



**Telephonic Board Meeting  
Tentative Agenda  
Iowa Finance Authority  
2015 Grand Ave., Des Moines, Iowa  
October 9, 2013                      3:00 p.m.**

**I. Legal**

- Adopted & Filed – Chapter 39, HOME Partnership Program
- Request for Renewal of Waiver, Home & Community Based Services Rent Subsidy Program – Jan Fleming
- Adopted and Filed Emergency and Notice of Intended Action – Chapter 27, Military Service Member Homeownership Assistance Program
- Defeasance of Iowa Finance Authority Refunding Revenue Bonds (Correctional Facility Program) Series 2002 Pursuant to House File 648, as Passed by the 2013 General Assembly

**II. HousingIowa**

- Resolution HI 13-22, State Housing Trust Fund Project-Based Program Awards

**III. Economic Development Loan Program**

- Resolution ED 13-11A, Genesis Health System Project

**IV. Adjournment**

*Agenda items may be taken out of order at the discretion of the Board Chair.*



IOWA FINANCE  
AUTHORITY

To: IFA Board of Directors  
From: Carolann Jensen, Chief Administration Officer  
Date: October 4, 2013  
Re: Amendments to Chapter 39 Home Rules

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The HOME Program has several layers of laws and regulations including but not limited to:

- Federal law
- Federal rules
- HUD issued guidance
- State rules
- State HOME guides and instructions

IFA is amending the State rules regarding the HOME program for two reasons:

- To clarify our rules and the restrictions imposed on the program that are allowed under the Federal rules.
- The items highlighted in yellow are new changes that were brought about by the new rules adopted by HUD on July 24, 2013.

**Section-by-Section:**

Item 1 – Technical.

Item 2 – New Definitions.

Add new definitions of “fully accessible” and “qualified veteran”.

Item 3 – Strike Definition.

Eliminate one definition that is no longer used in the rules.

Item 4 – Amend Definitions.

Amend the definitions of:

- “CHDO” to incorporate the new date of the Federal rules adoption;
- “Contract” to incorporate the purpose of HOME;
- “Developer” to clarify that it applies to rental housing;
- “Local support” to allow for local citizens, local organizations or local governments to offer their support for a proposed project; and
- “Net proceeds” clarify that it is calculated on the sale price.

Item 5 – Eligible Activities.

- Eliminate the ability to receive development subsidies for a homebuyer project.
- Clarify language regarding the purchase price and rehabilitation value limits.
- Require rents to be limited to rents allowed by HUD.

- Require at least 90 percent of the units, at initial occupancy, to be rented to households with incomes at or below 60 percent AMI.
- Clarify that at least 20 percent of the units be rented to very low-income households for rental projects with five or more units.
- Clarify that at least 90 percent of the households served have incomes at or below 60 percent AMI.

#### Item 6 – Underwriting

Require IFA to conduct an underwriting review of the project as required by the new Federal Rules.

#### Item 7 – Application Procedure.

Allow entities to provide homebuyer assistance to qualified veterans, as well as first-time homebuyers.

#### Item 8 – Homebuyer Assistance (The last three bullets are new requirements under Federal rules.)

Require a homebuyer assistance project to include a system for:

- Verification of insurance;
- Underwriting review of the individual homebuyers;
- Housing Counseling to individual homebuyers; and
- Application of IFA policies and procedures regarding the activities.

#### Item 9 – Technical.

#### Item 10 – Allocation of Funds.

- Establish a maximum single award amount for tenant-based rental assistance programs of \$1 million.
- Strike “newly constructed” to coincide with Item 5.

#### Item 11 – Compliance.

Allow IFA to require a construction sign.

# IOWA FINANCE AUTHORITY[265]

## Adopted and Filed

Pursuant to the authority of Iowa Code sections 17A.3(1)“b,” 16.5(1)“r” and 16.5(1)“m,” the Iowa Finance Authority hereby amends Chapter 39, “HOME Investment Partnerships Program,” Iowa Administrative Code.

These amendments are intended to clarify the rules and update definitions, partly in response to recent changes in relevant federal regulations.

Notice of Intended Action was published in the Iowa Administrative Bulletin on September 4, 2013, as **ARC 0997C**. The Authority received public comment on the proposed amendments and made certain changes to the amendments based on those comments.

The Iowa Finance Authority adopted these amendments on October 9, 2013.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 16.5(1)“m” and 42 U.S.C. 2 Sections 12701 et seq.

These amendments will become effective on December 4, 2013.

The following amendments are adopted.

ITEM 1. Amend rule 265—39.1(16) as follows:

**265—39.1(16) Purpose.** The primary purpose of the HOME investment partnerships program is to ~~expand or retain the supply of decent and affordable housing for low- and moderate income Iowans~~ fund a wide range of activities that build, buy or rehabilitate (or both buy and rehabilitate) affordable housing for rent or homeownership or provide direct rental assistance to low-income people.

ITEM 2. Adopt the following **new** definitions of “Fully accessible unit” and “Qualified veteran” in rule **265—39.2(16)**:

“*Fully accessible unit*” means a unit designed and constructed for full accessibility in accordance with Section 1002 of the International Code Council (ICC) A117.1.

“*Qualified veteran*” means a person who served in the active military, naval, or air service and who

was discharged or released therefrom under conditions other than dishonorable.

ITEM 3. Rescind the definition of “Accessible” in rule ~~265—39.2(16)~~.

ITEM 4. Amend the following definitions in rule ~~265—39.2(16)~~:

“*CHDO*” means a community housing development organization, which is a nonprofit organization registered with the Iowa secretary of state and certified as such by IFA, pursuant to 24 CFR 92.2 ~~(September 16, 1996)~~ (July 24, 2013).

“*Contract*” means a binding written agreement between IFA and the recipient or subrecipient for the purpose of utilizing HOME funds to ~~produce affordable housing or provide tenant-based rental assistance~~ build, buy or rehabilitate (or both buy and rehabilitate) affordable housing for rent or homeownership or to provide direct rental assistance to low-income people.

“*Developer*” means any individual or entity responsible for initiating and controlling the development process and ensuring that all phases of the development process, or any material portion thereof, are accomplished. The development process applies to transitional housing, rental housing, rehabilitation, and rental housing new construction, ~~and homeowner assistance with development subsidies.~~

“*Local support*” means involvement, endorsement and investment by local citizens, local organizations ~~and~~ or the governing body of the local government in which the housing project is located, ~~that~~ The local support shall promote the objectives of the housing activity or projects assisted through the HOME ~~partnership program.~~

“*Net proceeds*” means the amount determined by calculating the difference between the ~~resale~~ price and the amount of the outstanding principal loan balance owed plus any seller’s reasonable and customary closing costs associated with the ~~resale.~~

ITEM 5. Amend subrule 39.4(1) as follows:

**39.4(1)** Eligible activities include transitional housing, tenant-based rental assistance, rental housing rehabilitation (including conversion and preservation), rental housing new construction, homebuyer assistance that includes some form of direct subsidy to the homebuyer ~~(including~~

~~development subsidies~~), and other housing-related activities as may be deemed appropriate by IFA. Assisted housing may be single-family housing or multifamily housing and may be designed for occupancy by homebuyers or tenants.

*a.* Assisted units shall meet the period of affordability as set forth in the federal program requirements.

*b.* For homebuyer assistance, the initial purchase price for newly constructed units or the after rehabilitation value for rehabilitated units shall not exceed the ~~single-family housing mortgage limits as set forth by HUD's most current maximum purchase price or after rehabilitation value limits the~~ homeownership value limit as established by HUD.

~~*c.*~~ For a rental project, rents shall be limited to the rents allowed by HUD for HOME.

~~*d.*~~ *d.* Assisted households shall meet income limits established by federal program requirements.

(1) For a rental activities project, all assisted units shall be rented to low-income households; at initial occupancy, ~~400~~ at least 90 percent of the units shall be rented to households with incomes at or below 60 percent of the area's median family income and, for projects with five or more units, at least 20 percent of the units shall be rented ~~initially~~ to very low-income households.

(2) For tenant-based rental assistance, only households with incomes at or below 80 percent of the area median family income shall be assisted; at least 90 percent of the households served shall have incomes at or below 60 percent of the area's median family income.

(3) For homebuyer assistance, only households with incomes at or below 80 percent of the area median family income shall be assisted.

~~*e.*~~ *e.* Property standards. All newly constructed housing (single-family and multifamily housing) shall be constructed in accordance with any locally adopted and enforced building codes, standards and ordinances. In the absence of locally adopted and enforced building codes, the requirements of the state building code shall apply.

