in FY14; but are shown for FY15 at normal levels.

\$70 million of debt reduction occurs as a result of prepayments.

Multi Family (MF)

MF volume is budgeted at \$5 million of new lending and scheduled repayments of \$4.9 million leave the MF program basically unchanged for the year.

Miscellaneous State and Federal Restricted Funds (MRF)

MRF accounts for restricted funds from State, Federal, and other sources. The following programs are included here:

State Programs	Federal Programs	Other
Shelter Assistance Fund	HOPWA	IEDA (OEI) Loan Fund
Housing Assistance Fund	ESGP	
State Housing Trust Fund	TCAP / S1602	
Senior Living Trust RLF	HOME	
HCBS Trust RLF		
Transitional Housing RLF		
IJOBS		
Community Housing RLF		

Generally, this fund is expected to break even with the exception of equity infusions to create specific loan funds, minor amounts of interest earnings, and timing differences between the receipt and disbursement of grant funds.

Iowa Agriculture Development Division

IADD is IFA's smallest division with \$6 million in assets. IADD has struggled to break even in recent years; but is planned to break even for both FY14 and FY15.

Iowa Title Guaranty (TG)

- Fee Income declines by \$0.7 million or 10% due to a reduction in refinance volume.
- Salaries and Benefits increase \$0.3 million or 18% with the addition of an attorney for the commercial division and a controller.
- Field issuer fees decline \$0.2 million resulting from lower volume.
- Net Operating Income declines by \$0.8 million to \$1.0 million.

General Fund (GF)

The GF accounts for all of IFA's overhead costs which are funded by fees charged for services; authority fees transferred from SF & MF bond issues, and interest earnings on assets held within the GF.

- Fees & Other income declines by \$0.2 million or 5% due to lower LIHTC fees and conduit bond fees.
- Authority fees, increase by \$2.0 million because we did not take SF authority fees in FY14; opting to pay down SF debt instead.
- Net interest income declines \$0.2 million due to lower asset balances.
- Net Grant Income declines \$0.4 million due to the elimination of funds for Iowa Mortgage Help advertising. Marketing expense declines a similar amount.
- Salary & Benefits increase \$.2 million or 4% with the addition of a data security administrator and an EO2 for Section 8.
- Professional Services increase \$0.3 million due to various initiatives to be undertaken.

Capital Spend

Included in the capital items for the budget are:

- McNarney - table, chairs, & screen \$25k
- Parking lot lighting 10 @ 2500 each \$25k
- Repair entry plaza & Sidewalk \$40k
- Desktop PCs 24 @ \$1,000 each \$24k
- Encryption Software \$50k
- Multipurpose copiers \$20k
- Misc Furn & Fixtures \$24k
- Other \$45k

Total \$253k

Questions???? Ask me at 515-725-4926, or via email at steven.harvey@iowa.gov

**Iowa Finance Authority
FY15 Budget
(000 omitted)**

HSG Summary

Income Statement	Actual	Actual	Actual	Actual	Bud	Fest	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	\$	%
Fee & other income	11,691	13,430	11,188	14,111	11,377	12,057	11,143	-914	-8%
Net interest income	10,284	11,759	16,855	11,949	13,436	14,753	14,546	-206	-1%
Net grant income (exp)	-964	37,270	8,687	8,698	-1,262	-3,504	-3,210	294	-8%
Total Operating Income	21,011	62,458	36,730	34,758	23,551	23,306	22,480	-826	-4%
Salary & Benefits	7,729	7,852	8,538	8,689	9,375	9,016	9,632	616	7%
Marketing	296	374	481	910	370	847	486	-361	-43%
Professional Services	4,063	4,585	4,022	5,003	4,918	4,703	4,419	-284	-6%
Other Operating Expenses	1,831	926	597	2,354	1,971	1,663	2,022	359	22%
Total Operating Expense	13,919	13,736	13,638	16,956	16,635	16,228	16,559	330	2%
Net Operating Income (Loss)	7,092	48,722	23,092	17,802	6,916	7,078	5,921	-1,157	-16%
Nonoperating Rev (Exp)	33,940	-2,750	-3,684	-28,308	0	-6,579	0	6,579	-100%
Net Income (Loss)	41,032	45,972	19,408	-10,506	6,916	499	5,921	5,422	1086%

Balance Sheet	Actual	Actual	Actual	Actual	Bud	Fest	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	\$	%
Cash, CE, & Investments	653,550	489,338	270,069	184,239	151,333	172,732	173,708	976	1%
Mortgage backed securities	880,339	772,464	644,323	534,367	499,371	433,742	367,181	-66,562	-15%
Loans	83,139	125,375	132,442	136,153	154,696	144,185	144,082	-103	0%
Other Assets	49,849	40,914	57,967	57,607	55,955	55,195	54,847	-348	-1%
Operating Assets	1,666,877	1,428,092	1,104,801	912,366	861,355	805,854	739,817	-66,037	-8%
fair market value adj	73,071	69,846	65,803	38,027	54,071	32,182	32,182	0	0%
Total Assets	1,739,948	1,497,938	1,170,605	950,393	915,427	838,036	771,999	-66,037	-8%
Liabilities	1,479,168	1,191,186	844,444	636,598	582,664	521,097	449,139	-71,958	-14%
Operating Net Assets	187,709	236,906	260,357	275,769	278,691	284,757	290,679	5,921	2%
fair market value adj	73,071	69,846	65,803	38,027	54,071	32,182	32,182	0	0%
Total Liab. & Net Assets	1,739,948	1,497,938	1,170,605	950,393	915,427	838,036	771,999	-66,037	-8%

Ratios	Actual	Actual	Actual	Actual	Bud	Fest	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		%
Equity / asset ratio > 12.2%	11.3%	16.6%	23.6%	30.2%	32.4%	35.3%	39.3%	4.0%	11%
Return on assets ≥ .80%	0.43%	3.41%	2.09%	1.95%	0.80%	0.88%	0.80%	-0.1%	-9%
Net interest margin > 1.15%	0.64%	0.85%	1.61%	1.40%	1.67%	1.97%	2.12%	0.2%	8%
Loans/asset ratio > 80% < 90%	57.8%	62.9%	70.3%	73.5%	75.9%	71.7%	69.1%	-2.6%	-4%

Iowa Finance Authority
FY15 Budget Summary

GF Summary

(000 omitted)

Income Statement	Actual	Actual	Actual	Actual	Bud	Fcst	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	\$	%
Fee & other income	6,035	6,890	5,078	5,752	4,111	4,758	4,515	-243	-5%
Authority fee income	3,739	4,221	3,781	1,932	3,039	459	2,441	1,982	432%
Net interest income	297	166	515	727	756	647	483	-164	-25%
Net grant income (exp)	240	65	171	1,211	232	580	176	-405	-70%
Total Operating Income	10,311	11,341	9,544	9,622	8,137	6,445	7,615	1,170	18%
Salary & Benefits	6,429	5,543	6,108	6,274	6,129	6,226	6,466	240	4%
Marketing	223	306	415	804	256	557	181	-376	-68%
Professional Services	1,414	1,295	1,105	1,389	1,424	1,041	1,303	263	25%
Other Operating Expenses	1,004	631	953	493	829	1,041	1,150	109	10%
Total Operating Expense	9,071	7,776	8,581	8,960	8,637	8,865	9,100	235	3%
Net Operating Income (Loss)	1,241	3,565	963	662	-500	-2,420	-1,485	935	-39%
Nonoperating Rev (Exp)	-114	343	2,633	-343	0	-285	0	285	-100%
Net Income (Loss)	1,127	3,908	3,596	318	-500	-2,705	-1,485	1,220	-45%

Balance Sheet	Actual	Actual	Actual	Actual	Bud	Fcst	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	\$	%
Cash, CE, & Investments	12,799	16,050	8,743	10,739	3,599	5,319	3,898	-1,422	-27%
MBS & Loans	1,622	1,468	8,938	8,214	13,151	11,089	11,029	-60	-1%
Other Assets	3,836	3,601	4,176	3,784	4,428	3,736	3,732	-3	0%
Operating Assets	18,257	21,119	21,857	22,737	21,178	20,145	18,660	-1,485	-7%
fair market value adj	130	74	868	525	895	240	240	0	0%
Total Assets	18,387	21,193	22,725	23,262	22,072	20,385	18,900	-1,485	-7%
Liabilities	8,891	7,788	5,724	5,943	6,360	5,154	5,154	0	0%
Operating Net Assets	9,366	13,331	16,133	16,795	14,817	14,991	13,506	-1,485	-10%
fair market value adj	130	74	868	525	895	240	240	0	0%
Total Liab. & Net Assets	18,387	21,193	22,725	23,262	22,072	20,385	18,900	-1,485	-7%

Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

SF Summary

Income Statement	Actual	Actual	Actual	Actual	Bud	Fcst	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	\$	%
Fee & other income	27	24	14	0	0	0	0	0	
Net interest income	6,521	7,731	12,205	7,182	8,297	9,573	9,477	-96	-1%
Net grant expense	-1,089	-1,068	-1,191	0	-2,757	-4,339	-4,027	311	-7%
Authority Fees (exp)	-3,518	-3,643	-3,318	-1,476	-2,554	0	-1,968	-1,968	
Total Operating Income	1,941	3,044	7,710	5,707	2,986	5,235	3,481	-1,754	-34%
Total Operating Expense	606	405	513	455	232	311	270	-41	-13%
Net Operating Income (Loss)	1,335	2,639	7,197	5,251	2,755	4,924	3,211	-1,713	-35%
Nonoperating Rev (Exp)	36,599	-1,837	-4,823	-25,344	1,337	-5,949	0	5,949	-100%
Net Income (Loss)	37,934	803	2,374	-20,093	4,092	-1,025	3,211	4,236	-413%

Balance Sheet	Actual	Actual	Actual	Actual	Bud	Fcst	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	\$	%
Cash, CE, & Investments	493,629	304,277	138,132	92,727	70,986	86,120	85,778	-342	0%
MBS & Loans	886,126	777,355	641,409	531,709	491,825	428,172	361,474	-66,699	-16%
Other Assets	44,838	36,094	51,388	52,424	49,941	50,243	49,988	-254	-1%
Operating Assets	1,424,592	1,117,726	830,928	676,860	612,752	564,534	497,239	-67,295	-12%
fair market value adj	70,845	67,940	62,803	35,999	51,358	30,784	30,784	0	0%
Total Assets	1,495,437	1,185,666	893,731	712,859	664,111	595,318	528,023	-67,295	-11%
Liabilities	1,314,946	1,004,372	710,063	-551,143	482,460	-438,409	-367,903	70,506	-16%
Operating Net Assets	109,646	113,354	120,866	1,228,003	130,292	1,002,943	865,142	-137,801	-14%
fair market value adj	70,845	67,940	62,803	35,999	51,358	30,784	30,784	0	0%
Total Liab. & Net Assets	1,495,437	1,185,666	893,731	712,859	664,111	595,318	528,023	-67,295	-11%

Authority fee %	-0.47%	-0.52%	-0.28%	-0.52%	0.00%	-0.54%
	-0.33%	-0.40%	-0.22%	-0.42%	0.00%	-0.40%

**Iowa Finance Authority
FY15 Budget - Multifamily
Summary Financials (in thousands)**

MF Summary

Income Statement	Actual	Actual	Actual	Actual	Bud	Fcst	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	\$	%
Fee & other income	21	0	0	0	0	0	0	0	
Authority fee expense	-221	-577	-463	-456	-485	-459	-473	-14	3%
Net interest income	3,016	3,530	3,698	3,646	3,882	3,987	4,122	136	3%
Net grant income (exp)	0	0	0	0	0	0	0	0	
Total Operating Income	2,816	2,952	3,235	3,190	3,397	3,528	3,650	122	3%
Total Operating Expense	514	36	-62	240	85	48	77	30	62%
Net Operating Income (Loss)	2,302	2,916	3,297	2,950	3,312	3,480	3,572	92	3%
Nonoperating Rev (Exp)	393	2,787	1,201	-160	0	-348	0	348	
Net Income (Loss)	2,695	5,703	4,498	2,790	3,312	3,133	3,572	440	14%

Balance Sheet	Actual	Actual	Actual	Actual	Bud	Fcst	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	\$	%
Cash, CE, & Investments	38,989	44,455	43,165	45,598	45,007	44,700	46,632	1,932	4%
Loans	63,299	66,811	68,857	67,620	85,461	71,819	71,873	54	0%
Other Assets	404	-1,831	2,088	1,345	1,498	991	991	0	0%
Operating Assets	102,692	109,435	114,110	114,563	131,967	117,509	119,495	1,986	2%
fair market value adj	2,094	1,830	2,132	1,504	1,817	1,156	1,156	0	0%
Total Assets	104,786	111,265	116,242	116,066	133,784	118,665	120,651	1,986	2%
Liabilities	58,386	59,162	59,641	56,675	70,763	56,263	54,677	-1,586	-3%
Operating Net Assets	44,306	50,273	54,469	57,888	61,203	61,246	64,818	3,572	6%
fair market value adj	2,094	1,830	2,132	1,504	1,817	1,156	1,156	0	0%
Total Liab. & Net Assets	104,786	111,265	116,242	116,066	133,784	118,665	120,651	1,986	2%

Iowa Finance Authority
FY15 Budget - Misc Restricted Funds
Summary Financials (in thousands)

MRF Summary

Income Statement	Actual	Actual	Actual	Actual	Fest	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY15	\$	%
Fee & other income	8	146	69	11	6	12	6	113%
Net interest income	451	332	437	394	439	362	-77	-18%
Net grant income (exp)	-116	38,272	9,707	7,487	255	642	387	152%
Total Operating Income	343	38,750	10,213	7,892	699	1,016	317	45%
Salary & Benefits	56	1,060	1,015	852	949	999	50	5%
Professional Services	168	489	259	183	304	136	-168	-55%
Provision for losses	3	268	415	546	74	120	46	62%
Other Operating Expenses	22	619	-244	31	136	140	5	3%
Total Operating Expense	249	2,435	1,444	1,612	1,463	1,395	-68	-5%
Net Operating Income (Loss)	95	36,315	8,768	6,280	-764	-380	385	-50%
Nonoperating Rev (Exp)	-785	-430	-393	57	1,169	1,001	-168	-14%
Net Income (Loss)	-690	35,884	8,376	6,337	407	621	214	53%

Balance Sheet	Actual	Actual	Actual	Actual	Fest	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	\$	%
Cash, CE, & Investments	100,958	117,409	71,067	24,723	22,762	23,587	825	4%
MBS & Loans	12,430	52,205	57,560	62,977	65,009	64,669	-340	-1%
Other Assets	936	660	351	212	17	-75	-92	-540%
Operating Assets	114,324	170,274	128,978	87,911	87,788	88,181	393	0%
fair market value adj	2	2	1	0	2	2	0	0%
Total Assets	114,326	170,276	128,979	87,911	87,790	88,183	393	0%
Liabilities	90,663	110,728	61,056	13,651	13,123	12,895	-228	-2%
Operating Net Assets	23,661	59,546	67,922	74,260	74,665	75,286	621	1%
fair market value adj	2	2	1	0	2	2	0	0%
Total Liab. & Net Assets	114,326	170,276	128,979	87,911	87,790	88,183	393	0%

Iowa Finance Authority
FY15 Budget Summary

IADD Summary

(000 omitted)

Income Statement	Actual	Actual	Actual	Actual	Fest	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY15	\$	%
Fee & Misc Income	311	399	284	284	231	269	38	17%
Authority fee income	0	0	0	0	0	0	0	
Net interest income	177	171	147	115	107	103	-5	-4%
Net grant income (exp)	0	0	0	0	0	0	0	
Other Income - Conference	0	0	0	0	45	0	-45	-100%
Total Operating Income	488	570	431	399	383	372	-11	-3%
Salary & Benefits	344	333	265	294	164	193	29	18%
Marketing	5	4	4	4	25	26	1	3%
Conference Hosting	0	0	0	0	33	0	-33	-100%
Professional Services	79	87	57	58	117	119	2	2%
Other Operating Expenses	145	138	105	94	28	32	4	14%
Total Operating Expense	574	562	431	450	367	370	3	1%
Net Operating Income (Loss)	-85	8	-1	-51	16	2	-14	-88%
Nonoperating Rev (Exp)	0	0	0	-1	0	0	0	
Net Income (Loss)	-85	8	-1	-52	16	2	-14	-88%

