



BOARD MEETING MINUTES

Helmick Conference Room
1963 Bell Ave. Des Moines, IA
July 5, 2023

Board Members Present

Ashley Aust, *Member*
Jennifer Cooper, *Vice Chair*
John Eisenman, *Member*
Rep. Daniel Gehlbach, *Ex-Officio*
Gretchen McLain, *Member*
Michel Nelson, *Chair*
Amy Reasner, *Member*
Gilbert Thomas, *Treasurer*
Michael Van Milligen, *Member*
Senator Scott Webster, *Ex-Officio*

Board Members Absent

Tracey Ball, *Member*
Jina Bresson, *Ex-Officio*
Rep. Lindsay James, *Ex-Officio*
Senator Zach Wahls, *Ex-Officio*
Nathan Weaton, *Member*

Staff Members Present

Samantha Askland, *Underwriter*
Catalina Bos, *Legal Office Administrator*
Lucy Cade, *Social Media Manager*
Rob Christensen, *Chief Information Officer*
Vicky Clinkscales, *Customer Service & Project Specialist*
Debi Durham, *IEDA | IFA Director*
Mark Fairley, *Finance & Investment Manager*
Alyson Fleming, *Section 8 Director*
Derek Folden, *LIHTC Program Director*
Jamie Giusti, *Housing Programs Specialist*
Rita Grimm, *Chief Legal Counsel*
Kristin Hanks-Bents, *Legal Counsel*
Nichole Hansen, *Policy & Partnership Manager*
Cindy Harris, *Chief Financial Officer*
Rachael Hoffman, *Compliance Officer*
Nicki Howell, *Agricultural Development Program Specialist*
Staci Hupp Ballard, *Chief Strategic Communications Officer*

Ashley Jared, *Communications Director*
Michael Johnson, *Software Development Specialist*
Deena Klesel, *SRF Accounting Manager*
Justin Knudson, *Federal Team Lead*
Alex Lemke, *Marketing Specialist*
Dillon Malone, *ITG Director*
Tim Morlan, *Asset Management Director*
David Morrison, *Single Family Accounting Manager*
Brooke Parziale, *Human Resources Director*
Rick Peterson, *Chief Operations & Culture Officer*
Dave Powell, *Underwriter*
Jennifer Pulford, *Accounting Director*
Terri Rosonke, *Housing Programs Manager*
Aaron Smith, *Chief Bond Programs Officer*
Michael Thibodeau, *Legal Counsel*
Matthew Veldey, *Senior Commercial Attorney*
Stephanie Volk, *Accounting Manager*
Carrie Woerdeman, *State Programs Director*

Others Present

Megan Carr, *Sand Companies, Inc.*
Jim Danaher
Adit Doshi, *Pivotal Housing Partners*
Holly Engelhart, *Eide Bailly LLP*
Sam Erickson, *Community Housing Initiatives (CHI)*
Scott Fitzpatrick, *Midwest Housing Equity Group (MHEG)*
Jerry Floyd, *Front Porch Development, Inc.*
Frank

David Grossklaus, *Dorsey & Whitney LLP*
Heather Hackbarth, *Iowa Dept of Management (IDOM)*
Austin Kack, *Overland Property Group (OPG)*
Bill Manner, *Iowa Housing Partnership (IHP)*
Sarah Reilly, *Community Housing Initiatives (CHI)*
Tyler Sheeran, *The Commonwealth Companies*
Darin Smith, *Arch Icon Development*

Board Chair
Welcome and Roll Call

Michel Nelson called to order the July 5, 2023, 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, Cooper, Eisenman, McLain, Nelson, Reasner, Thomas, and Van Milligen. The following Board members were absent: Ball and Weaton.

Approval of June 7, 2023, Meeting Minutes

MOTION: On a motion by Ms. Cooper, and a second by Ms. Aust, the Board unanimously approved the June 7, 2023, IFA Board Meeting minutes.

