



**BOARD MEETING MINUTES**

**Helmick Conference Room  
1963 Bell Ave. Des Moines, IA  
July 6, 2022**

**Board Members Present**

Ashley Aust  
Lyle Borg  
John Eisenman  
Gilbert Thomas  
Amy Reasner  
Karen Austin

Tracey Ball  
Jennifer Cooper  
Michel Nelson  
Michael Van Milligen  
Representative Judge

**Board Members Absent**

Ruth Randleman  
Representative Klimesh

Representative Sorensen  
Representative Wahls

**Staff Members Present**

Debi Durham, Executive Director  
Aaron Smith, Chief Bond Programs Officer  
Cindy Harris, Chief Financial Officer  
Tim Morlan, Underwriter  
Terri Rosonke, Housing Programs Manager  
Jennifer Pulford, Accounting Director  
Jamie Giusti, Housing Program Specialist  
Alyson Fleming, Section 8 Director  
Katie Kulisky, LIHTC Analyst  
Rick Peterson, Chief Operations & Cultural Officer  
Amber Lewis, Homeless Programs Manager  
Rob Christensen, Chief Information Officer  
Justin Knudson, Federal & State Programs Officer  
Richard Gonzalez, Refugee Housing Coordinator

Nicki Howell, IFA Office Assistant  
Kristin Hanks-Bents, Assistant Legal Counsel  
Brian Sullivan, Chief Programs Officer  
Derek Folden, LIHTC Program Director  
Dillon Malone, ITG Director  
Ashley Jared, Communications Director  
Rita Grimm, Chief Legal Counsel  
Deena Klesel, Programs Accountant  
David Morrison, ITG Accounting Manager  
Mark Fairley, Finance & Investment Manager  
Stephanie Willis, Accounting Manager  
Kim Axtell, Lender Services Coordinator  
Vicky Clinkscales, Customer Service & Project Specialist

**Others Present**

James Smith, Dorsey & Whitney  
Darin Smith

Holly Engelhart, Eide Bailly  
Sam Erickson

**Board Chair**  
**Welcome and Roll Call**

Chair Nelson called to order the July 6, 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, Reasner, Thomas, and Van Milligen. The following Board members were absent: Randleman.

**Approval of June 1, 2022 Meeting Minutes**

**MOTION:** On a motion by Ms. Aust and a second by Ms. Cooper, the Board unanimously approved the June 1, 2022 IFA Board Meeting minutes.

**Election of Officers**

**MOTION:** Mr. Van Milligen made a motion to reelect Mr. Nelson as Chair. On a second by Mr. Thomas, the Board unanimously approved reelecting Mr. Nelson as Chair.

**MOTION:** Ms. Reasner made a motion to reelect Ms. Randleman as Vice Chair. On a second by Mr. Eisenman, the Board unanimously approved reelecting Ms. Randleman as Vice Chair.

**MOTION:** Ms. Aust made a motion to reelect Mr. Thomas as Treasurer. On a second by Mr. Borg, the Board unanimously approved reelecting Mr. Thomas as Treasurer.

**IFA Staff Years of Service**

Chair Nelson presented and thanked five IFA staff members for their years of service. Kim Axtell has been with IFA for 30 years. Terri Rosonke and Jane Larson have been with IFA for 15 years. Carol Wells has been with IFA for 10 years. Jennifer Pulford and Brooke Parziale have been with IFA for five years.

**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 asked if any items needed to be removed. Item C. PAB 22-16A was removed due to Ms. Reasner having a conflict of interest.

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

- IADD – Loan Participation Program
  - A. AG-LP #22-03, Loan Participation Program
- IADD - Beginning Farmer Tax Credit Program
  - B. AG-TC #22-04, Beginning Farmer Tax Credit Program
- Private Activity Bonds
  - D. PAB 22-17A, Westdale Project
- Water Quality
  - E. WQ 22-10, SRF Construction Loans

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

**MOTION:** Ms. Cooper made a motion to approve PAB 22-16A. On a second by Mr. Eisenman, a roll call vote was taken with the following results: **YES:** Aust, Ball, Borg, Cooper, Eisenman, Nelson, Thomas, and Van Milligen; **NO:** None; **Abstain:** Reasner. The motion passed.

**Finance**  
**May 2022 Financials**

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

**MOTION:** On a motion by Mr. Thomas, and a second by Mr. Eisenman, the Board unanimously approved the May 2022 financials.

**FIN 22-11, Single Family Bonds Authorizing Resolution**

Ms. Harris shared that this resolution for authorization to issue a new set of bonds not to exceed \$150 million. Staff is anticipating the transaction to be around \$100 million of a combination of both tax exempt and taxable bonds. The proceeds will be used to fund the FirstHome program, Homes for Iowans loan program and down payment assistance.

**MOTION:** On a motion by Mr. Eisenman, and a second by Mr. Thomas, the Board unanimously approved FIN 22-11.

**FIN 22-12, HOME Loan Forgiveness – Armstrong Apartments**

Mr. Folden stated that Armstrong Apartments is a 16-unit property in Clinton that was renovated in 2006. The property was renovated using \$775,000 of HOME loan funds. The property has not been asked to make payments during their term and their current balance is almost \$900,000 with an interest rate of 1%. The property has met the affordability end date and is eligible to request forgiveness. Staff has reviewed their financials and recommends forgiving the HOME loan.

**MOTION:** On a motion by Ms. Reasner and a second by Ms. Aust, the Board unanimously approved FIN 22-12.

**FIN 22-13, HOME Loan Forgiveness – Clinton Block**

Mr. Folden stated that Clinton Block is a 19-unit property in Clinton that did a historic renovation in 2005. The property received \$474,981 in HOME loan funds and has not made payments due to their payment schedule. At 1% interest rate, the current balance is just over \$500,000. The project has met the affordability end date, is struggling to generate cash flow, and staff recommends forgiving the HOME loan.

