



BOARD MEETING MINUTES

**Iowa Finance Authority Presentation Room
2015 Grand Avenue
Des Moines, Iowa
May 12, 2010**

Board Members Present

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

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)
Eric Chatman, Deputy Director/Chief Financial Officer	Carla Pope, Director of Affordable Rental Production
Stacy Cunningham, LIHTC Analyst	Terri Rosonke, HousingIowa Development Specialist
Connie Dippel, Housing Production Specialist	Mark Thompson, General Counsel
Jess Flaherty, Administrative Assistant	David Vaske, Low-Income Housing Tax Credit Manager
Irene Hardisty, Director of Single-Family Production	Nancy Wallis, Administrative Assistant
Steve Harvey, Director of Operations/ Comptroller	

Others Present

Clark Booth – Koester Construction	Frank Levy – Newbury Management Company
Bob Burns – BurnsHousing.com	Tim Mauro – Southview Senior Apartments
Jim Conlin – Conlin Properties	Renie Neuberger – Neuberger Consulting
Joni DeVries – Wells Fargo Bank Iowa, NA	Angela Powers – Newbury Management Company
Dave Epley – House Democratic Staff	Anthony Putz – USDA Rural Development
Brett Hyland – Hubbell Realty	Randee Slings – Iowa Land Title Association
Dan Garrett – Midwest Housing Equity Group	James Smith – Dorsey & Whitney, LLP
David Grossklaus – Dorsey & Whitney, LLP	Jeffrey Voorhees – National Consulting Alliance
Paul Koester – Koester Construction	

Call to Order

Chair Caudron called to order the May 12, 2010, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:03 a.m. Roll call was taken and a quorum was established with the following Board members present: Armstrong, Baum, Bordwell, Brown, Caudron, Erickson, Johnson and Walter.

Review of Minutes

April 7, 2010, Board Meeting

Chair Caudron introduced the minutes of the April 7, 2010, regular monthly meeting of the IFA Board of Directors. Ms. Wallis reported that she had made a change prior to the meeting at the bottom of page 5, where it should have referred to Resolution WQ 10-07 rather than WQ 10-04.

Ms. Bordwell said she would abstain because she did not participate in the meeting on April 7, 2010.

Motion: Mr. Walter made a motion to approve the minutes as amended. On a second by Mr. Johnson, the Board approved the minutes of the April 7, 2010, meeting of the IFA Board as amended, with Ms. Bordwell abstaining.

April 26, 2010, Telephonic Board Meeting

Chair Caudron introduced the minutes of the April 26, 2010, telephonic meeting of the IFA Board of Directors.

Motion: On a motion by Ms. Bordwell and a second by Mr. Johnson, the Board unanimously approved the minutes of the April 26, 2010, IFA Telephonic Board meeting.

HousingIowa

AFFORDABLE RENTAL PRODUCTION PROGRAMS

Resolution HI 10-12, HOME and Nonprofit Set-Aside Tax Credit Program Awards

Mr. Vaske thanked the developers who submitted applications for the current round of funding. He also thanked IFA's Information Technology staff and the tax credit staff for their hard work on this funding round.

Mr. Vaske introduced the resolution allocating awards to nine projects under the Low-Income Housing Tax Credit Program for the HOME set-aside and the nonprofit set-aside. Using a PowerPoint presentation, he presented details about each project being recommended for funding.

Motion: Mr. Johnson made a motion to approve the resolution authorizing the award of allocations under the Low-Income Housing Tax Credit Program for the HOME set-aside and the nonprofit set-aside to the recipients and in the amounts listed on Exhibit A of the resolution. On a second by Ms. Armstrong, the Board unanimously approved Resolution HI 10-12.

Resolution HI 10-13, I-JOBS Affordable Housing Assistance Grant Fund Awards

Chair Caudron submitted a letter disclosing a conflict of interest on three of the projects under consideration. He said he would abstain from discussing and voting on the resolution because he has a contractual interest with the principle of Sioux Falls Environmental Access, Inc., but no ownership interest in any of the projects considered. Chair Caudron turned the meeting over to Vice Chair Walter and left the meeting.

