



BOARD MEETING MINUTES

**Iowa Finance Authority
Des Moines, Iowa
December 2, 2020**

Board Members Present

Ashley Aust
Jane Bell
John Eisenman
Ruth Randleman
Gilbert Thomas
Randi McLaughlin

Darlys Baum
Lyle Borg
Michel Nelson
Amy Reasner
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
Cindy Harris, Chief Financial Officer
Rob Christensen, Chief Information Officer
Steve Harvey, Accounting Director
Terri Rosonke, Housing Programs Manager
Jamie Giusti, Housing Program Specialist
Joshua Kasibbo, Accounting Manager
David Morrison, ITG Accountant
Stephanie Willis, Accounting Manager
Becky Wu, Accounting Manager
Michelle Thomas, Accounting Manager
Staci Hupp Ballard, Chief Strategic
Communications 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
Rita Grimm, Chief Legal Counsel
Derek Folden, Multifamily Underwriter
Brad Benson, Financial Analyst
Jennifer Pulford, Accounting Manager
Rita Eble, HOME Program Analyst
Amber Lewis, Homeless Programs Manager
Lindsey Guerrero, ITG Director
Mollie Brees, Homeless Assistant Program
Manager

Others Present

David Grossklaus, Dorsey & Whitney
Mike Norris, Homes for Iowa, Inc.

James Smith, Dorsey & Whitney

Board Chair
Welcome and Roll Call

Chair Nelson called to order the December 2, 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, Baum, Bell, Borg, Eisenman, Nelson, Randleman, and Van Milligen. The following Board members were absent: Reasner and Thomas

Approval of November 4, 2020 Meeting Minutes

MOTION: On a motion by Mr. Eisenman and a second by Ms. Randleman, the Board unanimously approved the November 4, 2020 IFA Board Meeting minutes.

Public Comment Period
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.

Mr. Thomas joined the meeting at 11:02 a.m.

Consent Agenda

Chair Nelson introduced the consent agenda and asked if anyone wanted to request items be removed. No items were removed.

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

- IADD - Authorizing Resolutions
 - A. 04086B, Steven D. and Sheryl L. Evanson
 - B. 04659B, Zachary J. and Kari J. Knutson
 - C. AG 20-037B, Zachary J. Palas
 - D. AG 20-038B, Cody Anderson
 - E. AG 20-039B, Ben and Abbie Bunge
 - F. AG 20-040-IB, Dakota J. Hageman
- IADD – Amending Resolutions
 - G. 04665M, Brian A. Bousselot, Calamus
 - H. AG 19-036M, Ryan L. and Alissa Paulsen, Paullina
- Private Activity Bond Program
 - I. PAB 20-08A, Gevo Project
- State Revolving Fund
 - J. WQ 20-17, SRF Planning and Design Loans
 - K. WQ 20-18, SRF Construction Loans

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

Ms. Reasner joined the meeting at 11:05 a.m.

Presentation – Homes for Iowa, Inc

Mike Norris, President of Homes for Iowa, Inc. presented the Board with an update on what Homes for Iowa, Inc has done during 2020 and where they hope to go in the future. Mr. Norris shared that Homes for Iowa has moved 13 homes and has five more homes in progress for 2020. For 2021, Homes for Iowa has a goal of moving 24 homes. Mr. Norris shared that 2020 has been difficult due to COVID-19 but that relief grants presented opportunities to hire and train additional personnel to help with building and moving homes. The board and Mr. Norris had a lengthy discussion regarding the Homes for Iowa process, cost of building, and locations of homes.

Finance
October 2020 Financials

Mr. Harvey presented the highlights of the October 2020 financial statement that was included in the board packet.

MOTION: On a motion by Mr. Thomas and a second by Mr. Van Milligen, the Board unanimously approved the October 2020 Financials.

