



**BOARD MEETING MINUTES**

**Iowa Finance Authority Presentation Room  
2015 Grand Avenue  
Des Moines, Iowa  
March 3, 2010**

**Board Members Present**

Roger Caudron, Chair (via telephone)	Darlys Baum
Douglas Walter, Vice Chair	Virginia Bordwell
Carmela Brown, Treasurer	David Erickson
Steven Adams (via telephone)	Wilfred Johnson
Heather Armstrong	

**Staff Members Present**

Joe O’Hern, Executive Director/ Board Secretary	Carla Pope, Director of Affordable Rental Production
Lori Beary, Community Development Director	Terri Rosonke, HousingIowa Development Specialist
Eric Chatman, Chief Financial Officer	Mark Thompson, General Counsel
Jess Flaherty, Administrative Assistant	David Vaske, Low-Income Housing Tax Credit Manager
Irene Hardisty, Director of Single-Family Production	Carole Vipond, Director of Section 8
Steve Harvey, Director of Operations/ Comptroller	Nancy Wallis, Administrative Assistant
Joseph Jones, Director of Governmental Affairs	Matt White, Title Guaranty Deputy Director
Shawna Lode, Communications Director	

**Others Present**

Bob Burns – BurnsHousing.com	Dean Hoag – Republic Abstract
Jim Conlin – Conlin Properties	Brett Hyland – Hubbell Realty
Joni DeVries – Wells Fargo Bank Iowa, NA	Randy McPhail – UMB Bank NA
Dan Garrett – Midwest Housing Equity Group	Kyle Rice – State Treasurer’s Office
David Grossklaus – Dorsey & Whitney, LLP	James Smith – Dorsey & Whitney, LLP

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**Call to Order**

Because Chair Caudron was not present in person, Vice Chair Walter called to order the March 3, 2010, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:02 a.m. Roll call was taken and a quorum was established with the following Board members present: Adams, Armstrong, Baum, Bordwell, Brown, Caudron, Erickson, Johnson and Walter.

## **Review of Minutes**

### **February 3, 2010, Board Meeting**

Vice Chair Walter introduced the minutes of the February 3, 2010, regular monthly meeting of the IFA Board of Directors.

**Motion:** On a motion by Mr. Caudron and a second by Mr. Johnson, the Board unanimously approved the minutes of the February 3, 2010, IFA Board meeting.

## **Administration**

### **SUMMARY & OVERVIEW**

Director O'Hern said IFA staff members were finalizing contracts and awards for projects under the ARRA stimulus programs and the I-JOBS funding programs. He also noted that IFA staff members continue to work with the Iowa Department of Economic Development to transfer the HOME program to IFA. Director O'Hern reported that any additional allocation of I-JOBS funding is still uncertain.

Due to scheduling conflicts, Vice Chair Walter said Mr. Vaske would present the tax credit portion of the meeting, the last two items under "HousingIowa," at this point in the meeting. (The minutes, however, will still reflect the order shown on the agenda for ease of later reference).

### **Review of Financial Statement**

Mr. Harvey presented the January 2010 financial results, noting that as a housing agency, year-to-date operating income, operating expense and net grant income are all favorable to budget, making the year-to-date net operating income \$2,830,237 favorable to budget.

Mr. Harvey reported that SRF year-to-date operating income, operating expense and net grant income are unfavorable to budget, making net operating income \$735,233 unfavorable to budget. He noted, however, that some of that is due to Cap Grants and some is due to DNR's budget, but that in a program with such a large budget, this amount is not significant.

**Motion:** On a motion by Ms. Brown and a second by Mr. Johnson, the Board unanimously accepted the January 2010 financial statement.

## **LEGAL**

### **Adopted and Filed Chapter 32, Iowa Jobs Program Re: Deadlines for Negotiation of Final Contracts, Stacking of I-JOBS Funding and Federal Funds not Mentioned in Application**

Mr. Thompson explained that this is the final step in approving the amendments for the I-JOBS Program. He said the Board approved the emergency adoption and filing along with the Notice of Intended Action in December. Mr. Thompson noted that there were no changes made following the previous approval and that IFA received no public comments.