Ms. Rosonke introduced the resolution allocating awards to five projects for a total of \$2,686,309 under the FY 2010 funding round. She provided details about each project as set forth in the summaries included in the Board materials. Ms. Rosonke stated that if the Board approves the funding to all five projects, awards to date for this program will total \$20,000,000, exhausting all funds under the program. She noted that the awards the Board has approved have leveraged \$1.57 for every dollar of I-JOBS funding and will assist a total of 981 affordable housing units in Iowa with an average per-unit subsidy of \$20,387.

Motion: Ms. Bordwell 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. Erickson, a vote was taken with the following results: YES: Armstrong, Baum, Bordwell, Brown, Erickson, Johnson and Walter; No: None; ABSTAIN: Caudron.[See attached letter]. The Board approved Resolution HI 10-13 on a majority vote.

Chair Caudron returned to the meeting as Chair.

Administration

SUMMARY & OVERVIEW

Director O'Hern made mention of a letter included behind tab 6 of the Board materials from East Central Iowa Council of Government thanking the IFA Board and staff for the line of credit approved for them recently.

Director O'Hern reported that on May 11, he attended the groundbreaking for Taylor Heights Village, a project to rehabilitate the old Taylor School in Davenport. He said the school was built in the 1890s, but has been vacant for 20-30 years. Director O'Hern noted that the Mayor and the developer and staff were all appreciative of IFA's work on the project.

Review of Financial Statement

Mr. Harvey presented the March 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 \$2,892,952 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 \$223,316 unfavorable to budget, based on a total operating income of \$18,319,566.

Motion: On a motion by Ms. Brown and a second by Ms. Baum, the Board unanimously accepted the March 2010 financial statement.

LEGAL

Adopted and Filed Emergency and Notice of Intended Action Re: Chapter 3, Multifamily Loan Program

Mr. Thompson announced that this is an enhancement of the Multifamily Lending Program that would allow cities and counties to develop workforce housing by borrowing from IFA and, in turn, lending the funds to the developer.

Director O'Hern explained that during the last session, the Legislature approved funding for workforce housing, but appropriated no funding for it.

Mr. Thompson noted that the revised rules will allow loans to be made from IFA funds, but at least 50 percent of the units must be reserved for families at or below 120 percent of the area median income.

Motion: On a motion by Mr. Walter and a second by Ms. Baum, the Board unanimously approved the amendments to Chapter 3, Multifamily Loan Program.

COMMUNICATIONS

Ms. Lode reported that the new brochure explaining the recapture policy on single-family homes is available in print and online. She also noted that the brochure detailing all of IFA's homeownership programs is currently available online and should be available in printed form in late June or early July. Ms. Lode said that the Homes for Iowans program information is available online with specific information for lenders, realtors and home buyers and allows the opportunity to sign up for updates by text messages. She also stated that the Iowa Rental Help Hotline still receives at least 200 phone calls each week.

Ms. Lode announced that IFA recently received two awards from the International Association of Business Communicators' Iowa Chapter: Award of Merit (second place) for IFA's funnel cake event for the Legislature, and the Award of Excellence (first place) for the 2008 Annual Report in the form of a map. She said Ms. Jared accepted the awards on IFA's behalf at an award ceremony on May 5.

Community Development Programs

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 10-06A, VTI Architectural Products, Inc. Project

Ms. Beary introduced an application and inducement resolution for \$10,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the VTI Architectural Products, Inc. Project in Holstein, located in Ida County. She explained that the bonds will be used to increase the capacity of the existing facility by purchasing equipment used in the manufacture of doors. Ms. Beary noted that the project will require an allocation of Private Activity Bond Cap.

Motion: Ms. Bordwell made a motion to adopt the resolution approving an application for \$10,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds (VTI Architectural Products, Inc. Project), Series 2010, for VTI Architectural Products, Inc. (the "Borrower"), and evidencing the intent to proceed with the issuance of \$10,000,000 of Manufacturing Facility Revenue Bonds. On a second by Mr. Erickson, the Board unanimously adopted Resolution ED 10-06A.

Resolution ED 10-07A, Genesis Health System Project

Ms. Beary introduced the application and inducement resolution for \$110,000,000 of Iowa Finance Authority Healthcare Revenue Bonds for the Genesis Health System Project. She said the bonds will be used for ongoing construction and remodeling activities including cardiac, dialysis, labs, ICU and patient rooms at the Iowa campuses of Genesis Health System, including two in Davenport and one in DeWitt. Ms. Beary reported that the proceeds of the bonds will also be used to refund prior bonds.