FIN 20-20, Single Family Mortgage Bonds – Authorizing Resolution

Ms. Harris stated that this authorizing resolution is for a Single-Family mortgage bonds issuance for an amount not to exceed \$120 million. However, the expected size of the bond is anticipated to be about \$85 million. The bonds will be used to fund new mortgage-backed securities and to refund 2009 Indenture bonds. Ms. Harris shared that the Authority would issue only tax-exempt fixed rate bonds instead of having to layer in variable rate debt, which will improve the Authority’s risk profile. The plan is to price the bonds the week of January 18th and to close the bonds the week of February 18th. Ms. Harris requested board action on FIN 20-20.

MOTION: Ms. Reasner made a motion to approve FIN 20-20. On a second by Ms. Randleman, 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.

FIN 20-21, Permanent Loan – Hotel Maytag

Mr. Morlan reported this resolution received prior approval from the board to do a permanent loan in March of 2018. There have been a few small changes to the loan based on operating expenses being higher than anticipated and tax abatements being reduced from 15-year term to a 13-year term. Mr. Morlan stated that staff is proposing a loan amount reduced from \$2,300,000 to \$2,225,000, a loan term change from 16 years to 13 years, and an interest rate is reduced from 5.05% to 4.4%. Mr. Morlan requested board action on FIN 20-21.

MOTION: Mr. Eisenman made a motion to approve FIN 20-21. On a second by Ms. Randleman, 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.

FIN 20-22, HOME Loan Forgiveness – Perry Reid Projects

Mr. Morlan stated that this resolution is for forgiveness of five HOME loan for five separate projects located in Newton, Monroe, Kellogg, Grinnell, and Pella. The projects were completed in 1999 and 2000. Mr. Morlan stated that the original funding sources included 4% tax credits, conventional debt, HAF funds, developer loans or fees and IDED Home loans. The 1st mortgage loan on each project needs to be refinanced with additional funds needed for upgrades and the refinancing will allow for the payoff of the IFA HAF loans. Mr. Morlan requested board action on FIN 20-22.

MOTION: Ms. Reasner made a motion to approve FIN 20-22. On a second by Ms. Aust, 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.

FIN 20-23, HOME Loan Forgiveness – Washington Court Apartments

Mr. Morlan reported that this resolution is for a 16-unit elderly project built in Decorah in 1998. The original funding sources included low-income housing tax credits, HAF funds, an owner contribution and an IDED Home loan of \$383,779. The project is 100% occupied and the owner continues to make improvements to the project. Mr. Morlan stated that the tax abatement is ending, and they will have less cash flow going forward. Staff recommends forgiving the Home loan in full without any cash payments. Mr. Morlan requested board action on FIN 20-23.

MOTION: Mr. Thomas made a motion to approve FIN 20-23. On a second by Ms. Bell, 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.

FIN 20-24, HOME Loan Forgiveness – Century Plaza Apartments

Mr. Folden reported that this resolution is for a 17-unit property that was renovated in 1999 in Sioux City. The renovation included using low-income housing tax credits, historic tax credits, conventional financing, HAF funds, City CDBG and an IDED Home loan of \$250,000. Mr. Folden stated that the property has been struggling the last few years and has not had positive cash flow but are still current with their IFA MF permanent loan that is in place until 2033. The project has met its affordability requirements and staff recommends forgiving the HOME loan. Mr. Folden requested board action on FIN 20-24.

MOTION: Ms. Reasner made a motion to approve FIN 20-24. 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.

The Board, Mr. Harvey, and Mr. Folden discussed the balance of the outstanding HOME loans shown in the financial statement and the parameters that are decided by the committee for HOME loans. Mr. Folden will share the parameters with the Board.

Housing Programs

HI 20-09, SHTF FY2021 Local Housing Trust Fund Awards

Ms. Rosonke reported that staff is recommending the fiscal year 2021 Local Housing Trust Fund program grant awards totaling more than \$7,000,000 in funding for the 27 certified Local Housing Trust Funds serving all 99 Iowa counties. The state funding is anticipated to leverage an additional \$2.6 million in other finance resources or \$.38 for every dollar of Local Housing Trust Fund program money and is projected to assist 2,100 affordable housing units across Iowa. Ms. Rosonke requested board action on HI 20-09.

