



## **TELEPHONIC BOARD MEETING MINUTES**

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

**December 28, 2010**

### **Board Members Present**

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

### **Board Members Absent**

Steven Adams	Heather Armstrong
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### **Staff Members Present**

Joe O'Hern, Executive Director/Board Secretary	Dave Vaske, Low-Income Housing Tax Credit Manager
Carla Pope, Director of Affordable Rental Production	Nancy Wallis, Administrative Assistant
Mark Thompson, General Counsel	Joanna Wilson, Associate General Counsel

### **Others Present**

David Grossklaus, Dorsey & Whitney, LLP

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### **Call To Order**

Chair Caudron called to order the December 28, 2010, special telephonic meeting of the Iowa Finance Authority (IFA) Board of Directors at 8:32 a.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Bordwell, Brown, Caudron, Erickson, Johnson and Walter.

Chair Caudron noted for the minutes that the meeting was being held electronically because the schedules of the Board members did not allow them to meet in one location.

## **Low-Income Housing Tax Credits Program**

### **Resolution HI 10-38, Additional Allocation of Credits to LIHTC 09-0916, Murray Apartments**

Mr. Vaske reported that 821 Jackson LLLP has requested an increase in tax credits in the amount of \$13,953 for Murray Apartments, a 17-unit project in Sioux City. He stated that on August 28, 2009, the Board approved an award of \$164,592 in per capita tax credits to the project. Mr. Vaske explained that the additional request is based on increases in hard construction costs, soft costs and fees, and is eligible for additional credits based on Section 6.3.2 of the 2010 First Amended QAP because it is an acquisition/rehabilitation project.

Chair Caudron said he had recently toured the Murray Apartments, which houses a group of special needs individuals in a single location as opposed to the scattered sites where they previously lived. He reported that the residents appeared to enjoy the new living areas.

**Motion:** Ms. Bordwell made a motion to approve the resolution awarding \$13,953 in additional 2010 per capita tax credits to 821 Jackson LLLP (Murray Apartments), making the total tax credit award \$178,545, contingent upon the successful completion of underwriting, and based on the audited costs submitted as part of the Form 8609 application process. On a second by Mr. Johnson, the Board unanimously approved Resolution HI 10-38.

### **Resolution HI 10-39, Allocation of Low-Income Housing Tax Credits to LIHTC 10-10-286, FB Harlan**

Mr. Vaske announced that FB Harlan submitted an application for a 27-unit new construction project under the ROSE Program, a rent-to-own program. He noted that the project was originally denied credits because the application lacked some necessary information to conform to the requirements of the ROSE Program. Mr. Vaske explained that in discussions during the review process of an appeal filed by the project, the developer agreed to amend the application to comply with ROSE Program requirements. Because of those amendments, staff members now recommend an allocation of \$378,925 in per capita tax credits to FB Harlan.

Board and staff members discussed in detail the appeal process and how this project was chosen to receive the award of credits as part of the settlement process.

**Motion:** Mr. Walter made a motion to approve the resolution awarding \$378,925 in 2010 tax credits to the FB Harlan, LP project as set forth on Exhibit A of the resolution, contingent upon the dismissal of the appeal with prejudice and the successful completion of underwriting, and based on the audited costs submitted as part of the Form 8609 application process. On a second by Mr. Erickson, the Board unanimously approved Resolution HI 10-39.

### **Resolution HI 10-40, Section 1602 Award to Central Iowa Supportive Housing, LLLP for LIHTC 09-0948, YMCA Supportive Housing**

Mr. Vaske introduced the resolution approving an award of Section 1602 funding to Central Iowa Supportive Housing, LLLP for the YMCA Supportive Housing Project located in Des Moines.

