BOARD MEETING MINUTES

Iowa Finance Authority
Des Moines, Iowa
January 8, 2020

Board Members Present

Ashley Aust
Lyle Borg
Michel Nelson
Amy Reasner
Michael Van Milligen
Jane Bell
John Eisenman
Ruth Randleman
Gilbert Thomas
Randi McLaughlin

Board Members Absent

Darlys Baum

Staff Members Present

Debi Durham, Executive Director
Lori Beary, Chief Bond Programs Director
Derek Folden, Multifamily Underwriter
Steve Harvey, Accounting Director
Cindy Harris, Chief Financial Officer
Terri Rosonke, Housing Programs Manager
Michelle Thomas, Accounting Manager
Rob Christensen, Chief Information Officer
Rick Peterson, Chief Operations & Cultural Officer
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
Katie Kulisky, LIHTC Analyst
Mark Fairley, Finance & Investment Manager

Others Present

Ron Robinson, LSA
David Grossklaus, Dorsey & Whitney
Rita Grimm, Iowa Economic Development Authority
James Smith, Dorsey & Whitney
Sue Foecke, Senate Staff

Call to Order

Chair Nelson called to order the January 8, 2020 meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:00 a.m. Roll call was taken, and a quorum was established. The following Board members were present: Aust, Bell, Borg, Eisenman, Nelson, Randleman, Reasner, Thomas, and Van Milligen.

Consent Agenda

Chair Nelson introduced the consent agenda and asked if anyone wanted to request items be removed.

MOTION: Mr. Eisenman made a motion to approve the items on the consent agenda, which included the following:

Approval of Minutes of the December 4, 2019 IFA Board Meeting
AG 19-081-IB, Andrew J. and Paula A. Simon
AG 19-082B, Michael T. and Hillary A. Lafrenz
04170M, Jared M. and Rochelle A. Kane, Cedar Falls
WQ 20-02, SRF Construction Loan

On a second by Ms. Randleman, the Board unanimously approved the items on the consent agenda.

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.

November Financial Statement

Mr. Harvey presented highlights of the November 2019 financial statement that was included in the board packet.

MOTION: On a motion by Mr. Thomas and a second by Ms. Randleman, the board unanimously accepted the November 2019 Financial Statement.

Continuing Disclosure Report

James Smith, Dorsey & Whitney, presented the Board with a five-year review of the continuing disclosure compliance of the Iowa Finance Authority. The report is based solely on review of filings to the Electronic Municipal Market Access website ("EMMA"). During the past five years, the Iowa Finance Authority has not failed to comply with any previous undertakings it has entered into with respect to the Rule and the findings are consistent with Iowa Finance Authority's outstanding disclosures to date.

LIBOR Class Action Settlement

Ms. Hanks-Bents stated that Iowa Finance Authority is an eligible member to a class action lawsuit against UBS AG because the Authority is an eligible counterparty to financial transactions that reference a benchmark interest rate such as LIBOR (London Interbank Offer Rate). Staff recommends that the Board elect to participate in the Out of Court settlement with UBS and, in consideration of receipt by the Authority of a restitution payment of $346,312.90, release UBS from any claims that it may have against UBS for Relevant Conduct from the period of January 1, 2006 through December 31, 2010.

MOTION: On a motion by Ms. Reasner and a second by Mr. Thomas, the Board unanimously elected to participate in the settlement between various State Attorneys General and UBS AG and to release UBS from any claims the Authority may have against UBS in consideration of receipt of a restitution payment.

Legislative Session Preview

Ms. Hanks-Bents presented the Board with a preview of the upcoming legislative session. The Iowa Finance Authority is bringing forward a bill for the Disaster Recovery Homeowner Assistance Program. This bill would help make funds more readily available for homeowners affected by disaster situations ensure consistent assistance across disasters. The Board, Ms. Hanks-Bents, and Terri Rosonke had a lengthy discussion regarding the bill and the Disaster Recovery Homeowner Assistance Program. Ms. Hanks-Bents also stated that the Military Homeownership Assistance Program has fully expended the available funds. The appropriation of the funds goes to the Department of Veterans Affairs and IFA supports an increase in the amount of funds, should they be available. IFA would also like to see an increase in the budget for funds available for the State Housing Trust Fund.

