
FISCAL UPDATE Article

Fiscal Services Division

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Des Moines, Iowa 50319

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IOWA FINANCE AUTHORITY BOARD MEETING — NOVEMBER 2020

Board Meeting. The [Iowa Finance Authority \(IFA\)](#) Board met on November 4, 2020, and approved the following actions:

Authorizing Resolutions. The Board approved a total of \$747,000 in bonds for three families to purchase agricultural land in Keokuk, Clayton, and Worth counties, respectively. These loan instruments are part of the [Beginning Farmer Loan Program](#) (BFLP), which assists new farmers in acquiring agricultural property by offering loans at reduced interest rates. These loans typically carry interest rates 20.0% to 25.0% below prevailing market rates.

Amending Resolutions. The Board approved three amendments for existing BFLP bond issuances totaling \$1.2 million for families to purchase agricultural land.

Loan Participation Program (LPP). The [LPP](#) assists low-income farmers to secure loans and make down payments. IFA participation can be used to supplement the borrower's down payment, thereby helping a farmer secure a loan more readily. An LPP application loan of \$200,000 was approved to construct a deep-pit cattle barn in Fairfield.

Private Activity Bond Program (PABP). Through the [PABP](#), the IFA issues tax-exempt bonds on behalf of private entities or organizations for eligible purposes. The Board approved the following:

- \$10.4 million in IFA Wellness Facility Revenue Refunding Bonds for the Marshalltown YMCA Project. The bonds will be used to pay off existing bonds, as well as the termination value of the existing interest rate swap agreement.
- \$21.0 million in IFA Revenue Bonds for the Calvin Community Project in Des Moines. The bonds will be used to construct and equip an onsite medical clinic and residential townhomes and apartments at the project's current campus and to refinance outstanding bonds.
- The Board approved a maturity extension on tax-exempt bonds for a \$9.8 million Legacy Park Project with 137 units of affordable housing in Des Moines.

State Revolving Fund (SRF). The Department of Natural Resources (DNR) and the IFA jointly administer the [SRF](#), which finances the design and construction of Iowa water and wastewater infrastructure. The Board approved the following loans:

- \$8.2 million in SRF Planning and Design Loans for Cedar Rapids, Clinton, Corydon, Glidden, Henderson, Jefferson, Remsen, Sac City, and Wayland.
- \$30.8 million in SRF Construction Loans for De Soto, Dedham, Lenox, Sigourney, Sioux City, and Wellsburg.

Financial. The following finance resolutions were reviewed and approved:

- September 2020 financial results:
 - Housing Authority year-to-date (YTD): Operating revenues through September 2020 (FY 2021) were \$1.8 million (13.4%) above budget and 24.0% above last year. Operating expenses were below budget by \$1.7 million (15.3%) and 2.9% above last year. Net operating income before grants (NOIBG) was \$3.5 million, exceeding anticipated income by 185.1%. Total assets have increased \$182.8 million since last year and are \$28.0 million above budget due to the receipt of \$66.0 million in federal Coronavirus Aid, Relief, and Economic Security ([CARES](#)) Act funds for Livestock Producers and Beginning Farmer programs.
 - Overhead Departments YTD: Operating revenue was \$335,000 (21.6%) below budget and 2.4% above last year. Operating expenses were \$289,000 (22.9%) below budget and 14.3% below last year. NOIBG was \$46,000 (15.9%) below budget and 353.8% above last year.
 - Single-Family Housing Program, first quarter FY 2021: Operating revenue was \$983,000 (12.7%) above budget and \$1.4 million (19.2%) above last year. Operating expenses were below budget by \$2.3 million (27.3%) and below last year by \$419,000 (7.2%). NOIBG was above budget by \$3.5 million (1,073.0%) and above last year by \$1.8 million (123.4%).
 - Multi-Family Housing Program, first quarter FY 2021: Operating revenue was \$46,000 (1.5%) below budget and \$764,000 (34.5%) above last year. Operating expenses were \$259,000 (15.6%) below budget and \$81,000 (5.4%) below last year. NOIBG was \$213,000 (15.6%) above budget and \$845,000 (115.9%) above last year.
 - Federal and State Programs, first quarter FY 2021: Operating revenue was below budget by \$53,000 (36.5%) and below the prior year by \$99,000 (51.9%). Operating expenses were \$190,000 (41.5%) above budget and \$246,000 (61.0%) above last year. NOIBG was below budget by \$243,000 (77.5%) and below the prior year by \$345,000 (163.1%).
 - Iowa Agricultural Development Division, first quarter FY 2021: Operating revenue was \$66,000 (38.3%) below budget and \$60,000 (36.3%) below last year. Operating expenses were \$32,000 (24.0%) below budget and \$29,000 (22.2%) below last year. Net income was \$34,000 (89.6%) below budget and \$31,000 (88.9%) below last year.
 - Iowa Title Guaranty Financial Results, first quarter FY 2021: Operating revenue was \$1.4 million (56.9%) above budget, and 50.4% above last year. Operating expenses were \$436,000 (27.4%) above budget and 67.4% above last year. Net income was \$604,000 above budget and \$55,000 below last year.
 - SRF, first quarter FY 2021: Operating revenue was \$1.0 million (8.2%) below budget and 14.4% below last year. Operating expenses were \$321,000 (2.5%) above budget and 6.0% above last year. NOIBG was \$1.3 million (298.2%) below budget and 304.9% below last year.
- Line of Credit to Idaho Housing: [Idaho Housing and Finance Association](#) (Idaho Housing) acquires qualifying loans from participating lenders under the Mortgage-Backed Securities (MBS) program and pools loans into MBSs. The Board authorized the use of up to \$45.0 million in IFA assets for a revolving line of credit (LOC) to Idaho Housing to acquire IFA single-family mortgage loans from IFA's participating lenders. The Board approved a resolution for a one-year extension of the existing agreement's maturity date, to no later than December 31, 2021.
- HOME Loan Forgiveness for Colorado Park Apartments: A resolution was passed authorizing HOME Investment Partnership Program loan forgiveness of \$275,000 (out of an original \$800,000) for Colorado Park Apartments in Muscatine.

Housing Programs. The Board approved eight [HOME](#) Tenant-Based Rental Assistance (TBRA) award extensions and three HOME TBRA awards to assist in derecho recovery. The awards total approximately \$3.0 million to nonprofits and local governments in 12 eligible counties approved for Individual Assistance by the Federal Emergency Management Agency (FEMA).

More Information. Information on the November 4, 2020, Board meeting can be found [here](#). The next Board meeting will be held on December 2, 2020, at 11:00 a.m.

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