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## FISCAL UPDATE Article

Fiscal Services Division

October 6, 2021



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### IOWA FINANCE AUTHORITY BOARD MEETING — OCTOBER 2021

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

**Authorizing Resolutions.** The Board approved four authorizing resolutions for [Beginning Farmer Loan Program \(BFLP\)](#) bond issuances totaling \$948,000 to purchase agricultural land. The BFLP assists new farmers in acquiring agricultural property by offering loans at reduced interest rates.

**Amending Resolutions.** The Board approved one amendment for existing BFLP bond issuances for \$262,000 to adjust interest rates and reduce the length of the loan by one year.

**Loan Participation Program.** The Board approved one application from the [Loan Participation Program](#) for \$200,000 to construct a building to hold hogs. The Program assists farmers in making down payments for the purchase of agricultural land, depreciable machinery or equipment, breeding livestock, or buildings.

**Beginning Farmer Tax Credit Program.** The [Beginning Farmer Tax Credit \(BFTC\) Program](#) provides an Iowa tax credit for agricultural asset owners who lease their land, equipment, and/or buildings to beginning farmers. The Board approved 53 BFTC applications totaling \$691,000.

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

- \$11.4 million of Multifamily Housing Revenue Bonds for Cardinal Capital Management, Inc., to acquire and rehabilitate three Section 8 multifamily apartment complexes for families in Davenport, Waterloo, and Dubuque.
- \$6.4 million of Multifamily Housing Revenue Bonds for Cardinal Capital Management, Inc., to acquire and rehabilitate three Section 8 multifamily apartment complexes for elderly residents in Maquoketa.
- \$300.0 million of Solid Waste Disposal Facility Revenue Bonds for Chevron Corporation to acquire, construct, rehab, install, develop, and equip solid waste disposal facilities located across Iowa related to the production of renewable natural gas.
- \$40.2 million of Revenue Refunding Bonds for NCCD-Drake Properties, LLC, to refinance the outstanding Series 2016 Bonds that were issued by the IFA for a student housing community near Drake University in Des Moines.
- \$220.0 million of Revenue Refunding Bonds for CJ Bio America, Inc., to refinance the outstanding Series 2012 Bonds that were issued to construct and equip a production plant in Fort Dodge.
- \$21.0 million of Multifamily Housing Revenue Bonds for Celadon YMCA I Limited Partnership to reduce the physical footprint of the Wellmark YMCA in Des Moines and repurpose the remaining space into 70 affordable multifamily apartment units.
- \$37.0 million of Multifamily Housing Revenue Bonds for TWG Development, LLC, to build a 235-unit development in Cedar Rapids.
- \$21.5 million in Educational Facilities Revenue Refunding Notes for the Graceland University Project in Lamoni.

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

- A \$360,000 SRF construction loan for the city of Casey.
- A \$10.0 million SRF construction loan for the city of Center Point.

**Financial.** The Board received financial reporting from IFA staff and listened to an audited financial presentation for the IFA and the SRF. There were no material weaknesses identified in the audit. The Board also approved the following:

- A [Main Street Loan Program](#) loan extension of 15 years to Bain MS for apartment projects in Sigourney with loan balances totaling \$263,000.
- A [Iowa Housing Corporation \(IHC\)](#) loan forgiveness of \$171,000 with a \$75,000 payment to Affordable Housing Network, Inc., for the Bishop's Block Apartments in Dubuque.
- A [HOME](#) loan forgiveness of \$800,000 to Greenway of Oskaloosa Associates LP for a 44-unit project in Oskaloosa.

**Housing Programs.** The Board approved the following awards:

- \$3.1 million in State HOME program funding to 8 projects statewide to create 293 housing units.
- \$2.7 million in [National Housing Trust Fund Program](#) awards to the Muscatine Center for Social Action (MCSA) for a 15-unit rental complex to primarily serve those who are chronically homeless.

**Executive Director Report.** IFA Executive Director Debi Durham briefed the Board on a new internal dashboard displaying data for the [Iowa Rent and Utility Assistance Program](#). Director Durham also explained that she does not anticipate the [U.S. Department of Treasury](#) benchmark of 65.0% distribution of the \$195.0 million in rental assistance to be met by the IFA. The IFA is awaiting a decision from the U.S. Treasury to transfer \$30.0 million to Polk County with possible distribution to Linn County. Director Durham explained to the Board that, due to enhanced flexibility with federal funding, the IFA has accessed the second tranche of emergency rental assistance (ERA) from the [American Rescue Plan Act \(ARPA\) of 2021](#), with plans to use \$20.0 million of the funds for a homeless initiative and to use part of the rest of the allocation for a pilot project to fund the housing costs of parolees in order to prevent recidivism. Finally, Director Durham explained to the Board that the IFA plans to enhance sustainability practices and infrastructure at its 1963 Bell Avenue headquarters in Des Moines, including the addition of a prairie meadow.

**More Information.** Information on the October 6, 2021, IFA Board meeting can be found [here](#). The next Board meeting will be held on November 3, 2021.

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