



BOARD MEETING MINUTES

**Iowa Finance Authority Presentation Room
2015 Grand Avenue
Des Moines, Iowa
April 7, 2010**

Board Members Present

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

Board Members Absent

Virginia Bordwell

Staff Members Present

Joe O'Hern, Executive Director/ Board Secretary	Shawna Lode, Communications Director
Lori Beary, Community Development Director	Loyd Ogle, Director of Title Guaranty Division (TGD)
Roger Brown, Network Specialist/Former Senior Compliance Analyst	Carla Pope, Director of Affordable Rental Production
Eric Chatman, Deputy Director/Chief Financial Officer	Terri Rosonke, HousingIowa Development Specialist
Jess Flaherty, Administrative Assistant	Mark Thompson, General Counsel
Irene Hardisty, Director of Single-Family Production	David Vaske, Low-Income Housing Tax Credit Manager
Steve Harvey, Director of Operations/ Comptroller	Nancy Wallis, Administrative Assistant
Joseph Jones, Director of Governmental Affairs	

Others Present

Michael Barnes – Barnes Properties	Joni DeVries – Wells Fargo Bank Iowa, NA
Rachelle Beals – Wells Fargo Bank Iowa, NA	Dan Garrett – Midwest Housing Equity Group
Kristi Boyce – Wells Fargo Bank Iowa, NA	David Grossklaus – Dorsey & Whitney, LLP
Jim Conlin – Conlin Properties	Brett Hyland – Hubbell Realty

Call to Order

Chair Caudron called to order the April 7, 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, Brown, Caudron, Erickson, Johnson and Walter.

Review of Minutes

March 3, 2010, Board Meeting

Chair Caudron introduced the minutes of the March 3, 2010, regular monthly meeting of the IFA Board of Directors. Ms. Brown noted that the motion for Resolution HI 10-05 on page four stated a motion but no second and no vote results. Ms. Wallis said she would correct that omission after the meeting.

Motion: Ms. Brown made a motion to approve the minutes as amended. On a second by Mr. Erickson, the Board unanimously approved the minutes of the March 3, 2010, IFA Board meeting, as amended.

Administration

SUMMARY & OVERVIEW

Director O'Hern spoke briefly about the conclusion of the legislative session, I-JOBS ARRA funds and the transition of the HOME Program. He expressed appreciation to IFA staff for taking on additional duties as IFA takes on new programs. Director O'Hern also noted that IFA has several staff members taking advantage of the retirement incentives offered by the state.

Review of Financial Statement

Mr. Harvey presented the February 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 \$2,042,237 favorable to budget.

Mr. Harvey reported that SRF year-to-date operating income and operating expense are unfavorable to budget, while net grant income is favorable to budget, making net operating income \$1,721,947 favorable to budget.

Motion: On a motion by Mr. Erickson and a second by Mr. Walter, the Board unanimously accepted the February 2010 financial statement.

Resolution FIN 10-02, Amending Credit Facility for Multifamily Loans

Mr. Chatman reported that with the increased amount of tax credits awarded over the last year due to disaster recovery and stimulus funding, IFA has had a substantial increase in requests to fund multifamily projects. Based on a review by IFA of selected financial institutions, IFA's finance team seeks approval for an amendment to IFA's revolving line of credit agreement with Well Fargo. He explained that the principal amount would increase from \$30 million to \$50 million with the term extended by two years, and with IFA's added costs being passed on to the developers receiving the funding.

Mr. Chatman noted that the date on the cover page of the agreement would be changed from February 1, 2010, to May 1, 2010.

Motion: Ms. Brown made a motion to approve the resolution, with the amended effective date, authorizing IFA to borrow money from the Lender pursuant to the Amended Credit Facility, in an amount not to exceed \$50 million with a term to extend through October 31, 2012, consistent with terms detailed in Exhibit A of the resolution. On a second by Ms. Armstrong, the Board unanimously approved Resolution FIN 10-02, as amended.

Resolution FIN 10-03, Reimbursement Resolution for the State Revolving Fund (SRF)

Ms. Beary introduced the resolution authorizing reimbursement of loan disbursements from future SRF bond issues. She explained that IFA currently has approximately \$16 million in reimbursement authority, and that IFA's SRF finance team is seeking approval for another \$100 million with the current resolution.

