



BOARD MEETING MINUTES

**Iowa Finance Authority Presentation Room
2015 Grand Avenue
Des Moines, Iowa
August 4, 2010**

Board Members Present

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

Staff Members Present

Joe O'Hern, Executive Director/Board Secretary	Tim Morlan, Underwriter
Eric Chatman, Deputy Director/Chief Financial Officer	Loyd Ogle, Director of Title Guaranty Division
Jess Flaherty, Administrative Assistant	Carla Pope, Director of Affordable Rental Production
Irene Hardisty, Director of Single-Family Production	Terri Rosonke, HousingIowa Development Specialist
Steve Harvey, Director of Operations/Comptroller	Mark Thompson, General Counsel
Joseph Jones, Director of Governmental Affairs	Nancy Wallis, Administrative Assistant
Shawna Lode, Communications Director	Karen Winchester, Underwriting Analyst

Others Present

Aaron Barker – Office of the Governor	David Grossklaus – Dorsey & Whitney, LLP
Michael Barnes – Barnes Properties	Dean Hoag – Republic Abstract
Bob Burns – BurnsHousing.com	Brett Hyland – Hubbell Realty
Jan Fleming	Kyle Rice – State Treasurer's Office
Dan Garrett – Midwest Housing Equity Group	James Smith – Dorsey & Whitney, LLP

Call to Order

Chair Caudron called to order the August 4, 2010, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:14 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

July 7, 2010, Board Meeting

Chair Caudron introduced the minutes of the July 7, 2010, regular monthly meeting of the IFA Board of Directors.

Motion: On a motion by Ms. Armstrong and a second by Mr. Walter, the Board unanimously approved the minutes of the July 7, 2010, meeting of the IFA Board.

Administration

ELECTION OF OFFICERS

Chair Caudron opened the floor to nominations for Chair, Vice Chair and Treasurer of the IFA Board.

Motion: Mr. Adams made a motion to retain the current slate of officers. On a second by Ms. Armstrong, the Board voted unanimously to continue with Mr. Caudron as Chair, Mr. Walter as Vice Chair and Ms. Brown as Treasurer.

SUMMARY & OVERVIEW

Director O'Hern spoke briefly about various projects the IFA staff is currently working on, including another round of tax credit awards, the HOME program, a new round of I-JOBS funding, a new disaster recovery program being proposed by Governor Culver, projects still in the development phase under the American Recovery and Reinvestment Act of 2009 (ARRA), and the upcoming HousingIowa Conference.

ACCOUNTING AND FINANCE

Review of Financial Statement

Mr. Harvey presented the June 2010 financial results, noting that as a housing agency, year-to-date net operating income of \$7,092,135 is favorable to budget by \$3,103,500. He stated that IFA finished the fiscal year in a sound financial position and that staff is currently working on the year-end audit report.

Mr. Harvey reported that SRF year-to-date net operating income of \$22,522,912 is \$3,278,838 unfavorable to budget.

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

Resolution FIN10-06, Construction Loan for LIHTC 09-0904, Crestview Terrace

Mr. Morlan introduced the resolution approving a construction loan for Crestview Terrace, a project in West Des Moines that will provide 55 units that are 100% affordable to people age 55 and older. He said the project has already been awarded tax credits from the 2009 funding round, a grant from the Section 1602 Exchange Program and a permanent loan not to exceed \$1.3 million. Mr. Morlan noted, however, that Northwest Bank has requested that IFA participate in the construction loan with them due to their funding constraints with the developer, Community Housing Initiatives. IFA's proposed participation in the construction loan of \$3 million would be funded from the Senior Living Revolving Loan Fund. Mr. Morlan explained that while this amount is above the normal maximum loan amount, the lack of interest in the program and the current balance of \$3.5 million make it appear to be a good use of the funds.

Motion: Ms. Bordwell made a motion to approve the resolution authorizing IFA to work with the borrower and the bank to participate with the bank in a first mortgage construction loan to the borrower in an amount not to exceed \$3 million from IFA's Senior Living Loan Fund, with a maturity of 24 months or less and with the loan secured by a first mortgage on the real property of the borrower. On a second by Mr. Johnson, the Board unanimously approved Resolution FIN 10-06.

LEGAL

Adopted and Filed Re: Chapter 3, Multifamily Loan Program

Mr. Thompson announced that the Board approved the emergency adoption and filing of these rules along with the Notice of Intended Action on May 12, 2010. He said that because IFA received no comments during the public comment period, the rules are ready for the final filing.

