



## **BOARD MEETING MINUTES**

**Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, Iowa  
November 6, 2013**

### **Board Members Present**

Darlys Baum, Chair	Shaner Magalhães
David Greenspon, Vice Chair	Michel Nelson
Jeffrey Heil	Eric Peterson
Joan Johnson	Ruth Randleman

### **Board Members Absent**

Carmela Brown, Treasurer

### **Staff Members Present**

David Jamison, Executive Director/Board Secretary	Amber Lewis, Homeless Programs Coordinator
Lori Beary, Community Development Director	Rita Eble, HOME Program Analyst
Stacy Cunningham, LIHTC Analyst	Wes Peterson, Director of Government Relations
Jerry Floyd, HOME Program Analyst	Terri Rosonke, HousingIowa Development Specialist
Cindy Harris, Chief Financial Officer	Brian Sullivan, Director of Section 8
Steve Harvey, Chief Operating Officer	Mark Thompson, General Counsel
Deb Haugh, Director of Single-Family Production	Jess Flaherty, Executive Assistant
Ashley Jared, Director of Communications	Nancy Wallis, Administrative Assistant/Recording Secretary
Carolann Jensen, Chief Administration Officer	Glenda Gaumer, Senior Housing Compliance Specialist
Katie Kulisky, Administrative Assistant	Carol Wells, Compliance Officer
Connie Bryant, HOME Program Analyst	Christine Zimmerman, HOME Program Administrative Assistant
Rachael Hoffman, Compliance Officer	Nancy Peterson, LIHTC Analyst
Beth Mahaffey, Business Development Director	Joanna Wilson, Associate General Counsel
Bob Vipond, Software Development Specialist	
Karen Kulisky, LIHTC Underwriting Analyst	
Julie Noland, Director of Compliance	
Rob Tietz, Finance and Funding Manager	

### **Others Present**

Jim Hanks, Ahlers & Cooney	Bret Mills – Conlin Properties
Katheryn J. Thorson, Brown Winick Law Firm	Loyd Ogle – Ogle Law Firm
Ron Lewis, Statewide Abstract	James Smith - Dorsey & Whitney, LLP
Shelly Stromp, KPMG	Michael Trettin, KPMG

### **Call to Order**

Chair Baum called to order the November 6, 2013, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:01 a.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Greenspon, Heil, Johnson, Magalhães, Nelson, Peterson and Randleman.

### **Consent Agenda**

Chair Baum introduced the consent agenda and asked if anyone wanted to request that items be removed.

**MOTION:** There being no objections, Mr. Heil made a motion to approve the items on the consent agenda, which included the following:

- Approval of Minutes of the October 2, 2013, IFA Board Meeting
- Approval of Minutes of the October 9, 2013, IFA Telephonic Board Meeting
- Approval of Minutes of the October 25, 2013, IFA Telephonic Board Meeting
- Resolution ED 13-12A, Western Homes Project
- Resolution ED 13-13A, Marion Waste Resource Recovery Facility
- Resolution WQ 13-24, SRF Planning & Design Loans
- Resolution WQ 13-25, SRF Construction Loans
- Resolution AG 13-007A, Brian P. and Laura A. Keehner
- Resolution AG 13-008A, Brian K. Harms
- Resolution AG 13-009A, Brandon B. Shelton
- Resolution AG 13-010-I, Scott and Melissa Cogdill
- Resolution AG 13-011A, Michael R. Murch
- Resolution AG 13-012A, Nicholas D. Murch

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

### **Administration**

Director Jamison informed the Board that he had recently been elected to the NCSHA Board of Directors.

#### **IFA Award of Excellence**

Director Jamison and Chair Baum presented the quarterly Award of Excellence to the HOME Program Team, recognizing them as the recipient of the quarterly IFA Award of Excellence. Director Jamison stated that the HOME Program Team was nominated specifically because of their recent improvements on the HUD audit, which found no deficiencies. The Team has worked diligently to improve the HOME program allocating and compliance process.

#### **ACCOUNTING AND FINANCE**

##### **Presentation of FY 12 Financial Audit by KPMG**

Mr. Harvey introduced Ms. Shelly Stromp from KPMG to present IFA's FY 13 financial audit.

