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## FISCAL UPDATE Article

Fiscal Services Division

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### IOWA FINANCE AUTHORITY BOARD MEETING — JANUARY 2021

**Board Meeting.** The [Iowa Finance Authority \(IFA\)](#) Board met on January 6, 2021, and approved the following actions.

**Authorizing Resolutions.** The Board approved a total of \$882,000 in bonds for three families to purchase agricultural land in Webster, Wright, and Sioux 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, and typically carry interest rates 20.0 to 25.0% below prevailing market rates.

**Amending Resolutions.** The Board approved one amendment for an existing BFLP bond issuance from \$146,000 to set interest rate adjustments from every year to every five years.

**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:

- \$10.7 million in SRF Construction Loans for Fontanelle, Merrill, Nevada, Pierson, and West Burlington.

**Financial.** The following finance resolutions were reviewed and approved:

1) November 2020 financial results:

- Housing Authority year-to-date (YTD): Operating revenues through November 2020 (FY 2021) were \$3.5 million (16.1%) above budget and 21.9% above last year. Operating expenses were below budget by \$3.3 million (17.3%) and 2.5% above last year. Net operating income before grants (NOIBG) was \$6.8 million, exceeding anticipated income by 253.7%. Total assets have increased \$116.4 million since last year and are \$49.9 million below budget due to a smaller than planned bond issue in June, higher than planned prepayments of MBS, and using those prepayments to call higher coupon debt on a monthly basis.
- Overhead Departments YTD: Operating revenue was \$346,000 (19.2%) below budget and 18.7% above last year. Operating expenses were \$455,000 (22.4%) above budget and 3.1% above last year. NOIBG was \$109,000 (48.0%) above budget and 70.3% above last year.
- Single-Family Housing Program, YTD FY 2021: Operating revenue was \$1.6 million (12.0%) above budget and \$2.0 million (16.1%) above last year. Operating expenses were below budget by \$3.0 million (27.2%) and below last year by \$917,000 (10.1%). NOIBG was above budget by \$4.6 million (257.7%) and above last year by \$2.3 million (93.7%).
- Multi-Family Program, YTD: Operating revenue was \$310,000 (6.8%) above budget and \$1.1 million (30.3%) above last year. Operating expenses were \$417,000 (15.9%) below budget and \$176,000 (7.4%) below last year. NOIBG was \$727,000 (37.7%) above budget and \$1.3 million (97.2%) above last year.

- Federal and State Programs, YTD: Operating revenue was below budget by \$105,000 (43.5%) and below the prior year by \$228,000 (62.6%). Operating expenses were \$93,000 (5.9%) below budget and \$893,000 (150.3%) above last year. NOIBG was below budget by \$12,000 (0.9%) and below the prior year by \$1.1 million (487.8%).
  - Iowa Agricultural Development Division, YTD: Operating revenue was \$80,000 (31.2%) below budget and \$58,000 (24.7%) below last year. Operating expenses were \$63,000 (30.4%) below budget and \$54,000 (27.1%) below last year. Net Income was \$18,000 (34.3%) below budget and \$5,000 (12.8%) below last year.
  - Iowa Title Guaranty Financial Results, YTD: Operating revenue was \$1.9 million (59.1%) above budget, and 43.1% above last year. Operating expenses were \$504,000 (18.2%) above budget and 31.6% above last year. Net Income is \$1.4 million above budget and \$612,000 above last year.
  - State Revolving Fund (SRF), YTD: Operating revenue was \$1.8 million (8.5%) below budget and 12.4% below last year. Operating expenses were \$855,000 (4.0%) above budget and 7.2% above last year. NOIBG was \$2.6 million (589.7%) below budget and 377.8% below last year.
- 2) HOME Loan Forgiveness for Decorah Woolen Mill, LP: A resolution was passed authorizing a [HOME Investment Partnership Program](#) loan forgiveness of \$330,000 for a 15-unit project for the developmentally disabled in Decorah.

**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 amendments:

- Assignment of Midwestern Disaster Area bonds issued in 2012 from the original borrower to different entities affiliated with the original borrower for projects in Polk and Dallas counties.
- Deferral of payments for a year due to derecho damage for the Westdale Apartment Project in Cedar Rapids, with a loan amount not to exceed \$17.5 million.

**More Information.** Information on the January 6, 2021, IFA Board meeting can be found [here](#). The next Board meeting will be held on February 3, 2021, at 11 a.m.

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