



BOARD MEETING MINUTES

**Iowa Finance Authority
Des Moines, Iowa
June 3, 2020**

Board Members Present

Ashley Aust
Darlys Baum
Lyle Borg
Michel Nelson
Amy Reasner

John Eisenman
Ruth Randleman
Gilbert Thomas
Jane Bell
Michael Van Milligen

Board Members Absent

None

Staff Members Present

Debi Durham, Executive Director
Lori Beary, Chief Bond Programs Officer
Alyson Fleming, Section 8 Team Leader
Steve Harvey, Accounting Director
Cindy Harris, Chief Financial Officer
Rick Peterson, Chief Operations & Cultural Officer
Michelle Thomas, Accounting Manager
Joshua Kasibbo, Accounting Manager
Brad Benson, Financial Analyst
Jennifer Pulford, Accounting Manager
Stephanie Willis, Accounting Manager
Lindsey Guerrero, ITG Director

Nicki Howell, IFA Office Assistant
Kristin Hanks-Bents, Legislative Liaison/Counsel
Ashley Jared, Communications Director
Tim Morlan, Multifamily Underwriter
Brian Sullivan, Chief Programs Officer
Dave Vaske, LIHTC Manager
Terri Rosonke, Housing Programs Manager
Becky Wu, Accounting Manager
David Morrison, ITG Accounting Manager
Rita Grimm, Chief Legal Counsel
Karen Klinkefus, Accounting Manager
Katie Kulisky, LIHTC Analyst
Stacy Cunningham, LIHTC Analyst

Others Present

David Grossklaus, Dorsey & Whitney

James Smith, Dorsey & Whitney

Call to Order

Chair Nelson called to order the June 3, 2020 meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:01 a.m. Roll call was taken, and a quorum was established. The following Board members were present: Aust, Baum, Bell, Borg, Nelson, Randleman, Reasner, Thomas and Van Milligen. The following Board members were absent: Eisenman

Miscellaneous

Receive Comments from General Public

Chair Nelson opened the public comment period and asked if anyone in the audience would like to address the Board. No members of the audience requested to speak. Chair Nelson closed the public comment period.

John Eisenman joined the meeting at 11:03a.m.

Consent Agenda

Chair Nelson introduced the consent agenda and asked if anyone wanted to request items be removed. The board requested AG 18-006B, AG 18-006M, AG 18-086M, WQ 20-09, and the April 2020 Financials.

MOTION: Ms. Reasner made a motion to approve the remaining items on the consent agenda, which included the following:

May 6, 2020 IFA Board Meeting Minutes
AG 20-019B, Alan Dennis Bladt
AG 20-020B, Jacob J. and McKenna J. Lupkes
04341M, Beau M. Romsey
04359M, Beau M. Romsey
04394M, William J. and Donna S. Thomsen
04420M, Lance A. Moeller
04525M, Koal and Ann Marie Deering
04744M, Lance A. Moeller
AG 13-017M, Marty J. Plueger
AG 17-027M, Ryan L. and Katelyn E. Borcharding
AG 18-059M, Zachary T. Helmuth
AG-LP #20-03, Loan Participation Program
AG-TC #20-04, Beginning Farmer Tax Credit Program

On a second by Mr. Eisenman, the Board unanimously approved the items on the consent agenda.

The board discussed and voted on the following items that were removed from the consent agenda:

AG 18-006B, Nicholas and Gentry Winter – Ms. Beary stated that this an authorizing resolution for a beginning farmer loan for \$102,500 for Nicholas and Gentry Winter in Waucoma.

MOTION: Mr. Thomas made a motion to approve AG 18-006B. On a second by Mr. Borg, a roll call vote was taken with the following results: YES: Aust, Baum, Bell, Borg, Eisenman, Nelson, Randleman, Thomas, and Van Milligen; NO: none; ABSTAIN: Reasner. Ms. Reasner abstained from voting due to the borrower being a client. The motion passed.

AG 18-006M, Nicholas and Gentry Winter – No discussion.

MOTION: Mr. Thomas made a motion to approve AG 18-006M. On a second by Ms. Bell, a roll call vote was taken with the following results: YES: Aust, Baum, Bell, Borg, Eisenman, Nelson, Randleman, Thomas, and Van Milligen; NO: none; ABSTAIN: Reasner. Ms. Reasner abstained from voting due to the borrower being a client. The motion passed.