Motion: Mr. Adams made a motion to approve the resolution providing for reimbursement of certain costs for the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program, authorizing IFA to reimburse the SRF Program up to \$100 million from the proceeds of the bonds issued under the Master Trust Agreement, for payments made from the Clean Water Program and the Drinking Water Program. On a second by Mr. Johnson, the Board unanimously approved Resolution FIN 10-03.

LEGAL

Request from Thomas Smalley for Waiver of Rule 265—29.2, Definition of “Eligible Resident”

Mr. Thompson explained that Mr. Smalley submitted a petition for waiver to IFA seeking housing assistance under the Jump Start Housing Assistance Program. Mr. Thompson reported that in order to receive assistance under that program, a resident must have been approved for assistance from FEMA, for which Mr. Smalley was denied. Mr. Thompson said IFA staff prepared a proposed order denying the waiver request, primarily because waiving the rule means that IFA would have to eliminate the FEMA approval requirement, which would constitute a drastic and expensive revision to the program, making many more homeowners eligible for a program that is already nearly out of funding.

Chair Caudron asked Mr. Thompson to clarify that a vote in favor of the proposed order would mean denying the waiver request. Mr. Thompson clarified that point.

Motion: On a motion by Mr. Johnson and a second by Mr. Erickson, the Board unanimously voted to deny the requested waiver of Rule 265—29.2, Definition of “Eligible Resident.”

Adopted and Filed Chapter 12, Low-Income Housing Tax Credit (LIHTC) Compliance Manual

Mr. Thompson explained that this is the final step in approving the compliance manual for the LIHTC Program. He noted that IFA received only one comment during the public comment period, and as a result of that comment, IFA staff made one technical change to the manual.

Motion: On a motion by Ms. Baum and a second by Ms. Armstrong, the Board unanimously approved the adoption and filing of Chapter 12, LIHTC Compliance Manual, to become effective on June 9, 2010.

Adopted and Filed Chapter 30, Midwestern Disaster Area Bond Allocation (2010 Amendments)

Mr. Thompson reported that these amendments were adopted and filed emergency along with the Notice of Intended Action following Board approval on February 3, 2010. He said IFA made one minor change based on comments received during the public comment period.

Motion: On a motion by Ms. Brown and a second by Mr. Erickson, the Board unanimously approved the adoption and filing of Chapter 30, Midwestern Disaster Area Bond Allocation (2010 Amendments).

Adopted and Filed Chapter 33, I-JOBS Water Quality Financial Assistance Program Rules

Mr. Thompson stated that the IFA Board previously approved the adoption and filing emergency and the Notice of Intended Action for these rules. He said IFA received no public comments and no changes have been made following that approval.

Motion: On a motion by Ms. Baum and a second by Mr. Erickson, the Board unanimously approved the adoption and filing of Chapter 33, I-JOBS Water Quality Financial Assistance Program Rules.

Adopted and Filed Emergency and Notice of Intended Action: New Chapter 37, Recovery Zone Bonds

Mr. Thompson explained that these rules are in response to legislation expanding the use of bond proceeds. He said the Governor is expected to sign the bill soon, and that these rules will not be filed until after the Governor signs the law into effect. Ms. Beary provided a detailed explanation of the rules.

Motion: Mr. Erickson made a motion to approve the adoption and filing emergency and the Notice of Intended Action, contingent on the Governor's signature of House File 2487. On a second by Mr. Adams, the Board unanimously approved the adoption and filing emergency and the Notice of Intended Action for New Chapter 37, Recovery Zone Bonds, to be filed after the Governor signs the bill.

Chair Caudron announced that the Legislative and Communications reports would be presented after the HousingIowa section of the agenda. However, the minutes will still reflect the order shown on the agenda for ease of later reference.

LEGISLATIVE

Mr. Jones provided an update of federal legislation and noted that a more detailed report was included in his cover memo in the Board materials. He also briefly summarized the results of the state legislative session, which adjourned on March 30, 2010. Mr. Jones said IFA staff would now begin planning the implementation of the various programs assigned to IFA by legislation. He stated that he would provide a more thorough update after the Governor signs the remaining bills and after IFA has had time to review any necessary program changes and additions.

COMMUNICATIONS

Ms. Lode reported that the Single-Family Program branding exercise has resulted in the following names for the single-family programs: FirstHome, FirstHome Plus, Military Homeownership Program and Homes for Iowans. She explained that Homes for Iowans is a new program available primarily to borrowers who are not eligible for FirstHome or FirstHome Plus. Ms. Lode said printed materials and the web site will be updated soon to communicate the programs in a streamlined manner.