Balance Sheet	Actual	Actual	Actual	Actual	Fest	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY15	\$	%
Cash, CE, & Investments	3,060	3,289	3,692	3,968	4,106	3,732	-374	-9%
MBS & Loans	3,009	2,735	2,311	2,002	1,838	2,218	380	21%
Other Assets	69	74	58	63	3	5	2	61%
Operating Assets	6,137	6,098	6,061	6,033	5,948	5,956	8	0%
fair market value adj	0	0	0	0	0	0	0	
Total Assets	6,137	6,098	6,061	6,033	5,948	5,956	8	0%
Liabilities	155	108	43	96	0	6	6	
Operating Net Assets	5,982	5,990	6,018	5,937	5,948	5,950	2	0%
fair market value adj	0	0	0	0	0	0	0	
Total Liab. & Net Assets	6,137	6,098	6,061	6,033	5,948	5,956	8	0%

Iowa Finance Authority
FY15 Budget
(000 omitted)

TG Summary

Income Statement	Actual	Actual	Actual	Actual	Bud	Fcst	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	\$	%
Total Operating Income	5,599	6,371	6,028	8,347	6,878	7,017	6,347	-670	-10%
Salary & Benefits	1,245	1,249	1,415	1,563	1,886	1,677	1,974	297	18%
TG Field Issuer Fees	1,732	2,099	1,932	2,817	2,600	2,587	2,400	-187	-7%
Claims Expense	260	-562	-498	897	559	274	356	82	30%
Other Operating Expenses	244	298	313	412	636	637	616	-21	-3%
Total Operating Expense	3,480	3,084	3,162	5,688	5,681	5,175	5,346	171	3%
Net Operating Income (Loss)	2,119	3,287	2,866	2,659	1,198	1,842	1,001	-841	-46%
Transfers to HAF	2,153	3,613	2,303	2,517	1,337	1,169	1,001	-168	-14%
Net Income (Loss)	-34	-326	564	142	-139	673	0	-673	-100%

Balance Sheet	Actual	Actual	Actual	Actual	Bud	Fcst	Bud	Change	
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	\$	%
Cash & Cash Equivalentents	7,182	7,148	8,962	10,453	11,039	9,725	10,081	356	4%
Other Assets	8	2,390	-35	-157	-163	205	205	0	0%
Total Assets	7,190	9,538	8,927	10,295	10,876	9,930	10,286	356	4%
Reserves for Claims	5,128	4,376	3,877	4,441	5,061	5,084	5,440	356	7%
Other Liabilities	1,333	4,760	4,083	4,714	4,714	3,064	3,064	0	0%
Total Liabilities	6,461	9,135	7,960	9,155	9,775	8,149	8,504	356	4%
Net Assets	729	403	966	1,140	1,101	1,782	1,782	0	0%
Total Liab. & Net Assets	7,190	9,538	8,927	10,295	10,876	9,930	10,286	356	4%



To: IFA Board of Directors
From: Tim D Jansen
Date: June 24, 2014
Subj: **FY15 SRF Budget --- Preliminary**

The **State Revolving Fund** budget is summarized below with the following general budget assumptions:

- New loan volume of \$200 million (\$100 million in CW and \$100 million in DW) with a \$74 million Drinking Water loan to Ames expected to be signed in October, 2014.
 - SRF plans to disburse \$144.0 million to existing loans with:
 - \$96.0 million in disbursements to Clean Water loans, and
 - \$48.0 million in disbursements to Drinking Water loans
 - One bond issue of approximately \$100 million planned for December, 2014.
 - Receive 2014 federal Cap Grants (CW = \$19.0 million and DW = \$13.2 million). Begin drawing funds in January, 2015.
1. **Fee Income of \$4.5 million** -- an increase of \$0.6 million from FY14 due to higher initiation fees projected from more loans closing.
 2. **Net Interest Income of \$2.9 million** -- a decrease of \$0.3 million due to new bond issue.
 3. **Operating Expenses of \$9.5 million** -- an increase of \$0.3 million based on general 3% increase in expenses.
 4. **Net grant income of \$20.9 million** – a decrease of \$5.2 million with:
 - a. **Grant Income of \$28.1 million consisting of:**
 - i. \$19.0 million received from the FY14 Clean Water cap grant with all of it being drawn in FY15.
 - ii. \$13.2 million received from the FY14 Drinking Water cap grant with \$5.6 million of it being drawn in FY15.
 - iii. \$3.5 million received from prior cap grants for Drinking Water Setasides
 - b. **Grant Expense of \$7.2 million consisting of:**
 - i. \$3.6 million for loan forgiveness from Clean Water
 - ii. \$3.6 million for loan forgiveness from Drinking Water
 5. **Operating Income of \$18.9 million** – a decrease of \$5.3 million from FY14.
 6. **Total Assets will grow to nearly \$1.9 billion, or a 4% increase**
 7. **Net Assets will increase to \$823 million, or a 2% increase.**

If you have any questions, or need additional details, please contact me at 515-725-4889, or email me your questions at tim.jansen@iowa.gov.

Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

SRF Summary

Income Statement	Actual	Actual	Actual	Fcst	Bud	Change
	FY11	FY12	FY13	FY14	FY15	%
Fee & other income	3,705	4,110	4,150	3,919	4,531	16%
Net interest income	6,020	5,331	6,377	3,263	2,940	-10%
Net grant income (exp)	60,309	56,187	33,025	26,103	20,883	-20%
Total Operating Income	70,034	65,627	43,551	33,284	28,354	-15%
Total Operating Expense	8,762	9,087	9,682	9,120	9,470	4%
Net Operating Income (Loss)	61,272	56,541	33,869	24,164	18,883	-22%
Nonoperating Rev (Exp)	26	-7	-246	253	0	-100%
Net Income (Loss)	61,298	56,534	33,623	24,418	18,883	-23%

Balance Sheet	Actual	Actual	Actual	Fcst	Bud	Change
	FY11	FY12	FY13	FY14	FY15	%
Cash, CE, & Investments	365,595	506,286	364,897	400,951	388,107	-3%
SRF Loans	1,079,065	1,214,681	1,317,081	1,396,806	1,480,923	6%
Other Assets	7,621	7,281	5,438	3,975	4,197	6%
Operating Assets	1,452,281	1,728,247	1,687,416	1,801,732	1,873,227	4%
fair market value adj	47	40	-206	119	113	-5%
Total Assets	1,452,329	1,728,287	1,687,210	1,801,851	1,873,340	4%
Liabilities	766,683	986,108	911,408	997,849	1,050,424	5%
Operating Net Assets	685,598	742,139	776,008	803,882	822,804	2%
fair market value adj	47	40	-206	119	113	-5%
Total Liab. & Net Assets	1,452,329	1,728,287	1,687,210	1,801,851	1,873,340	4%

Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

SRF

Operating Income	Act	Act	Act	Fcst	Budget
	FY11	FY12	FY13	Jun-14	Jun-15
LOAN ORIG FEES	-723	-833	-881	-439	-1,000
MISC FEES	-2,982	-3,277	-3,269	-3,480	-3,531
TOTAL FEE INCOME	-3,705	-4,110	-4,150	-3,919	-4,531
INVESTMENT INT INC	-2,979	-1,623	-771	-715	-739
G/L ON SALE	0	1	0	-1	0
REBATE EXP	373	299	38	-46	0
LOAN INTEREST INC	-28,882	-34,948	-37,043	-37,126	-37,494
OTHER INTEREST INC	0	0	0	0	0
TOTAL INTEREST INC	-31,487	-36,272	-37,777	-37,888	-38,233
BOND INTEREST EXP	29,042	37,146	36,378	40,174	40,295
COST OF ISSUE EXP	222	159	173	868	798
DISC / PREM AMORT	-3,019	-4,121	-5,720	-6,875	-6,255
REMARKETING FEES	0	0	0	0	0
LIQUIDITY FEE	0	0	0	0	0
OTHER INTEREST EXP	-777	-2,243	569	458	456
TOTAL INTEREST EXP	25,467	30,941	31,400	34,625	35,294
NET INTEREST (INCOME)	-6,020	-5,331	-6,377	-3,263	-2,940
NET GRANT EXP (INC)	-60,309	-56,187	-33,025	-26,103	-20,883
AUTHORITY FEES EXP (INC)	0	0	0	0	0
OTHER INCOME	0	0	0	0	0
TOTAL OPERATING (INCOME)	-70,034	-65,627	-43,551	-33,284	-28,354

Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

SRF

Operating Expenses	Act	Act	Act	Fcst	Budget
	FY11	FY12	FY13	Jun-14	Jun-15
SALARY & BENEFITS	808	683	675	604	725
TRAVEL & EDUCATION	8	5	7	6	6
OFFICE SUPPLY & POSTAGE	10	9	7	6	6
TELEPHONE & DATA	6	5	5	4	4
FACILITIES	15	14	13	8	8
EQUIPMENT & SOFTWARE	3	3	3	2	2
DEPRECIATION	26	20	38	59	61
STATE INDIRECT	5	5	4	3	3
MARKETING	25	16	17	35	36
PS - ACCOUNTING	11	8	8	5	5
PS - LEGAL	0	48	46	63	64
PS - BANKING	181	223	236	256	262
PS - IT CONSULTING	13	5	1	1	1
PS - MISC CONSULTING	0	0	64	0	0
PS - STATE AUDITOR	0	0	0	0	0
PS - MISC	30	28	25	14	3
PROVISION FOR LOSSES	396	396	133	-25	-25
MISC EXPENSES	7,123	7,526	8,312	8,004	8,191
7100300 MISC EXPENSES	0	0	0	0	0
7100336 DNR PRIOR YEAR EXP	896	682	-19	102	0
7100337 DNR PROGRAM ADMIN	2,237	2,191	2,263	2,536	3,148
7100338 OTHER AUTHORIZED USE	2,679	3,496	4,577	2,340	2,192
7100339 SMALL COMM TECH ADMIN	252	279	302	314	452
7100344 STATE PROG ADMIN	887	818	967	900	603
7100400 NON PROGRAM USES	171	60	221	1,812	1,796
INDIRECT COST TRANSFER	101	92	88	74	117
TOTAL OPERATING EXF	8,762	9,087	9,682	9,120	9,470
NET OPERATING (INC) LOSS	-61,272	-56,541	-33,869	-24,164	-18,883
FMVA	-26	7	246	-253	0
NET (INCOME) LOSS	-61,298	-56,534	-33,623	-24,418	-18,883

Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

SRF

Balance Sheet	Act	Act	Act	Fcst	Budget
	FY11	FY12	FY13	Jun-14	Jun-15
CASH	53,574	61,643	62,170	61,773	62,393
CASH EQUIV	156,050	290,388	155,817	229,010	260,979
INVESTMENTS	155,970	154,255	146,910	110,168	64,735
INV FMVA	47	40	-206	119	113
HOUSING LOANS	0	0	0	0	0
SRF LOANS	1,079,065	1,214,681	1,317,081	1,396,806	1,480,923
INTEREST REC	3,886	3,948	3,509	3,410	3,410
CAPITAL ASSETS	0	0	133	133	133
PFAD	0	0	-18	-62	-106
TRADE A/R	2,242	1,466	203	216	311
OTHER ASSETS	1,493	1,866	1,612	279	450
DEF DERIVATIVE	0	0	0	0	0
TOTAL ASSETS	1,452,329	1,728,287	1,687,210	1,801,851	1,873,340
	24%	19%	-2%	4%	4%
BOND PAYABLE	-734,944	-952,373	-881,834	-980,481	-1,032,231
INTEREST PAYABLE	-15,758	-18,654	-15,008	-16,702	-17,342
DEFERRED INCOME	-12,314	-13,340	-13,487	0	0
REBATES OWED	-2,495	-830	-116	0	0
RESERVE FOR LOSSES	0	0	0	0	0
A/P & OTHER LIAB	-1,172	-912	-962	-667	-850
DERIVATIVE LIABILITY	0	0	0	0	0
TOTAL LIABILITIES	-766,683	-986,108	-911,408	-997,849	-1,050,424
FUND BALANCE	-624,348	-685,645	-742,179	-779,584	-804,001
TRANSFER BETWEEN FUNDS	0	0	0	0	0
CURRENT YEAR EARNINGS	-61,298	-56,534	-33,623	-24,418	-18,915
NET ASSETS	-685,645	-742,179	-775,802	-804,001	-822,916
TOTAL LIAB AND NET ASSETS	-1,452,329	-1,728,287	-1,687,210	-1,801,851	-1,873,340

Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

Clean Water

Operating Income	Act	Act	Act	Fcst	Budget
	FY11	FY12	FY13	Jun-14	Jun-15
LOAN ORIG FEES	-492	-574	-608	-273	-500
MISC FEES	-1,993	-2,235	-2,334	-2,492	-2,552
TOTAL FEE INCOME	-2,485	-2,809	-2,942	-2,764	-3,052
INVESTMENT INT INC	-1,343	-903	-341	-370	-412
G/L ON SALE	0	1	0	-1	0
REBATE EXP	305	31	-25	0	0
LOAN INTEREST INC	-19,133	-23,650	-25,659	-26,572	-27,075
OTHER INTEREST INC	0	0	0	0	0
TOTAL INTEREST INC	-20,171	-24,521	-26,024	-26,943	-27,487
BOND INTEREST EXP	18,884	25,149	24,873	29,123	29,720
COST OF ISSUE EXP	92	102	106	852	758
DISC / PREM AMORT	-1,770	-2,530	-3,584	-4,843	-4,695
REMARKETING FEES	0	0	0	0	0
LIQUIDITY FEE	0	0	0	0	0
OTHER INTEREST EXP	-798	-2,016	66	55	55
TOTAL INTEREST EXP	16,408	20,704	21,461	25,187	25,838
NET INTEREST (INCOME)	-3,763	-3,817	-4,563	-1,756	-1,649
NET GRANT EXP (INC)	-43,502	-27,830	-17,664	-14,753	-15,376
AUTHORITY FEES EXP (INC)	0	0	0	0	0
OTHER INCOME	0	0	0	0	0
TOTAL OPERATING (INCOME)	-49,750	-34,455	-25,169	-19,273	-20,077

Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

Clean Water

Operating Expenses	Act	Act	Act	Fcst	Budget
	FY11	FY12	FY13	Jun-14	Jun-15
SALARY & BENEFITS	541	458	433	403	436
TRAVEL & EDUCATION	6	3	5	4	4
OFFICE SUPPLY & POSTAGE	7	6	5	4	4
TELEPHONE & DATA	4	4	3	3	3
FACILITIES	10	10	9	6	6
EQUIPMENT & SOFTWARE	2	2	2	1	1
DEPRECIATION	17	13	26	41	42
STATE INDIRECT	3	4	3	2	2
MARKETING	17	12	13	25	26
PS - ACCOUNTING	7	5	5	4	4
PS - LEGAL	0	33	32	38	40
PS - BANKING	118	150	163	188	195
PS - IT CONSULTING	6	4	1	1	1
PS - MISC CONSULTING	0	0	44	0	0
PS - STATE AUDITOR	0	0	0	0	0
PS - MISC	15	15	13	8	1
PROVISION FOR LOSSES	0	0	0	0	0
MISC EXPENSES	2,484	3,265	3,326	3,252	3,620
7100300 MISC EXPENSES	0	0	0	0	0
7100336 DNR PRIOR YEAR EXP	333	573	-116	74	0
7100337 DNR PROGRAM ADMIN	1,608	1,490	1,553	1,833	2,063
7100338 OTHER AUTHORIZED U	544	1,202	1,889	0	0
7100339 SMALL COMM TECH A	0	0	0	0	0
7100344 STATE PROG ADMIN	0	0	0	0	0
7100400 NON PROGRAM USES	0	0	0	1,344	1,556
INDIRECT COST TRANSFER	68	62	56	50	51
TOTAL OPERATING EXF	3,307	4,046	4,140	4,029	4,436
NET OPERATING (INC) LOSS	-46,443	-30,409	-21,029	-15,244	-15,641
INTERAGENCY GRANTS	0	0	0	0	0
FMVA	-10	3	86	-107	0
OTHER NON-OPERATING	0	0	0	0	0
NET (INCOME) LOSS	-46,453	-30,406	-20,943	-15,351	-15,641

Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

Clean Water

Balance Sheet	Act	Act	Act	Fcst	Budget
	FY11	FY12	FY13	Jun-14	Jun-15
CASH	53,574	61,643	62,118	61,773	62,393
CASH EQUIV	95,539	178,569	74,502	148,906	194,620
INVESTMENTS	111,732	105,609	82,877	58,544	35,265
INV FMVA	27	24	-63	97	90
HOUSING LOANS	0	0	0	0	0
SRF LOANS	723,198	836,536	939,527	1,012,528	1,067,382
INTEREST REC	2,460	2,659	2,277	2,512	2,512
CAPITAL ASSETS	0	0	91	91	91
PFAD	0	0	-13	-43	-73
TRADE A/R	1,508	976	0	0	0
OTHER ASSETS	952	1,251	1,088	203	367
DEF DERIVATIVE	0	0	0	0	0
TOTAL ASSETS	988,990	1,187,266	1,162,405	1,284,609	1,362,647
	28%	20%	-2%	11%	6%
BOND PAYABLE	-487,491	-652,927	-609,679	-718,110	-779,637
INTEREST PAYABLE	-10,450	-12,844	-10,266	-12,114	-12,937
DEFERRED INCOME	-8,594	-9,331	-9,574	0	0
REBATES OWED	-548	-175	0	0	0
RESERVE FOR LOSSES	0	0	0	0	0
A/P & OTHER LIAB	-444	-475	-429	-392	-440
DERIVATIVE LIABILITY	0	0	0	0	0
TOTAL LIABILITIES	-507,527	-675,752	-629,948	-730,616	-793,014
FUND BALANCE	-435,005	-481,464	-511,514	-538,641	-553,993
TRANSFER BETWEEN FUNDS	-5	355	0	0	0
CURRENT YEAR EARNINGS	-46,453	-30,406	-20,943	-15,351	-15,641
NET ASSETS	-481,464	-511,514	-532,457	-553,993	-569,633
		6%	4%		3%
TOTAL LIAB AND NET ASSETS	-988,990	-1,187,266	-1,162,405	-1,284,609	-1,362,647

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Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

Drinking Water

Operating Income	Act	Act	Act	Fcst	Budget
	FY11	FY12	FY13	Jun-14	Jun-15
LOAN ORIG FEES	-231	-259	-273	-166	-500
MISC FEES	-989	-1,042	-935	-988	-978
TOTAL FEE INCOME	-1,220	-1,301	-1,208	-1,154	-1,478
INVESTMENT INT INC	-1,636	-720	-431	-345	-327
G/L ON SALE	0	0	0	0	0
REBATE EXP	69	268	62	-46	0
LOAN INTEREST INC	-9,749	-11,299	-11,384	-10,554	-10,419
OTHER INTEREST INC	0	0	0	0	0
TOTAL INTEREST INC	-11,316	-11,751	-11,752	-10,945	-10,746
BOND INTEREST EXP	10,158	11,997	11,504	11,051	10,575
COST OF ISSUE EXP	130	57	67	17	40
DISC / PREM AMORT	-1,249	-1,591	-2,136	-2,032	-1,560
REMARKETING FEES	0	0	0	0	0
LIQUIDITY FEE	0	0	0	0	0
OTHER INTEREST EXP	21	-226	504	402	401
TOTAL INTEREST EXP	9,059	10,237	9,939	9,438	9,455
NET INTEREST (INCOME)	-2,257	-1,514	-1,814	-1,507	-1,291
NET GRANT EXP (INC)	-16,807	-28,357	-15,360	-11,350	-5,507
AUTHORITY FEES EXP (INC)	0	0	0	0	0
OTHER INCOME	0	0	0	0	0
TOTAL OPERATING (INCOME)	-20,283	-31,172	-18,381	-14,011	-8,277

Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

Drinking Water

Operating Expenses	Act	Act	Act	Fcst	Budget
	FY11	FY12	FY13	Jun-14	Jun-15
SALARY & BENEFITS	267	224	242	201	289
TRAVEL & EDUCATION	3	2	2	2	2
OFFICE SUPPLY & POSTAGE	3	3	2	2	2
TELEPHONE & DATA	2	2	1	1	1
FACILITIES	5	5	4	3	3
EQUIPMENT & SOFTWARE	1	1	1	1	0
DEPRECIATION	9	6	12	18	19
STATE INDIRECT	2	2	1	1	1
MARKETING	8	4	4	10	10
PS - ACCOUNTING	4	3	2	2	2
PS - LEGAL	0	16	14	24	25
PS - BANKING	63	73	73	69	66
PS - IT CONSULTING	7	1	0	0	0
PS - MISC CONSULTING	0	0	20	0	0
PS - STATE AUDITOR	0	0	0	0	0
PS - MISC	15	13	11	6	1
PROVISION FOR LOSSES	396	396	133	-25	-25
MISC EXPENSES	4,638	4,261	4,986	4,753	4,571
7100300 MISC EXPENSES	0	0	0	0	0
7100336 DNR PRIOR YEAR EXP	563	109	96	28	0
7100337 DNR PROGRAM ADMIN	630	701	710	702	1,085
7100338 OTHER AUTHORIZED USE	2,136	2,294	2,688	2,340	2,192
7100339 SMALL COMM TECH ADMIN	252	279	302	314	452
7100344 STATE PROG ADMIN	887	818	967	900	603
7100400 NON PROGRAM USES	171	60	221	469	240
INDIRECT COST TRANSFER	33	30	32	25	34
TOTAL OPERATING EXF	5,455	5,040	5,542	5,091	5,002
NET OPERATING (INC) LOSS	-14,829	-26,132	-12,840	-8,920	-3,274
INTERAGENCY GRANTS	0	0	0	0	0
FMVA	-16	4	160	-146	0
OTHER NON-OPERATING	0	0	0	0	0
NET (INCOME) LOSS	-14,844	-26,128	-12,680	-9,066	-3,274

Iowa Finance Authority
FY15 Budget Summary
(000 omitted)

Drinking Water

Balance Sheet	Act	Act	Act	Fcst	Budget
	FY11	FY12	FY13	Jun-14	Jun-15
CASH	0	0	52	0	0
CASH EQUIV	60,511	111,819	81,316	80,104	66,359
INVESTMENTS	44,239	48,647	64,032	51,625	29,470
INV FMVA	20	16	-143	23	23
HOUSING LOANS	0	0	0	0	0
SRF LOANS	355,867	378,144	377,554	384,278	413,541
INTEREST REC	1,426	1,289	1,232	898	898
CAPITAL ASSETS	0	0	41	41	41
PFAD	0	0	-6	-19	-33
TRADE A/R	735	490	203	216	311
OTHER ASSETS	541	616	524	77	83
DEF DERIVATIVE	0	0	0	0	0
TOTAL ASSETS	463,338	541,021	524,805	517,242	510,693
	16%	17%	-3%	-1%	-1%
BOND PAYABLE	-247,453	-299,446	-272,155	-262,370	-252,595
INTEREST PAYABLE	-5,308	-5,810	-4,742	-4,588	-4,405
DEFERRED INCOME	-3,720	-4,009	-3,913	0	0
REBATES OWED	-1,947	-655	-116	0	0
RESERVE FOR LOSSES	0	0	0	0	0
A/P & OTHER LIAB	-728	-437	-533	-274	-409
DERIVATIVE LIABILITY	0	0	0	0	0
TOTAL LIABILITIES	-259,157	-310,356	-281,460	-267,233	-257,409
FUND BALANCE	-189,342	-204,182	-230,665	-240,943	-250,009
TRANSFER BETWEEN FUNDS	5	-355	0	0	0
CURRENT YEAR EARNINGS	-14,844	-26,128	-12,680	-9,066	-3,274
NET ASSETS	-204,182	-230,665	-243,345	-250,009	-253,283
		13%	5%	3%	1%
TOTAL LIAB AND NET ASSETS	-463,338	-541,021	-524,805	-517,242	-510,693

**RESOLUTION
FIN 14-03**

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

WHEREAS, in 1996, the Iowa Department of Economic Development (the "IDED") entered into a HOME Investment Partnership ("HOME") construction to permanent multi-family mortgage loan with Southern Iowa Housing, LP I, which was transferred by IDED to the Iowa Finance Authority (the "Authority") in 2010, as set forth on Exhibit A, attached hereto (the "HOME Loan"); and

WHEREAS, in 1996, the Authority entered a Housing Assistance Fund multi-family mortgage loan with Southern Iowa Housing, LP I, as set forth on Exhibit A, attached hereto (the "HA Loan"); and

WHEREAS, the mortgages for the HOME Loan and the HA Loan (collectively, the "Loans") were removed on December 17, 2012, as security against the property located at 2236 Loomis Avenue, Corning, Iowa (the "Property"), by the first lender, CMA Ventures Inc. through Nonjudicial Voluntary Foreclosure procedure under Iowa Code section 654.18; and

WHEREAS, the terms of the Loan agreements specify, that upon default, the Loan repayments shall be enforced against the Property and not Southern Iowa Housing, Limited Partnership I (that has been administratively dissolved pursuant to Iowa Code section 488.809 effective August 9, 2013); and

WHEREAS, the Authority therefore now deems the Loans to be uncollectible; and

WHEREAS, the aggregate unpaid principal and interest of the Loans is currently Three Hundred Twenty Seven Thousand Four Hundred Ninety Two Dollars and Thirty Five Cents (\$327,492.35).