Ms. Stromp thanked the IFA staff for their cooperation while KPMG was performing the audit. She said she had presented detailed information to the Administration Committee prior to the Board meeting. Ms. Stromp reported that KPMG issued an unqualified opinion on the financial statements of IFA as a

housing agency, the SRF program and IFA as a whole, which is the highest form of opinion they can give by professional standards.

Ms. Stromp stated that they found one significant deficiency at the financial statement level. She explained that the deficiency had been identified by staff but the controls in place were not effective. Ms. Stromp stated that management has responded and addressed these issues. Mr. Greenspon asked Ms. Stromp for more details regarding the deficiency which Ms. Stromp agreed to provide.

**Motion:** On a motion by Mr. Nelson and a second by Ms. Randleman, the Board unanimously accepted the KPMG audit report.

### **Review of Financial Statement**

Mr. Harvey presented the September 2013 financial results. He said that as a housing agency, year-to-date net operating income of \$5,034,737 is unfavorable to budget by \$495,143.

The State Revolving Fund year-to-date net operating income of \$4,264,256, is favorable to budget by \$882,810.

**MOTION:** On a motion by Mr. Greenspon and a second by Ms. Randleman, the Board unanimously accepted the September 2013 financial statement.

### **LEGAL**

#### **Hilltop II, LP vs. IFA, Possible Action Re: Procedure and Retention of Outside Counsel**

Mr. Nelson recommended that the IFA Board hire outside counsel. He contacted a number of Iowa law firms and asked them to perform a conflicts check. From those firms he suggested that Jim Hanks, with the Ahlers and Cooney law firm should be retained as outside counsel. Mr. Thompson explained that to hire outside counsel, the request must go to Executive Council and also be approved by the AG's office.

**MOTION:** On a motion by Mr. Nelson and a second by Mr. Heil, the Board voted unanimously to hire Jim Hanks as outside counsel to address the issue of Hilltop II, LP vs. the Iowa Finance Authority.

### **Communications**

Ms. Jared noted that the new housing locator service, IowaHousingSearch.org, which is a free service rental property locator available to renters and landlords/property managers, has been launched for managers to list properties, and in January for the public to begin using in order to locate properties available for rent. She gave the Board a brief tour of the website and responded to their questions.

Ms. Jared also reported that IFA has \$400,000 from the Attorney General's office to use for Iowa Mortgage Help. She said that new radio and TV ads had been running and will continue through the end of the year. She reported that there had already been an increase in the number of Iowa Mortgage Help applications which directly correspond with the airing of the ads.

## **Community Development**

### **ECONOMIC DEVELOPMENT LOAN PROGRAM**

#### **Resolution ED 13-05B, Maassen Dairy Farms Project**

Ms. Beary introduced the resolution authorizing the issuance of an amount not to exceed \$2,175,000 of Iowa Finance Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds for the John Maassen and Sons Partnership Project. She stated that the bonds will be used to construct a manure management system to process manure from an existing dairy farm. This project will require an

allocation of Private Activity Bond Cap. Ms. Berry stated that the public hearing had been held and she received no comments.

**MOTION:** On a motion by Mr. Heil and a second by Mr. Nelson, the Board voted unanimously to adopt resolution ED 13-05B.

**Resolution ED 13-07B, Goodwill Industries of the Heartland Project**

Ms. Beary introduced the resolution authorizing the issuance of an amount not to exceed \$10,000,000 of Iowa Finance Authority Facility Revenue and Refunding Bonds for the Goodwill Industries of the Heartland Project. She stated the bonds will be used for the acquisition, construction and equipping of a facility in Cedar Rapids, to reimburse Goodwill for the costs of a facility in Bettendorf and to refinance some existing bonds. Goodwill Industries of the Heartland is a 501 c(3) private non-profit corporation. Ms. Berry stated that there was a public hearing held and she received no comments.

**MOTION:** On a motion by Mr. Magalhães and a second by Ms. Randleman the Board voted unanimously to adopt resolution ED 13-07B.