Ms. Lode also spoke about new online tools for borrowers and lenders, a new video showcasing the State Housing Trust Fund, media coverage of Iowa Rental Help and the updated SRF web site that is being finalized. She then noted that IFA has been notified that the agency will receive an award from the International Association of Business Communicators' Iowa Chapter at an awards ceremony on May 5.

Community Development Programs

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 10-03A, Coralville Medical Center Project

Ms. Beary introduced an application and inducement resolution for \$11,000,000 of Iowa Finance Authority Office Facilities Revenue Bonds for the Coralville Medical Center Project in Coralville. She explained that the bonds will be used to construct a 69,000 square foot medical office building to be used as doctors' offices and medical clinics, and that the project will request an allocation of Midwestern Disaster Area Bonds.

Motion: Mr. Erickson made a motion to adopt the resolution approving an application for \$11,000,000 of Iowa Finance Authority Office Facilities Revenue Bonds (Coralville Medical Center Project) for UDM, LLC (the "Borrower"), and evidencing the intent to proceed with the issuance of \$11,000,000 of Office Facilities Revenue Bonds. On a second by Ms. Brown, the Board unanimously adopted Resolution ED 10-03A.

Resolution ED 10-04A, Coral North Seven Project

Ms. Beary introduced the application and inducement resolution for \$2,000,000 of Iowa Finance Authority Office Facilities Revenue Bonds for the Coral North Seven Project in Coralville. She reported that the bonds will be used to construct an 8,000 square foot dental office and retail building on North Coral Street. Ms. Beary said the project will request an allocation of Midwestern Disaster Area Bonds.

Motion: Ms. Baum made a motion to adopt the resolution approving an application for \$2,000,000 of Iowa Finance Authority Office Facilities Revenue Bonds (Coral North Seven Project) for Northridge Group I, LC and Andersen Investments, L.C. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$2,000,000 of Office Facilities Revenue Bonds. On a second by Ms. Brown, the Board unanimously adopted Resolution ED 10-04A.

Resolution ED 10-05A, Farmers Cooperative Company Project

Ms. Beary introduced the application and inducement resolution for \$14,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Farmers Cooperative Company Project in Churdan, Britt, Latimer, Yale and Earlham. She stated that the bonds will be used to expand and improve grain handling and storage facilities at those locations, specifically for grain bins, handling equipment, dryers and utility improvements. Ms. Beary noted that the project will make a formal request for the allocation of Midwestern Disaster Area Bonds.

Motion: Mr. Erickson made a motion to adopt the resolution approving an application for \$14,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Farmers Cooperative Company Project), Series 2010, for Farmers Cooperative Company (the “Borrower”), and evidencing the intent to proceed with the issuance of \$14,000,000 of Midwestern Disaster Area Revenue Bonds. On a second by Ms. Baum, the Board approved Resolution ED 10-05A.

Resolution ED 06-06B-1, Sweetman Construction Company Project

Ms. Beary introduced an amending resolution regarding \$1,180,000 of Iowa Finance Authority Variable Rate Demand Economic Development Revenue Bonds for the Sweetman Construction Company Project in Rock Valley. She reported that the bonds were issued in 2006 with Wells Fargo Brokerage as the remarketing agent, but that due to the merger of Wells Fargo Brokerage with Wachovia Bank, changes now need to be made to the Indenture. Ms. Beary said that this resolution allows for amendments to the Indenture regarding the remarketing agent.

Motion: Ms. Baum made a motion to approve the resolution amending Resolution ED 06-06B regarding \$1,180,000 of Iowa Finance Authority Variable Rate Demand Economic Development Revenue Bonds (Sweetman Construction Company Project), Series 2006. On a second by Mr. Erickson, the Board unanimously approved Resolution ED 06-06B-1.

Resolution ED 730 B-1, Diocese of Sioux City Project

Ms. Beary introduced an amending resolution regarding \$11,000,000 of Iowa Finance Authority Variable Rate Demand Revenue Bonds for the Diocese of Sioux City Project. She noted that the bonds were issued in 1999 and that the resolution amends the supplemental indenture so that an opinion of bond counsel is not required when the existing letter of credit is extended. Ms. Beary explained that each of the parties involved has approved the changes.