(1) All rental housing involving rehabilitation shall be rehabilitated in accordance with any locally adopted and enforced building or housing codes, standards and ordinances. In the absence of locally

adopted and enforced building or housing codes, the requirements of the state building code shall apply.

(2) All single-family housing involving rehabilitation shall be rehabilitated in accordance with any locally adopted building or housing codes, standards and ordinances. In the absence of locally adopted and enforced building or housing codes, the requirements of the most current version of Iowa's Minimum Housing Rehabilitation Standards shall apply (all communities with populations of 15,000 or less).

~~f.~~ Energy Star. All new rental construction must obtain Energy Star certification verified by an Energy Star rater.

ITEM 6. Amend subrule 39.6(7) as follows:

**39.6(7)** Maximum per-unit subsidy amount, ~~and~~ subsidy layering, and underwriting review. The following shall apply to all applications:

- a. The total amount of HOME funds awarded on a per-unit basis may not exceed the per-unit dollar limitations established under Section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 17151(d)(3)(ii)) for nonprofit elevator-type projects that apply to the area in which the housing is located.
- b. IFA shall evaluate the project in accordance with subsidy layering guidelines adopted by HUD for this purpose.
- c. The total amount of HOME funds awarded on a per-unit basis cannot exceed the pro rata or fair share of the total project costs when compared to a similar unit in a rental activity.
- d. IFA shall conduct an underwriting review of the project.

ITEM 7. Amend subrule 39.6(9) as follows:

**39.6(9)** An application for a homebuyer assistance activity must stipulate that homebuyer assistance is for first-time homebuyers or qualified veterans only and that the assisted unit will remain as the assisted homebuyer's principal residence throughout the required period of affordability, which must be verified annually by the subrecipient. If the assisted homebuyer fails to maintain the home as the principal residence during the period of affordability, then all HOME funds associated with that address must be repaid to IFA.

ITEM 8. Amend subrule 39.6(10) as follows:

**39.6(10)** An application for a homebuyer assistance activity must stipulate that all assisted units will be insured for at least the full value of the assisted unit, which must be verified annually by the subrecipient. A subrecipient must include a system for:

- a. Annual verification that all assisted units are insured for at least the full value of the assisted unit;
- b. Underwriting review of the potential homebuyer;
- c. Housing counseling to homebuyers; and
- d. Application of IFA policies and procedures regarding homebuyer assistance activities.

ITEM 9. Amend subrule 39.7(3) as follows:

**39.7(3)** Special consideration will be given to applications where 100 percent of the HOME-funded rental units are fully accessible ~~(not adaptable)~~ units.

ITEM 10. Amend subrules 39.8(6) and 39.8(7) as follows:

**39.8(6)** ~~An~~ A single award shall be limited to no more than: \$600,000 for single family housing activities assisting homebuyers. An award shall be limited to no more than \$1,000,000 for multifamily housing rental activities.

- a. \$600,000 for single-family housing activity, or
- b. \$1,000,000 for rental project, or
- c. \$1,000,000 for tenant-based rental assistance activity.

**39.8(7)** Single-family per-unit subsidies.

a. The maximum per-unit subsidy for all single-family housing activities involving rehabilitation is \$37,500. The \$37,500 per-unit limit includes all applicable costs including, but not limited to, the hard costs of rehabilitation or the acquisition subsidy or both; homebuyer assistance activities; technical services costs, including lead hazard reduction carrying costs; lead hazard reduction costs; and temporary relocation. All rehabilitation hard costs funded with HOME funds are limited to \$24,999. All applicable technical services costs, including any lead hazard reduction carrying costs, are limited to \$4,500 per unit.

b. Assistance for single-family housing activities providing acquisition assistance for ~~newly constructed~~ housing (mortgage buy-down, down payment or closing costs assistance or both, or combinations thereof) is limited to \$35,000 per unit, inclusive of all costs, including technical services costs.

ITEM 11. Amend subrule 39.9(8) as follows:

**39.9(8)** *Compliance with federal, state and local laws and regulations.* Recipients shall comply with these rules, with any provisions of the Iowa Code governing activities performed under this program and with applicable federal, state and local regulations. IFA may require a construction sign meeting specifications outlined by IFA to be erected on the property at the initiation of construction or rehabilitation of rental projects.

Respectfully submitted

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David D. Jamison, Executive Director  
By Authority of the Board of the Iowa Finance Authority

October 9, 2013  
Date

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IN RE: )  
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 ) [PROPOSED]  
PETITION FOR EXTENSION ) ORDER  
OF WAIVER BY JAN )  
FLEMING OF IOWA )  
ADMINISTRATIVE CODE )  
SUBRULE 265—24.5(2) )  
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Background. -- Original Grant of Assistance.

On February 25, 2009, the Iowa Finance Authority (IFA) received an application from Ms. Jan Fleming for rental assistance under the Home and Community-Based Services (“HCBS”) Rent Subsidy Program (the “Program”). The date of occupancy for the unit in which she was dwelling was given as February 1, 2009. The application also asserted that the apartment she was occupying was a one-bedroom unit.

IFA staff reviewed the application and ascertained that the amount of rental assistance, based upon the facts given in the application, would be in the amount of \$330.20 per month. On April 1, 2009, Ms Fleming began to receive monthly HCBS payments in that amount.

Reduction of Assistance Amount.

As part of the HCBS Rent Subsidy program, IFA must make a yearly redetermination of the applicant’s eligibility at least once every twelve months. IFA received the documentation for recertification for rental assistance for Ms. Fleming on January 13, 2010. The recertification application for assistance was signed and dated by Katie Snowbarger of Aging Resources who asserted that she was the case manager for Ms. Fleming. The recertification application stated that Ms. Fleming was occupying a two-bedroom unit, whereas the initial application indicated that she was occupying a one-bedroom unit. At the time of her application, Ms Fleming had been living in the apartment for approximately eleven years.

Under subrule 24.5(2), assistance to a person eligible under the Program is reduced if the person is occupying a unit with more than one bedroom. Accordingly, based on the information contained in the recertification application, the amount of monthly assistance for which Ms. Fleming was eligible was reduced from \$330.20 to \$35.20 based upon her occupancy of a two-bedroom unit. Ms. Fleming and her case manager were notified of IFA’s findings and the amount of rental assistance was reduced beginning with the payment due February 1, 2010.

Original Waiver Request.

Ms. Fleming subsequently wrote to IFA several times requesting that her subsidy be restored to the previous amount. In an e-mail received by IFA via the Governor’s office on July 29, 2010, Ms. Fleming alluded to the waiver provisions of chapter 18 of IFA’s administrative rules and

indicated that those provisions applied to her situation. IFA chose to treat that letter as a petition for a waiver of subrule 24.5(2), which states:

**24.5(2) *Maximum monthly payment for rent.*** Assistance for rent shall be equal to the rent paid, not to exceed 100 percent of the current fair market rent under guidelines of the applicable HUD low-rent housing program in the area where the person's residence is located, less 30 percent of the gross income of the applicant. The fair market rent used shall be that for a one-bedroom unit or a proportionate share of the fair market rent in living units containing more than one bedroom. When the applicant resides with a dependent relative(s), the proportionate share may consist of additional bedrooms, applying the same maximum monthly payment standard.

Specifically, the waiver request sought a waiver of the second sentence of the subrule (emphasized above) to allow Ms. Fleming to receive a subsidy calculated as if she were residing in a one-bedroom apartment.

On August 4, 2010, the IFA board considered Ms. Fleming's request and voted to grant a waiver. The order granting that waiver is attached hereto as Exhibit A. In that order the board stated that the waiver would only apply "to the current certification period (February 1, 2010 – January 31, 2011). Ms. Fleming may seek an extension of the waiver at the end of the current certification period." The minutes of the meeting at which the board approved the order, state:

**Motion:** On a motion by Ms. Armstrong and a second by Mr. Johnson, the Board unanimously approved Ms. Fleming's request for waiver of rules included in Chapter 24, effective from February 1, 2010, until January 31, 2011.

Chair Caudron then reminded Ms. Fleming that the waiver was for the current certification year and that she would need to come into compliance by the end of that time.

#### Extension of Original Waiver.

On February 3, 2011, Ms. Fleming requested an extension of the waiver granted the previous August. The Board voted to grant an extension for two years based on the facts set forth in the original waiver ruling.