Mr. Thomas and Ms. Rosonke discussed the rules regarding multiple grants. Ms. Rosonke shared that the Local Housing Trust funds can only be actively drawing funds under two open grant agreements at a time.

MOTION: Mr. Thomas made a motion to approve HI 20-09. On a second by Ms. Randleman, a roll call vote was taken with the following results: **YES:** Aust, Baum, Bell, Borg, Eisenman, Nelson, Randleman, Reasner, and Thomas; **NO:** none; **Abstain:** Van Milligen. The motion passed.

HI 20-10, ESG-CARES Act Round 2 Awards

Ms. Lewis stated that this resolution is for awards for the second allocation of CARES Act funds for the Emergency Solutions Grant (ESG) program. The contract from HUD was received in November, authorizing IFA to issue the awards and a competition was held for this allocation with two main categories. The first category was for shelter and street outreach and the second category was for regional rapid rehousing and homelessness prevention. Pending potential administrative rule changes, there may be a third category for shelter renovation. If the changes are approved, then the few applications that came in for shelter renovation will be reviewed and presented to the Board in February. For the first category, 38 applications were received, and staff is recommending full funding to 35 of the applicants. For the second category, staff is recommending two tiers of funding based on the scoring and presented the Board with a list of all the applicants, their location, and the recommended awards. Ms. Lewis stated that the awards would total a little less than \$9 million, leaving funds leftover for the shelter renovation category. Ms. Lewis requested board action on HI 20-10.

The Board and Ms. Lewis discussed locations and geographic distribution of the applicants.

MOTION: Ms. Randleman made a motion to approve HI 20-10. On a second by Ms. Aust, a roll call vote was taken with the following results: **YES:** Aust, Baum, Bell, Borg, Eisenman, Nelson, Randleman, and Thomas; **NO:** none; **Abstain:** Reasner and Van Milligen. The motion passed.

Iowa Title Guaranty – Transfer of Funds

Ms. Guerrero stated that Iowa Title Guaranty (ITG) is currently 64% above budget as far as revenues are concerned. ITG had previously budgeted for \$250,000 to be transferred on a quarterly basis and due to an outstanding year, staff is recommending transfer of \$500,000 to the Housing Assistance Fund.

MOTION: On a motion by Mr. Van Milligen and a second by Mr. Thomas, the Board unanimously approved the Iowa Title Guaranty transfer of funds.

Amendments to ESG Program Rules

Ms. Hanks-Bents stated that this request is for the Board to approve to adopt amendments to Chapter 42 of the Emergency Solutions Grant program previously mentioned by Ms. Lewis. HUD allows renovation as an eligible activity under the Emergency Solutions Grant program, but administrative rules have never specifically allowed renovation as a permissible activity given the amount of funds received. Through this second round of funding, staff decided that it would be a great opportunity to be able to utilize some of those funds for renovation which requires an amendment to the rules. Ms. Hanks-Bents stated that there is also one technical change made to remove an outdated code reference. The notice was published on October 7th and staff did not receive any public comments on the rulemaking.

MOTION: Ms. Reasner made a motion to approve the Amendments to ESG Program Rules. On a second by Ms. Randleman, 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.

Private Activity Bond Program
PAB 20-01B, New Kahl Project

Ms. Beary reported that PAB 20-01B is a resolution authorizing the issuance of an amount not to exceed \$12.9 million of IFA Multifamily housing revenue notes for the New Kahl Project in Davenport. The project is going to use the funds for historic rehabilitation of a college and office space into 55 affordable units. The project is going to use 4% tax credits and Private Activity Bond cap. A public hearing was held December 2nd and no comments were received.

Chair Nelson requested that Ms. Beary present all four PAB resolutions on the agenda and the Board will then vote on each resolution individually.