**Motion:** On a motion by Ms. Armstrong and a second by Mr. Adams, the Board unanimously approved the adoption and filing of the amendments to Chapter 32, Iowa Jobs Program Re: Deadlines for Negotiation of Final Contracts, Stacking of I-JOBS Funding and Federal Funds not Mentioned in Application.

## **LEGISLATIVE**

Mr. Jones provided an update of federal legislation. He also summarized the most recent changes in state legislation, including the Military Homeownership Assistance Program, State Housing Trust Fund, Iowa Council on Homelessness, workforce housing, mortgage reporting, mechanics lien bill, Recovery Zone Bonds, I-JOBS funding and closing company regulation.

## **COMMUNICATIONS**

Ms. Lode reported that a group of IFA staff are working with IFA's marketing firm to create a fresh brand identity and possible program name change for IFA's single-family programs. Ms. Lode also noted that Iowa Rental Help continues to receive many inquiries, nearly 1,000 each month. She said that in the first four months of the program, 4,082 households received a total of more than \$985,000 in assistance to stay in their rental homes or to assist in transitioning from homelessness to self-sustainability.

### **Community Development Programs**

#### **ECONOMIC DEVELOPMENT LOAN PROGRAM**

##### **Resolution ED 10-02A, Iowa Cagefree Egg Laying & Breaking Plant Project**

Ms. Beary distributed an updated resolution and announced that the borrower has requested an increase in the amount of the bonds due to a change of funding sources. She introduced the application and inducement resolution for \$42,425,200 of Iowa Finance Authority Economic Development Revenue Bonds for the Iowa Cagefree Egg Laying & Breaking Plant in Goldfield, located in Wright County. Ms. Beary said the bonds will be used to construct nine egg laying buildings that will house 900,000 hens and an egg processing facility. She noted that the project will request an allocation of Midwestern Disaster Area Bonds.

**Motion:** Mr. Caudron made a motion to adopt the resolution approving an application for \$42,425,200 of Iowa Finance Authority Economic Development Revenue Bonds (Iowa Cagefree Egg Laying & Breaking Plant Project), Series 2010, for Iowa Cagefree/Henning Holdings (the "Borrower"), and evidencing the intent to proceed with the issuance of \$42,425,200 of Economic Development Revenue Bonds. On a second by Mr. Adams, the Board unanimously adopted Resolution ED 10-02A.

##### **Public Hearing for ED Loan 10-01A, Siena Hills Senior Living Center**

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$11,000,000 of Iowa Finance Authority Senior Living Revenue Bonds for the Siena Hills Senior Living Center Project in Ankeny. She said the bonds will be used to finance the construction of a 48-unit assisted living facility focused on residents suffering from Alzheimer's and/or other forms of dementia. Ms. Beary said the Board adopted the inducement resolution in February.

Vice Chair Walter opened the public hearing at 11:32 a.m. regarding the issuance of an amount not to exceed \$11,000,000 of Iowa Finance Authority Senior Living Revenue Bonds for the Siena Hills Senior Living Center Project in Ankeny. Ms. Beary said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Vice Chair Walter closed the public hearing at 11:33 a.m.

#### **WATER QUALITY PROGRAMS**

##### **Resolution WQ 10-04, Planning & Design Loans**

Ms. Beary introduced the resolution approving Planning & Design Loans totaling \$1,098,000 for the cities of New London, Meriden, Bennett, Libertyville and Earling, and to RUSS for projects in Franklin and Pekin.

**Motion:** On a motion by Ms. Bordwell and a second by Ms. Baum, the Board unanimously approved Resolution WQ 10-04, authorizing Planning & Design Loans to the entities and in the amounts set forth on Exhibit A of the resolution.

##### **Resolution WQ 10-05, Non-Point Source Loan for Iowa Natural Heritage Foundation – Synco Tract**

Ms. Beary introduced the resolution approving participation in a loan to Iowa Natural Heritage Foundation for an amount not to exceed \$600,000 for the purchase of 155 acres within the Little Sioux River watershed in Dickinson County. She said the loan is being made with Bank Midwest.