#### Current Extension Request.

That two year extension has now expired and Ms. Fleming is once again requesting an extension of the waiver to allow her to remain in her apartment with the same level of rent subsidy.

Subrules 18.10(4), 18.10(6), and 18.10(7) of chapter 18 of IFA's rules, Waivers and Variances from Administrative Rules, state that:

**18.10(4) *Narrowly tailored exception.*** A waiver, if granted, shall provide the narrowest exception possible to the provisions of a rule.

**18.10(6) *Conditions.*** The authority may place any condition on a waiver that the authority finds desirable to protect the public health, safety, and welfare.

**18.10(7) *Time period of waiver.*** A waiver shall not be permanent unless the petitioner can show that a temporary waiver would be impracticable. If a temporary waiver is granted, there is no automatic right to renewal. At the sole discretion of the authority, a waiver may be renewed if the authority finds that grounds for a waiver continue to exist.

Criteria for Waiver or Variance.

Chapter 18 of the Iowa Finance Authority's (IFA) Administrative Rules governs waivers and variances from administrative rules. Rule 265 — 18.4 provides that a waiver of an administrative rule is appropriate if the Board finds, based on clear and convincing evidence, that the following criteria are satisfied:

1. The application of the rule imposes an undue hardship on the person for whom the waiver is requested;
2. The waiver from the requirements of the rule in the specific case would not prejudice the substantial legal rights of any person;
3. The provisions of the rule subject to the petition for a waiver are not specifically mandated by statute or another provision of law; and
4. Substantially equal protection of public health, safety, and welfare will be afforded by a means other than that prescribed in the particular rule for which the waiver is requested.

IFA rule 265 — 18.10 (1) provides that upon the filing of a petition for waiver,

The executive director may take up to 60 days to fully investigate and review the petition and, at the next board meeting thereafter, may present to the authority a suggested order based upon the executive director's investigation and review. The authority shall adopt, amend, or reject the suggested order. If the suggested order is rejected, the authority shall instruct the executive director to prepare an alternative order to be considered at a subsequent board meeting.

IFA rule 265 — 18.10 (2) states:

The final decision on whether the circumstances justify the granting of a waiver shall be made at the sole discretion of the authority upon consideration of all relevant factors. The authority shall evaluate each petition for a waiver based on the unique, individual circumstances set out in the petition.

Pursuant to IFA rule 265 — 18.10 (3), “[t]he burden of persuasion rests with the petitioner to demonstrate by clear and convincing evidence that the authority should exercise its discretion to grant a waiver from an authority rule.”

### Findings.

With respect to Ms. Fleming’s Petition, the Board finds the following:

In the orders approved on August 4, 2010, and March 2, 2011, the board found that requiring Ms. Fleming to move would constitute an undue hardship because the savings to the state would be slight or nonexistent and would be very upsetting to Ms. Fleming. The board finds that the facts are essentially unchanged.

Ms. Fleming is again asking that the waiver be renewed and that the two-bedroom apartment be treated as if it were a one-bedroom apartment. If the rule is waived the monthly subsidy to Ms. Fleming will be \$331.10. If the rule is applied as written, the monthly subsidy will be \$51.10.

As the board noted in 2011, however, because Ms. Fleming has lived in the apartment for quite a few years, the rent is lower than it would otherwise be. The savings to the HCBS program that would be realized by Ms. Fleming moving to a one-bedroom apartment with a market rate rent, as compared to her subsidy under the waiver, was calculated at that time to be somewhere between zero and \$70 per month, depending on the monthly rent of the particular apartment to which she would move.

### Analysis.

Little has changed since the last waiver was granted. The specific hardship alleged by Ms. Fleming is that without a waiver she will be unable to afford her current, long-term residence and will be forced to move, which would be very upsetting and detrimental to her well-being. It can be argued that any hardship would be “undue” due to the fact that even if she were to move to a one-bedroom apartment, the amount of the subsidy might not change at all from what she has been receiving under the waiver. In this case, at least, the stress and inconvenience of relocating to a different apartment does not appear to be justified by the corresponding benefit or advantage to the agency or to the state, if any.

Subrule 18.10(7) of IFA’s administrative rules and Iowa Code section 17A.9A make it clear that a waiver should not be permanent in most cases. Pursuant to Iowa Code section 17A.9A and Iowa Administrative Code subrule 265 —18.10(7), the decision to renew a waiver is at the “sole discretion of the authority.”

### Ruling.

Upon review and consideration of Jan Fleming’s request for a renewal of the waiver granted on August 4, 2010 and extended on March 2, 2011, the facts, and the administrative rules, the Board agrees to exercise its discretion to renew the waiver, and such request hereby is GRANTED.

The waiver is hereby renewed for a period of five years, at which time Ms. Fleming may seek another extension of the waiver.

PASSED AND APPROVED this 9th day of October, 2013

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David D. Jamison, Secretary  
(Seal)

Exhibit A

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IN RE: )  
)  
)  
PETITION FOR WAIVER BY ) PROPOSED ORDER  
JAN FLEMING OF IOWA )  
ADMINISTRATIVE CODE )  
RULE 265—29.2 (16) )  
)  
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Background.

On February 25, 2009, the Iowa Finance Authority (IFA) received an application from Ms. Jan Fleming for rental assistance under the Home and Community-Based Services (“HCBS”) Rent Subsidy Program (the “Program”). The date of occupancy for the unit in which she was dwelling was given as February 1, 2009. The application also asserted that the apartment she was occupying was a one bedroom unit.

IFA staff reviewed the application and ascertained that the amount of rental assistance, based upon the facts given in the application, would be in the amount of \$330.20 per month. On April 1, 2009, Ms Fleming began to receive monthly HCBS payments in that amount.

As part of the HCBS Rent Subsidy program, IFA must make a redetermination of the applicant’s eligibility at least once every twelve months. IFA received the documentation for re-certification for rental assistance for Ms. Fleming on January 13, 2010. The recertification application for assistance was signed and dated by Katie Snowbarger of Aging Resources who asserted that she was the case manager for Ms. Fleming. The recertification application stated that Ms. Fleming was occupying a two-bedroom unit, whereas the initial application indicated that she was occupying a one-bedroom unit. At the time of her application, Ms Fleming had been living in the apartment for approximately eleven years.

Under subrule 24.5(2), assistance to a person eligible under the Program is reduced if the person is occupying a unit with more than one bedroom. Accordingly, based on the information contained in the recertification application, the amount of monthly assistance for which Ms. Fleming was eligible was reduced from \$330.20 to \$35.20 based upon her occupancy of a two-bedroom unit. Ms. Fleming and her case manager were notified of IFA’s findings and the amount of rental assistance was reduced beginning with the payment due February 1, 2010.

Ms. Fleming has written to IFA several times requesting that her subsidy be restored to the previous amount. In her most recent correspondence she referred to the waiver provisions of chapter 18 of IFA’s administrative rules and indicated that those provisions apply to her situation. IFA has chosen to treat this as a petition for a waiver of subrule 24.5(2), which states:

**24.5(2) Maximum monthly payment for rent.** Assistance for rent shall be equal to the rent paid, not to exceed 100 percent of the current fair market rent under guidelines of the applicable HUD low-rent housing program in the area where the person’s residence is located, less

30 percent of the gross income of the applicant. The fair market rent used shall be that for a one-bedroom unit or a proportionate share of the fair market rent in living units containing more than one bedroom. When the applicant resides with a dependent relative(s), the proportionate share may consist of additional bedrooms, applying the same maximum monthly payment standard.

Specifically, the waiver request would waive application of the second sentence of the subrule emphasized above) and allow Ms Fleming to receive a subsidy calculated as if she were residing in a one-bedroom apartment.

#### Criteria for Waiver or Variance.

Chapter 18 of the Iowa Finance Authority's (IFA) Administrative Rules governs waivers and variances from administrative rules. Rule 265 — 18.4 provides that a waiver of an administrative rule is appropriate if the Board finds, based on clear and convincing evidence, that the following criteria are satisfied:

1. The application of the rule imposes an undue hardship on the person for whom the waiver is requested;
2. The waiver from the requirements of the rule in the specific case would not prejudice the substantial legal rights of any person;
3. The provisions of the rule subject to the petition for a waiver are not specifically mandated by statute or another provision of law; and
4. Substantially equal protection of public health, safety, and welfare will be afforded by a means other than that prescribed in the particular rule for which the waiver is requested.