Election of Officers

MOTION: Ms. Aust made a motion to reelect Mr. Nelson as Chair, Ms. Cooper as Vice Chair, and Mr. Thomas as Treasurer. On a second by Mr. Van Milligen, the Board unanimously approved reelecting Mr. Nelson as Chair, Ms. Cooper as Vice Chair, and Mr. Thomas as Treasurer.

IFA Staff Years of Service

Chair Nelson presented and thanked nine IFA staff members for their years of service. Heidi Koll has been with IFA for 5 years. Jennifer Pulford, Cindy Harris, and Samantha Askland have been with IFA for 10 years. Becky Wu has been with IFA for 15 years. Matthew Veldey and Michael Johnson have been with IFA for 20 years. Mark Fairley and Rita Ebel have been with IFA for 25 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. Bill Menner addressed the Board to introduce himself and his role as executive director of the Iowa Housing Partnership. Mr. Menner discussed the importance of the relationship/partnership between the Iowa Housing Partnership and IFA, especially regarding its focus on affordable housing and how to advocate for it in small towns. No other comments were received. Chair Nelson closed the public comment period.

Consent Agenda

Chair Nelson asked if any items needed to be removed from the consent agenda. No items were removed from the consent agenda.

MOTION: Ms. Aust made a motion to approve the following items on the consent agenda:

IADD - Authorizing Resolutions

- A. AG 23-032B Brady A. and Stacy R. Reinke
- B. AG 23-033B Nathan G. and Jacklyn Nieuwendorp

IADD – Amending Resolutions

- C. 04621M Christopher Richard and Pamela Ann Deutmeyer, Ryan

IADD – Loan Participation Program

- D. AG-LP 23-03, Loan Participation Program

IADD – Beginning Farmer Tax Credit Program

- E. AG-TC 23-05, Beginning Farmer Tax Credit

Private Activity Bonds

- F. PAB 23-12A, Chevron Corporation Project

Water Quality

- G. WQ 23-11, State Revolving Fund Planning & Design Loans
- H. WQ 23-12, State Revolving Fund Construction Loans

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

Finance
May 2023 Financials

Ms. Pulford presented the highlights of the May 2023 financial statement that was included in the board packet. She explained that the Housing Authority side operated favorably to budget through May. Ms. Cooper asked when the money from the Housing Authority Emergency Rental Assistance fund would be pulled back and Ms. Pulford confirmed that the request has just been received and that IFA is beginning the process of returning the roughly \$56 million to the federal government. Ms. Pulford continued to explain that the State Revolving Fund side is also operating favorably to budget.

MOTION: On a motion by Ms. Aust, and a second by Ms. Cooper, the Board unanimously approved the May 2023 financials.

Loan Servicing – Reserve for Impaired Loans

Ms. Pulford discussed the changes made to the Loan Loss Reserve policy as of June 2023. A copy of the updated policy was included in the board packet with the changes highlighted. Ms. Pulford explained that all of the changes made were related to the Single Family Second Mortgage Loan program, which has grown to over \$20 million in outstanding loans.

MOTION: On a motion by Ms. Cooper, and a second by Ms. Aust, the Board unanimously approved the changes made to the Loan Loss Reserve policy.

FIN 23-13, Single Family Authorizing Resolution 2023 EF Bonds

Ms. Harris requested board authorization for the issuance of bonds in an amount not to exceed \$175 million to get back into the market to fund the Single Family program. Ms. Harris explained that the program has been doing well, despite the higher interest rates. She discussed that these bonds will fund the FirstHome and Homes for Iowans loan programs and are expecting to have an all fixed rate transaction.

MOTION: On a motion by Mr. Thomas, and a second by Ms. Reasner, the Board unanimously approved FIN 23-13.

FIN 23-14, Loan Approval – Hiawatha Arro, LLC

Mr. Powell requested approval for two loans on one project. This proposed new construction in Hiawatha, Iowa, targets Older Persons 55 and above and was approved for 9% LIHTC during the 2022 round. Staff recommends providing the project with a 1st mortgage in the amount of \$1,685,000, a 15-year term, 35-year amortization, and a fixed interest rate. Additionally, staff seeks approval of a 2nd mortgage collateralized by tax abatement in the amount of \$310,000, on a 10-year term, 10-year amortization, and a fixed rate. Ms. Cooper asked how IFA would be forward locking the rate and Mr. Powell confirmed it would be done internally.

