



BOARD MEETING MINUTES
Iowa Finance Authority Presentation Room
2015 Grand Avenue
Des Moines, Iowa
January 11, 2012

Board Members Present

Darlys Baum, Chair	Michel Nelson
David Erickson, Vice Chair	Eric Peterson
Carmela Brown, Treasurer	Ruth Randleman
David Greenspon	

Board Members Absent

Heather Armstrong	Jeffrey Heil
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Staff Members Present

David Jamison, Executive Director/Board Secretary	Ashley Jared, Communications Director
Lori Beary, Community Development Director	Katie Kulisky, Administrative Assistant
Kerry Carman, Information Technology Manager	Wes Peterson, Assistant to the Director
Eric Chatman, Deputy Director/Chief Financial Officer	Terri Rosonke, HousingIowa Development Specialist
Jerry Floyd, HOME Program Analyst	Mark Thompson, General Counsel
Derek Folden, Underwriter	Rob Tietz, Finance and Funding Manager
Steve Harvey, Chief Operating Officer	Nancy Wallis, Administrative Assistant
Geri Huser, Title Guaranty Division Director	Joanna Wilson, Associate General Counsel

Others Present

Michael Barnes – Barnes Properties	Heather Hackbarth –Department of Management
Jim Conlin – Conlin Properties	Cory Hoepfner – RBC Capital Markets
David Grossklaus – Dorsey & Whitney, LLP	Kevin Kopaska – Wells Fargo
Jason Grubbs – The Frazer Lanier Company	James Smith – Dorsey & Whitney, LLP

Call to Order

Chair Baum called to order the January 11, 2012, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:11 a.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Brown, Erickson, Greenspon, Nelson, Peterson and Randleman.

Review of Minutes

December 5-6, 2011, Board Workshop

Chair Baum introduced the minutes of the December 5-6, 2011, Iowa Finance Authority/Title Guaranty Division Board workshop.

MOTION: On a motion by Mr. Erickson and a second by Mr. Greenspon, the Board unanimously approved the minutes of the December 5-6, 2011, IFA/TGD Board workshop.

December 7, 2011, Board Meeting

Chair Baum introduced the minutes of the December 7, 2011, regular monthly meeting of the Iowa Finance Authority Board of Directors.

MOTION: On a motion by Ms. Brown and a second by Mr. Peterson, the Board unanimously approved the minutes of the December 7, 2011, regular monthly meeting of the IFA Board.

Administration

SUMMARY & OVERVIEW

Director Jamison announced that his first year anniversary as Director of IFA was approaching. He thanked the Board, staff and partners for their support. He also recognized Mr. Kerry Carman, IFA's Information Technology Manager for recently completing his Bachelor's degree through Iowa State University.

Director Jamison reported that IFA continues to present an overview of IFA to various state and federal legislators, as well as leadership staff from other state agencies. He then spoke briefly about the 2012 Qualified Allocation Plan for the Low-Income Housing Tax Credit Program and the impact that IFA's stand on local contributing effort is having on some developers.

ACCOUNTING AND FINANCE

Review of Financial Statement

Mr. Harvey presented the November 2011 financial results. He reported that as a housing agency, year-to-date net operating income of \$9,763,176 is favorable to budget by \$6,820,715

Mr. Harvey noted that the State Revolving Fund year-to-date net operating income of \$21,156,490 is \$13,143,720 favorable to budget.

MOTION: On a motion by Ms. Brown and a second by Mr. Greenspon, the Board unanimously accepted the November 2011 financial statement.

Resolution FIN 12-01, Joy Edwards Main Street Loan

Mr. Folden introduced a resolution approving a permanent loan of \$250,000 from IFA to be used to refinance and renovate the J.E.E. Markley Building in Mason City. He explained that the owners of the building plan to finish the four upper story one-bedroom apartment units, as well as refinance their original Small Business Administration mortgage. Mr. Folden noted that the building is eligible to receive Federal and State Historic Preservation Credits, Enterprise Zone Credits and rebates, a Main Street Challenge Grant and property tax abatement. He reported that the total construction costs are estimated at \$370,000 and that a construction and bridge loan will be provided by a local bank.