IFA rule 265 — 18.10 (1) provides that upon the filing of a petition for waiver,

The executive director may take up to 60 days to fully investigate and review the petition and, at the next board meeting thereafter, may present to the authority a suggested order based upon the executive director's investigation and review. The authority shall adopt, amend, or reject the suggested order. If the suggested order is rejected, the authority shall instruct the executive director to prepare an alternative order to be considered at a subsequent board meeting.

IFA rule 265 — 18.10 (2) states:

The final decision on whether the circumstances justify the granting of a waiver shall be made at the sole discretion of the authority upon consideration of all relevant factors. The authority shall evaluate each petition for a waiver based on the unique, individual circumstances set out in the petition.

Pursuant to IFA rule 265 — 18.10 (3), “[t]he burden of persuasion rests with the petitioner to demonstrate by clear and convincing evidence that the authority should exercise its discretion to grant a waiver from an authority rule.”

### Findings.

With respect to Ms. Fleming’s Petition, the Board finds the following:

#### 1. Undue hardship:

Here, the question is whether the failure to waive the rule in question will cause undue hardship to Ms. Fleming. The term “undue” is defined to mean: “inappropriate; unjustifiable; improper.” (Undue. Dictionary.com. *Dictionary.com Unabridged*. Random House, Inc. <http://dictionary.reference.com/browse/undue> (accessed: August 2, 2010).) “Hardship” means “a condition that is difficult to endure; suffering; deprivation; oppression.” (Hardship. Dictionary.com. *Dictionary.com Unabridged*. Random House, Inc. <http://dictionary.reference.com/browse/hardship> (accessed: August 2, 2010).)

The specific hardship alleged by Ms. Fleming is that without a waiver she will be unable to afford her current, long-term residence and will be forced to move, which would be very upsetting to her. Here, it can be argued that any hardship would be “undue” due to the fact that if she were to move to a one-bedroom apartment, the amount of the subsidy would go back to the previous amount of \$330.20. Because the subsidy amount under the Program is calculated based on the current fair market rent under guidelines of the applicable HUD low-rent housing program for a one-bedroom unit, the cost to the Program is the same regardless of whether the tenant resides in a one-bedroom or a two-bedroom unit. In this case, at least, the stress and inconvenience of relocating to a different apartment does not appear to be justified by any corresponding benefit or advantage to the agency or to the state. As a result, it would appear that the first criterion for a waiver is met.

#### 2. Prejudice:

The Board finds that granting the requested waiver would not prejudice the substantial legal rights of any person. No other person will be directly affected by a waiver.

#### 3. Specific mandate by statute or law:

The requirements of subrule 265—24.5(2) are not specifically mandated by statute or any other provision of law.

#### 4. Equal Protection:

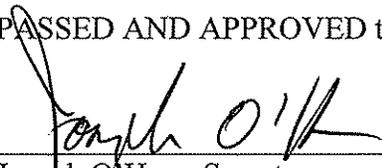
Here it does not appear that granting a waiver would affect the protection of public health, safety, and welfare one way or the other. The granting of a waiver will maintain the *status quo ante*.

The Board finds that a granting of the waiver would afford substantially equal protection of public health, safety, and welfare as would enforcement of the rule. Therefore the fourth criterion for a waiver is met.

Ruling.

Upon review and consideration of Jan Fleming's petition for waiver, the facts, and the administrative rules, the Board finds that the standards for waiver or variance have been met, and that the Petition accordingly should be, and hereby is, GRANTED. Pursuant to Iowa Administrative Code 265 — 18.10(7), this waiver shall apply only to the current certification period (February 1, 2010 – January 31, 2011). Ms. Fleming may seek an extension of the waiver at the end of the current certification period. This waiver shall apply retroactively to the date Ms. Fleming's assistance was reduced.

PASSED AND APPROVED this 4th day of August, 2010

  
\_\_\_\_\_  
Joseph O'Hern, Secretary  
(Seal)



# **IOWA FINANCE AUTHORITY[265]**

## **Adopted and Filed Emergency**

Pursuant to the authority of Iowa Code sections 17A.3(1)“b,” 16.5(1)“r,” and 16.5(1)“m,” the Iowa Finance Authority hereby amends Chapter 27, “Military Service Member Home Ownership Assistance Program,” Iowa Administrative Code.

The purpose of this amendment is to bring the rules relating to the Military Homeownership Assistance Program into compliance with 2013 Iowa Code Section 16.54.

The Authority does not intend to grant waivers under the provisions of any of these rules, other than as may be allowed under the Authority’s general rules concerning waivers.

The adoption of these rules on an emergency basis was authorized by the Iowa Legislature’s Administrative Rules Review Committee on October 8, 2013. Accordingly the rules are filed emergency, and the normal effective date of these rules is waived. The Authority is also concurrently publishing these rules under Notice of Intended Action as ARC \_\_\_\_\_ to allow for public comment.

After analysis and review of these rules, no impact on jobs has been found.

The Authority adopted these rules on September 3, 2013.

This amendment is intended to implement 2013 Iowa Code section 16.54 and Iowa Code chapter 175.

This amendment became effective on October 15, 2013.

The following rules are adopted.

Item 1. Amend Rule 27.3(2) as follows:

**27.3(2)** *Financed home purchases.*

*a.* In the case of the purchase of a qualified home that is to be financed, the eligible service member must apply for assistance under the program through a participating lender or a lender approved to facilitate MHOA assistance. The mortgage financing provided shall be a mortgage loan made pursuant to one of the authority's home buyer mortgage programs if the service member qualifies for it; provided, however, that notwithstanding the foregoing, a service member may utilize a mortgage loan that is not made pursuant to one of the authority's home buyer mortgage programs which is from a lender approved to facilitate MHOA assistance if such mortgage loan has an annual percentage rate that is at least twenty five basis points lower than the most nearly equivalent loan offered by participating lenders on the same date pursuant to one of the authority's home buyer mortgage programs. If the service member does not qualify for one of the authority's home buyer mortgage programs, another permanent, fully amortizing mortgage loan may be used.

*b.* No change.

*c.* No change.

*d.* No change.

Respectfully submitted

\_\_\_\_\_  
David D. Jamison, Executive Director  
By Authority of the Board of the Iowa Finance Authority

\_\_\_\_\_  
Date

# IOWA FINANCE AUTHORITY[265]

## Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 17A.3(1)“b,” 16.5(1)“r,” 16.5(1)“m,” and 16.54(5), the Iowa Finance Authority proposes to amend Chapter 27, “Military Service Member Home Ownership Assistance Program,” Iowa Administrative Code.

The purpose of this amendment is to bring the rules relating to the Military Homeownership Assistance Program into compliance with 2013 Iowa Code Section 16.54.

The Authority does not intend to grant waivers under the provisions of any of these rules, other than as may be allowed under the Authority’s general rules concerning waivers.

The Authority will receive written comments on the proposed rules until 4:30 p.m. on November 19, 2013. Comments may be addressed to Mark Thompson, Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50312. Comments may also be faxed to Mark Thompson at (515)725-4901 or E-mailed to [mark.thompson@iowa.gov](mailto:mark.thompson@iowa.gov).

After analysis and review of this rule making, no impact on jobs has been found.

These rules were also Adopted and Filed Emergency and are published herein as **ARC** \_\_\_\_\_C. The purpose of this Notice is to solicit comment on that submission, the subject matter of which is incorporated by reference.

These rules are intended to implement 2013 Iowa Code section 16.54.

Respectfully submitted

\_\_\_\_\_  
David D. Jamison, Executive Director  
By Authority of the Board of the Iowa Finance Authority

\_\_\_\_\_  
Date

IOWA FINANCE AUTHORITY

RESOLUTION AUTHORIZING DEFEASANCE, APPROVING THE GENERAL FORM OF AN IRREVOCABLE ESCROW DEPOSIT AGREEMENT FOR THE DEFEASANCE OF THE IOWA FINANCE AUTHORITY REFUNDING REVENUE BONDS (CORRECTIONAL FACILITY PROGRAM) SERIES 2002 AND OTHER RELATED MATTERS

October 9, 2013

---

WHEREAS, the Iowa Finance Authority (hereinafter referred to as the “Authority”) has previously issued its Iowa Finance Authority Refunding Revenue Bonds (Correctional Facility Program) Series 2002 (the “Series 2002 Bonds”); and

WHEREAS, House File 648 was enacted by the General Assembly of the State of Iowa and approved by Governor Terry E. Branstad on June 20, 2013, creating a state bond repayment fund for the purpose of the defeasance or redemption of various bonds including the Series 2002 Bonds and authorizing the Treasurer of the State of Iowa (the “Treasurer”) to use the funds for the defeasance or redemption of the various bonds. Iowa Code Section 8.57F.

