



**IOWA FINANCE AUTHORITY
TELEPHONIC BOARD MEETING MINUTES**

**Iowa Finance Authority Presentation Room
2015 Grand Avenue
Des Moines, Iowa**

June 15, 2009

Board Members Present

Roger Caudron, Chair	Darlys Baum
Douglas Walter, Vice Chair	David Erickson
Carmela Brown, Treasurer	Wilfred Johnson
Heather Armstrong	

Board Members Absent

Steven Adams	Virginia Bordwell
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Staff Members Present

Bret Mills, Executive Director	Joe O'Hern, Director of HousingIowa
Lori Beary, Community Development Director	Carla Pope, Director of Affordable Rental Production
Eric Chatman, Chief Financial Officer	Mark Thompson, General Counsel
Tim Morlan, Underwriter	Nancy Wallis, Administrative Assistant
Jess Mort, Assistant	Karen Winchester, Underwriting Analyst

Others Present

Mike Barnes – Barnes Realty	David Grossklaus – Dorsey & Whitney, LLP
Jim Conlin – Conlin Properties	Kyle Rice – State Treasurer's Office
Darla Giese – Dorsey & Whitney, LLP	

Call To Order

Chair Caudron called to order the June 15, 2009, special telephonic meeting of the Iowa Finance Authority (IFA) Board of Directors at 1:03 p.m. Roll call was taken and a quorum was established with the following Board members present: Armstrong, Baum, Brown, Caudron, Erickson, Johnson and Walter.

Mr. Caudron noted for the minutes that the meeting was held telephonically because the schedules of Board members did not permit all of them to meet in one location.

Legal

Adopted and Filed Emergency and Notice of Intended Action – IAC New Chapter 32, Iowa Jobs Program

Mr. Thompson reported that the I-JOBS Board approved this new chapter earlier in the day after reviewing the document in great detail. He made note of the revisions the I-JOBS Board made to the document, as follows:

- 1) Rule 32.4 (5a) – Notice of Intent to Apply must be submitted not less than 20 days prior to submitting an application
- 2) Rule 32.4 (6a) – The deadline of August 1, 2009, should be August 3, 2009
- 3) Rule 32.4 (7a) – Delete the phrase, “but excluding the use of economic multipliers”

Mr. Thompson noted that in the Application Review Criteria, under “d. Benefits for Disaster Recovery,” in sub points (2) and (3), the phrase, “and/or”, would be changed to just “or”.

Mr. Thompson said there had been some question about whether the \$10 million for the museum in Cedar Rapids would count as part of the funding for which Cedar Rapids could apply. He said that research has shown the money for the museum would not count toward the funding for Cedar Rapids because the application for the museum is to come directly from the Museum Board, not from the city of Cedar Rapids.

Mr. Thompson explained that this new chapter is being issued as adopted and filed emergency so it can become effective immediately, and also as a Notice of Intended Action to allow it to proceed the normal rule-making process, allowing for public comment. He said IFA will hold a public hearing at 1:30 p.m. on August 4, 2009, and accept public comments until 4:30 p.m. that day.

Motion: Ms. Brown made a motion to approve the adoption and filing emergency and the Notice of Intended Action re: IAC new chapter 32, Iowa Jobs Program, as revised. On a second by Mr. Johnson, the Board unanimously approved the rules for IAC Chapter 32, Iowa Jobs Program.

HousingIowa

Resolution HI 09-19, Supplemental Award of Low-Income Housing Tax Credits to LIHTC #06-33, Marycrest Senior Campus IV

Ms. Pope introduced the resolution approving a supplemental award of tax credits to Marycrest Senior Campus IV, a 20-unit acquisition/rehabilitation project in Davenport. She said IFA received the request from the new general partner because the original general partner was unable to complete the project. Ms. Pope explained that the Board awarded the original tax credits in the amount of \$244,809 on March 1, 2006, and awarded additional credits of \$152,780 on December 17, 2008. Ms. Pope said staff recommends the approval of the additional tax credits in the amount of \$205,426, based on increases in hard construction costs and professional fees, as noted in the Board materials document from the construction company.

Motion: On a motion by Mr. Walter and a second by Ms. Armstrong, the Board unanimously approved Resolution HI 09-19, awarding \$205,426 in additional Low-Income Housing Tax Credits to LIHTC #06-33, Marycrest Senior Campus IV, contingent on the successful completion of underwriting.

Finance

Resolution FIN 09-07, FHB Advance Authorization Proceedings

Mr. Chatman introduced the resolution and explained that the IFA Board has approved resolutions such as this in the past in order to maintain tax-exempt volume cap for the single-family mortgage program. He said IFA plans to issue a note, through FHLB's Member Advance Program, of no more than \$60 million, but the amount will more likely be \$45 million.

