



BOARD MEETING MINUTES

**Iowa Finance Authority
Des Moines, Iowa
April 7, 2021**

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
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
Becky Wu, Accounting Manager
Michelle Thomas, Accounting Manager
Derek Folden, Underwriter
Aaron Smith, Chief Bond Programs Director
Candice Lamb, Staff Accountant
Alyson Fleming, Section 8 Director
Elizabeth Christenson, Assistant Communications
Director
Deanna Bahr, Receptionist

Kristin Hanks-Bents, Legislative Liaison/Counsel
Ashley Jared, Communications Director
Tim Morlan, Multifamily Underwriter
Brian Sullivan, Chief Programs Officer
Dave Vaske, LIHTC Manager
Brad Benson, Financial Analyst
Jennifer Pulford, Accounting Manager
Amber Lewis, Homeless Programs Manager
Bethany Coop, Human Resources Assistant
Katie Kulisky, LIHTC Analyst
Staci Hupp Ballard, Chief Strategic
Communications Officer
Rick Peterson, Chief Operations & Cultural
Officer
Rita Grimm, Chief Legal Counsel
Karen Klinkefus, Accounting Manager
Mark Fairley, Finance & Investment Manager
Linda Day, Staff Accountant

Others Present

David Grossklauss, Dorsey & Whitney
Holly Engelhart

James Smith, Dorsey & Whitney

Board Chair
Welcome and Roll Call

Chair Nelson called to order the April 7, 2021 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, Eisenman, Nelson, Randleman, Reasner, Thomas and Van Milligen. No board members were absent.

Approval of March 3, 2021 Meeting Minutes

MOTION: On a motion by Ms. Baum and a second by Mr. Eisenman, the Board unanimously approved the March 3, 2021 IFA Board Meeting minutes.

Administration

GEN 21-01, Special Recognition and Resolution, Darlys Baum
GEN 21-02, Special Recognition and Resolution, Jane Bell

Chair Nelson provided remarks on Darlys Baum's faithful service and tenure as an IFA Board Member, whose term came to an end on April 7, 2021. GEN 21-01 was presented to Ms. Baum in her honor, as well as a bowl crafted by a local Des Moines artist.

Director Durham also commended Jane Bell for her dedication and service on the IFA Board, whose term concluded on April 7, 2021. For Ms. Bell's service, GEN 21-02 and a locally crafted bowl were presented to her.

MOTION: Chair Nelson made a motion to approve GEN 21-01 and GEN 21-02. The board unanimously approved the resolutions of special recognition for Darlys Baum and Jane Bell.

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.

Consent Agenda

Chair Nelson introduced the consent agenda and removed item O. WQ 21-06 due to board member conflicts.

Mr. Nelson introduced the remaining items on the consent agenda.

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

- IADD- Authorizing Resolutions
 - A. AG 21-012B
 - B. AG 21-014B
 - C. AG 21-015B
 - D. AG 21-016-IB
- IADD-Amending Resolutions
 - E. 03760M
 - F. 03882M

- G. 04413M
- H. 04565M
- I. 04566M
- J. AG 13-007M
- K. AG 18-068M
- IADD- Loan Participation Program
- L. AG-LP 21-02
- IADD- Beginning Farmer Tax Credit Program
- M. AG-TC 21-03
- Private Activity Bonds
- N. PAB 21-03A

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

MOTION: Ms. Randleman made a motion to approve WQ 21-06. On a second by Ms. Baum, 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. The motion passed.

Finance
February 2021 Financials

Mr. Harvey presented the highlights of the February 2021 financial statement that was included in the board packet. Chair Nelson and Mr. Harvey briefly discussed the increase of the Return on Assets. Mr. Harvey explained the increase was due to grants which have been awarded to the Authority. Once the grant money has been disbursed to the applicable recipients, the Return on Assets will regulate and return to a lower value. Mr. Harvey also shared that the budget process for the upcoming fiscal year has begun and the draft version will be presented at the May 5, 2021 Board Meeting.

MOTION: On a motion by Mr. Thomas and a second by Ms. Reasner, the Board unanimously approved the February 2021 Financials.

FIN 21-03, HOME Loan Forgiveness – Marsh Place

Mr. Morlan stated Marsh Place is a 25-unit family project in Waterloo, which was rehabilitated in 1998. Original funding sources included Low Income Housing Tax Credits, historic tax credits, bank loan, Federal Home Loan Bank AHP loan, Main Street funds, deferred developer fee, City of Waterloo HOME funds and an IDED Home loan. Due to neighborhood crime and lack of interest from prospective tenants, the project is 50% occupied at this time and has had an occupancy rate as low as 30% in previous years. Director Durham and board members expressed their concern of the low occupancy rate. Members agreed a conversation would be required between the City Manager, Mayor, and other interested parties to develop a renewal contingency plan. Mr. Morlan requested board action on FIN 21-03.

