



BOARD MEETING MINUTES

**Helmick Conference Room
1963 Bell Ave. Des Moines, IA
March 2, 2022**

Board Members Present

Ashley Aust
Lyle Borg
John Eisenman
Amy Reasner
Gilbert Thomas
Representative Sorensen

Tracey Ball
Jennifer Cooper
Michel Nelson
Ruth Randleman
Michael Van Milligen

Board Members Absent

Representative Judge
Representative Klimesh
Representative Wahls

Staff Members Present

Debi Durham, Executive Director
Aaron Smith, Chief Bond Programs Officer
Cindy Harris, Chief Financial Officer
Rob Christensen, Chief Information Officer
Tim Morlan, Underwriter
Terri Rosonke, Housing Programs Manager
Jennifer Pulford, Account Manager
Jamie Giusti, Housing Program Specialist
Alyson Fleming, Section 8 Director
Joshua Kasibbo, Accounting Manager
Deena Klesel, Programs Accountant
Katie Kulisky, LIHTC Analyst
Megan Andrew, Legal Project Manager
Rick Peterson, Chief Operations & Cultural Officer
Elizabeth Christenson, Asst. Communications
Director

Nicki Howell, IFA Office Assistant
Kristin Hanks-Bents, Legislative Liaison/Counsel
Brian Sullivan, Chief Programs Officer
David Morrison, ITG Accounting Manager
Derek Folden, Underwriter
Rita Grimm, Chief Legal Counsel
Lindsey Guerrero, ITG Director
Amber Lewis, Homeless Programs Manager
Nancy Peterson, LIHTC Analyst
Dave Vaske, LIHTC Manager
Stacy Cunningham, LIHTC Analyst
Stephanie Willis, Accounting Manager
John Keress, Facility Engineer
Staci Hupp Ballard, Chief Strategic
Communications Officer

Others Present

Dave Grossklaus, Dorsey & Whitney
Ben Koester
Jill Flynn
Matthew Danner

Jina Bresson, TOS
Tara Engquist, Eide Bailly
Kent Mehring
Maggy Jares

Sarah R
Ted Witt
Dan Garrett, WNC Inc.
Bret Mills

Sam E
Jack Hatch
Kristy Echand
David

Board Chair
Welcome and Roll Call

Chair Nelson called to order the March 2, 2022 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, Ball, Borg, Cooper, Eisenman, Nelson, Randleman, Reasner, and Thomas. The following Board members were absent: Van Milligen.

Approval of February 2, 2022 Meeting Minutes

MOTION: On a motion by Mr. Thomas and a second by Mr. Eisenman, the Board unanimously approved the February 2, 2022 IFA Board Meeting minutes.

Mr. Van Milligen joined the meeting at 11:00 a.m.

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 asked if any items needed to be removed. Item A. AG 22-004B, Brady Thomas King and item M. WQ 22-05, SRF Construction Loans were removed due to a board member's conflict of interest.

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

- IADD – Authorizing Resolutions
 - B. AG 22-005B, Ethan and Nicole Crawford
 - C. AG 22-006B, Mark and Kristin Berns
 - D. AG 22-007B, Brice L. Dietz
- IADD – Amending Resolutions
 - E. 04642M, Neil M. and Krystal L. Sheehan, Remsen
 - F. 04543M, Daniel L. and Lori A. Sheehan, Remsen
 - G. AG 16-028M, Michael Van Beek, Inwood
 - H. AG 17-075M, Brandon T. Gingerich, Parnell
 - I. AG 18-098M, Richard Wetjen, Williamsburg
- IADD – Loan Participation Program
 - J. AG-LP #22-01, Loan Participation Program
- Private Activity Bonds
 - K. PAB 22-03A, Cornerstone Apartments Project
- Water Quality
 - L. WQ 22-04, SRF Planning & Design Loans

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

MOTION: Ms. Randleman made a motion to approve AG 22-004B. On a second by Ms. Cooper, a roll call vote was taken with the following results. **YES:** Aust, Ball, Borg, Cooper, Eisenman, Nelson, Randleman, Reasner, and Van Milligen; **NO:** None; **Abstain:** Thomas. The motion passed.

MOTION: Mr. Eisenman made a motion to approve WQ 22-05. On a second by Mr. Thomas, a roll call vote was taken with the following results. **YES:** Aust, Ball, Borg, Cooper, Eisenman, Nelson, Randleman, Thomas, and Van Milligen; **NO:** None; **Abstain:** Reasner. The motion passed.

Finance
January 2022 Financials

Ms. Pulford presented the highlights of the January 2022 financial statement that was included in the board packet.