WHEREAS, the Authority desires to authorize all necessary actions to support the defeasance and / or redemption of the Series 2002 Bonds.

NOW, THEREFORE, BE IT RESOLVED, by this Authority as follows:

Section 1. The Authority hereby authorizes the defeasance and /or redemption of the Series 2002 Bonds on the terms and conditions to be established by the Treasurer and instructs the Authority staff to work cooperatively with the Treasurer to finalize the terms and conditions.

Section 2. The Authority hereby approves of the general form of the Escrow Agreement presented at this meeting and shall enter into the Escrow Agreement, in its final

form upon finalization by the Treasurer and approval by Authority staff, in order to effect the defeasance of the Series 2002 Bonds in accordance with the terms of the Escrow Agreement. The Authority hereby authorizes the Chairperson and Secretary to execute and attest, respectively, the Escrow Agreement substantially in the form of the Escrow Agreement as presented at this meeting, with such changes as may be approved by the Chairperson and Secretary with such approval to be conclusively evidenced by such authorized execution and attestation of the Escrow Agreement.

Section 3. The Authority hereby authorizes the Escrow Agent and the Treasurer to take such actions and enter into such purchase orders or subscription agreements as may be necessary to complete the purchase of investments as contemplated by the Escrow Agreement.

Section 4. The Secretary is authorized and directed to place a copy of the general form of the Escrow Agreement in the minute book immediately following the minutes of this meeting and said Escrow Agreement is made a part of this Resolution as if the same were fully set forth herein. The final Escrow Agreement shall be added to the minutes and records of the Authority after execution by the parties.

Section 5 The Authority hereby authorizes the Chairperson and the Secretary to execute and attest, respectively, any and all documents necessary to effect the intent of this Resolution.

Section 6. This Resolution shall be in full force and effect after its adoption by the Authority.

\* \* \* \* \*

ADOPTED at a meeting of the Authority held on October 9, 2013.

IOWA FINANCE AUTHORITY

Attest:

By \_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary

**CORRECTIONAL FACILITY SERIES 2002 ESCROW AGREEMENT**

This Escrow Agreement, dated as of \_\_\_\_\_ 1, 2013, by and between the IOWA FINANCE AUTHORITY (the “Authority”), the TREASURER, STATE OF IOWA (the “Treasurer”) and U.S. BANK NATIONAL ASSOCIATION, as escrow agent (the “Escrow Agent”), not individually, but in the capacity as hereinafter described, in consideration of the mutual promises and agreements herein set forth:

**WITNESSETH:**

**ARTICLE I.**

**DEFINITIONS**

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning:

1.01 “Agreement” means this Agreement between the Treasurer and the Escrow Agent.

1.02 “Authority” means the Iowa Finance Authority, a governmental agency, body politic and corporate duly organized and existing under the provisions of the laws of the State of Iowa.

1.03 “Code” means the Internal Revenue Code of 1986, as amended, and all lawful regulations promulgated thereunder.

1.04 “Defeased Bonds” means the outstanding bonds of the Authority as more particularly described as follows:

**Iowa Finance Authority Refunding Revenue Bonds  
(Correctional Facility Program), Series 2002**

Original Principal Amount (total issue): \$54,240,000  
Dated: March 7, 2002  
Originally Issued: March 7, 2002  
Defeased Bonds Due June 15, as follows:

<u>Year</u>	<u>Amount (\$)</u>	<u>Rate (%)</u>
2014	7,530,000	5.375
2015	5,735,000	5.375
2016	2,915,000	5.375

1.05 “Escrow Account” means the trust account established under this Agreement by the deposit of the Initial Government Obligations.

1.06 “Escrow Agent” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, not

individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.

1.07 “Initial Government Obligations” means the Qualified Government Obligations initially deposited hereunder as more particularly described in Exhibit A to this Agreement.

1.08 “Indenture” means that certain Master Indenture of Trust dated as of July 1, 1994, between the Authority, the Iowa Department of Corrections and the Trustee, as supplemented by the Series 2002 Supplemental Master Indenture of Trust dated as of January 1, 2002.

1.09 “Trustee” means U.S. Bank National Association, as trustee under the Indenture.

1.10 “Qualified Government Obligations” means direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America. Investments in mutual funds and unit investment trusts are prohibited as Qualified Government Obligations. Qualified Government Obligations include SLGS.

1.11 “SLGS” means U.S. Treasury Obligations of the State and Local Government Series.

## **ARTICLE II.**

### **CREATION OF ESCROW**

2.01 The Treasurer is prepaying the amounts due and to become due and payable under, and in the amounts permitted by, the Indenture, which amounts are to be used, together with amounts available under the Indenture, to defease the Defeased Bonds by making the deposit and purchasing the Initial Government Obligations as provided herein. Such deposit and securities will provide all moneys necessary to pay when due the principal of and interest on the Defeased Bonds from the previous interest payment date to and including their respective maturity dates.

2.02 The Treasurer is causing to be deposited the sum of \$\_\_\_\_\_. Such amount, together with \$\_\_\_\_\_ of funds on deposit under the Indenture, will be applied to the purchase of the Initial Government Obligations described in Exhibit A hereto, and \$\_\_\_\_\_ will be held as a cash balance.

2.03 The Escrow Agent, the Treasurer and the Authority have each received the report of the firm of Grant Thornton, LLP, attached hereto as Exhibit B, that the principal of and income and profit to be received from the Initial Government Obligations held pursuant to this Agreement, when paid at maturity, and the cash held in accordance with Section 2.02 hereof, will be sufficient, beginning on the date hereof and thereafter at all times pending the final payment of the Defeased Bonds, to pay all interest and principal when due on the Defeased Bonds.

## **ARTICLE III.**

### **COVENANTS OF ESCROW AGENT**

The Escrow Agent covenants and agrees with the Authority as follows:

3.01 The Escrow Agent will hold the Initial Government Obligations and all subsequent Qualified Governmental Obligations held hereunder and all interest income or profit derived therefrom and all uninvested cash in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the holders of the Defeased Bonds until final payment of the Defeased Bonds.

3.02 The Escrow Agent shall hold all balances not invested or reinvested as hereinabove described and on deposit in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Iowa law for the securing of public funds.

3.03 The Escrow Agent will take no action in the investment or securing of the proceeds of the Qualified Government Obligations held pursuant to this Agreement which would cause the Defeased Bonds to be classified as “arbitrage bonds” under the Code, provided, it shall be under no obligation to affirmatively inquire whether the Qualified Government Obligations held pursuant to this Agreement as deposited are properly invested under this section, and, provided, further, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

3.04 The Escrow Agent will promptly collect the principal, interest or profit from the Qualified Government Obligations held pursuant to this Agreement and promptly apply the same as necessary to the payment of principal of and interest on the Defeased Bonds as the same comes due.

3.05 The Escrow Agent will remit to the Trustee in good funds on each debt service payment date of the Defeased Bonds, respectively, moneys sufficient to pay the principal of, premium, if any, and interest on the Defeased Bonds as will meet the requirements for the timely payment of the Defeased Bonds, and such remittances shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

3.06 The Authority has made arrangements with the Trustee to pay any fees, due or to become due, of the Trustee under the Indenture.

3.07 The annual fees, charges and expenses of the Escrow Agent shall be agreed upon between the Treasurer and the Escrow Agent, and the Treasurer covenants to pay the same as they become due. The Escrow Agent shall have no lien or right of set-off of any kind on the Escrow Account and shall look solely to the Treasurer for payment.

3.08 The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or commission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in

which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Treasurer or Authority to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery. The Escrow Agent shall have the right to employ independent counsel to advise it in connection with its performance under this Agreement and shall be entitled to rely upon the advice of such counsel. The Escrow Agent shall notify the Treasurer and Authority of its intention to employ such independent counsel and the terms of such retention.

3.09 The Escrow Agent may in good faith buy, sell or hold and deal in any of the Defeased Bonds.

3.10 If at any time it shall appear to the Escrow Agent that the available proceeds of the Qualified Government Obligations and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the holders of any of the Defeased Bonds, the Escrow Agent shall notify the Authority and Treasurer, not less than fifteen (15) days prior to such date.