AG 18-086M, Chad Vincent and Jenna Leigh Steeve – No discussion.

MOTION: Mr. Borg made a motion to approve AG 18-086M. On a second by Ms. Reasner, a roll call vote was taken with the following results: YES: Aust, Baum, Bell, Borg, Eisenman, Nelson, Randleman, Reasner and Van Milligen; NO: none; ABSTAIN: Thomas. Mr. Thomas abstained from voting due to the borrower being a client. The motion passed.

WQ 20-09, SRF Construction Loans – Ms. Beary stated that WQ 20-09 are standard construction loans. Ms. Beary explained that the Environmental Protection Commission approves the loans on the Intended Use Plan each year. The loans then go through the permitting process at DNR and move on to SRF for approval. These loans will likely close in the next month.

MOTION: Ms. Baum made a motion to approve WQ 20-09. On a second by Ms. Bell, a roll call vote was taken with the following results: YES: Aust, Baum, Bell, Borg, Eisenman, Nelson, Randleman, Thomas and Van Milligen; NO: none; ABSTAIN: Reasner. Ms. Reasner abstained from voting due to a borrower being a client. The motion passed.

April 2020 Financials – Ms. Reasner, Director Durham, and Mr. Harvey discussed the Military Down Payment Assistance Program.

MOTION: On a motion by Mr. Thomas and a second by Ms. Baum, the Board unanimously approved the April 2020 Financials.

Administration

FY2021 Budget Presentation

Mr. Harvey presented the forecast for the end of fiscal year (FY) 2020. Mr. Harvey stated that the budget for the end of FY 2020 is expected to stay on track with the operating revenue exceeding budget, the operating expense being below budget, and the net operating income before grants to be favorable to budget. The capital spend for FY 2020 will be \$11.9 million due to the purchase of and improvements to 1963 Bell Avenue. Mr. Harvey presented highlights of the forecasted fiscal year 2021 budget. Mr. Harvey stated that the budget for FY 2021 presents a lot of uncertainty and unknowns due to COVID-19. The budget forecast is cautiously optimistic with a slight increase in operating revenue and expense. The production totals for Single Family are expected to decrease and State Revolving Fund is expected to stay on track. The board, Mr. Harvey, Ms. Harris, and Director Durham had a lengthy discussion regarding the estimated budget and expenses.

MOTION: Ms. Baum made a motion to approve the FY2021 budget. On a second by Mr. Eisenman, a roll call vote was taken with the following results: YES: Aust, Baum, Bell, Borg, Eisenman, Nelson, Randleman, Reasner, Thomas, and Van Milligen; NO: none; ABSTAIN: none. The motion passed.

Adoption of Amendment to Rule 265-1.3

Ms. Hanks-Bents stated that 2019 Iowa Acts, HF768 created a beginning farmer tax credit program and added a member to IFA's Board of Directors. HF768 requires that the Iowa Agricultural Development

Division Board (IADD Board) appoints the member to the Board of Directors and says that the member shall serve at the pleasure of the IADD Board. HF768 also increased the number of voting members needed to achieve quorum, from five members to six members. 2019 Iowa Acts, SF608 also added four ex officio, nonvoting legislative members to IFA's Board of Directors. Staff recommends that the Board approve the adoption of a rule making to amend rule 265-1.3 to ensure that the rules conform to Iowa Code section 16.2.

MOTION: On a motion by Ms. Reasner and a second by Mr. Thomas, the Board unanimously approved the Adoption of Amendment to Rule 265-1.3

FIN 20-12, HOME Loan Forgiveness – Pheasant Run Apartments

Mr. Morlan presented the board with FIN 20-12. Pheasant Run Apartments is a 36-unit project in Postville and was built in 1998. The original funding sources included low income housing tax credits, conventional debt, owner equity, a HAF loan, and an IDED Home loan of \$699,806. The project needs market upgrades throughout which will result in new financing that will leave little to no cash flow available for HOME loan payments. The project has met its HOME affordability requirements. Staff recommends forgiving the HOME loan with a payment of \$100,000. Mr. Morlan requested board action on FIN 20-12.