MOTION: Mr. Greenspon made a motion to adopt the resolution approving a loan by IFA to the borrower in an amount not to exceed \$250,000, upon the terms and conditions detailed in Exhibit C of the resolution. On a second by Ms. Randleman, the Board unanimously adopted Resolution FIN 12-01.

LEGAL

Adopted and Filed Emergency and Notice of Intended Action: Amendments to Chapter 39, HOME Partnership Program

Mr. Thompson explained that the proposed amendments are the result of proposed rules published by HUD on December 16, 2011, regarding the HOME Program single family purchase assistance, and addressing many of the operational challenges facing jurisdictions, particularly related to recent housing market conditions and the alignment of federal housing programs. He reported that the recommendation of IFA staff is to strike the February 15, 2012, deadline and allow for the continued use of the Single-Family Mortgage Limits under Section 203(b) of the National Housing Act established in February 2008, until the proposed HUD rules become final. Mr. Thompson noted that when the HOME rules become final, IFA will be required to bring the state rules into compliance with the allowed sales price as well as numerous other changes.

Mr. Thompson also reported that the recommendation of staff is to adopt and file the amendments emergency, allowing them to take effect immediately for the benefit of the Participating Jurisdictions, and also to file a Notice of Intended Action so the amendments can proceed through the normal rule-making process, allowing for public comments.

MOTION: On a motion by Mr. Nelson and a second by Mr. Peterson, the Board unanimously approved the emergency adoption and filing as well as the Notice of Intended Action, approving amendments to Chapter 39, HOME Partnership Program.

COMMUNICATIONS

Ms. Jared announced that the annual report has been completed and should be delivered on January 12, 2012. She said it has been developed as an “at-a-glance” document highlighting all of IFA’s programs with an insert detailing IFA’s accomplishments in FY 2011, and a CD of IFA’s FY 2011 financial statements.

Ms. Jared reported that the additional \$1,000 of down payment assistance for FirstHome has expired, but that qualified first-time home buyers will still have an opportunity to access the normal \$2,500 grant. She noted that the special initiative assisted 291 home buyers, exceeding the goal of 250. Ms. Jared also explained that in order to strengthen IFA’s relationships with lenders and real estate agents, IFA has implemented a weekly email that is sent to more than 4,000 lenders and real estate agents throughout the state with the current single-family rates as well as other pertinent program updates.

Ms. Jared closed by announcing that ads promoting the Iowa Mortgage Help hotline are running in 200 newspapers across the state, starting the last week of November and continuing through February.

Community Development Programs

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 11-30A, Enseva Hiawatha, LLC Project

Ms. Beary introduced an application and inducement resolution for \$8,500,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Enseva Hiawatha, LLC Project. She reported that the bonds will be used for the acquisition and construction of a 17,000-square-foot

multi-tenant office space and data center, which will house a portion of Iowa Health System's data, with the capacity to build three more modules at 12,000 square feet each. Ms. Beary noted that the project will require an allocation of Midwestern Disaster Area Bonds.

Ms. Beary noted that this resolution and Resolution ED 11-31A both had a typo in the heading, and that both should show that it will be Series 2012 instead of 2011. She noted that the change has been made on the official copy of the resolutions.

Ms. Randleman submitted a letter disclosing a conflict of interest because her husband is employed by Iowa Health Systems, who will be leasing space in the project. She said she would abstain from discussing and voting on the resolution.

MOTION: Mr. Nelson made a motion to adopt the resolution approving an application for \$8,500,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Enseva Hiawatha, LLC Project), Series 2012, for Enseva Hiawatha, LLC (the "Borrower"), and evidencing the intent to proceed with the issuance of \$8,500,000 of Midwestern Disaster Area Revenue Bonds. On a second by Mr. Peterson, vote was taken with the following results: **YES:** Brown, Erickson, Greenspon, Nelson, Peterson and Baum; **NO:** None; **ABSTAIN:** Randleman [see attached letter]. The Board approved Resolution ED 11-30A on a majority vote.