Mr. Folden shared that the capitalized interest for the loans are 100% reserved.

**MOTION:** On a motion by Ms. Cooper and a second by Ms. Aust, the Board unanimously approved FIN 22-13.

### Housing Programs

#### HI 22-05, 4% LIHTC QAP Developer Fee Waiver

Mr. Folden shared that the 4% QAP is noncompetitive and the 9% QAP is competitive and the 2022-2023 4% QAPs are more restrictive than the 9% competitive QAP. There is a provision in the 4% QAP that limits the amount of fees that the developer can receive based on a percentage of the total project costs for land, developer fee and project reserves. This calculation is the same that is used in the competitive 9% application. The 4% QAP also has a second cap that limits the developer fee based on a fixed dollar per unit. With inflation and high construction and project costs, the current economic situation is challenging for developers and inconsistent with the 9% QAP requirements, therefore, staff recommends waiving the 2020-2021 and 2022-2023 4% QAP Developer Fee per Unit Cap in Section 2.5.1.

**MOTION:** On a motion by Mr. Thomas and a second by Ms. Reasner, the Board unanimously approved HI 22-05.

#### HI 22-06, 2109 LIHTC QAP Net Rent Increases

Mr. Folden shared that due to construction cost increases, 2019 projects are delayed and only half of them have been completed. Projects in lease up are trying to secure additional permanent financing to fill funding gaps. The 2019 LIHTC QAP limits the net rent increases to 4% from the time of application to issuance of IRS Form 8609 and the 2020-2022 LIHTC QAPs allow a 6% increase in rents. Staff recommends increasing the 2019 QAP net rent increase to the current standard of 6% to allow 2019 projects to carry more permanent debt.

**MOTION:** On a motion by Mr. Thomas and a second by Mr. Eisenman, the Board unanimously approved HI 22-06.

#### HI 22-07, HOME Awards

Mr. Knudson shared that staff is requesting approval of 13 HOME awards totaling \$4.8 million in HOME funds. The awards include two applications for Tenant Based Rental Assistance, five Homebuyer Assistance projects, and three Rental projects. Staff is also proposing three awards of \$50,000 in operating funds to Community Housing Initiative, Northeast Iowa Community Action Corporation and Home, Inc.

The board and Mr. Knudson discussed the need to incentivize developers outside of the metro area.

**MOTION:** Ms. Aust made a motion to approve HI 22-07. On a second by Mr. Thomas, a roll call vote was taken with the following results: **YES:** Aust, Ball, Borg, Eisenman, Nelson, Thomas, and Van Milligen; **NO:** None; **Abstain:** Cooper and Reasner. The motion passed.

### Private Activity Bonds

#### ED 17-08B-1, Iowa West Foundation Project Amending Resolution

Mr. Smith shared that this is an amending resolution for a project that was approved in June of 2017 to authorize the issuance of up to \$14,800,000 of Iowa Finance Authority Economic Development Revenue Refunding Bonds for the Iowa West Foundation, Inc. This resolution will amend the loan agreement between the borrower and U.S. Bank National Association to facilitate the transition from LIBOR-based rate of interest to a SOFR-based rate of interest.

**MOTION:** On a motion by Mr. Thomas and a second by Mr. Eisenman, the Board unanimously approved ED 17-08B-1.

**PAB 21-08, Prairie Path Apartments Project**

Mr. Smith shared that this is a resolution not to exceed \$20,800,000 of Multifamily Housing Revenue Bonds for a 152-unit project in Adel. The Private Activity Bond application was approved with the adoption of an inducement resolution on July 7<sup>th</sup>, 2021. A public hearing was held today, July 6<sup>th</sup>, and no comments were received.

**MOTION:** On a motion by Mr. Thomas and a second by Ms. Aust, the Board unanimously approved PAB 21-08.

**Executive Director’s Office**

Mr. Smith shared that the Homeowner Assistance Fund has launched and there are 134 cases that are either under review, pending review, or have been paid. A total of \$260,000 has been sent out to 34 homeowners.

Director Durham praised Mr. Folden and the work the LIHTC team is doing to improve the QAP. Mr. Folden shared that staff is partnering with developers and the community to help create and preserve the best affordable housing in Iowa by focusing on three main components: durability, location, and affordability. Staff plans to have the new draft QAP documents ready for approval by the August or September board meeting.

Director Durham shared that the Iowa Rent and Utility Assistance Program will close on September 30<sup>th</sup>. She also shared that there is a ribbon cutting event tomorrow, July 7<sup>th</sup> at 6<sup>th</sup> Ave Flats and the 2022 Housing Iowa Conference will be held September 7<sup>th</sup>-9<sup>th</sup>.

Representative Judge congratulated staff on their years of service to the state of Iowa and Richard Gonzalez, the new Refugee Housing Coordinator, was introduced to the Board.

**Other Business**

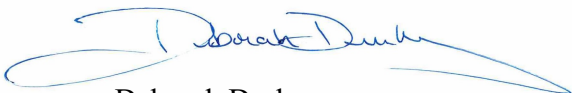
The next meeting of the IFA Board of Directors will be Wednesday, August 3, 2022.

**Adjournment**

On a motion by Mr. Thomas and a second by Ms. Aust, the July 7, 2022 meeting of the Iowa Finance Authority Board of Directors adjourned at 11:47 a.m.

Dated this 3<sup>rd</sup> day of August 2022.

Respectfully submitted:



Deborah Durham,  
Executive Director

Approved as to form:



Michel Nelson, Chair  
Iowa Finance Authority