Adopted and Filed: Chapter 44: Beginning Farmer Tax Credit Program

Ms. Hanks-Bents stated that 2019 Iowa Acts, HF768 created a beginning farmer tax credit program and pursuant to Iowa Code section 16.78, the Iowa Finance Authority is directed to adopt rules that are necessary for the program. Ms. Hanks-Bents presented the Board with the amendments to the rules and asked the board to adopt the amendments.

MOTION: The board unanimously adopted the amendments to the administrative rules found in Chapter 44.

FIN 20-01, SRF 2020A Bonds Authorizing Resolution

Ms. Harris stated that this resolution authorizes a bond issuance of an amount not to exceed $275 million. The proceeds will be used to reimburse the SRF program for disbursements made to water and wastewater SRF loans, to pay costs of issuance and may provide the state match requirement for the 2020 capitalization grants. The resolution also authorizes the defeasance of all or a portion of the SRF 2010A bonds. Ms. Harris requested Board action on FIN 20-01.

MOTION: On a motion by Mr. Thomas and a second by Mr. Eisenman, the Board unanimously approved FIN 20-01.

FIN 20-02, SRF Reimbursement Resolution

Ms. Harris stated that the rules require that a reimbursement resolution is done in advanced to a bond issuance and staff recommends that the Board authorizes reimbursement of $275 million of loan disbursements from future SRF bond issues. Ms. Harris, Ms. Beary, and the Board discussed the resolution. Ms. Harris requested board action on FIN 20-02.

MOTION: On a motion by Mr. Thomas and a second by Mr. Van Milligen, the Board approved FIN 20-02.

FIN 20-03, Single Family Revolving Line of Credit

Ms. Harris stated that the resolution authorizes the Authority to enter a contract with U.S. Bank, N.A. for a Line of Credit ("LOC") up to $15 million to fund the purchase of single-family mortgages from the Authority's participating lenders. Ms. Harris requested board action on FIN 20-03.

MOTION: On a motion by Mr. Thomas and a second by Ms. Randleman, the Board unanimously approved FIN 20-03.

FIN 20-04, HOME Loan Request – Castle Hill

Mr. Folden stated that staff recommends accepting a $50,000 HOME loan payment and forgiving the remaining $1,629,296.35 HOME loan for Castle on the Hill in Sioux City, Iowa. The project has met its HOME affordability end date and has no cash flow to support loan payments. Mr. Folden requested board action on FIN 20-04.

MOTION: On a motion by Mr. Thomas and a second by Mr. Van Milligen, the Board unanimously approved FIN 20-04.

Executive Directors Report

Director Durham provided the Board with an update on the sale of 2015 Grand Avenue and the construction project for the future first floor tenant at 1963 Bell Avenue. Director Durham also introduced new IFA and IEDA staff positions: Rick Peterson, Chief Operations and Cultural Officer; Brian Sullivan, Chief Programs Officer, and Rita Grimm, Chief Legal Counsel. Director Durham and Mr. Sullivan presented the Board with an update of a Low-Income Housing Tax Credit project known as Steamboat Landing. This project has not met their requirements; therefore, IFA has rescinded the tax credits meant for Steamboat Landing and can reissue the tax credits in the future.

Adjournment

On a motion by Mr. Thomas and a second by Ms. Randleman, the January 8, 2020 meeting of the IFA Board of Directors adjourned at 12:34 p.m.

Dated this 8th day of January 2020.

Respectfully submitted:

Deborah Durham
Executive Director

Approved as to form:

Michel Nelson, Chair
Iowa Finance Authority