

January 13, 1978

Honorable Robert D. Ray
Governor

Members of the General Assembly

Ladies and Gentlemen:

It is our pleasure to submit the Authority's Annual Report for the year ending December 31, 1977.

The year has been most productive for the Authority, as we received clearance from the Iowa Supreme Court in April, 1977, to implement sale of our bonds. Since April, we have committed to finance approximately 1100 units of single-family housing for eligible Iowans with adjusted incomes of \$16,000 or less, at interest rates well below the current market. Approximately 85% of these units will be newly-built, in accord with Section 220.21(8) of IHFA's enabling statute.

In addition, the Authority has initiated a deposit program to encourage renewed community interest and availability of mortgage and rehabilitation loans in the older neighborhoods in Iowa's largest cities. Through the example of the deposit program, the Authority hopes that other public agencies which deposit funds will do what they can to support older neighborhood viability.

Administratively, the Authority has become self-sustaining, and has not requested any public appropriations for the fiscal year beginning July 1, 1978. The Authority has a staff of four at present, and we anticipate we will build a total staff of ten to support current and anticipated programs. There are programs emerging and isolated events which do contribute to uncertainty of our actual future organizational needs, however. For example, the pending transfer of much of the local HUD office to Omaha, coupled with new federal incentives to state housing finance agencies, may place us in a position of needing a substantially larger organization to handle processing, underwriting and management functions now carried out by the local office, if Iowans are to continue to benefit from HUD's programs, particularly the Section 8 Rehabilitation program for lower-income families.

In the immediate future, the Authority hopes to undertake permanent mortgage financing of approximately 1500 units of federally subsidized rental housing to be constructed throughout the state. Negotiations and arrange-

ments are underway on this program at present. Completion of this financing will leave the Authority with approximately \$20 million in remaining bonding authority as of July 1, 1978.

An increase in bonding authority is perhaps the Authority's most urgent legislative need in the current session. The members of the Authority have determined that an additional \$150 million is needed. The increase would bring our total bonding authority to \$250 million. The Authority also asks that Code Chapter 220 be extended to permit us to assist all persons regardless of family status. Through an oversight, our legislation excludes single persons who are not elderly, handicapped, or who do not have dependents residing in their household. We are asking for a few other amendments spelled out in this report.

Finally, we have continued to provide technical advisory housing assistance to communities, local and state officials, citizen groups and individual Iowans.

Thank you for your continued interest and support, both past and future.

FREDINE BRANSON, CHAIRPERSON

BILL ALGOOD, VICE-CHAIRPERSON

GENE GEISSINGER, TREASURER

WILLIAM H. MCNARNEY, EXECUTIVE DIRECTOR