Ms. Beary stated that PAB 20-03B is a resolution authorizing the issuance \$65,000,000 of Iowa Finance Authority Sewage and Solid Waste Disposal Facilities Revenue Bonds for the Cargill wastewater facility and solid waste disposal project in Eddyville. This project will have an allocation of Private Activity Bond cap. A public hearing was held December 2nd and no comments were received.

Ms. Beary stated that PAB 20-05B is a resolution authorizing the issuance of an amount not to exceed \$50,000,000 of Iowa Finance Authority Senior Housing Facility Revenue Bonds for the BVM-PHS Senior Housing Project in Dubuque. The bonds will be used to construct a 116-unit independent living facility and to remodel the motherhouse and townhomes for the Sisters of Charity of the Blessed Virgin Mary. The project is a 501(c)3 nonprofit. A public hearing was held December 2nd and no comments were received.

Ms. Beary stated that PAB 20-06B is a resolution authorizing the issuance of \$10,400,000 of Iowa Finance Authority Wellness Facility Revenue Refunding Bonds for the Marshalltown YMCA-YWCA Project. The bonds will be used to pay off existing bonds as well as the termination value of the existing interest rate swap agreement. The project is a 501C3 nonprofit. A public hearing was held December 2nd and no comments were received.

MOTION: Mr. Eisenman made a motion to approve PAB 20-01B. On a second by Mr. Thomas, 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.

PAB 20-03B, Cargill Project

MOTION: Mr. Thomas made a motion to approve PAB 20-03B. On a second by Mr. Van Milligen, 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.

PAB 20-05B, BVM-PHS Senior Housing Project

MOTION: Mr. Thomas made a motion to approve PAB 20-05B. On a second by Ms. Randleman, a roll call vote was taken with the following results: **YES:** Aust, Baum, Bell, Borg, Eisenman, Nelson, Randleman, Reasner, and Thomas; **NO:** none; **Abstain:** Van Milligen. The motion passed.

PAB 20-06B, Marshalltown YMCA-YWCA Project

MOTION: Ms. Randleman made a motion to approve PAB 20-06B. 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, Thomas, and Van Milligen; **NO:** none; **Abstain:** none. The motion passed.

Executive Director's Office

Ms. Hanks-Bents presented the Board with a legislative update. Ms. Hanks-Bents stated that the first item on the proposed agenda is a new affordable housing tax credit program that would utilize the unused 4% LIHTC program credit to help stimulate and grow affordable housing stock in our state. The next agenda item is an increase of funding to the State Housing Trust Fund by removing the cap of \$3,000,000 so that we receive the full 30% of real estate transfer tax. Additional items being proposed are amendments to the IEDA Workforce Housing Tax Incentive Program and a Disaster Recovery Housing Assistance Program with a rental assistance component. The last item is an Eviction Diversion Program to help provide rental assistance, similar to the Eviction and Foreclosure Prevention Program that was created due to the COVID-19 pandemic.

Director Durham gave an update on the COVID-19 relief programs. The Eviction and Foreclosure Prevention Program has assisted 11,923 renters in 97 counties and 2,585 homeowners in 66 counties with a total of \$330.7 million spent. The Residential Utility Disruption Prevention Program deadline is December 4th and 3,865 applications have been received and about 1541 applicants have been awarded. The Iowa Beginning Farmer Debt Relief Fund is the only agriculture relief program still running and has awarded \$10.1 million so far.

Other Business

The next meeting of the IFA Board of Directors will be Wednesday, January 6, 2021 at 11:00 a.m.

Adjournment


On a motion by Mr. Thomas and a second by Mr. Eisenman, the December 2, 2020 meeting of the Iowa Finance Authority Board of Directors adjourned at 12:31 p.m.

Dated this 6th day of January 2021.

Respectfully submitted:


Deborah Durham,
Executive Director

Approved as to form:


Michel Nelson, Chair
Iowa Finance Authority