**Resolution ED 13-11B, Genesis Health System Project**

Ms. Beary introduced the resolution authorizing the issuance of an amount not to exceed \$121,000,000 of Iowa Finance Authority Healthcare Revenue Bonds for the Genesis Health System Project. She stated that 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. Ms. Berry reported that the public hearing had been held and she received no comments.

**MOTION:** On a motion by Mr. Greenspon and a second by Mr. Peterson, the Board unanimously approved Resolution ED 13-11B.

**IOWA AGRICULTURAL DEVELOPMENT DIVISION (IADD)**

**Resolution AG 13-007B, Brian P. and Laura A. Keehner**

**Resolution AG 13-008B, Brian K. Harms**

**Resolution AG 13-009B, Brandon B. Shelton**

**Resolution AG 13-010-IB, Scott and Melissa Cogdill**

**Resolution AG 13-011B, Michael R. Murch**

**Resolution AG 13-012B, Nicholas D. Murch**

Ms. Berry introduced all of the resolutions for the IADD and asked for Board action.

**MOTION:** On a motion by Mr. Nelson and a second by Mr. Greenspon, the Board unanimously approved Resolutions AG 13-007B, AG 13-008B, AG 13-009B, AG 13-010-IB, AG 13-011B and AG 13-012B.

**Resolution AG-TC 13-02, Beginning Farmer Tax Credit Program**

Ms. Berry introduced the resolution for the IADD Beginning Farmer Tax Credit Program and asked for Board action.

**MOTION:** On a motion by Mr. Nelson and second by Mr. Greenspon, the Board unanimously approved Resolution AG-TC 13-02.

**Resolution HI 13-23, Emergency Solutions Grant (ESG) Redistribution of Funds**

Ms. Lewis introduced Resolution HI 13-23, stating that she had presented the resolution in detail to the program review committee. She stated the reason for the revision request was due to the fact that one of the original recipients declined funding which allowed the funds to be redistributed to the remaining 24 recipients in order to receive the full amount they had originally requested. Ms. Randleman stated that she and others from the ESG review committee had responded positively to Ms. Lewis's proposal to redistribute the funds.

**MOTION:** On a motion by Ms. Randleman and a second by Mr. Greenspon, the Board voted unanimously to adopt Resolution HI 13-23.

**Resolution HI 13-24, HOME Program Awards for August 2013 Funding Round**

Mr. Floyd introduced HI 13-24, stating that the HOME program had opened a round of funding in August and received nine applications. He stated that two of the applicants did not meet the threshold requirements; six of the awards were going to current HOME fund recipients and one to a new city housing authority. Mr. Floyd requested Board action on Resolution HI 13-24.

**MOTION:** On a motion by Ms. Randleman and a second by Mr. Greenspon, the Board voted unanimously to adopt Resolution HI 13-24.

**Resolution HI 13-25, State Housing Trust Fund Project-Based Program Awards**

Ms. Rosonke introduced the resolution allocating two grants. She stated the two grants were for a \$25,000 grant to Habitat for Humanity of Marion County and a \$50,000 grant to Hope Haven Support Foundation in Northwest Iowa.

**MOTION:** On a motion by Ms. Randleman and a second by Mr. Nelson, the Board voted unanimously to adopt Resolution HI 13-25.

**Title Guaranty Division**

**Transfer of Funds from TGD to IFA's Housing Programs**

Ms. Huser reported that the TGD Board met and approved a transfer of \$619,000 from TGD to IFA's Housing Programs.

**MOTION:** On a motion by Mr. Magalhães and a second by Mr. Heil, the Board unanimously accepted the transfer of funds.

**Miscellaneous**

**Receive Comments from General Public**

Chair Baum opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no audience members wishing to address the Board, Chair Baum closed the public comment period.

**Adjournment**

There being no further business, on a motion by Mr. Nelson and a second by Mr. Peterson, the November 6, 2013, regular monthly meeting of the IFA Board of Directors adjourned at 11:52 a.m.

Dated this 4<sup>th</sup> day of December 2013.

Respectfully submitted:



David D. Jamison  
Executive Director/Board Secretary  
Iowa Finance Authority

Approved as to form:



Darlys J. Baum, Chair  
Iowa Finance Authority