Resolution ED 11-31A, CJ Bio America, Inc. Project

Ms. Beary introduced an application and inducement resolution for \$220,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the CJ Bio America, Inc. Project in Fort Dodge. She stated that the bonds will be used to produce amino acids by fermentation. Ms. Beary reported that the project will require an allocation of Midwestern Disaster Area Bonds.

MOTION: Mr. Greenspon made a motion to adopt the resolution approving an application for \$220,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (CJ Bio America, Inc. Fort Dodge Manufacturing Project), Series 2012, for CJ Bio America, Inc. (the "Borrower"), and evidencing the intent to proceed with the issuance of \$220,000,000 of Midwestern Disaster Area Revenue Bonds. On a second by Ms. Brown, the Board voted unanimously to adopt Resolution ED 11-31A.

Public Hearing for ED Loan 11-27, Jones-Pioneer Warehouse Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$4,900,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Jones-Pioneer Warehouse Project in Marengo located in Iowa County. She stated that the bonds will be used to construct a 100,000-square foot commercial storage facility as a distribution site for Pioneer Seed.

Chair Baum opened the public hearing at 11:39 a.m. regarding the issuance of an amount not to exceed \$4,900,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Jones-Pioneer Warehouse Project. Ms. Beary said IFA had received no verbal or written comments regarding the project. There being no comments from the audience, Chair Baum closed the public hearing at 11:40 a.m.

Resolution ED 11-27B, Jones-Pioneer Warehouse Project

Ms. Beary introduced the resolution authorizing the issuance of an amount not to exceed \$4,900,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Jones-Pioneer Warehouse Project. She said the Board adopted the inducement resolution on December 7, 2011. Ms. Beary noted that the project will require an allocation of Midwestern Disaster Area Bonds.

MOTION: Mr. Greenspon made a motion to adopt the resolution authorizing the issuance of an amount not to exceed \$4,900,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Jones-Pioneer Warehouse Project), Series 2012, for the purpose making a loan to assist the borrower in the acquisition, construction, improvement, 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; authorizing the appointment of a trustee; and related matters. On a second by Ms. Randleman, the Board voted unanimously to adopt Resolution ED 11-27B.

HousingIowa

AFFORDABLE RENTAL PRODUCTION

Resolution HI 12-01, State Housing Trust Fund Project-Based Program Awards

Ms. Rosonke introduced the resolution allocating one award totaling \$50,000 under the State Housing Trust Fund Program to Northeast Iowa Community Action Corporation to help construct a three-bedroom single-family home on an infill lot in Waukon as part of the nonprofit organization's lease-purchase program. She noted that the requested grant represents 32 percent of the net project budget.

Ms. Rosonke noted that if the proposed award is approved, awards to date will total \$215,000 under the FY 2012 funding round, with \$105,183 remaining available for allocation. She also reported that awards approved by the Board are leveraging an additional \$525,195 in other financing resources, or \$2.44 for every dollar of Project-Based funding.

MOTION: Mr. Erickson made a motion to approve the resolution awarding a grant under the State Housing Trust Fund Project-Based Housing Program as set forth on Exhibit A of the resolution, contingent upon all other funding sources as identified in the applicant's project budget being secured. On a second by Ms. Randleman, the Board unanimously approved Resolution HI 12-01.

Ms. Rosonke announced that the number of affordable housing units created or preserved by the State Housing Trust Fund is nearing the 10,000th unit, and staff will consider ways to celebrate that milestone.

Resolution HI 12-02, HOME Program Community Housing Development Organization (CHDO) Certifications and Recertifications

Ms. Rosonke introduced two resolutions relating to the HOME Program and CHDOs. She briefly summarized information from the cover memo in the Board materials and explained what a CHDO is and how an organization can become certified as a CHDO. Ms. Rosonke reported that at least 15 percent of the state's HOME allocation must be invested in housing developed, owned or sponsored by CHDOs, and explained what activities qualify for that set-aside.