Chair Caudron noted that the amendments allow IFA to provide funding for workforce housing, for which one contract has already been signed and the project is in the planning stages.

Motion: On a motion by Ms. Baum and a second by Ms. Armstrong, the Board unanimously approved the adoption and filing of Chapter 3, Multifamily Loan Program.

Adopted and Filed Re: Amendments to Chapter 29, Jumpstart Housing Assistance Program

Mr. Thompson briefly summarized the rules, stating that the IFA Board approved the emergency adoption and filing of these amendments along with the Notice of Intended Action on June 9, 2010. He said the amendments waive the repayment of a loan relating to energy efficiency as the result of a buyout if the owner submits receipts for the items purchased. Mr. Thompson explained that because IFA received no comments during the public comment period, the rules are ready for the final filing.

Motion: On a motion by Mr. Johnson and a second by Ms. Bordwell, the Board unanimously approved the adoption and filing of the amendments to Chapter 29, Jumpstart Housing Assistance Program.

Request for Waiver of Rules: Chapter 24, Home- and Community-Based Services Rent Subsidy Program – Jan Fleming

Mr. Thompson provided background for the proposed waiver request, in which Ms. Fleming is requesting that the IFA Board waive the rule that states that one person living alone qualifies only for a one-bedroom apartment, rather than the two-bedroom apartment in which Ms. Fleming has been residing. He noted that IFA staff became aware of the living arrangement in January 2010 when Ms. Fleming applied for recertification in the program. At that time, her rent subsidy was lowered based on the formula used to determine the amount of monthly assistance for which a person is eligible.

Ms. Fleming asked for permission to address the Board, which was granted based on a consensus of the Board members. Chair Caudron asked her to keep her comments very brief.

Director O'Hern then emphasized that the waiver would be retroactive to February 1, 2010, but only for the current certification year, expiring on January 31, 2011.

Motion: On a motion by Ms. Armstrong and a second by Mr. Johnson, the Board unanimously approved Ms. Fleming's request for waiver of rules included in Chapter 24, effective from February 1, 2010, until January 31, 2011.

Chair Caudron then reminded Ms. Fleming that the waiver was for the current certification year and that she would need to come into compliance by the end of that time.

COMMUNICATIONS

Ms. Lode reported that IFA held a news conference in July with Ms. Culver to highlight the success of the Iowa Rental Help Program and the homelessness report. She announced that 75 percent of the people who sought help are back on their feet with no assistance and that 58 percent of the homeless individuals who sought help for rapid re-housing are now in permanent rental units.

Ms. Lode also spoke briefly about the HousingIowa Conference registrations, award nominations and sponsorships.

Community Development Programs

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 10-19A, Rydell Warehouse, LLC Project

Mr. Thompson introduced the application and inducement resolution for \$1,060,800 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Rydell Warehouse, LLC Project in Evansville, located in Black Hawk County. He explained that the bonds will be used to construct a 600,000-square-foot warehouse and storage facility. Mr. Thompson noted that the project will require an allocation of Midwestern Disaster Area Bonds.

Motion: Mr. Johnson made a motion to adopt the resolution approving an application for \$1,060,800 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Rydell Warehouse, LLC Project), Series 2010, for Rydell Chevrolet, Inc. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$1,060,800 of Revenue Bonds. On a second by Ms. Armstrong, the Board unanimously adopted Resolution ED 10-19A.

Resolution ED 10-20A, R & R Investors, LTD Project

Mr. Thompson introduced the application and inducement resolution for \$106,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the R & R Investors, LTD Project. He reported that the bonds will be used for renovation and improvement of 75 commercial properties in Polk and Dallas Counties. Mr. Thompson noted that the project will require an allocation of Midwestern Disaster Area Bonds.

Motion: Ms. Brown made a motion to adopt the resolution approving an application for \$106,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (R & R Investors, LTD Project), Series 2010, for R & R Investors, LTD and related entities (the “Borrower”), and evidencing the intent to proceed with the issuance of \$106,000,000 of Midwestern Disaster Area Revenue Bonds. On a second by Mr. Adams, the Board unanimously adopted Resolution ED 10-20A.

Resolution ED 10-21A, Mid-Eastern Council on Chemical Abuse (MECCA) Project

Mr. Thompson introduced the application and inducement resolution for \$3,794,000 of Iowa Finance Authority Non-Profit Facility Revenue Bonds for the MECCA Project. He explained that MECCA, a 501c(3) organization providing comprehensive substance abuse services, will use the bonds to refinance and rehabilitate seven buildings in Iowa City and Des Moines.