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

SECTION 1. Authority staff is hereby authorized to write the debt of the Loans set forth on Exhibit A off of the Authority's loan accounts.

SECTION 2. Authority staff is hereby authorized to complete and issue any appropriate tax documents associated with the write off of the Loans.

PASSED AND APPROVED this 9th day of July, 2014.

David Jamison, Secretary

(Seal)

Exhibit A

Loans	Loan Date	Original Principal Amount	Outstanding Principal Owed	Outstanding Principal Owed Plus Interest (at 1%)
HOME Loan No. 95-HM-419	10-08-96	\$249,243.00	\$284,385.87	\$290,852.73
HA Loan No. HA-95-059	10-21-96	\$ 37,500.00	\$ 34,789.95	\$ 36,639.62
Total:				\$327,492.35



To: Iowa Finance Authority Board
From: Ashley Jared, Emily Toribio
Date: June 27, 2014
Re: July 2014 Communications Report



2014 HOUSINGIOWA CONFERENCE

Registration for the 2014 HousingIowa Conference that is slated for Sept. 3-5 is now open! The conference is packed with trainings and education sessions for housing professionals. Full details and the agenda are available on the conference web site (www.ifameetings.com). Please plan to attend and register soon!

Conference Highlights:

- Consumer Financial Protection Bureau Update
- Tax Credit and Section 8 trainings by Zeffert & Associates
- Homeownership education training by NeighborWorks America
- LIHTC 201: Beyond Basics, Novogradac & Company, LLP
- Information Security: Working Towards Industry Standards, Corporate Privacy Group
- Iowa Homeownership Resources Panel
- Beyond the Backyard – Overcoming NIMBYISM, Public Strategy Group
- Bridges out of Poverty Workshop
- Old Sins and New Sins in Fair Housing, The Fair Housing Lady
- Key note: Liz Murray, From Homeless to Harvard
- Awesometown Fair – networking opportunities!
- HousingIowa Awards
- And much more!

SUMMER CONTEST – WHEN A HOUSE BECOMES A HOME

The social media contest that we're holding in partnership with the Iowa Association of REALTORS® has garnered 70 homeownership success stories to date as well as a tremendous amount of engagement with partner lenders and Realtors and a 218% increase in engagement with IFA on facebook. Ten finalists will be selected by a panel of judges and a winner will be determined by public voting on facebook July 7-11.



Facebook snapshot



HOUSING LOCATOR

The IowaHousingSearch.org web site continues to be a focus, as we strive to populate the site with as many listings as possible and make the public aware of the new, free resource.

Current Stats: (as of 6.27.14)

- 34,278 units listed representing 518 landlords
- More than 65,000 searches for rental housing
- More than 332,000 unique page views
- More than 3,000 searches a week

MEDIA RELATIONS

June 4: [Iowa Finance Authority Awards \\$50,000 State Housing Trust Fund Grant to Iowa Heartland Habitat for Humanity to Construct new Home in Waterloo](#)

June 11: [Iowa Finance Authority and Eastern Iowa REALTORS® Partner to Encourage Iowans to Share Homeownership Success Stories](#)

UPCOMING EVENTS

July 10: Iowa Community Action Association Training Conference, West Des Moines
July 29: Iowa Women in Agriculture, Ankeny
August 12: Community Bankers of Iowa Conference, Altoona
August 19: Single-Family Update Webinar
Aug. 21-23: Preserve Iowa Summit, Cedar Rapids
August 22: IADD Board Meeting, Lewis
August 26-28: Farm Progress Show, Boone
Sept. 3-5: 2014 HousingIowa Conference, Des Moines

Sept. 11-12: ISU Center Ag Law Tax Seminar, Ames
Sept. 11-14: Annual National Cattle Congress, Waterloo
Sept. 16-18: Iowa Association of REALTORS Convention, Cedar Rapids
Sept. 18-19: Iowa Society of CPAs Fall Conference, West Des Moines
Sept. 21-23: Iowa Bankers Association Convention, Des Moines
Sept. 24: Professional Developers of Iowa Conference, Moravia



[Joint venture is first for trust, IHCC](#)

June 25, 2014 – Ottumwa Courier

...College announce the completion of their first joint venture. With funding provided by CVRHTF, local donors, Iowa Finance Authority and the IHCC building trades class, a new home?...Moravia garden tour June 28Centerville Dail... [article continues]

[Legals 6-18](#)

June 18, 2014 - Oelwein Daily Register - Community Newspaper Group

...INTENT TO REQUEST RELEASE OF FUNDS Date of Publication: June 18, 2014 **Iowa Finance Authority** (IFA) 2015 Grand Avenue Des Moines, Iowa 50312 515.250.3217...

[Sewage-to-Fertilizer Plan Shows No Junk Bonds Stink](#)

June 17, 2014 - Bloomberg Businessweek

...the tax-exempt market in the past 14 months for financing. Private Equity **The Iowa Finance Authority** sold \$1.2 billion of junk-rated debt in...

[FEDERAL HOME LOAN BANK OF BOSTON FILES \(8-K\) Disclosing Change in Directors or Principal Officers](#)

June 17, 2014 - Technology News

...role, Mr. Chatman served as deputy director and chief financial officer of **the Iowa Finance Authority** from 2008 to 2012. Prior to those roles, Mr.

[How student debt is hurting the housing market](#)

June 16, 2014 - Madison.com

...there are programs available to help first-time homebuyers, including **the Iowa Finance Authority** and community banks. Homeownership help In fact,

[Where in the world is Gov. Branstad? 2,280 Iowa places since '11](#)

June 15, 2014 - Sioux City Journal

...Hospital, which stands to get access to up to \$5 million in **Iowa Finance Authority** loans thanks to a provision in a budget bill Branstad signed last...

[Branstad campaign travel scrutinized](#)

June 15, 2014 - WCFCourier.com

...Hospital, which stands to get access to up to \$5 million in **Iowa Finance Authority** loans thanks to a provision in a budget bill Branstad signed last...

[Governor crisscrosses Iowa every year](#)

June 15, 2014 - Quad-City Times

...Hospital, which stands to get access to up to \$5 million in **Iowa Finance Authority** loans thanks to a provision in a budget bill Branstad signed last...

[Democratic Gubernatorial Candidate Senator Jack Hatch](#)

June 11, 2014 - Iowa Public Television

...and on the floor for any kind of appropriations or tax credits for **the Iowa Finance Authority** that would be, that would appear to help me as...

[Home Finance - KGAN-TV CBS 2 Iowa - CBS 2 This Morning](#)

June 11, 2014 - CBS 2 Iowa

...a home is something we can all use help with. Dave Jamison, The Iowa Finance Authority, is here to tell us how to make a house become a...

[Habitat for Humanity will build its 126th home](#)

June 09, 2014 - WCFCourier.com

...\$50,000 grant to help construct its 126th single-family home. **The Iowa Finance Authority** board of directors awarded the grant Wednesday from the...

[Fitch Upgrades Pella Regional Health Center \(Iowa\) Revs to 'BBB'; Outlook Revised to Stable](#)

June 09, 2014 - Healthcare Finance News

...upgraded to 'BBB' from 'BBB-'the rating on the following **Iowa Finance Authority** bonds issued on behalf of Pella Regional Health Center (PRHC):

[Housing rights group sues Q-C developer](#)

June 05, 2014 - Quad-City Times

...Tax Credits awarded through the Illinois Housing Development Authority or **the Iowa Finance Authority** and other public funding sources, the lawsuit...

[North Liberty maps out water upgrade](#)

Jun 03 2014 - Iowa Press Citizen

North Liberty maps out water upgradelowa City Press CitizenThe city recently received a \$1.35 million State Revolving Fund loan to fund design work for the first phase of the project, which will cost an estimated \$13.2 million and... [article continues]

[Contest: 'When a House Becomes a Home'](#)

June 03, 2014 - The Daily Nonpareil

...becomes a home In honor of June s National Homeownership Month, **the Iowa Finance Authority** and Iowa Association of Realtors are partnering on a...

[Iowa Realtors sponsor 'When a House Becomes a Home' contest](#)

June 03, 2014 - The Daily Nonpareil

...Home' contest In honor of June s National Homeownership Month, **the Iowa Finance Authority** and Iowa Association of Realtors are partnering on a...

[Legals 5-30-14](#)

May 30, 2014 - Oelwein Daily Register - Community Newspaper Group

...grant the City applied for and received through the Home Fund Program through **the Iowa Finance Authority** (HOME) of HUD. The bid opening for this...