**Motion:** Mr. Caudron made a motion to approve up to a 100 percent participation in the loan to Iowa Natural Heritage Foundation in an amount not to exceed \$600,000 for the Synco Tract Project. On a second by Mr. Johnson, the Board unanimously approved Resolution WQ 10-05.

**Resolution WQ 10-06, Non-Point Source Loan for Iowa Natural Heritage Foundation – Peace Properties**

Ms. Beary introduced the resolution approving participation in a loan to Iowa Natural Heritage Foundation for an amount not to exceed \$1,200,000 for the purchase of 229 acres within the watershed of West Okoboji Lake in Dickinson County. She said this loan is also being made with Bank Midwest.

**Motion:** Ms. Bordwell made a motion to approve up to a 100 percent participation in the loan to Iowa Natural Heritage Foundation in an amount not to exceed \$1,200,000 for the Peace Properties Project. On a second by Ms. Baum, the Board unanimously approved Resolution WQ 10-06.

**HousingIowa**

**AFFORDABLE RENTAL PRODUCTION PROGRAMS**

**Resolution HI 10-05, I-JOBS Affordable Housing Assistance Grant Fund Awards**

Ms. Rosonke introduced the resolution allocating awards to three projects for a total of \$2,839,805 under the FY 2010 funding round. She provided details about each of the projects as set forth in the summaries included in the Board materials. Ms. Rosonke stated that if the Board approves the funding to all three projects, awards to date for this program will total \$15,063,969, with \$4,936,031 remaining available for allocation.

**Motion:** Ms. Brown made a motion to approve the award of grants under the I-JOBS Affordable Housing Assistance Grant Fund to the recipients and in the amounts listed on Exhibit A of the resolution, contingent upon documentation that the applicant has secured all sources of funds identified in the project budget.

**Resolution HI 10-06, State Housing Trust Fund Project-Based Housing Program Awards**

Ms. Rosonke introduced the resolution allocating awards to two projects for a total of \$100,000 under the FY 2010 funding round. She provided details about each of the projects as set forth in the summaries included in the Board materials. Ms. Rosonke explained that IFA had a total of \$1,058,204 to award under the program during FY 2010, and that if the Board approves the funding to both projects, awards to date for this program will total \$350,000, with \$708,204 remaining available for allocation.

**Motion:** Ms. Baum made a motion to approve the resolution awarding grants under the State Housing Trust Fund Project-Based Housing Program to the recipients and in the amounts listed on Exhibit A of the resolution. On a second by Ms. Bordwell, the Board unanimously approved Resolution HI 10-06.

**Request for Change of General Partner for LIHTC 09-0927, Taylor Heights Village**

Mr. Vaske reported that IFA has received a request from the Gandolf Group and The Renaissance Companies requesting that The Renaissance Companies be named the Developer and General Partner/Managing Member for Taylor Village because a syndication agreement for a TCAP award was not closed within the required 120 days from the award date. Mr. Vaske noted that both the city of Davenport and the National Equity Fund (the syndicator) support The Renaissance Companies as the replacement Developer and General Partner/Managing Member for Taylor Village. He said that IFA has rescinded the award of TCAP funds to the project because of the lack of a syndication agreement in a timely manner, but that the ownership entity has reapplied for a TCAP award, pending IFA Board approval.

**Motion:** On a motion by Mr. Erickson and a second by Ms. Bordwell, the Board unanimously approved the change in Developer and General Partner/Managing Member for Taylor Village due to the fact that the current entity cannot obtain syndication and the project is eligible for TCAP funding.

Mr. Vaske then referred to the memo included in the Board packet, which explained that IFA is rescinding awards to two recipients of Section 1602 awards, Eastwood of Ames and Sugar Creek Bend, because the projects did not comply with the requirement of closing the program agreement within 120 days from the date of the Letter of Solicitation. Because those awards have been rescinded, IFA is able to award additional allocations.

**Resolution HI 10-07, Tax Credit Program Awards (ARRA Section 1602 & TCAP)**

Mr. Vaske introduced the resolution allocating Section 1602 awards to two projects for a total of \$5,603,187, and TCAP awards to two projects for a total of \$3,107,073. He noted that the resolution also makes an award of \$21,905 in additional tax credits to one project, based on the memo included in the Board packet regarding Bluff Apartments of Fort Madison, L.P. Mr. Vaske provided a brief description of each project.