Motion: Mr. Walter made a motion to adopt the resolution approving an application for \$110,000,000 of Iowa Finance Authority Healthcare Revenue Bonds, Series 2010, (Genesis Health System) for Genesis Health System (the "Borrower"), and evidencing the intent to proceed with the issuance of \$110,000,000 of Healthcare Revenue Bonds. On a second by Mr. Johnson, the Board unanimously adopted Resolution ED 10-07A.

Resolution ED 10-08A, New Horizon Cooperative Project

Ms. Beary introduced the application and inducement resolution for \$4,500,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the New Horizon Cooperative Project in Britt, located in Hancock County. She stated that the bonds will be used for the acquisition, construction and equipping of additional facilities to expand the existing egg laying operation. Ms. Beary explained that New Horizon Cooperative has approximately 105 owners located in the surrounding area consisting of over 90 farmers. She said 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 \$4,500,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (New Horizon Cooperative Project), Series 2010, for New Horizon Cooperative (the “Borrower”), and evidencing the intent to proceed with the issuance of \$4,500,000 of Midwestern Disaster Area Revenue Bonds. On a second by Ms. Armstrong, the Board approved Resolution ED 10-08A.

Resolution ED 10-09A, Kennybook Village Project

Ms. Beary introduced the application and inducement resolution for \$8,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Kennybook Village Project in Grimes. She stated that the bonds will be used to construct an assisted living facility and a skilled nursing facility, and that the project has obtained a certificate of need from the Iowa Department of Public Health. Ms. Beary noted that the project will request an allocation of Midwestern Disaster Area Bonds.

Motion: Ms. Brown made a motion to adopt the resolution approving an application for \$8,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Kennybook Village Project), Series 2010, for CCRC of Grimes, LLC (the “Borrower”), and evidencing the intent to proceed with the issuance of \$8,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds. On a second by Ms. Baum, the Board unanimously approved Resolution ED 10-09A.

Resolution ED 10-10A, Kum & Go Rehabilitation Bonds Project

Ms. Beary introduced the application and inducement resolution regarding \$20,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Kum & Go Rehabilitation Bonds Project. She reported that the bonds will be used to construct, reconstruct and renovate approximately 135 convenience stores in counties impacted by the flooding of 2008. Ms. Beary noted that this project will request an allocation of Midwestern Disaster Area Bonds.

Motion: Ms. Bordwell made a motion to adopt the resolution approving an application for \$20,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Kum & Go Rehabilitation Bonds Project), Series 2010, for Kum & Go, L.C. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$20,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds. On a second by Mr. Johnson, the Board unanimously approved Resolution ED 10-10A.

Resolution ED 10-11A, The Celebration Farm Project

Ms. Beary introduced the application and inducement resolution for \$2,500,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Celebration Farm Project in Iowa City. She explained that the bonds will be used to construct event facilities in the theme of a farm, and mixed use commercial space to be used for light manufacturing, offices and retail. Ms. Beary reported that the project will request an allocation of Midwestern Disaster Area Bonds.

Motion: Mr. Walter made a motion to adopt the resolution approving an application for \$2,500,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Celebration Farm Project), Series 2010, for The Celebration Farm, LLC (the “Borrower”), and evidencing the intent to proceed with the issuance of \$2,500,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds. On a second by Ms. Armstrong, the Board unanimously approved Resolution ED 10-11A.

Public Hearing for ED 09-25B, Art’s-Way Manufacturing Co., Inc. Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$1,300,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Art’s-Way Manufacturing Co., Inc. Project in West Union, located in Fayette County. She reported that Art’s-Way, a manufacturer of agricultural machinery, will use the bonds to construct an additional building to expand their business.

Chair Caudron opened the public hearing at 11:50 a.m. regarding the issuance of an amount not to exceed \$1,300,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Art's-Way Manufacturing Co., Inc. Project. Ms. Beary said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Chair Caudron closed the public hearing at 11:51 a.m.

Resolution ED 09-25B, Art's-Way Manufacturing Co., Inc. Project

Ms. Beary introduced the authorizing resolution for \$1,300,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Art's-Way Manufacturing Co., Inc. Project in West Union. She stated that the Board adopted the inducement resolution on December 9, 2009, and that the project will require an allocation of Private Activity Bond Cap.