Motion: Ms. Brown made a motion to approve the resolution amending Resolution ED 730B regarding \$11,000,000 of Iowa Finance Authority Variable Rate Demand Revenue Bonds (Diocese of Sioux City Project), Series 1999. On a second by Mr. Adams, the Board unanimously approved Resolution ED 730 B-1.

WATER QUALITY PROGRAMS

Resolution WQ 10-04, Planning & Design Loans

Ms. Beary introduced the resolution approving Planning & Design Loans totaling \$2,969,846 for the cities of Knoxville, Collins, Conesville, Winterset, Walker, Joice, Atalissa, Anita, Neola, Kingsley, Fort Madison and Tiffin.

Motion: On a motion by Ms. Armstrong and a second by Mr. Erickson, the Board unanimously approved Resolution WQ 10-07, authorizing Planning & Design Loans to the entities and in the amounts set forth on Exhibit A of the resolution.

Ms. Beary then announced that IFA has received about 216 applications for the I-JOBS Water Quality Financial Assistance Awards for small communities, requesting approximately ten times more funding than is currently available. She said staff members will begin to review the applications in the near future.

HousingIowa

AFFORDABLE RENTAL PRODUCTION PROGRAMS

Resolution HI 10-08, Tax Credit Program Awards (ARRA Section 1602)

Mr. Vaske announced that the Board materials included a memo stating that IFA has rescinded an award of Section 1602 funds to Crestview Acres in the amount of \$2,684,299 because the project did not comply with the requirement of closing the program agreement within 120 days from the date of the Letter of Solicitation. Because that award has been rescinded, IFA is able to make another award.

Mr. Vaske introduced the resolution allocating a Section 1602 award to one project in Cedar Rapids, which previously received an allocation that had to be rescinded because of not meeting the deadline for closing the program agreement. He provided a brief description of the project, which submitted a new application after the award was rescinded.

Motion: Ms. Armstrong made a motion to approve the resolution authorizing the award of Section 1602 funding to the recipient and in the amount listed on Exhibit A of the resolution. On a second by Mr. Erickson, the Board unanimously approved Resolution HI 10-08.

Resolution HI 10-09, I-JOBS Affordable Housing Assistance Grant Fund Awards

Ms. Rosonke introduced the resolution allocating awards to six projects for a total of \$2,249,722 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 six projects, awards to date for this program will total \$17,313,691, leaving \$2,686,309 still available for allocation.

Motion: Ms. Armstrong 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. On a second by Mr. Walter, the Board unanimously approved Resolution HI 10-09.

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

Ms. Rosonke introduced the resolution allocating an award to one project for a total of \$25,000 under the FY 2010 funding round. She provided details about the project as set forth in the summary 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 this project, awards to date for the program will total \$375,000, leaving \$773,204 remaining available for allocation. She reported that \$90,000 has been added back in after a grant to the NIAD Center for Human Development dba Crisis Intervention Service was rescinded because that nonprofit organization decided not to proceed with proposed plans to construct a new facility in Mason City to provide emergency shelter for victims of domestic violence and sexual assault.

Motion: Mr. Erickson made a motion to approve the resolution awarding a grant under the State Housing Trust Fund Project-Based Housing Program to the recipient and in the amount listed on Exhibit A of the resolution. On a second by Mr. Johnson, the Board unanimously approved Resolution HI 10-10.

Ms. Brown left the meeting at 12:00 noon, at which point the meeting became an electronic meeting because there was no longer a quorum in person, due to scheduling conflicts of several Board members.

Title Guaranty Division (TGD)

Mr. Ogle announced that TGD revenue for March was \$453,000, which was the lowest monthly revenue for the current fiscal year, but higher than any month in the previous fiscal year. He said TGD plans to hold three Regional Academies in May and the Settlement Services Conference in August.

Miscellaneous Items

Receive Comments from General Public

Chair Caudron 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 Caudron 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, May 12, 2010, in IFA's Presentation Room.

Adjournment

There being no further business, on a motion by Ms. Armstrong and a second by Mr. Erickson, the April 7, 2010, meeting of the IFA Board of Directors adjourned at 12:15 p.m.

Dated this 12th day of May 2010.

Respectfully submitted:

Approved as to form:

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

Roger J. Caudron, Chair
Iowa Finance Authority