3.11 The Escrow Agent will provide notice of the defeasance to the Municipal Securities Rulemaking Board.

#### **ARTICLE IV.**

##### **COVENANTS OF AUTHORITY**

The Treasurer covenants and agrees with the Escrow Agent as follows:

4.01 The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals of the Treasurer herein, and (b) any undertaking or statement of the Treasurer hereunder or of the Authority under the Original Indenture.

4.02 The Treasurer will take any and all further action necessary to ensure that the Defeased Bonds are not classified as “arbitrage bonds” under the Code by reason of the transactions contemplated by this Escrow Agreement.

4.03 All payments to be made by, and all acts and duties required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the Treasurer.

#### **ARTICLE V.**

##### **AMENDMENTS AND IRREVOCABILITY OF AGREEMENT**

5.01 This Agreement may be amended or supplemented to provide that the Qualified Government Obligations held pursuant to this Agreement or any portion thereof may be sold or redeemed, and moneys derived therefrom invested, reinvested (but only in Qualified Government Obligations that are not redeemable by the Treasury prior to maturity) or disbursed

in any manner provided (any such amendment, supplement, direction to sell or redeem or invest, reinvest or disburse to be referred to as a “Subsequent Action” ), upon submission to the Escrow Agent of each of the following:

A. A copy of the document effecting the Subsequent Action signed by the Treasurer.

B. An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action will not cause the interest on the Defeased Bonds to become includible in the gross income of the owners for federal income tax purposes and not exempt from federal income taxes of such owners under the laws of the United States of America providing for taxation of income as and to the extent contemplated when such bonds were issued and that the Subsequent Action does not materially adversely affect the legal rights of the registered owners or holders of the Defeased Bonds.

C. An opinion of a firm of nationally recognized independent certified public accountants that the funds (which will consist of funds held in trust or receipts from direct full faith and credit obligations of the United States of America, all of which will be held hereunder) available or to be available for payment of the Defeased Bonds will remain sufficient to pay the principal and redemption price of and interest on the Defeased Bonds as the same shall become due after the taking of the Subsequent Action.

5.02 The Treasurer and the Escrow Agent may amend or add to the terms of this Agreement to correct errors, clarify ambiguities or insert inadvertently omitted material but only if any such correction, clarification or insertion has absolutely no adverse impact on the holders or registered owners of the Defeased Bonds. The Treasurer may supplement this Agreement by providing for notice prior to any amendment to such parties as he or she may name in any such supplement, which will be effective upon filing with the Escrow Agent.

5.03 Except as provided in Section 5.01 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

5.04 Except as provided in Section 5.01 hereof, all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall be binding on any successor during the term of this Agreement.

**ARTICLE VI.**

**NOTICES TO THE TREASURER AND THE ESCROW AGENT**

6.01 All notices and communications to the Authority shall be addressed in writing to:

Treasurer, State of Iowa

\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

6.02 All notices and communications to the Escrow Agent shall be addressed in writing to:

U.S. Bank National Association

\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

**ARTICLE VII.**

**TERMINATION OF AGREEMENT**

7.01 Upon final disbursement of funds sufficient to pay principal and interest of the Defeased Bonds as hereinabove provided for as certified by the Trustee, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Treasurer, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF, the Treasurer, State of Iowa, has signed this Agreement in his official capacity and U.S. Bank National Association, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers, all as of the \_\_\_\_\_ day of \_\_\_\_\_ 2013

**IOWA FINANCE AUTHORITY**

By \_\_\_\_\_  
Its \_\_\_\_\_

**TREASURER, STATE OF IOWA**

By \_\_\_\_\_  
Michael L. Fitzgerald

**U.S. BANK NATIONAL ASSOCIATION**

By \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT A**

**QUALIFIED GOVERNMENT OBLIGATIONS**

Type	Maturity Date	Rate of Interest(%)	Principal Amount	Purchase Price*
Treasury Notes	12/15/2013			
Treasury Notes	06/15/2014			
Treasury Notes	12/15/2014			
Treasury Notes	06/15/2015			
Treasury Notes	12/15/2015			
Treasury Notes	06/15/2016			

Beginning Cash Balance: \$ \_\_\_\_\_

\*including accrued interest

**EXHIBIT B**  
**VERIFICATION REPORT**  
(Attached)



IOWA FINANCE  
AUTHORITY

To: IFA Board of Directors  
From: Terri Rosonke, HousingIowa Development Specialist  
Date: 10/9/13  
Re: State Housing Trust Fund – Project-Based Housing Program

---

As provided in the Allocation Plan, IFA will accept applications for the Project-Based Housing Program on an open window basis until all available moneys have been exhausted. Available funding under the FY 2014 Project-Based Housing Program totals \$500,000. The attached funding recommendation is offered for your consideration for one award totaling \$50,000 based upon the threshold review of applications referenced in the prepared summary.

If the attached funding recommendations are approved by the Board, awards to date will total \$75,000 under the FY 2014 Project-Based Housing Program, with \$425,000 remaining available for allocation. Awards approved by the Board are leveraging an additional \$181,668 in other financing resources or \$2.42 for every dollar of Project-Based funding. The approved projects will assist a total of four affordable housing units in Iowa with an average per unit subsidy of \$18,750.



**FY 2014 State Housing Trust Fund – Project-Based Housing Program  
Application Summary and Funding Recommendations  
October 9, 2013**

**Project-Based Application #14-02**

Applicant: Hope Haven Area Development Center Corporation

Project Location: Morning Sun (Louisa County)

Project Name: Community Living Opportunities

Funding Request: \$50,000

Number of Units: 3

Total Budget: \$138,668

Project Type: Rental

Activity: Acquisition of existing market-rate housing property to create new affordable housing units

Background: Hope Haven Area Development Center Corporation has requested a \$50,000 grant to help acquire a single-family home in Morning Sun to provide affordable rental housing for persons with disabilities. The project will provide housing integrated in the community for three adults with intellectual disabilities who are eligible for the Medicaid Home and Community Based Services (HCBS) Waiver. Appropriate supportive services based upon a tenant’s individual needs will be delivered on-site by a service provider selected by the tenant. Hope Haven Area Development Center Corporation’s staff provides services to the three existing tenants living in the property and became concerned when the property was put up for sale by the third-party owner’s estate. The nonprofit organization decided to purchase the home to ensure the current tenants are not displaced and to have the option to make modifications to the home as may be required in the future to better serve tenant needs. The project will result in greater rental affordability for tenants through Hope Haven Area Development Center Corporation’s plan to decrease rents by more than 20 percent in year one.

The Project-Based Housing Program award will be used to help finance acquisition costs. The requested grant represents 36 percent of the net project budget, exclusive of any amounts budgeted for administration and developer fee.

Recommendation: The application is recommended for funding in the amount of \$50,000 contingent upon Hope Haven Area Development Center Corporation’s agreement to work with Iowa’s Money Follows the Person initiative to ensure that upon turnover of existing tenants the assisted affordable housing units are made available to persons with disabilities transitioning from Intermediate Care Facilities/Intellectual Disabilities (ICF/ID) to community-based housing.

**RESOLUTION**  
**HI 13-22**

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, as amended, works to expand, protect and preserve affordable housing for low and moderate income families in the State of Iowa; and

WHEREAS, pursuant to Iowa Code section 16.181, a housing trust fund has been created within the Authority (the “Trust Fund”); and

WHEREAS, the Authority has adopted an allocation plan for the Project-Based Housing Program under the Trust Fund (the “Allocation Plan”); and

WHEREAS, the Allocation Plan establishes a Project-Based Housing Program and provides for criteria for grants for the program; and

WHEREAS, pursuant to Iowa Code section 16.181 and the terms of the Allocation Plan, applications for the program will be accepted on an open-window basis until all available moneys have been exhausted; and

WHEREAS, Authority staff has reviewed the applications referenced in Exhibit A pursuant to the criteria set forth in the Allocation Plan and recommends the Board award funds under the Allocation Plan as set forth on the attached Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. Pursuant to the Allocation Plan, the Board hereby awards grants under the Project-Based Housing Program to the recipients and in the amounts listed on Exhibit A, contingent upon all other funding sources, as identified in the applicant’s project budget, being secured.

SECTION 2. The Board hereby authorizes Authority staff to prepare grant award agreements for the recipients consistent with this resolution and with the Allocation Plan.

PASSED AND APPROVED this 9<sup>th</sup> day of October, 2013.

