



## TELEPHONIC BOARD MEETING MINUTES

**Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, Iowa  
September 16, 2011**

### **Board Members Present**

Darlys Baum Chair	Jeffrey Heil
David Erickson, Vice Chair	Michel Nelson
Carmela Brown, Treasurer	Eric Peterson
David Greenspon	Ruth Randleman

### **Board Members Absent**

Heather Armstrong

### **Staff Members Present**

David Jamison, Executive Director/Board Secretary	Carla Pope, Director of Affordable Rental Production
Eric Chatman, Chief Financial Officer/ Deputy Director	Mark Thompson, General Counsel
Stacy Cunningham, LIHTC Analyst	Dave Vaske, LIHTC Manager
Irene Hardisty, Director of Single Family Production	Nancy Wallis, Administrative Assistant
Ashley Jared, Director of Communications	Joanna Wilson, Associate General Counsel
Tim Morlan, Underwriter	Karen Winchester, Underwriting Analyst
Wes Peterson, Assistant to the Executive Director	

### **Others Present**

Jim Conlin – Conlin Properties	Paul Koester – Koester Construction
Beth Ehlers – Conlin Properties	Scott Mikkelsen – Mikkelsen Law Firm
Ryan Galloway – Hatch Development Group	Ted Witt – Conlin Properties

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### **Call to Order**

Chair Baum called to order the September 16, 2011, special telephonic meeting of the Iowa Finance Authority (IFA) Board of Directors at 3:02 p.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Brown, Erickson, Greenspon, Heil, Nelson, Peterson and Randleman. Ms. Wallis then announced the names of the other people present in the room.

Chair Baum noted for the minutes that the meeting was being held telephonically because the schedules of the Board members made it impractical to meet in one location.

**Resolution FIN 11-14, Multifamily Housing Program Loans to Elmcrest Limited Partnership, Southbrook Green Apartments III Limited Partnership & Douglas Woods II Limited Partnership**

Mr. Morlan introduced the resolution authorizing loans to three multifamily projects and authorizing the issuance of bonds. He explained the terms of the proposed bond issuance and the terms of the three loans. Mr. Morlan answered questions from Board members regarding the frequency of such requests, the need for similar funding for rehabilitation of other projects, and what negative effect, if any, such funding has for the Iowa Finance Authority. Board members also asked if the rehabilitation would cause an increase in the rents for the three projects. Mr. Conlin said the rents would increase by an average of \$15-\$20 per unit.

**MOTION:** Ms. Brown made a motion to adopt the resolution authorizing and approving mortgage loans to Elmcrest Limited Partnership, Southbrook Green Apartments III Limited Partnership and Douglas Woods II Limited Partnership, and delegating certain responsibilities to the Executive Director for approving the final terms of the mortgage loans to Elmcrest Limited Partnership, Southbrook Green Apartments III Limited Partnership and Douglas Woods II Limited Partnership. On a second by Mr. Erickson, a roll call vote was taken with the following results: **YES:** Brown, Erickson, Greenspon, Heil, Nelson, Peterson, Randleman and Baum; **No:** None. The Board unanimously adopted Resolution FIN 11-14.

**Adopted and Filed Emergency: Amending Chapter 39, HOME Partnership Program**

Mr. Thompson provided a summary of Section 39.4(1) “a” (3) to explain the change that is being proposed by staff. He noted that in the second line of that paragraph, the words “95 percent of” at the end of the line should have been stricken. Ms. Pope explained that the need for the change arose because some of the agencies administering the program did not realize that IFA was enforcing the policies as written. She noted that some agencies and organizations were using a different purchase price limit calculation, which is allowed by HUD, but not allowed in IFA’s rules which are identical to the rules the Department of Economic Development had in place before the program was transferred to IFA. Ms. Pope made reference to two documents which were distributed prior to the meeting, including an e-mail with background information as well as a spreadsheet showing household income and sale price of homes that have sold through the program from 2009 to the present.