MOTION: On a motion by Mr. Eisenman, and a second by Ms. Cooper, the Board unanimously approved FIN 23-14.

FIN 23-15, Loan Approval – The Crossing Apartments

Mr. Powell shared that this single, multifamily loan was also collateralized by the 2022 9% LIHTC submittal. This proposed new construction family project will be located in Bondurant, Iowa. Staff recommends providing the project with a 1st mortgage in the amount of \$2,300,000, with a 15-year term, 35-year amortization, and a fixed interest rate. Ms. Cooper asked what the penalty would be if the project

breaks the rate lock to get a lower rate, and Mr. Morlan advised that IFA has not charged a penalty for that but they have come back to the Board if they increase the loan amount; the project is given a cap.

MOTION: On a motion by Ms. Cooper, and a second by Ms. Aust, the Board unanimously approved FIN 23-15.

FIN 23-16, Loan Approval – NEX Senior

Ms. Askland requested approval for NEX Senior, a project that was awarded 9% LIHTC during the 2022 rounds. She shared it is the same design and concept as the Hiawatha Arro project which had been approved by the Board just moments before. The project will be located in Iowa City, and is for seniors, 55 years and up. The proposed loan amount is \$1,850,000, with a 15-year term, 35-year amortization, and fixed interest rate. Chair Nelson asked if there will be a balloon at the end of the 15-year term and Mr. Morlan confirmed there would be a substantial one.

MOTION: On a motion by Ms. Cooper, and a second by Ms. Aust, the Board unanimously approved FIN 23-16.

Private Activity Bonds

PAB 22-21B, AHEPA 192-IV Apartments LP Project

Mr. Smith shared that this is an authorizing resolution for, and not to exceed, \$13 million in Multifamily Housing Revenue Bonds for AHEPA 192-IV Apartments LP. Mr. Smith shared that the proceeds from the Bonds will finance the construction of a new 90-unit multistory senior living facility (62+) in Des Moines. A public hearing had been held and no public comments had been received. Ms. Cooper noted that the body of the resolution stated \$12 million and not \$13 million, but Mr. Smith confirmed it is not to exceed \$13 million. Mr. Smith requested board action. Ms. Cooper moved for approval as long as the typo was corrected in the resolution. In response to Ms. Cooper’s question, Mr. Grossklaus, bond counsel for IFA, reviewed the resolution and supporting documents. Mr. Grossklaus determined it was not necessary to revise the resolution for PAB 22-21B because the resolution accurately reflected both the initial request of \$12 million and that it was determined the amount needed for the project was \$13 million. Mr. Grossklaus informed the Board of this determination via an email sent July 11, 2023.

MOTION: On a motion by Ms. Cooper, and a second by Ms. Aust, the Board unanimously voted to approve PAB 22-21B.

Legal

GEN 23-03, Signature Authority – Acknowledging Statutory Change to Executive Director’s Title

Ms. Hanks-Bents discussed the resolution to recognize the statutory change of the executive director’s title to ‘director’ of IFA. Senate File 514, the governor’s realignment bill, has changed the director’s title and so this resolution would continue to authorize the director to execute and deliver any agreements, documents, or any other instruments on behalf of the authority.

MOTION: On a motion by Mr. Eisenman, and a second by Ms. Aust, the Board unanimously approved GEN 23-03.

Housing Programs

HI 23-09, 2023 9% LIHTC Awards

Mr. Folden reviewed the 2023 9% Housing Tax Credit awards. He stated that 24 applications were received from 13 different cities and 19 different developers. The 24 applications received requested a total of

\$22,432,985. Mr. Folden recommended 11 awards in nine different cities, to 10 different developers, for a total of \$10,056,924 awarded. These 11 projects account for a total of 410 LIHTC units, where eight of the projects are family projects, and three are for older persons 55+. He continued to explain that eight awards are for new construction, one is for acquisition rehab, and two are for adaptive reuse buildings. Additionally, there are three awards that are permanent supportive housing projects, which is a substantial amount to have in just one year. Ms. Cooper asked how many of the developers IFA had worked with before and Mr. Folden stated that they had worked with all of them before; there are technically no new developers this year.