Motion: Mr. Erickson made a motion to approve the resolution authorizing the issuance of not to exceed \$1,300,000 of Manufacturing Facility Revenue Bonds (Art's-Way Manufacturing Co., Inc. Project) for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; and related matters. On a second by Ms. Armstrong, the Board unanimously approved Resolution ED 09-25B.

Resolution ED 747B-1, The Mill Apartments Project

Ms. Beary introduced an amending resolution regarding \$6,500,000 of Iowa Finance Authority Multifamily Mortgage Revenue Refunding Bonds for The Mill Apartments Project. She explained that the proceeds of the bonds, which were issued in 1999, were used to construct a 144-unit multifamily residential rental project in Des Moines, now known as Ashley Square Apartments. Ms. Beary stated that this resolution amends the original trust indenture to permit a partial redemption of the bonds on any date, change the interest payment date, permit the notice of optional redemption to be waived, use the sinking fund to redeem a portion of the bonds and fix the rate of interest on the bonds. She noted that each of the parties involved has approved the changes.

Motion: Ms. Brown made a motion to approve a resolution amending Resolution No. 747B regarding \$6,500,000 of Iowa Finance Authority Multifamily Mortgage Revenue Refunding Bonds (The Mill Apartments Project), Series 1999. On a second by Ms. Armstrong, the Board unanimously approved Resolution ED 747B-1.

WATER QUALITY PROGRAMS

Resolution WQ 10-08, Planning & Design Loans

Ms. Beary introduced the resolution approving Planning & Design Loans totaling \$2,167,285 for the cities of Albion, Sloan, Carlisle, Wall Lake, and for Polk County and ADLM – Davis County.

Motion: On a motion by Ms. Bordwell and a second by Ms. Brown, the Board unanimously approved Resolution WQ 10-08, authorizing Planning & Design Loans to the entities and in the amounts set forth on Exhibit A of Resolution WQ 10-08.

Ms. Beary then announced that RSM McGladrey recently performed a risk assessment of the SRF program. She said that although they found nothing major, the SRF staff is working to develop some changes in the program. She also noted that SRF staff members are reviewing the 219 I-JOBS applications for small communities and hope to have awards ready to announce at the June or July Board meeting.

Title Guaranty Division (TGD)

Mr. Ogle announced that TGD revenue for April was \$371,000. He reported that revenue for the commercial division of TGD was \$100,000 the first year, \$200,000 the second year and is already \$400,000 for the first nine months of the current fiscal year. Mr. Ogle also announced that TGD is going to hire a compliance officer to perform compliance and auditing as well as to launch a program to monitor compliance of abstractors.

Chair Caudron thanked the TGD staff for their hard work.

Mr. Adams arrived at 11:59 a.m.

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.

Board and staff members briefly discussed the possibility of a Board meeting in Cedar Rapids sometime in the next few months. Ms. Wallis will work with Board members to determine a date that will work.

Next Meeting

The next regular monthly meeting of the IFA Board of Directors will be held at 11:00 a.m. on Wednesday, June 9, 2010, in IFA's Presentation Room.

Adjournment

There being no further business, on a motion by Mr. Adams and a second by Mr. Walter, the May 12, 2010, meeting of the IFA Board of Directors adjourned at 12:05 p.m.

Dated this 9th day of June 2010.

Respectfully submitted:

Approved as to form:

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

Roger J. Caudron, Chair
Iowa Finance Authority

Memorandum

To: Joseph O'Hern, Executive Director
Mark Thompson, General Counsel
Nancy Wallis, Administrative Assistant

From: Roger Caudron


Date: May 12, 2010

Re: Disclosure of Conflict of Interest

Pursuant to Iowa Code section 16.35, the undersigned member of the Board of the Iowa Finance Authority hereby discloses the following conflict of interest with respect to Resolution HI-13, IJOBS Affordable Housing Assistance Grant Program being considered at the May 12, 2010 Board Meeting.

I have a contractual interest with a principle of Sioux Falls Environmental Access, Inc. who is an applicant for funding under the IJOBS Affordable Housing Assistance Grant Program and I have provided professional services to Sioux Falls Environmental Access in preparation of these applications and in other programs related to the specific projects in Akron, Woodbine and Holstein. My conflict relates specifically to the provision of professional services to the applicant and I do not have an ownership interest in any of the projects considered.

Because of the Conflict, the undersigned will not participate in action by the Authority with respect to the matter described above.


(Signature)

Roger J. Caudron, Chairman of the Board
(Printed Name)