MOTION: On a motion by Ms. Aust and a second by Ms. Randleman, the Board unanimously approved FIN 20-12.

FIN 20-13, HOME Loan Forgiveness – Quail Run Apartments

Mr. Morlan presented the board with FIN 20-13. Quail Run Apartments is a 30-unit project in Perry and was built in 1998. The original funding sources included low income housing tax credits, conventional debt, owner equity, a HAF loan, and an IDED Home loan of \$684,000. The project needs market upgrades which will result in new financing that will leave little to no cash flow available for HOME loan payments. The project has met its HOME affordability requirements. Staff recommends forgiving the HOME loan with a payment of \$25,000. Mr. Morlan requested board action on FIN 20-13.

MOTION: On a motion by Ms. Aust and a second by Ms. Randleman, the Board unanimously approved FIN 20-13.

Iowa Title Guaranty
ITG Annual Participation Fee Change

Ms. Guerrero stated that Iowa Code 16.91(4) gives IFA's Title Guaranty division (ITG) authority to set its participants annual participation fee, subject to the approval of the Authority. Since its inception in 1987, ITG has charged a \$25 annual participation fee for each service that the participant is approved to provide on its behalf. Under the current fee structure, an ITG staff member must manually process a \$25 refund if requested services are denied. Refund processing imposes a significant burden on the Participant Program Administrator's time. Moving to a flat fee structure would eliminate the administrative burden and allow time currently being spent processing refunds to be spent managing participant records and performing necessary compliance reviews. Staff recommends that the Board approve a proposed flat \$75 annual participation fee for all participants regardless of the number of services the participant requests.

MOTION: On a motion by Ms. Reasner and a second by Mr. Eisenman, the Board unanimously approved the ITG Annual Participation Fee Change.

ITG Transfer of Funds

Ms. Guerrero stated that the Iowa Title Guaranty Board recommends transferring \$1,000,000 in excess funds from Iowa Title Guaranty to IFA’s Housing Assistance Fund. Ms. Guerrero requested that the Board accept the transfer of funds.

MOTION: On a motion by Mr. Eisenman and a second by Ms. Randleman, the Board unanimously approved the Iowa Title Guaranty Transfer of Funds.

Executive Directors Report

Director Durham presented the board with the onboarding process to bring staff back to 1963 Bell Ave. There is currently 20% of staff on site and additional staff will return after July 4th. Director Durham shared that Governor Reynolds assigned \$22 million to the Eviction and Foreclosure Program, which IFA launched on May 29th. The program will stay open through the Fall and has received 251 applications since launching. Legal aid will be available for those that do not qualify for the program. Director Durham shared that the Housing Conference will be postponed due to COVID-19 and that a smaller event may be held in the Fall. Director Durham presented the board with information regarding the Municipal Liquidity Facility Fund which would assist Iowa cities and counties experiencing economic impacts from the COVID-19 pandemic. The need for funds will not be known until fall and would require a loan loss reserve and legislative changes for cities and counties. Director Durham reported that \$9 million in funds is going to the ESG Program from the CARES Act.

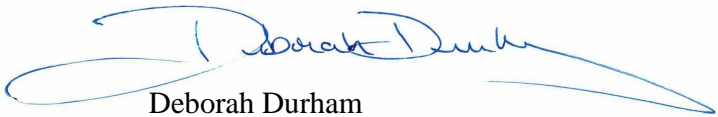
Lori Beary presented the Board with a request for a special board meeting from a conduit borrower for The Fort Des Moines restoration project. The project has a bond series with a June 30, 2020 maturity date and the payment is coming from state tax credits. The Department of Revenue cannot guarantee that they can extend the tax credits by June 30th and would like to extend the maturity of the bonds. The borrower is requesting a special board meeting for June 22nd or 23rd. The Board requested an email from staff to confirm availability and schedule the special board meeting.

Adjournment

On a motion by Mr. Thomas and a second by Ms. Randleman, the June 3, 2020 meeting of the IFA Board of Directors adjourned at 12:21 p.m.

Dated this 8th day of July 2020.

Respectfully submitted:



Deborah Durham
Executive Director

Approved as to form:



Michel Nelson, Chair
Iowa Finance Authority