In answer to a question from the Board, Mr. Vaske did note that the address for Bluff Apartments was incorrect on Exhibit A of the resolution. The correct address is 5202 River Valley Road in Fort Madison.

**Motion:** Mr. Caudron made a motion to approve the resolution, with the address correction previously noted, authorizing the award of Low-Income Housing Tax Credits, TCAP and Section 1602 to the recipients and in the amounts listed on Exhibit A of the resolution. On a second by Mr. Erickson, the Board unanimously approved Resolution HI 10-07.

**Title Guaranty Division (TGD)**

**Request from Republic Abstract for Extension of Waiver of Administrative Rule 265— 9.1(16), Definition of “Abstract of Title”**

Mr. White introduced a request from Republic Abstract & Settlement, LLC in Linn County for Extension of Waiver of Iowa Administrative Code Rule 265—9.1(16). He noted that the cover memo from Mr. Ogle explains that the Board previously granted a waiver to Republic Abstract & Settlement, LLC for a period of one year. They have now asked that the waiver be extended until November 2010 because no title work has yet been done due to the ongoing acquisition progress by the City of Cedar Rapids. Mr. White noted that the waiver would still be applicable only to properties that have no original abstract available due to damage from floods during the summer of 2008.

Mr. White introduced the proposed order, prepared by Title Guaranty staff, granting extension of waiver of Iowa Administrative Code Rule 265—9.1(16).

**Motion:** On a motion by Ms. Armstrong and a second by Mr. Erickson, the Board unanimously approved the proposed order granting the extension of waiver until November 2010 to Republic Abstract & Settlement, LLC only for flood-damaged properties in Linn County.

**Request from Southeast Iowa Regional Planning Commission (SEIRPC) for Waiver of Administrative Rule 265—9.1(16), Definition of “Abstract of Title”**

Mr. White introduced a request from SEIRPC for a Waiver of Iowa Administrative Code Rule 265—9.1(16). He explained that SEIRPC, rather than an abstractor, was requesting the waiver because SEIRPC would administer the disaster funds to be used for governmental buyouts and also would be responsible to implement the title work necessary to purchase about 175 flood-affected properties. Mr. White said the waiver would allow the use of a report of title rather than an original abstract for governmental buyouts of real estate in cases where the traditional abstract was lost or destroyed in the floods during the summer of 2008. He noted that the waiver would be limited to properties in Louisa and Des Moines Counties, for a period of two years from the date the waiver is granted.

Mr. White introduced the proposed order granting request for waiver of IAC 265—9.1(16), definition of “abstract of title” or “abstract.”

**Motion:** Ms. Baum made a motion to approve the proposed order granting request for waiver of IAC 265—9.1(16), definition of “abstract of title” or “abstract.” On a second by Ms. Armstrong, a vote was taken with the following results: YES: Adams, Armstrong, Baum, Brown, Caudron, Erickson, Johnson and Walter; NO: Bordwell. The Board approved the waiver on a majority vote.

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

Mr. White reported that the TGD Board met on March 2, 2010, and approved a transfer of \$646,000 to IFA’s housing programs.

**Motion:** On a motion by Mr. Adams and a second by Mr. Caudron, the Board unanimously accepted the transfer of \$646,000 to IFA’s housing programs.

**Miscellaneous Items**

**Receive Comments from General Public**

Vice Chair Walter 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, Vice Chair Walter closed the public comment period.

**Next Meeting**

The next regular monthly meeting of the IFA Board of Directors will be held at 11:00 a.m. on Wednesday, April 7, 2010, in IFA’s Presentation Room.

**Adjournment**

There being no further business, on a motion by Mr. Johnson and a second by Ms. Baum, the March 3, 2010, meeting of the IFA Board of Directors adjourned at 12:14 p.m.

Dated this 7<sup>th</sup> day of April 2010.

Respectfully submitted:

Approved as to form:

Joseph O’Hern  
Executive Director/Board Secretary  
Iowa Finance Authority

Roger J. Caudron, Chair  
Iowa Finance Authority