Ms. Rosonke explained the process by which an organization may apply for CHDO certification. She said IFA will maintain a list of state-certified CHDOs, and that each year CHDOs will be asked to recertify their status by providing updated information on the nonprofit organization and its projects.

Ms. Rosonke stated that staff recommends Board approval of CHDO certification for Affordable Housing Network, Inc. based in Cedar Rapids, and recertification for The Housing Fellowship in Iowa City and Northeast Iowa Community Action Corporation in Decorah.

MOTION: Ms. Brown made a motion to approve the resolution authorizing the certification for the CHDO applicants listed on Exhibit A of the resolution, as well as the annual recertification for the

applicants listed on Exhibit B of the resolution, pursuant to the HOME rules. On a second by Ms. Randleman, the Board unanimously approved Resolution HI 12-02.

Resolution HI 12-03, HOME Program Awards for CHDO Operating Expenses

Ms. Rosonke announced that at IFA’s sole discretion, certified CHDOs may be determined eligible to receive special assistance funds for operating expenses or project proceeds. She explained that no more than 5 percent of the state’s annual HOME allocation may be awarded to provide general operating assistance to CHDOs receiving, or which will receive, CHDO set-aside funds for eligible activities. She said that eligible activities include salaries, wages, benefits and other employee compensation; employee education, training and travel; rent and utilities; communication costs; taxes and insurance; or equipment, materials and supplies. Ms. Rosonke noted that IFA has established a \$50,000 maximum award for CHDO operating expenses, and that the allocation of funding for operating expenses does not count toward the required 15 percent CHDO set-aside.

Ms. Rosonke reported that staff is recommending a \$50,000 award for CHDO operating expenses for Community Housing Initiatives, Inc. based in Spencer, and The Housing Fellowship in Iowa City, both of which were awarded 2011 HOME funding under the CHDO set-aside.

MOTION: Ms. Randleman made a motion to approve the resolution awarding grants under the HOME Program for CHDO operating expenses to the recipients and in the amounts listed on Exhibit A of the resolution, and authorizing staff to prepare written agreements for the recipients consistent with the resolution and with the HOME rules. On a second by Mr. Greenspon, the Board unanimously approved Resolution HI 12-03.

Title Guaranty Division (TGD)

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

Ms. Huser reported that Iowa Title Company has requested an extension of the Waiver of Administrative Rule—265 IAC 9.1(16), Definition of “Abstract of Title”. She explained that Iowa Title Company was first granted the waiver in March 2009 because of lost abstracts due to flooding in 2008. Ms. Huser noted that this is the third time the company has requested an extension.

Ms. Huser introduced the proposed order granting Iowa Title Company an extension of the waiver of administrative rule, effective only for flood-damaged properties in Linn County, and to be extended until December 31, 2012.

MOTION: On a motion by Mr. Greenspon and a second by Mr. Erickson, the Board unanimously approved the proposed order granting an extension of waiver of Iowa Administrative Code Rule 265—9.3(16).

Transfer of Funds from TGD to IFA’s Housing Programs

Ms. Huser reported that the TGD Board met on December 13, 2011, and approved a transfer of \$515,000 from TGD to IFA’s housing programs.

MOTION: On a motion by Mr. Greenspon and a second by Ms. Randleman, the Board unanimously accepted the transfer of \$515,000 from TGD to IFA’s housing programs.

Ms. Huser briefly reported on TGD’s commercial program, noting that the department is now fully staffed and will be working with IFA, the IFA Board and partners to make sure TG provides the needed product for commercial properties.

Miscellaneous Items

Receive Comments from General Public

Chair Baum 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 Baum closed the public comment period.

Adjournment

There being no further business, on a motion by Ms. Randleman and a second by Mr. Greenspon, the January 11, 2012, meeting of the IFA Board of Directors adjourned at 11:47 a.m.

Dated this 1st day of February 2012.

Respectfully submitted:

Approved as to form:

David D. Jamison
Executive Director/Board Secretary
Iowa Finance Authority

Darlys J. Baum, Chair
Iowa Finance Authority

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