[Breads from Anna gets GMO Free certification](#)

June 01, 2014 - TheGazette.com

...Green Star Certified (nongmocertied.com). NOMINATION SOUGHT **The Iowa Finance Authority** is seeking nominations for the seventh annual HousingIowa...

[Nominations sought for Housing Iowa Awards](#)

May 29, 2014 - Quad-City Times

Nominations sought for Housing Iowa Awards **The Iowa Finance Authority** is seeking nominations for the seventh annual HousingIowa Awards. **The Iowa...**

[Iowans Challenged to Share Homeownership Success Stories for Chance to ...](#)

Mon May 26 2014 – KCHA News

Iowans Challenged to Share Homeownership Success Stories for Chance to ...KCHA NewsDES MOINES – The Iowa Finance Authority and the Iowa Association of Realtors? announced that they are challenging Iowans to share their h... [article continues]

[Branstad signs law to aid military veterans](#)

Mon May 26 2014 – Quad City Times

...eliminate the special plate issuance fees charged for plates associated with military service; expand eligibility for the Military Homeownership Assistance ...Branstad signs Iowa incentives into law to aid military veteransSioux C... [article continues]

[Fitch to Rate Iowa Fin Auth VR Revs \(Roorda Dairy, LLC Project\), Series 07 'AA-/F1+'](#)

May 27, 2014 - Morningstar

...'AA-/F1+' rating to the \$6,000,000 **Iowa Finance Authority** variable rate demand solid waste disposal revenue bonds (Roorda Dairy, LLC Project)

[Homeownership story contest offers \\$5,000](#)

May 27, 2014 - The Des Moines Register

...gift card? Want a \$5,000 home improvement gift card? **The Iowa Finance Authority** is giving one away to the homeowners with the best story about...

[Iowans Challenged to Share Homeownership Success Stories for Chance to ...](#)

Mon May 26 2014 – KCHA News

Iowans Challenged to Share Homeownership Success Stories for Chance to ...KCHA NewsDES MOINES – The Iowa Finance Authority and the Iowa Association of Realtors? announced that they are challenging Iowans to share their h... [article continues]

[Branstad signs law to aid military veterans](#)

Mon May 26 2014 – Quad City Times

...eliminate the special plate issuance fees charged for plates associated with military service; expand eligibility for the Military Homeownership Assistance ...Branstad signs Iowa incentives into law to aid military veteransSioux C... [article continues]

[Forum highlights differences between candidates](#)

May 23, 2014 - WCFCourier.com

...for president in 2016. Condon, whose central issue is reforming **the Iowa Finance Authority**'s housing division, said he liked that President Bill...

[Ag workshop coming to Muscatine](#)

May 23, 2014 - The Muscatine Journal

Ag workshop coming to Muscatine MUSCATINE, Iowa The **Iowa Agricultural Development Division** of the **Iowa Finance Authority** will host a free workshop...

[Iowa Finance Authority announces home ownership contest](#)

May 23, 2014 - Radio Iowa

Iowa Finance Authority announces home ownership contest **The Iowa Finance Authority** (IFA) and the Iowa Association of Realtors are sponsoring...

[June Clips](#)



To: IFA Board of Directors
From: Tammy Nebola, Iowa Ag Program Specialist
Lori Beary, Community Development Director
Date: June 27, 2014
Re: Iowa Agricultural Division Beginning Farmer Loan Program

Agenda

Iowa Agricultural Development Division

Authorizing Resolutions

AG 14-026-I Connor L. Cummings

This is a resolution authorizing the issuance of \$140,000 for Connor L. Cummings. The bond will be used: To purchase approximately 40 acres of agricultural land, house and out-buildings in Marion County. The lender is Donald F. Taft in Granger.

- **Need Board action on Resolution AG 14-026-IB**

AG 14-027 Martin F. and Jessica A. Geelan

This is a resolution authorizing the issuance of \$250,000 for Martin F. and Jessica A. Geelan. The bond will be used: To construct a 2,400 Hd Hog Finishing Building in Palo Alto County. The lender is Iowa State Bank in Ruthven.

- **Need Board action on Resolution AG 14-027B**

AG 14-028 Brett Westra

This is a resolution authorizing the issuance of \$100,000 for Brett Westra. The bond will be used: To construct 1/2 interest in a 2,400 Hd Hog Barn in Lyon County. The lender is American State Bank in Hull.

- **Need Board action on Resolution AG 14-028B**

AG 14-029 Kyle Westra

This is a resolution authorizing the issuance of \$100,000 for Kyle Westra. The bond will be used: To construct 1/2 interest in a 2,400 Hd Hog Barn in Lyon County. The lender is American State Bank in Hull.

- **Need Board action on Resolution AG 14-029B**

RESOLUTION
AG 14-027B

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 9th day of July, 2014.

(Seal)

David D. Jamison, Secretary

EXHIBIT A

- 1. Project Number: AG 14-027**
- 2. Beginning Farmer: Martin F. and Jessica A. Geelan
3733 390th Ave
Ruthven, IA 51358-8633**
- 3. Bond Purchaser: Iowa State Bank
1108 Gowrie St, PO Box 249
Ruthven, IA 51358-0249**
- 4. Principal Amount: \$250,000**
- 5. Initial Approval Date: 7/9/2014**
- 6. Public Hearing Date: 6/27/2014**
- 7. Bond Resolution Date: 7/9/2014**
- 8. Project: To construct a 2,400 Hd Hog Finishing Building**

**RESOLUTION
AG 14-028B**

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 9th day of July, 2014.

(Seal)

David D. Jamison, Secretary

EXHIBIT A

- 1. Project Number:** AG 14-028
- 2. Beginning Farmer:** Brett Westra
3060 Harrison Ave
Hull, IA 51239-7578
- 3. Bond Purchaser:** American State Bank
624 Main St, PO Box 806
Hull, IA 51239-0806
- 4. Principal Amount:** \$100,000
- 5. Initial Approval Date:** 7/9/2014
- 6. Public Hearing Date:** 6/27/2014
- 7. Bond Resolution Date:** 7/9/2014
- 8. Project:** To construct 1/2 interest in a 2,400 Hd Hog Barn

**RESOLUTION
AG 14-029B**

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

WHEREAS, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of 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 9th day of July, 2014.

(Seal)

David D. Jamison, Secretary

EXHIBIT A

- 1. Project Number:** AG 14-029
- 2. Beginning Farmer:** Kyle Westra
3060 Harrison Ave
Hull, IA 51239-7578
- 3. Bond Purchaser:** American State Bank
624 Main St, PO Box 806
Hull, IA 51239-0806
- 4. Principal Amount:** \$100,000
- 5. Initial Approval Date:** 7/9/2014
- 6. Public Hearing Date:** 6/27/2014
- 7. Bond Resolution Date:** 7/9/2014
- 8. Project:** To construct 1/2 interest in a 2,400 Hd Hog Barn

**RESOLUTION
AG 14-026-IB**

A Resolution authorizing the issuance and delivery of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Contract providing the terms of the sale of the Project; the execution of a Guarantee, Assignment and Assumption Agreement relating thereto; 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 assist the Beginning Farmer in the acquisition from the Seller identified on Exhibit A hereto (the “Seller”) of the Project identified on Exhibit A hereto (the “Project”); and

WHEREAS, in order to assist the Beginning Farmer in the acquisition of the Project, it is proposed that the Authority enter into a Contract (the “Contract”) with the Seller setting forth terms and conditions agreeable to the Seller, the Authority and the Beginning Farmer including terms providing for interest on the unpaid principal balance at a rate lower than those available in the conventional farm credit market, and the Authority has agreed to issue the Bond to evidence its payment obligations under the Contract; and

WHEREAS, the Beginning Farmer and the Seller have finalized terms for the acquisition of the Project by the Beginning Farmer and purchase price of the Project in periodic payments over the term of the Contract; and

WHEREAS, the Seller, the Authority and the Beginning Farmer will enter into a Guarantee, Assignment and Assumption Agreement (the “Guarantee”) providing, among other things, for the assignment by the Authority of all its rights, title and interest in and to the Project and the Contract to the Beginning Farmer, the assumption of the obligations of the Authority under the Contract by the Beginning Farmer and the unconditional guarantee by the Beginning Farmer of the payment of the principal of, premium, if any, and interest on the Bond and other amounts due and payable under the Contract and the Guarantee, and

WHEREAS, it is necessary and advisable that provisions be made for the issuance and delivery of the Bond as authorized and permitted by the Act;

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 relating thereto and in the Contract and the Guarantee, qualifies under the Act for financing

by the Authority through the issuance 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 Contract and the Bond. For the purpose of assisting the Beginning Farmer to acquire the Project, the Contract is hereby approved and the Executive Director of the Authority is authorized and directed to execute and deliver the Contract. In order to evidence the obligations of the Authority under the Contract, the Bond shall be and the same is authorized, determined and ordered to be issued in the Principal Amount. The Bond may be issued as a single Bond in the total amount authorized. The Bond shall be in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, 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 therein. However, if so requested by the Beginning Farmer and the Seller, 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 Contract, to an amount or in such manner as is mutually acceptable to the Seller and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. The Bond and the interest thereon and the Contract 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 the payments and other amounts derived from the Guarantee and the Project and shall be secured by the Guarantee. Forms of the Contract, the Bond, and the Guarantee 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. Delivery of the Bond. The delivery of the Bond to the Seller to evidence the obligations of the Authority under the Contract is approved and the Chairman or Vice Chairman and Secretary of the Authority are authorized and directed to execute and deliver the Bond to the Seller. Execution of the Contract by the Seller and delivery thereof by the Seller to the Authority shall constitute payment in full for the Bond by the Seller.