---

David D. Jamison, Secretary

(Seal)

EXHIBIT A

<b>Applicant</b>	<b>Category</b>	<b>Funding Recommendation</b>
#14-02, Hope Haven Area Development Center Corporation <i>Project Location: Morning Sun (Louisa County)</i>	Project-Based	\$ 50,000
Total Funding Recommendations 10/9/13	Project-Based	\$ 50,000
Total Prior Awards FY2014	Project-Based	\$ 25,000
Total FY2014 Funding Recommendations/Awards To Date	Project-Based	\$ 75,000
Total FY2014 Funding Remaining	Project-Based	\$ 425,000



To: IFA Board of Directors  
From: Lori Beary, Community Development Director  
Date: 10/02/13  
Re: Economic Development

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## **Economic Development Bond Program**

### **ED Loan #13-11, Genesis Health System Project**

This is an application for \$121,000,000 of Iowa Finance Authority Healthcare Revenue Bonds for the Genesis Health System Project. The bonds will be used for the expansion of the existing East Campus of Genesis Medical Center in Davenport. Genesis Health System is a 501 c(3) private non-profit corporation.

- **Need Board action on Resolution ED 13-11A**

RESOLUTION  
ED 13-11A

Approving an Application for \$121,000,000  
Iowa Finance Authority Healthcare Revenue Bonds  
(Genesis Health System Project), Series 2013  
For Genesis Health System (the "Borrower")

And Evidencing the Intent to Proceed with the Issuance of  
\$121,000,000 Healthcare Revenue Bonds

WHEREAS, the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa duly organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Authority") is authorized and empowered by Chapter 16 of the Code of Iowa (the "Act") to issue bonds and notes for the purpose of financing or refunding the cost of certain projects defined in the Act that further the development and expansion of family farming, soil conservation, housing, and business in the State; and

WHEREAS, the Authority has received the Economic Development Loan Program Application set forth in Exhibit A attached hereto (the "Application") which Application is incorporated herein as though set out here in full; and

WHEREAS, the Application is a request that the Authority issue its Healthcare Revenue Bonds in one or more series, in an amount not to exceed \$121,000,000 (the "Bonds") and loan the proceeds from the sale of the Bonds to the Borrower listed in the Application for the purposes stated therein (the "Project"); and

WHEREAS, the Authority and the Borrower desire to comply with the requirements of Treasury Regulation 1.150-2 (the "Regulations") with respect to the Project;

NOW, THEREFORE, Be It Resolved by the Board of the Authority, as follows:

Section 1. Approval of Application. The Application is hereby approved, and the Executive Director of the Authority is authorized to notify the Borrower of such approval.

Section 2. Reimbursement from Bond Proceeds. Based upon representations of the Borrower, the Authority declares (a) that the Borrower proposes to undertake the Project, (b) that except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5% of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20% of the issue price of the Bonds, (iii) expenditures which would comply with the provisions of the Regulations by virtue of the adoption by the Borrower on December 6, 2012 of that certain resolution entitled "RESOLUTION OF THE BOARD OF DIRECTORS OF GENESIS HEALTH SYSTEM (IOWA) AND THE BOARD OF DIRECTORS OF GENESIS HEALTH SYSTEM (ILLINOIS) EXPRESSING OFFICIAL INTENT REGARDING CERTAIN CAPITAL EXPENDITURES TO BE REIMBURSED WITH PROCEEDS OF AN OBLIGATION" and (iv) other expenditures made not earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Borrower and no expenditures will be made by the Borrower until after the date hereof, and (c) the Borrower reasonably expects to reimburse the expenditures made for costs of the Project with the proceeds of the Bonds. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

Section 3. Intent to Issue Bonds. It is hereby determined necessary and advisable that the Authority proceed with the issuance and sale of the Bonds as permitted by the Act and that the Authority hereby declares its intent to issue the Bonds to finance the Project, and that such actions will be taken by the Authority as may be required by the Act to authorize, issue and sell the Bonds.

Section 4. Execution and Approval of Agreements. The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bonds. The Authority's Program Counsel and/or General Counsel shall approve all agreements to be entered into in connection with the issuance of the Bonds, and such agreements shall be authorized and approved after due consideration by the Authority prior to their execution by the Authority.

Section 5. Notice and Governor Approval. The Executive Director, and the staff of the Authority are directed, on behalf of the Authority, to publish notice of the proposal to issue the Bonds, to conduct a public hearing on such proposal and, following such hearing, obtain the approval of the Governor as the chief elected executive officer, all as required by Section 147(f) of the Internal Revenue Code of 1986, as amended.

Section 6. Preliminary Official Statement. The Executive Director and the staff of the Authority are authorized to cooperate in the preparation of a preliminary official statement with respect to the Bonds, and that the Executive Director is authorized to execute and deliver such certificates to comply with SEC Rule 15c2-12 in connection with the offer, sale and issuance of the Bonds.

Section 7. Further Actions. The officers, Executive Director and Program Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and purpose of this Resolution, the accomplishment of the Project and the sale and issuance of the Bonds.

Section 8. Not Obligations of the Authority. The Bonds, when issued, shall be limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Borrower, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of, or claim against, the State of Iowa or the Authority or a charge against their general credit or general funds.

Section 9. Costs. It is to be understood that the Borrower shall pay all reasonable and necessary costs, including costs of counsel, and expenses of the Authority related to the Bonds and the Project.

Section 10. Repealer. All resolutions, parts of resolutions, and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

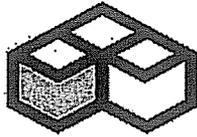
Passed and approved this 9th day of October, 2013.

(Seal)

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David D. Jamison, Secretary

Exhibit A



IOWA FINANCE AUTHORITY

David D. Jamison, Executive Director
2015 Grand Avenue
Des Moines, Iowa 50312
(515) 725-4900 - (800) 432-7230

FOR IFA USE ONLY
Project No. 13-11
Application Received 10/1/13
Application Fee Received? [X]
Volume Cap? [ ] Yes [X] No
Amount of Request \$ 121,000,000

Application forms can be obtained from the Authority's website at www.IowaFinanceAuthority.gov

ECONOMIC DEVELOPMENT BOND APPLICATION

Part A - Borrower Information

- 1. Project Name: Genesis Health System
2. Contact Person/Title: Mark G. Rogers, Chief Financial Officer
Company: Genesis Health System
Address: 1227 East Rusholme Street
City, State, Zip: Davenport, Iowa 52803
Telephone: (563) 421-6513 E-mail: rogersm@genesishhealth.com
5. Principals: (If a partnership, list partners; if a corporation, list officers/directors and state of incorporation; if a nursing facility, list directors and principal staff.) Attach separate list if necessary.
Douglas P. Cropper, President and CEO
Mark G. Rogers, CFO
Community Board - Please see attached listing
6. If Borrower is a nonprofit corporation, provide copy of IRS determination letter or date of application for determination letter and state purpose: Purpose: Regional nonprofit health system providing quality, compassionate, health care to all those in need. Please see attached IRS determination letter
7. Is the Borrower currently qualified to transact business within the State of Iowa? Yes [X] No [ ]
8. If project is a Nursing Facility, is state certificate of need required: Yes [ ] No [ ]
If yes, attach copy. N/A
9. Total current FTE's of Borrower: 4,100
Number of permanent FTE's created by the project: Construction jobs will be created by this project.

**Part B - Project Information**

1. This Project qualifies for financing pursuant to the Economic Development Loan Program as land, buildings or improvements suitable for use as one of the following facilities (Check one):

- 501 c (3) entity:
  - Private college or university
  - Housing facility for elderly or disabled persons
  - Museum or library facility
  - Voluntary nonprofit hospital, clinic or health care facility as defined in Section 135c.1 (6) of the Iowa Code. Specify: Nonprofit hospital
  - Other 501c (3) entity (please specify) \_\_\_\_\_
- Manufacturing facility
- Agricultural processing facility
- Multi-family housing
- Solid Waste facility

3. Amount of Loan Request:           \$ 121,000,000

Amount to be used for refunding:   \$ 0

4. Address/Location of Project

Street/City/State   1227 East Rusholme Street, Davenport, Iowa

County               Scott

5. General Project Description:

Expansion of existing East Campus of Genesis Medical Center in Davenport including a new Surgery Platform as well as renovations to the existing Outpatient Services. The project will also expand the emergency department and include twelve new operating rooms, a new patient short stay bed nursing unit, plus 1-3 new nursing unit bed floors. This new platform will allow for the consolidation of surgical services and other procedural (e.g. endoscopy) services on the East Campus. In addition, GHS will reimburse itself for prior capital expenditures.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Part B - Project Information continued**

6. Does the Borrower expect to use bond proceeds to reimburse capital expenditures already made?  
 \_\_\_ No  
X Yes, in the amount of \$12,000,000 est. (There are IRS limitations on eligible reimbursable costs.)