Motion: Ms. Bordwell made a motion to adopt the resolution approving an application for \$3,794,000 of Iowa Finance Non-Profit Facility Revenue Bonds (Mid-Eastern Council on Chemical Abuse Project), Series 2010, for Mid-Eastern Council on Chemical Abuse (the “Borrower”), and evidencing the intent to proceed with the issuance of \$3,794,000 of Non-Profit Facility Revenue Bonds. On a second by Ms. Armstrong, the Board unanimously adopted Resolution ED 10-21A.

Resolution ED 10-22A, Care Initiatives Project

Mr. Thompson introduced the application and inducement resolution for \$27,700,000 of Iowa Finance Authority Health Care Facility Revenue Refunding Bonds for the Care Initiatives Project. He reported that the bonds will be used to refinance bonds issued by IFA in 2002 and 2006. Mr. Thompson noted that Care Initiatives is a 501c(3) nonprofit corporation.

Motion: Ms. Baum made a motion to adopt the resolution approving an application for \$27,700,000 of Iowa Finance Authority Health Care Facility Revenue Refunding Bonds (Care Initiatives Project), Series 2010, for Care Initiatives (the “Borrower”), and evidencing the intent to proceed with the issuance of \$27,700,000 of Health Care Facility Revenue Refunding Bonds. On a second by Ms. Brown, the Board unanimously adopted Resolution ED 10-22A.

Public Hearing for ED 10-14, Ryan Companies US, Inc. Project

Mr. Thompson asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$28,000,000 of Iowa Finance Authority Midwestern Disaster Area Bonds for the Ryan Companies US, Inc. Project. He said the bonds will be used to acquire land and to construct and equip two buildings totaling about 200,000 square feet to be used for offices and labs on 18 acres in Johnston.

Chair Caudron opened the public hearing at 11:50 a.m. regarding the issuance of an amount not to exceed \$28,000,000 of Iowa Finance Authority Midwestern Disaster Area Bonds for the Ryan Companies US, Inc. Project. Mr. Thompson 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 10-14B, Ryan Companies US, Inc. Project

Mr. Thompson introduced the authorizing resolution for \$28,000,000 of Iowa Finance Authority Midwestern Disaster Area Bonds for the Ryan Companies US, Inc. Project. He noted that the Board approved the application and inducement resolution on June 9, 2010. Mr. Thompson said the project will request an allocation of Midwestern Disaster Area Bonds.

Motion: Ms. Armstrong made a motion to approve the resolution authorizing the issuance of not to exceed \$28,000,000 of Iowa Finance Midwestern Disaster Area Bonds (Ryan Companies US, 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 Mr. Johnson, the Board unanimously approved Resolution ED 10-14B.

Public Hearing for ED 10-15, Sunrise Retirement Community Project

Mr. Thompson asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$28,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds for the Sunrise Manor Project in Sioux City. He said the bonds will be used to acquire, construct and equip a 46-unit assisted living facility to replace the existing assisted living facility known as Fountain View Assisted Living, and for a 38-bed nursing home to replace the current nursing home facility known as Health Center. Mr. Thompson stated that a portion of the bond proceeds will also be used to refinance existing bonds.

Chair Caudron opened the public hearing at 11:52 a.m. regarding the issuance of an amount not to exceed \$28,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds for the Sunrise

Manor Project. Mr. Thompson 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 11:53 a.m.

Resolution ED 10-15B, Sunrise Retirement Community Project

Mr. Thompson introduced the authorizing resolution for \$28,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds for the Sunrise Manor Project in Sioux City. He reported that the Board approved the application and inducement resolution on June 9, 2010. Mr. Thompson stated that Sunrise is a 501c(3) nonprofit corporation.

Motion: Ms. Bordwell made a motion to approve the resolution authorizing the issuance of not to exceed \$28,000,000 of Iowa Finance Health Care Facility Revenue Bonds (Sunrise Retirement Community Project), in one or more series for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project and refunding existing indebtedness; 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; authorizing the appointment of a trustee; and related matters. On a second by Mr. Johnson, the Board unanimously approved Resolution ED 10-15B.

Public Hearing for ED 10-18, Lutheran Home for the Aged Project

Mr. Thompson asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$3,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds for the Lutheran Home for the Aged Association - East Project. He said the bonds for this 501c(3) nonprofit corporation will be used for improvements to existing facilities in Vinton and Davenport.