MOTION: Mr. Thomas made a motion to approve FIN 21-03. On a second by Ms. Aust, the Board unanimously approved the HOME Loan Forgiveness of Marsh Place.

FIN 21-07, Rural Lot Purchase Loan Program

Mr. Morlan stated the Rural Lot Purchase Loan Program, piloted in October 2020, provides incentives and support to developers seeking single family construction in rural communities. The program provides the borrower a loan up to \$20,000 per lot to assist with purchasing the lot. Terms include

a 0% interest rate for 18 months with no payments due unless the home is sold at which time the loan will be repaid in full. To simplify the process for developers and IFA, Mr. Morlan proposed verbiage be added to the terms to include, “IFA will provide a loan to the borrower for the lesser of the following: 75% of the lot purchase amount or \$20,000.”

Mr. Borg questioned the home sale price cap of \$250,000. Mr. Morlan explained this loan was to incentivize workforce housing in rural communities and to ensure the homes built would be affordable to a sizable population of rural residents. Mr. Morlan requested board action on FIN 21-07.

MOTION: With a motion by Mr. Thomas and 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 was adopted.

FIN 21-04, Updated Banking for SRF Linked Deposit Programs

Ms. Beary explained that the original resolution to allow certain staff to open deposit accounts for the SRF Linked Deposit Program was adopted in 2009. Due to a change in staff and staff titles, the resolution has been overdue for a verbiage update. Ms. Beary stated that since the program’s inception in 2003, IFA has deposited almost \$150 million for nearly 5,700 loans with over 800 lenders. Currently, \$40 million is outstanding throughout 300 banks across the state in an effort to buy down the interest rates for the loans. Ms. Beary requested board action on FIN 21-04.

MOTION: Mr. Eisenman made a motion to approve FIN 21-04. With a second by Mr. Thomas, the board unanimously approved the banking updates for the SRF Linked Deposit Programs.

FIN 21-05, State Revolving Fund Authorization Proceedings

Ms. Harris stated the SRF Program plans on a bond issuance in May 2021. Resolution FIN 21-05 authorizes the issuance of an amount not to exceed \$275 million of tax-exempt bonds and \$100 million of taxable bonds, for a total of \$375 million. The proceeds will be used to reimburse the program for disbursements made to water and wastewater SRF loans and to pay costs of issuance. All bonds issued will be fixed-rate, with the tax-exempt portion excluded from both federal and state taxation. Ms. Harris requested board action on FIN 21-05.

Mr. Gilbert asked how frequently the bonds are issued, and Ms. Harris explained this was typically done once per year. Ms. Reasner asked if the size cap was similar to that of previous years, in which Ms. Harris confirmed it was.

MOTION: Chair Nelson entertained a motion. On a motion by Ms. Reasner and a second by Mr. Gilbert, 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.

Upon passage of FIN 21-05, Ms. Harris notified the board that three rating agencies currently rate the bonds issued by IFA: S&P, Moody’s, and Fitch. In consultation with the State Treasurer’s Office, all three ratings will be maintained by paying for two ratings this upcoming transaction and then rotate the third. Ms. Harris stated that adopting this method will save approximately \$100,000 per transaction. The Board and Ms. Harris further discussed the reasoning and benefits behind this change.

FIN 21-06, Single Family Mortgage Bonds

Ms. Harris presented to the Board FIN 21-06 which authorizes the issuance of bonds in an amount not to exceed \$150 million in the second week of May. The anticipated par size of the bond issue is about \$108 million. The proceeds will be used to finance new Fannie Mae, Freddie Mac and GNMA mortgage-

backed securities from the FirstHome and Homes for Iowans loan program, down payment assistance and to refund outstanding bonds in the Single-Family Mortgage Revenue Bonds. The 2021 Bonds will be issued within the 1991 Indenture. The long-term plan is to consolidate the assets from the 2009 Indenture into the 1991 Indenture as bonds are able to be refunded.

MOTION: On a motion by Mr. Thomas and a second by Ms. Baum, the Board unanimously approved FIN 21-06.