Ms. Pope stated that IFA staff chose to allow the alternate calculation for purchase price limits until December 1, 2011, in order to allow homebuyers to complete any purchase that has already started. Following a lengthy discussion during which several Board members expressed a concern about ensuring that rural counties are treated fairly in regard to affordable housing programs, Mr. Nelson suggested changing the date to February 15, 2012, instead of December 1, 2011, in order to allow plenty of time to complete purchases that have begun.

**MOTION:** Mr. Nelson made a motion to amend the proposed rules by changing the date by which a homebuyer must have a fully executed purchase agreement from December 1, 2011, to February 15, 2012. On a second by Mr. Greenspon, a roll call vote was taken with the following results: **YES:** Brown, Erickson, Greenspon, Heil, Nelson, Peterson, Randleman and Baum; **No:** None. The Board unanimously approved the change of date.

**MOTION:** Mr. Heil made a motion to approve the emergency adoption and filing of the amendment to Chapter 39, HOME Partnership Program, as amended in the previous motion and with the phrase “95 percent of” being stricken on page. 2. On a second by Ms. Brown, a roll call vote was taken with the following results: **YES:** Brown, Erickson, Greenspon, Heil, Nelson, Peterson, Randleman and Baum; **No:** None. The Board unanimously approved the emergency adoption and filing of the amendments to Chapter 39, as amended.

**Adopted and Filed: Amending Chapter 37, Military Home Ownership Assistance Program**

Mr. Thompson explained that this is the final step in the normal rule-making process for the Military Home Ownership Assistance Program. He stated that the Board approved the Notice of Intended Action on June 1, 2011. Mr. Thompson reported that the proposed amendment allows a service member to qualify for the grant

even if he/she did not use an IFA participating lender as long as certain qualifications were met. He noted that IFA has not received any public comment about the amendments.

**MOTION:** On a motion by Mr. Nelson and a second by Mr. Erickson, a roll call vote was taken with the following results: **YES:** Brown, Erickson, Greenspon, Heil, Nelson, Peterson, Randleman and Baum; **No:** None. The Board unanimously approved the adoption and filing of the amendments to Chapter 37, Military Home Ownership Assistance Program.

**Resolution HI 11-15, Request Re: Tax Credits for High Street, a/k/a Olive Street Brickstone**

Ms. Pope introduced the information from the cover memo included in the Board materials by explaining that Mr. Koester, the managing partner for Olive Street Brickstone Housing, LLLP, requested a re-issuance of tax credits. She said the project had previously requested permission to change the location of the project, which IFA granted, but that the syndicator now had concerns about the validity of the approved change of location.

Ms. Pope reported that the project's development team wants to return \$323,083 in 2010 tax credits and immediately receive a new award of the same amount of 2011 tax credits. Following a lengthy discussion between Mr. Mikkelsen, Mr. Koester, Board and staff, Mr. Thompson summarized the points of the QAP that relate to the issue.

Mr. Thompson said that he had sent a resolution prior to the meeting by e-mail that the Board could adopt if they chose to grant the request under consideration.

**MOTION:** Mr. Erickson made a motion to approve Resolution HI 11-15, awarding 2011 tax credits from the reserved set-aside to Olive Street Brickstone Housing, LLP in the amount of \$323,083 for its High Street Brickstone Project, conditioned upon the return by Olive Street Brickstone Housing, LLLP of the \$323,083 in 2010 Low-Income Housing Tax Credits previously awarded. On a second by Mr. Peterson, a roll call vote was taken with the following results: **YES:** Brown, Erickson, Greenspon, Heil, Nelson, Peterson, Randleman and Baum; **No:** None. The Board unanimously approved Resolution HI 11-15.

**Adjournment**

There being no further business, on a motion by Ms. Randleman and a second by Mr. Greenspon, the September 16, 2011, telephonic meeting of the IFA Board of Directors adjourned at 4:25 p.m.

Dated this 12<sup>th</sup> day of October 2011.

Respectfully submitted:

Approved as to form:

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

Darlys J. Baum, Chair  
Iowa Finance Authority