Chair Caudron opened the public hearing at 11:55 a.m. regarding the issuance of an amount not to exceed \$3,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds for the Lutheran Home for the Aged Association - East Project. Mr. Thompson 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 11:56 a.m.

Resolution ED 10-18B, Lutheran Home for the Aged Project

Mr. Thompson introduced the authorizing resolution for \$3,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds for the Lutheran Home for the Aged Association - East Project. He said the Board approved the application and inducement resolution on July 7, 2010. Mr. Thompson noted that the project is a 501c(3) nonprofit corporation.

Motion: Mr. Walter made a motion to approve the resolution authorizing the issuance of not to exceed \$3,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds (Lutheran Home for the Aged Association - East Project), Series 2010, for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project and refunding existing indebtedness; 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; authorizing the appointment of a trustee; and related matters. On a second by Ms. Baum, the Board unanimously approved Resolution ED 10-18B.

HousingIowa

AFFORDABLE RENTAL PRODUCTION PROGRAMS

Resolution HI 10-24, State Housing Trust Fund Project-Based Housing Program Awards

Ms. Rosonke introduced the resolution allocating awards to two projects for a total of \$62,000. She provided details about each of the projects as set forth in the summaries included in the Board materials. Ms. Rosonke announced that these proposed allocations are the first awards under the FY 2011 funding round, which includes total available funding of \$372,704, leaving \$310,704 available for future awards.

Motion: Ms. Armstrong made a motion to approve the resolution awarding grants under the State Housing Trust Fund Project-Based Housing Program as set forth on Exhibit A of the resolution. On a second by Ms. Bordwell, the Board unanimously approved Resolution HI 10-24.

Resolution HI 10-25, TCAP Award to Meadows Apartments

Ms. Pope explained that the Meadows Apartments project has received TCAP funding in the amount of \$1,504,651 two different times, but that each time, the award was rescinded because the project was unable to finalize the agreement within 120 days as required in the contract. She said, however, that the project has submitted a new application and IFA staff members believe that the project will now be able to proceed.

Motion: Ms. Brown made a motion to approve the resolution authorizing IFA to enter into a Letter of Solicitation with the Ownership Entity of the Project, committing TCAP funding to the project in the amount of \$1,504,651, pending the closing of such Ownership Entity's sale of tax credits; and to enter into a TCAP loan agreement with the Ownership Entity within 120 days. On a second by Mr. Walter, the Board unanimously approved Resolution HI 10-25.

Title Guaranty Division (TGD)

Request from Cerro Gordo Abstract Company for Extension of Waiver of Iowa Administrative Code (IAC) Rule 265—9.1(16), Definition of “Abstract of Title”

Mr. Ogle introduced a request from Cerro Gordo Abstract Company for Extension of Waiver of Iowa Administrative Code Rule 265—9.1(16). He noted that the Board granted a waiver on August 5, 2009, effective for one year, and only for flood-damaged properties in Cerro Gordo County. Mr. Ogle said the company is now requesting an extension because the acquisition progress by the city of Mason City was delayed by Federal Grant regulations and funding, resulting in additional title work yet to be completed. He reported that the city of Mason City requested that Cerro Gordo Abstract Company renew its waiver for one more year, and that Cerro Gordo Abstract Company requested that the scope of waiver be expanded to include not only FEMA-funded transaction, but also those transactions funded by the Iowa Department of Economic Development.

Mr. Ogle introduced a proposed order granting an extension of waiver of IAC Rule 265—9.1(16) to Cerro Gordo Abstract Company.

Motion: On a motion by Mr. Adams and a second by Ms. Baum, the Board unanimously approved the proposed order granting the requested waiver of IAC Rule 265—9.1(16), definition of “abstract of title.”

Mr. Ogle then reported that TGD's general revenue for July was \$413,000. He announced that TGD would be hosting their annual Settlement Services Conference on August 25, 2010. Mr. Ogle closed

by reporting that TGD has hired Angela Davis as the Compliance Officer. He noted that Ms. Davis has been an intern at TGD for several years, has now graduated and has joined TGD full-time.

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.

Adjournment

There being no further business, on a motion by Ms. Brown and a second by Ms. Armstrong, the August 4, 2010, meeting of the IFA Board of Directors adjourned at 12:07 p.m.

Dated this 8th day of September 2010.

Respectfully submitted:

Approved as to form:

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

Roger J. Caudron, Chair
Iowa Finance Authority

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