Section 4. Payment of the Contract and Bond; the Guarantee. By the terms of the Guarantee, the Beginning Farmer is required to make payments (the "Contract Payments") under the Contract sufficient to pay the unpaid balance thereof and accrued interest thereon. The Contract Payments are sufficient to pay the principal of and interest on the Bond when and as due.

The Guarantee is approved and the Executive Director is directed to execute the same in the name and on behalf of the Authority and to deliver the same to the Seller and the Beginning Farmer.

Section 5. Filing of Resolution and Guarantee. The Executive Director is authorized and directed to file a copy of this resolution and the Guarantee 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 the Contract, by the Authority to the Seller, and the assignment of all of the Authority's rights in the Contract, by the Authority to the Beginning Farmer.

Section 6. Forfeiture; Acceleration of Principal and Interest. If the Contract is forfeited in accordance with its terms, the obligations of the Authority under the Bond shall cease and the Bond

shall be canceled. If the payment of the unpaid principal under the Contract is accelerated in accordance with the terms of the Contract, the Seller may declare the entire outstanding principal amount of the Bond and the interest accrued thereon immediately due and payable and such principal and interest shall thereupon become immediately due and payable.

Section 7. Satisfaction and Discharge. When all amounts now or hereafter payable under the Bond, the Contract, the Guarantee and this Resolution have been paid in full (or provision for their payment shall have been made to the mutual satisfaction of the Beginning Farmer, the Seller and the Authority) all rights and obligations of the Beginning Farmer the Authority and the Seller under the Guarantee, the Contract, the Bond and this Resolution shall terminate and such instruments shall cease to be of further effect and the Seller shall cancel the Bond and deliver it to the Authority, cancel the Contract and deliver it to the Beginning Farmer and the Seller and the Beginning Farmer and the Authority shall execute and deliver all appropriate instruments evidencing and acknowledging the satisfaction of such documents as may be required.

Section 8. Registration. The Bond shall be fully registered as to principal and interest in the name of the Seller or its registered assigns on the books of the Authority kept by the Secretary and such registration shall be noted on the Bond in accordance with its terms.

Section 9. 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 Guarantee and to carry out the intent and purposes of this resolution, including the preamble hereto.

Section 10. 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 11. 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 12. Effective Date. This resolution shall become effective immediately upon adoption.

Passed and approved this 9th day of July, 2014.

(Seal)

David D. Jamison, Secretary

EXHIBIT A

- 1. Project Number:** AG 14-026-I
- 2. Beginning Farmer:** Connor L. Cummings
657 Nevada St
Knoxville, IA 50138-8631
- 3. Bond Purchaser:** Donald F. Taft
PO Box 427
Granger, IA 50109-0427
- 4. Principal Amount:** \$140,000
- 5. Initial Approval Date:** 7/9/2014
- 6. Public Hearing Date:** 6/27/2014
- 7. Bond Resolution Date:** 7/9/2014
- 8. Project:** To purchase approximately 40 acres of agricultural land,
house and out-buildings



IOWA FINANCE
AUTHORITY

To: IFA Board Members
From: Title Guaranty Division
Date: June 26, 2014
Re: May Board Report

Production/Title Guaranty Overview

May 2014 Commitments and Certificates totaled 8660 compared to 13426 in FY13. 92% of all Certificates and Commitments were field issued compared to 90% in FY 13. The continued decline in refinance transactions and a slow spring sales market are a major factor. According to the Iowa Association of Realtors® May closings were down 15.4% from 2013. Pending sales are down 9.1%. The Commercial Department had a very strong month in May. ITG participated in the annual Iowa Land Title Association Conference with exhibit as well as presentations. Staff is working with the Iowa State Bar Association and other state agencies to identify issues and opportunities resulting from the recent legislative session. Geri Huser attended the American Land Title Association Federal Conference.

Compliance and Claims

6 new claims were opened in May while 4 were closed. We currently have a total of 39 active claims, 8 of which are “watch waiting.” ITG conducted field audits of 6 closers in May, with no major issues identified.

Marketing

- Advertising – *The Iowa Lawyer*, *BluePrint*, *Iowa HomeBuilders*, Iowa Association of Realtors *Benchmark* magazine
- Meetings with designer to plan new ad campaigns
- Working with Saturday Manufacturing to create new home page for Web site as well as a new landing page for CAP to coincide with the rollout of update

Business Development

- ILTA Conference
- Coldwell Banker continuing education

Training

- Conducted training for three law firms
- Continuing planning for roll out of CAP Enhancements
- Developing training format for field Beta testers and scheduling field testing of CAP

Commercial

Another great month for ITG Commercial. Closings and production have increased and the staff has ramped up marketing efforts, meeting with commercial lenders, brokers, developers and attorneys. Currently staff is updating forms and Commercial Web site.

Mortgage Release

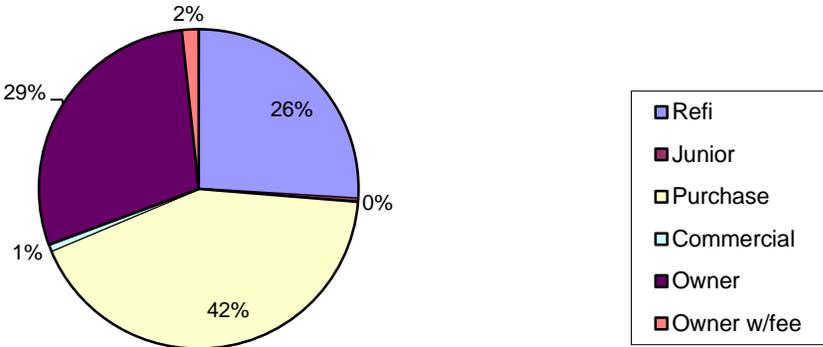
We have received 4659 requests since the inception of the program and have released 3999 mortgages. Yearly comparisons:

Release requests received this month	50
Release requests received since 7/1/2013	563
Total requests received 7/1/2012 – 6/30/2013	577

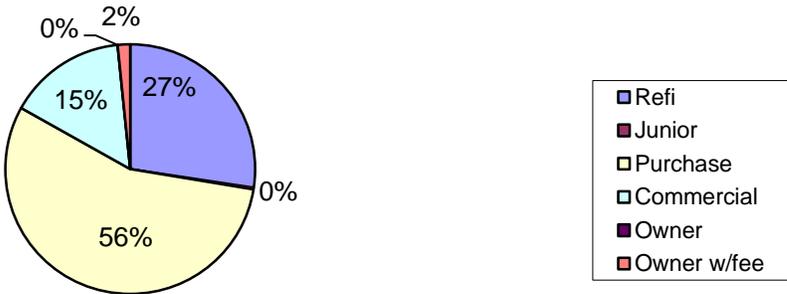
May 2014 Transaction Breakdown

Refi	1257	Refi	\$102,615
Junior	13	Junior	\$ 615
Purchase	1869	Purchase	\$210,747
Commercial	32	Commercial	\$ 76,675
Owner	1257	Owner	\$ -
Owner w/fee	98	Owner w/fee	\$ 8,833
	4678		\$399,485

May 2014 Certificate Breakdown



May 2014 Revenue Breakdown



Total Coverage volume for April \$707,983,246.

Title Guaranty Quarterly Premiums