7. Parties related to the Project:

- a. Principal User will be: Genesis Health System
- b. Seller (if any) of the Project: \_\_\_\_\_
- c. Purchaser (if any) or Owner or Lessee of the Project: \_\_\_\_\_
- d. Relationship of Project Seller and Purchaser, if any: \_\_\_\_\_

**8. Sources and Uses of Project Funds (Sum of Sources and Uses must match):**

Sources:	Amount	Uses:	Amount
Bond Proceeds	\$ 121,000,000	Project Costs	\$ 134,600,000
Health System Funds	14,846,300	Costs of Issuance	1,246,300
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<b>Total</b>	<b>\$ 135,846,300</b>	<b>Total</b>	<b>\$ 135,846,300</b>

9. Type of Bond Sale  Public Sale  Private Placement

**Part C - Professionals Participating in the Financing  
(SEE ATTACHED DISTRIBUTION LIST)**

**Applications must have either Bond Counsel or Underwriter/Financial Institution identified**

**1. Bond Counsel:** (an attorney hired by the borrower to ensure the bonds can be issued on a tax-exempt basis)

Name: Mr. Dan Bacastow  
Firm Name: Jones Day  
Address: 77 West Wacker  
City/State/Zip Code: Chicago, IL 60601  
Telephone: (312) 269-4066 E-mail: djbacastow@jonesday.com

**2. Counsel to the Borrower:**

Name: Mr. Peter Benson  
Firm Name: Lane & Waterman  
Address: 220 N. Main Street, Ste. 600  
City/State/Zip Code: Davenport, IA 52801-1987  
Telephone: (563) 333-6619 E-mail: pbenson@L-Wlaw.com

**3. Underwriter or Financial Institution purchasing the bonds:**

Name: Mr. Bill Henderson  
Firm Name: Piper Jaffray & Co.  
Address: 11150 Overbrook Road, JKS78019  
City/State/Zip Code: Leawood, KS 66211  
Telephone: (913) 345-3370 E-mail: william.p.henderson@pic.com

**4. Counsel to the Underwriter:**

Name: Mr. David Queen  
Firm Name: Gilmore & Bell, P.C.  
Address: 2405 Grand Boulevard, Ste. 1100  
City/State/Zip Code: Kansas City, MO 64109  
Telephone: (816) 218-7524 E-mail: dqueen@gilmorebell.com

**5. Trustee: (if needed)**

Name: Ms. Gail Klewin  
Firm Name: Wells Fargo Bank, N.A.  
Address: 10 South Wacker – 13<sup>th</sup> Floor, Corporate Trust Dept.  
City/State/Zip Code: Chicago, IL 60606  
Telephone: (312) 845-9717 E-mail: gail.a.klewin@wellsfargo.com

**PART D - Fees and Charges**

- 1. A non-refundable application fee must accompany this form at the time of submission to the Authority. For applications up to \$10 million, the application fee is \$1,000. For applications over \$10 million, the application fee is \$2,500. The application fee is subtracted from the Issuer's fee at closing.

Applications will expire if the bonds are not issued within 18 months.

Submit application to the Authority at the following address:

Lori Beary  
Community Development Director  
Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, IA 50312

- 2. An Issuer's fee will be due at the time of closing. The fee is 10 basis points for the first \$10 million and declines after that. Please contact Lori Beary at 515-725-4965 or [lori.beary@iowa.gov](mailto:lori.beary@iowa.gov) for more information.
- 3. Borrower is required to pay the fees and expenses of Dorsey & Whitney, who serve as Issuer's Counsel. Bond documents should be sent to David Claypool ( [claypool.david@dorsey.com](mailto:claypool.david@dorsey.com) ) or David Grossklaus ( [Grossklaus.David@dorsey.com](mailto:Grossklaus.David@dorsey.com) ) at Dorsey & Whitney and the Authority's Community Development Director ( [lori.beary@iowa.gov](mailto:lori.beary@iowa.gov) ).

Dated this 30<sup>th</sup> day of September, 2013

Borrower: Genesis Health System



By: Douglas P. Cropper  
Title: President and CEO

**GENESIS HEALTH SYSTEM,  
AN IOWA NONPROFIT CORPORATION,  
GENESIS HEALTH SYSTEM,  
AN ILLINOIS NOT FOR PROFIT CORPORATION,  
GENESIS MEDICAL CENTER, ALEDO,  
AN ILLINOIS NOT FOR PROFIT CORPORATION,  
AND  
GENESIS SENIOR LIVING, ALEDO  
AN ILLINOIS NOT FOR PROFIT CORPORATION**

**BOARD OF DIRECTORS  
2012- 2013**

Steven C. Bahls  
Mark D. Bawden  
Gregory J. Bush  
Christopher J. Cox  
Edmund P. Coyne, Jr., M.D.  
Douglas P. Cropper  
Thomas A. Gildehaus  
Roger J. Hill  
Mark C. Kilmer

James W. Koehler  
George J. Kontos, Jr., M.D.  
Charlene E. Maaske  
Edwin V. Motto, M.D.  
Edward J. Rogalski, Ph.D.  
G. Christopher Wahlig  
C. Dana Waterman III  
Carol A. Watson, Ph.D., RN, CENP, FAAN  
Dale D. Zude



**OFFICERS**

Mark D. Bawden  
G. Christopher Wahlig  
Roger J. Hill  
Gregory J. Bush  
Mark G. Rogers  
Douglas P. Cropper

Chairperson  
Vice Chairperson  
Secretary  
Treasurer  
Assistant Treasurer  
President and Chief Executive Officer

Internal Revenue Service  
P.O. Box 2508  
Cincinnati, OH 45201

Department of the Treasury

Date:

JUL 17 2007

GENESIS HEALTH SYSTEM  
% LEO A BRESSANELLI  
1227 E RUSHOLME ST  
DAVENPORT IA 52803-2459

Person to Contact:

Mrs. Jones 31-03886

Toll Free Telephone Number:

877-829-5500

Employer Identification Number:

42-1418847

Dear Sir or Madam:

This is in response to your request of May 11, 2007, regarding your tax-exempt status. We changed your name from Genesis Medical Center to the name shown above.

Our records indicate that a determination letter was issued in May 1994 that recognized you as exempt from Federal income tax, and reflect that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(iii).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Cindy Westcott  
Manager, Exempt Organizations  
Determinations

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Person to Contact:

Genesis Medical Center  
1227 East Rusholme St.  
Davenport, Iowa 52803

Barbara E. Beckman  
Telephone Number:

(202) 622-7761  
Refer Reply to:

CP:E:EO:R:4  
Date:

MAY 26 1994

Employer Identification Number: 42-1418847  
Key District: Chicago  
Accounting Period Ending: June 30  
Foundation Status Classification: 509(a)(1)  
and 170(b)(1)(A)(iii)  
Form 990 Required: Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. In the case of an amended document or bylaws, please send a copy of the amended document or bylaws to your key district. Also, you should inform your key District Director of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key District Director.

Genesis Medical Center

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your 509(a) status as shown above, donors (other than private foundations) may not rely on the classification shown above if they were in part responsible for, or were aware of, the act that resulted in your loss of such status, or they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification shown above if they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification.

If your organization conducts fund-raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund-Raising Events. You may obtain copies of Publication 1391 from your key district office.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt from Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. If your gross receipts each year are not normally more than \$25,000, we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first year. Thereafter, you will not be required to file a return

Genesis Medical Center

until your gross receipts exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

We are not ruling on the effect of this transaction on any bonds that are outstanding. In the event that you plan to finance your activities with the proceeds of a new issuance of tax exempt bonds in the future, you may wish to obtain a confirmation ruling on the effect of such financing on your exempt status under section 501(c)(3) of the Code. The ruling request should be submitted far enough in advance of your beginning a new bond financing program to enable the Service to

Genesis Medical Center

issue a ruling on the proposed bond financing. You should send your ruling request, along with the correct user fee, to the Assistant Commissioner (Employee Plans and Exempt Organizations), Attention: E:EO, P.O. Box 120, Ben Franklin Station, Washington, D.C. 20044. Your ruling request should comply with the latest revenue procedure for requesting rulings with respect to exempt organizations.

We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely,

Gerald V. Sack

Gerald V. Sack  
Chief, Exempt Organizations  
Rulings Branch 4