Amendments to Waiver Rules

Ms. Hanks-Bents stated the proposed amendments update rules in accordance with changes included in 2020 Iowa Acts, House File 2389, section 10. The changes call for deletions of the word “variance” when the word is used in relation to “waiver.” Amendments are also proposed for the submission of information regarding waivers on the Legislative Services Agency’s Internet site. A notice of intended action was published February 10, 2021. No public comments were received. Ms. Hanks-Bents requested board action to adopt the amendments as proposed.

MOTION: Ms. Reasner made a motion to adopt the proposed amendments, with a second by Ms. Randleman. The motion was unanimously approved.

Amendments to Chapter 1 Rules

Ms. Hanks-Bents explained that the proposed amendment updated a rule in accordance with changes included in 2020 Iowa Acts, House File 2536, section 10. This bill was the Code Editor’s bill and inserted the word “voting” in Iowa Code section 16.2(1). A notice of intended action was published February 10, 2021. No public comments were received. Ms. Hanks-Bents requested board action to adopt the amendment to chapter 265-1.

MOTION: On a motion by Ms. Randleman and a second by Mr. Thomas, the Board unanimously approved the proposed Amendments to Chapter 1 Rules.

HI 21-04, 2021 First Amended 9% QAP

Mr. Vaske stated that due to the August 2020 Derecho, IFA received an allocation of Disaster Tax Credits for 12 Iowa counties most grossly impacted through the Consolidated Appropriations Act of 2021. The LIHTC staff proposed an amendment to the 2020-21 9% QAP, in which chapter 265-12 would incorporate 2020-21 9% QAP into the rules. Rule 12.1 would be amended to include additional low-income housing tax credits issued pursuant to the Consolidated Appropriations Act of 2021. Rule 12.2 would also be amended to identify the Authority’s correct URL. The Notice of Intended Action was published on February 24, 2021. Ms. Hanks-Bents reported no public comments were received. Mr. Vaske requested board action on HI 21-04.

MOTION: Mr. Eisenman made a motion to approve HI 21-04. On a second by Ms. Baum, a roll call vote was taken with the following results. YES: Baum, Bell, Borg, Eisenman, Nelson, Randleman, Reasner, Thomas, and Van Milligen: NO: None: Abstain: Aust. The motion passed.

Executive Director’s Office **Executive Director’s Report**

Director Durham yielded to Ms. Hanks-Bents to provide a Legislative Session update. Ms. Hanks-Bents reported the Housing Bills, companion files SF 295 and HF 582, were in the Ways and Means Committees in both chambers. The Board was encouraged to reach out to their legislators to advocate for passage of the Bills. Ms. Jared would provide targeted talking points for each member.

Director Durham announced that the April 7th meeting was Lori Beary's final IFA Board Meeting. Ms. Beary retired from the Authority effective April 15th after several decades of service to the State of Iowa. Aaron Smith, Ms. Beary's predecessor, was introduced to the Board.

Director Durham reported the Iowa Rent and Utility Assistance Program was launched on March 29th. As of the April 7th meeting, 5,845 applications had been submitted between tenants and landlords. Mr. Christensen provided a zip code heatmap displaying the density of applications submitted. Director Durham shared that feedback from applicants has indicated the new portal and process were difficult to navigate and required more documentation compared to the previous application site and process. Director Durham reassured the Board that Mr. Christensen and the IT Team were diligently working with Unqork to improve the interface's accessibility and usability. The additional documentation requirement was added to enhance the program's fraud prevention efforts.

The Homeowner's Assistance Fund was anticipated to include approximately \$15 million in relief and had not yet been released, as guidelines from the Treasury had not been published.

The Foreclosure Assistance portal was also reopened on March 29th, which was funded by remaining CARES Act funds.

Mr. Van Milligan and Director Durham further discussed the Bar and Restaurant Assistance Program. Director Durham relayed that \$35 million had been disbursed to small, local establishments, and it would be unlikely for additional CARES Act funds to be allocated to the Program.

Mr. Peterson reminded the Board to submit their Personal Financial Disclosure Report to the Iowa Ethics and Campaign Disclosure Board prior to the April 30th deadline.

Other Business

The next meeting of the IFA Board of Directors will be Wednesday, May 5, 2021 at 11:00 a.m.

Adjournment

On a motion by Ms. Baum and a second by Ms. Bell, the April 7, 2021 meeting of the Iowa Finance Authority Board of Directors adjourned at 12:19 p.m.

Dated this 5th day of May 2021.

Respectfully submitted:



Deborah Durham,
Executive Director



Approved as to form:



Michel Nelson, Chair
Iowa Finance Authority