MOTION: On a motion by Mr. Thomas, and a second by Ms. Ball, the Board unanimously approved the January 2022 financials.

Ms. Cooper and Ms. Harris discussed the informational swap report that was included in the board packet.

FIN 22-05, SRF Bonds Series 2022 AB

Ms. Harris stated that this resolution authorizes the issuance of an amount not to exceed \$275 million of tax-exempt bonds and \$150 million of taxable bonds, for a total of \$425 million. The proceeds for these bonds will be used to reimburse the program for disbursements made to the water and wastewater SRF loans to fund state match requirement for capitalization grants from EPA and to pay costs of issuance. The resolution also allows for a taxable advance refunding of up to \$150 million of Series 2013 and Series 2015 Bonds. The SRF program is structured to make disbursements for loans from existing funds. When the funds run low, bonds are issued to reimburse the program and the bonds will be repaid by SRF loan payments. Ms. Harris shared the proposed structure of the new issue and stated that the anticipated pricing of bonds will be April 11th and closing on April 26th. Ms. Harris requested board action on FIN 22-05.

MOTION: On a motion by Ms. Reasner and a second by Mr. Thomas, the Board unanimously approved FIN 22-05, SRF Bonds Series 2022 AB.

FIN 22-06, HOME Loan Forgiveness, Cumberland House

Mr. Morlan shared that staff met with IFA board members Thomas, Aust, and Cooper to review the HOME loan forgiveness policies due to concerns expressed at the February board meeting. Staff and the board members concluded that the policies are in a good place and that no changes need to be made.

Mr. Morlan stated that the Cumberland House is located in Bettendorf. It is a 32-unit elderly project that was built in 1999 with LIHTC equity, an IFA HAF loan, a bank loan, and a HOME loan of \$676,152. The project is well occupied and in need of capital and market upgrades. The project has met its affordability period, however, the dates shown by HUD are incorrect and staff is working to get the date changed. The IFA HAF loan was paid off in 2021. Staff recommends forgiving the HOME loan on or after the sooner of the affordability period end date shown by HUD's IDIS system, currently 5-17.2024, or the revised IDIS affordability period end date, if changed, with no payment due. Mr. Morlan requested board action on FIN 22-06.

MOTION: On a motion by Ms. Aust and a second by Mr. Eisenman, the Board unanimously approved FIN 22-06.

Housing Programs
LIHTC QAP Appendix F

Mr. Sullivan presented the board with the LIHTC QAP Appendix F which is adjusted annually based on the current market conditions. Appendix F provides the Tax Credit Cap Per LIHTC Unit for developers applying for 9% tax credits. The credit cap per unit limits developers on the amount of credits that they're going to receive on the individual units that they are developing. Staff recommends increasing the Tax Credit Cap Per LIHTC Unit by 50% for the 2022 9% tax credit round. The typical increase would be 6-8% and the cap has not changed since 2019 or 2020. Due to recent cost increases, developers have had to request additional soft funds from IFA and other partners in the industry. IFA does not anticipate having additional soft funds this year so the 50% increase would allow the tax credit development to better stand on its own and not incur the six-to-eight-month change requiring additional soft funds. Mr. Sullivan stated that following board approval, a 20-day public comment period would begin, and the approved change would be made permanent toward the end of the month. Along with the credit cap changes, staff anticipates developers having difficulty meeting the current April 13th deadline and recommends pushing the deadline back to May 18th. Mr. Sullivan requested board action to amend Appendix F to increase the Tax Credit Cap Per LIHTC Unit by 50% for the 2022 9% tax credit round.

MOTION: Mr. Van Milligen made a motion to approve LIHTC QAP Appendix F. On a second by Mr. Eisenman, a roll call vote was taken with the following results. **YES:** Ball, Borg, Cooper, Eisenman, Nelson, Randleman, Reasner, Thomas and Van Milligen; **NO:** None; **Abstain:** Aust. The motion passed.

Mr. Sullivan shared that Dave Vaske, LIHTC Manager, will be retiring March 24th.

Iowa Title Guaranty
Transfer of Funds

Ms. Guerrero shared that Iowa Title Guaranty has a surplus of funds and would like to transfer \$1.5 million to the Iowa Housing Assistance Fund.

MOTION: On a motion by Mr. Eisenman and a second by Mr. Thomas, the Board unanimously approved the transfer of funds.

Private Activity Bonds
PAB 21-19B, Iowa Fertilizer Company Project

Mr. Smith shared that the Iowa Fertilizer Company Project is requesting authorization of an amount not to exceed \$915 million to refinance some of their prior outstanding debt that IFA issued on their behalf several years ago. The inducement resolution was brought before the board and adopted in November of 2021. A public hearing was held this morning and no comments were received.