Mr. Vaske explained that a project that previously received funding, Liberty Manor in Waterloo, has now been placed in service but has two units that do not qualify as LIHTC units because the tenants are over the tax credit income limits. After discussions with the project representatives and after much deliberation, IFA is requiring the return of \$89,981 of Section 1602 funds from that project. Mr. Vaske noted that because all Section 1602 financial assistance must be allocated before December 31, 2010, IFA must re-allocate those funds to another project in order to preserve the

funding. He stated that the YMCA project previously received Section 1602 financial assistance of \$5,734,458, but because of increased costs, the project needs some additional funding. He said that staff members recommend the allocation of financial assistance to the YMCA Supportive Housing Project, subject to the return of funds from Liberty Manor.

Following a lengthy discussion of the recapture process and the process of selecting a project to receive the remaining funds, Board members asked that a memo be placed in the project file explaining the decision-making process for this award, as documentation of the Board discussion.

Mr. Thompson noted that staff would like to add another section to the resolution, reading as follows:

*Section 5. The award of additional financial assistance pursuant hereto shall be subject to the availability of returned Section 1602 funds.*

**Motion to Amend:** Mr. Johnson made a motion to amend the resolution as noted. On a second by Ms. Bordwell, the Board voted on the amendment with the following results: YES: Baum, Bordwell, Brown, Caudron, Johnson and Walter; No: None; ABSTAIN: Erickson. [See attached letter]. The Board approved the amendment to Resolution HI 10-40 on a majority vote.

**Motion:** Ms. Bordwell made a motion to approve the resolution as amended, authorizing IFA to enter into a Letter of Solicitation with the ownership entity of the project, committing Section 1602 financial assistance to the project in the amount of \$89,981, and amending the Section 1602 financial assistance agreement with the ownership entity within 120 days, subject to the availability of returned Section 1602 funds. On a second by Mr. Johnson, a vote was taken with the following results: YES: Baum, Bordwell, Brown, Caudron, Johnson and Walter; No: None; ABSTAIN: Erickson. [See attached letter]. On a majority vote, the Board approved Resolution HI 10-40, as amended.

### **Discuss the Financing of Energy-Efficiency Projects Reviewed by the Office of Energy Independence (OEI)**

Director O'Hern reported that staff members from IFA and OEI have been in discussions for more than a year about a program to provide a residential energy-efficiency program, as well as an energy-efficiency program for public buildings and non-profits. He explained that OEI received stimulus funds from the U.S. Department of Energy, with the requirement of allocating the funds to a third party, and then expending the funds by 2012. Because of those deadlines, OEI transferred funds to IFA with the expectation of selecting a vendor for the residential program in the near future, and selecting local government or other projects that have gone through an energy audit to identify energy-efficiency improvements. Director O'Hern noted that OEI would select the projects and ask IFA to take care of the financing in order to help leverage the funds by going into the Capital Markets. He said OEI is hoping to start that process in the next two or three months.

Director O'Hern then thanked IFA staff for allocating all the disaster credits IFA had been assigned, as well as all the per capita credits that could not be carried forward, for a total of about \$16 million in tax credits.

Ms. Pope notified the Board that HUD recently released information ranking the states which participated in the Tax Credit Assistance Program (TCAP), based on management of the funds. She reported that IFA was second in the nation for management of TCAP funds, and would likely be

allowed the opportunity to apply for additional TCAP funds that were returned by states that were unable to allocate all the TCAP funds assigned.

Mr. Vaske said Stacy Cunningham deserves much of the credit for the management of the various programs under the American Recovery and Reinvestment Act of 2009 (ARRA) because she has worked with developers to get all the reports submitted in a timely manner.

Chair Caudron added his congratulations to staff for the success of the various programs over the last few years.

### **Adjournment**

On a motion by Ms. Brown and a second by Mr. Walter, the December 28, 2010, special telephonic meeting of the IFA Board of Directors adjourned at 9:16 a.m.

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

Respectfully submitted:

Approved as to form:

Joseph O'Hern  
Executive Director  
Iowa Finance Authority

Roger J. Caudron, Chair  
Iowa Finance Authority

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