Mr. Johnson noted that the time and date of the meeting were incorrect in the first paragraph of the resolution. Ms. Wallis said she would make that change prior to completing the form for signatures.

Motion: Ms. Baum made a motion to approve the resolution relating to issuance of one or more notes for Single-Family Mortgage Program; authorizing preparation and execution of one or more Credit Agreements; delegating certain responsibilities to the Executive Director for finalizing certain matters, forms and contents of certain documents; and also pertaining to certain other related matters. On a second by Mr. Johnson, the Board unanimously approved Resolution FIN 09-07.

Resolution FIN 09-08, Amendment to Multifamily Master Indenture

Mr. Chatman introduced the resolution by noting that the purpose of the resolution is to change the name of the Multifamily Endowment to the Multifamily Restricted Housing Fund in order to coincide with the change IFA recently made in the Single-Family Resolution.

Motion: Mr. Johnson made a motion to adopt the resolution approving and adopting a Supplemental Indenture making amendments to the Master Indenture of Trust (Multifamily Housing Bonds) of the Iowa Finance Authority. On a second by Mr. Walter, the Board voted unanimously to adopt Resolution FIN 09-08.

Resolution FIN 09-09, Authorizing Forward Sales of Mortgage-Backed Securities (MBS) Held as Investment Obligations

Mr. Chatman introduced the resolution for authorization to sell MBS held as investment obligations. He said this will require the negotiation of Master Securities Forward Transaction Agreements with selected counterparties.

Motion: Mr. Erickson made a motion to approve the resolution authorizing IFA to enter into transactions relating to the sale of Mortgage-Backed Securities held as investment obligations under the Single-Family Mortgage Bond Resolution dated July 10, 1991, as amended. On a second by Ms. Brown, the Board unanimously approved Resolution FIN 09-09.

Resolution FIN 09-10, Amendment to a Resolution Authorizing a Loan to SA Roosevelt Limited Partnership

Mr. Morlan reported that this project is a 96-unit, 12-story project in downtown Cedar Rapids that was damaged in the 2008 flood. He said IFA plans to fund the loan with IFA sources which include the Wells Fargo Credit Facility rather than tax-exempt bonds as previously approved. Mr. Morlan stated that the loan would not exceed \$6,750,000 with an interest rate not to exceed 9 per cent and a maturity of not more than 40 years. He noted that the loan would close in July and construction should begin later this summer.

Motion: Ms. Armstrong made a motion to approve the resolution amending the resolution authorizing and approving mortgage loans to SA Roosevelt Limited Partnership, authorizing the issuance and sale of Iowa Finance Authority Multifamily Housing Bonds in one or more series, authorizing and approving the execution and delivery of related documents, and delegating certain responsibilities to the Executive Director for approving the final terms of the bonds and the forms and content of related financing documents and the mortgage loans to SA Roosevelt Limited partnership. On a motion by Mr. Walter, the Board unanimously approved Resolution FIN 09-10.

Economic Development Program

Resolution ED 09-09A, Iowa Health System Project

Ms. Beary introduced the application and inducement resolution for \$415,000,000 of Iowa Finance Authority Healthcare Facility Revenue Bonds for the Iowa Health System Project. She stated that approximately \$335,000,000 of the bond proceeds will be used to refund bonds issued in 2005 and 2008 and that the bonds will be changed from variable-rate to fixed-rate bonds. Ms. Beary noted that about \$60,000,000 of the bond issue will be used to construct a new acute care hospital in West Des Moines and for capital improvements at other facilities. She said the project will not require Private Activity Bond Cap.

Motion: Mr. Johnson made a motion to adopt the resolution approving an application for \$415,000,000 of Iowa Finance Authority Healthcare Facilities Revenue Bonds (Iowa Health System Project) for Iowa Health System (the “Borrower”), and evidencing the intent to proceed with the issuance of \$415,000,000 of Healthcare Facilities Revenue Bonds. On a second by Ms. Baum, the Board unanimously approved Resolution ED 09-09A.

Adjournment

Chair Caudron announced that the next regular meeting of the IFA Board of Directors would be held at 10:45 a.m. on Wednesday, July 8, 2009, in IFA’s Presentation Room.

There being no further business, on a motion by Mr. Walter and a second by Ms. Armstrong, the June 15, 2009, special telephonic meeting of the IFA Board of Directors adjourned at 1:35 p.m.

Dated this 8th day of July 2009.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Roger J. Caudron, Chair
Iowa Finance Authority