MOTION: On a motion by Ms. Reasner, and a second by Mr. Eisenman, the Board unanimously approved PAB 21-19B.

PAB 22-01B, ChildServe Project

Mr. Smith shared that this is a resolution authorizing issuance of an amount not to exceed \$23 million of IFA Revenue and Refunding Bonds for ChildServe, Inc. The proceeds of the bonds will be used to refund prior Series 2013 and 2019 bonds and to fund an expansion, acquisition, and relocation of multiple ChildServe locations in Iowa. The inducement resolution was brought before the board and adopted in February of 2022. A public hearing was held this morning and no comments were received.

MOTION: Ms. Randleman made a motion to approve PAB 22-01B. On a second by Ms. Aust, a roll call vote was taken with the following results. **YES:** Aust, Ball, Borg, Eisenman, Nelson, Randleman, Reasner, Thomas and Van Milligen; **NO:** None; **Abstain:** Cooper. The motion passed.

PAB 22-02B, Eastern Star Masonic Home Project

Mr. Smith shared that this is a resolution authorizing the issuance of an amount not to exceed \$11 million of Retirement Facility Revenue Refunding Notes for Eastern Star Masonic Home project located in Boone, IA. The proceeds from the bonds will be used to refund outstanding Series 2018 Note issued by the City of Boone and to pay additional debt obligations associated with their existing retirement facility. The inducement resolution was brought before the board and adopted in February of 2022. A public hearing was held this morning and no comments were received.

MOTION: On a motion by Mr. Thomas, and a second by Mr. Eisenman, the Board unanimously approved PAB 22-01B.

Executive Director's Office

Ms. Hanks-Bents gave a Legislative update and shared that the Iowa Council on Homelessness bill passed the House last week and is awaiting Senate approval.

Director Durham shared information regarding the Section 8 properties owned by Brad Carlson and stated that staff has launched a new system for tracking complaints regarding properties and is working on an overhaul of the inspection process. Mr. Sullivan stated that inspection cycles on the properties will start on Monday, March 7th.

Director Durham gave an update on the \$100 million American Rescue Plan Act (ARPA) funds that were allocated by Governor Reynolds. The Minority Down Payment Assistance Program has been launched and is going well. IEDA's Downtown Housing Grant application process closed at end of January. The program was allocated \$20 million in grant funds and \$30 million was requested. Awards for the grants will be made in April. The \$45 million originally expected to be allocated to LIHTC 4% Housing Tax Credits did not work with the Department of Treasury guidance and the funds will now be used as grants to help developers get last year's 9% Housing Tax Credits completed. The applications for the grants will be opened on March 21st. The remaining \$20 million of ARPA funds are still being discussed.

The Iowa Rent and Utility Assistance Program is being transferred from Unqork to Yardi and IFA is enhancing the contract with Witt O'Brien. The transition from Unqork to Yardi will begin at 5:00 p.m. tonight and will reopen the morning of Monday, March 7th. The \$35 million transfer of funds has been made to Polk County.

The Iowa Rapid Rehousing Project has started receiving applications and a press release will be done once awards are finalized. IFA staff is working on a response to The Department of Treasury regarding the Homeowner Assistance Fund (HAF) Program.

IFA has been allocated \$30 million for HOME Program funds. IFA received \$75 million in Water Infrastructure Funds and staff recently awarded \$38 million to three significant projects and will soon be announcing additional watershed awards. 150 applications have already been received for funds for unsewered communities and staff is expecting additional applications.

Director Durham shared that the FY21 IFA Annual Report is now available to view at ifaimpact.com.

Mr. Van Milligen asked for an update on the \$300 million wastewater funds and Mr. Smith shared that staff is expecting direction from EPA on March 3rd. Mr. Smith and Director Durham discussed the continued needs throughout the state for the SRF and Water Quality programs.

Other Business

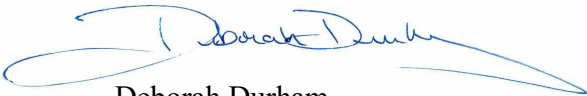
The next meeting of the IFA Board of Directors will be Wednesday, April 6, 2022.

Adjournment

On a motion by Mr. Eisenman and a second by Mr. Thomas, the March 2, 2022 meeting of the Iowa Finance Authority Board of Directors adjourned at 11:52 a.m.

Dated this 6th day of April 2022.

Respectfully submitted:



Deborah Durham,
Executive Director

Approved as to form:



Michel Nelson, Chair
Iowa Finance Authority