MOTION: Ms. Cooper made a motion to approve HI 23-09. On a second by Ms. Aust, a roll call vote was taken with the following results: **Yes:** Aust, Cooper, Eisenman, McLain, Nelson, Thomas; **No:** None; **Abstain:** Reasner and Van Milligan. The motion passed.

Mr. Folden reminded the Board that next week is the public hearing for the 2024 QAP and public comments are available until July 18, 2023. Additionally, the Innovation Set Aside pre applications and the Thriving Community applications are both due on July 17, 2023.

Chair Nelson inquired about how last year's projects are doing. Mr. Folden stated that they are doing well, and most have reached out about pre-closing and/or 10% test (which is coming within the next two months). Mr. Folden added that financing is a bit of a challenge for some but there are three that IFA has assisted with financing. Overall, he is hearing and seeing progress.

HI 23-10, Waiver of Nonrefundable Fee – Villas at Fox Pointe Audubon

Mr. Folden shared that Villas at Fox Pointe Audubon was awarded a reservation of housing tax credits in 2022 and paid the \$101,200 reservation fee. The developer is unable to proceed with the project due to challenges with zoning in the community and has returned the 9% credits. IFA staff recommended waiving the nonrefundable fee requirement and refunding the \$101,200 reservation fee to the developer on this project.

Ms. Reasner asked Mr. Folden how often IFA is asked to refund a fee. Mr. Folden explained that last year was an anomaly as there were two returned due to COVID issues; prior to that it had not normally occurred. Mr. Folden continued to explain that at times credit will be offered toward the next project, but in this case IFA staff felt an exception should be made since the developer tried everything possible to progress forward.

MOTION: On a motion by Ms. Cooper, and a second by Ms. Aust, the Board unanimously approved HI 23-10.

Director's Office **IT Update**

Mr. Christensen provided an update on the IT systems of record that manage programs for IFA and IEDA. He shared that there are currently over 150 active programs and 30 systems that run them, plus tens of thousands of documents. He discussed the challenges of accessing data, security risks, compliance requirements, training issues, and resource challenges associated with having multiple systems. Mr. Christensen explained the need to build a reliable and fast internet connection, as well as a high-density wireless connection. He continued to discuss the need to analyze the programs between the two agencies and compartmentalize them into segments.

Mr. Christensen recommended the implementation of an Enterprise Management System (EMS) and talked about the process of finding a partner for the RFP issued last fall. The unanimous first choice was EY, and a master services agreement was signed with no financial commitment. The next step is to finalize and execute a statement of work for discovery and architectural design.

Questions were answered from the Board regarding the timeline for a financial commitment for EY, the role of DAS in the process, and the need for architectural design before any conversion of systems can take place.

Director's Report

Director Durham shared that it was her first day back from a trip with the governor to Italy, Kosovo, and Israel, and encouraged everyone to make reservations for the Housing Conference on September 5-8, 2023.

Other Business

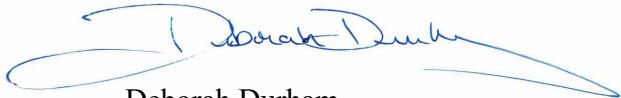
The next meeting of the IFA Board of Directors will be held on Wednesday, August 2, 2023.

Adjournment

On a motion by Ms. Aust and a second by Ms. Cooper, the July 5, 2023, meeting of the Iowa Finance Authority Board of Directors adjourned at 12:11 p.m.

Dated this 2nd day of August, 2023.

Respectfully submitted:



Deborah Durham,
Director

Approved as to form:



Michel Nelson, Chair
Iowa Finance Authority