



BOARD MEETING MINUTES

**Coralville Marriott
300 E. 9th Avenue
Coralville, Iowa
September 4, 2013**

Board Members Present

Darlys Baum, Chair	Shaner Magalhães
Carmela Brown, Treasurer	Eric Peterson
Jeffrey Heil	Ruth Randleman
Joan Johnson	

Board Members Absent

David Greenspon, Vice Chair	Michel Nelson
-----------------------------	---------------

Staff Members Present

David Jamison, Executive Director/Board Secretary	Tim Morlan, Underwriter
Jerry Floyd, HOME Program Analyst	Terri Rosonke, HousingIowa Development Specialist
Cindy Harris, Chief Financial Officer	Mark Thompson, General Counsel
Deb Haugh, Director of Single-Family Production	Dave Vaske, Tax Credit Manager
Carolann Jensen, Chief Administration Officer	Nancy Wallis, Administrative Assistant/Recording Secretary
Katie Kulisky, Administrative Assistant	
Amber Lewis, Homeless Programs Coordinator	
Beth Mahaffey, Business Development Director	

Others Present

Bob Burns - Housing Trust Fund of Johnson County	Cory Hoeppepner - RBC
Maryann Dennis - Housing Trust Fund of Johnson County	Derek McGreal - RBC
Sam Erickson - Community Housing Initiatives	Erika Mullen - Wells Fargo
Bob Foggio - Morgan Stanley	Philip Porter - Enterprise
Paul Hoek - Wells Fargo	Sarah Reilly - Community Housing Initiatives
	James Smith - Dorsey & Whitney, LLP
	Jim Stretz - George K. Baum

Call to Order

Chair Baum called to order the September 4, 2013, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 5:14 p.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Brown, Heil, Johnson, Magalhães, Peterson and Randleman.

Consent Agenda

Chair Baum introduced the consent agenda and asked if anyone wanted to request that items be removed.

MOTION: There being no objections, Ms. Randleman made a motion to approve the items on the consent agenda, which included the following:

Approval of Minutes of the August 7, 2013, IFA Board Meeting;
Approval of July 2013 Financial Statement;
Resolution ED 13-07A, Goodwill Industries of the Heartland Project;
Resolution ED 13-08A, Floyd Valley Hospital Project;
Resolution ED 13-09A, Deerfield Retirement Community Project;
Resolution AG 13-002A, Alvie and Alice Meyer;
Resolution AG 13-003A, Brandon and Jessica Winter;
Resolution AG 13-004A, Jerry and Pamela Dunbar;
Resolution AG 13-005A, Aaron Lorch; and
Resolution WQ 13-22, SRF Construction Loans

On a second by Mr. Heil, the Board unanimously approved the items on the consent agenda.

Administration

Director Jamison thanked IFA staff for putting forth the effort to move the 2013 HousingIowa Conference to a location outside of Des Moines in effort to have a presence in other parts of the state.

Mr. Peterson arrived at 5:17 p.m.

ACCOUNTING AND FINANCE

Resolution FIN 13-11, Reimbursement Resolution for SRF

Ms. Harris introduced the resolution authorizing reimbursement of loan disbursements up to \$100 million from future SRF bond issues. She noted that IFA currently has about \$36 million in reimbursement authority remaining from what the Board approved in February 2013, and that committed SRF loans yet to be disbursed exceed \$188 million. Ms. Harris explained the advantages of funding SRF loans with current equity and then reimbursing the SRF program with funds from a future bond issue. She provided details on the history of IFA's use of such reimbursements.

MOTION: Ms. Brown made a motion to approve the resolution provided for reimbursement of certain costs for the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program. On a second by Ms. Randleman, the Board unanimously approved Resolution FIN 13-11.

Resolution FIN 13-12, Adopting and Approving the 2013A Mortgage Credit Certificate Program

Ms. Haugh introduced the resolution authorizing IFA to file a notice with the IRS to issue Mortgage Credit Certificates (MCCs) in lieu of issuing up to \$74,464,584 of private activity bond volume cap. She

noted that the program would allow IFA to use funds that would otherwise be lost if not used by the end of calendar year 2013.

MOTION: Mr. Heil made a motion to approve the resolution adopting and approving the 2013A Mortgage Credit Certificate Program, including the necessary election not to issue qualified mortgage bonds, and authorizing the execution and delivery of necessary elections; and delegating certain responsibilities to the Executive Director for finalizing certain matters, forms and contents of certain documents. On a second by Mr. Peterson, the Board unanimously approved Resolution FIN 13-12.

Chair Baum referred to the *Derivative and Liquidity Summary* and the Multifamily Loan Program review that were included in the Board materials.

LEGAL

Adopted and Filed Emergency and Notice of Intended Action – New Chapter 44, Iowa Agricultural Development Division (IADD) Program

Mr. Thompson reported that IFA plans to file an emergency adoption of the rules for IFA’s new IADD Program, as well as a Notice of Intended Action. He explained that this will allow the rules to become effective immediately, and then allow the new rules to go through the normal rule-making process, including time for public comment.

MOTION: On a motion by Mr. Magalhães and a second by Mr. Peterson, the Board unanimously approved the emergency adoption and the Notice of Intended Action for new Chapter 44, Iowa Agricultural Development Division (IADD) Program.

Schedule for Consideration of Appeal – Cedar Rapids Rose Homes, LP vs. IFA

Mr. Thompson explained that the Cedar Rapids Rose Homes, LP project previously filed an appeal of the 2013 tax credit awards. The Administrative Law Judge (ALJ) ruled on that appeal in August, after which the Attorney General’s office filed an appeal of that ruling on behalf of IFA staff. The appeal now comes before the IFA Board. Mr. Thompson explained that part of the process is that the Board needs to approve a schedule for consideration of appeal. He provided details of the process that might take place, given various circumstances and filings. Mr. Thompson then referred to Exhibit E that was included in the Board materials, and explained the proposed schedule.

MOTION: On a motion by Ms. Randleman and a second by Mr. Heil, the Board unanimously approved the Schedule for Consideration of Appeal.

Community Development

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 13-04B, Rowley Memorial Masonic Home Project

Ms. Harris introduced the resolution authorizing the issuance of an amount not to exceed \$20,000,000 of Iowa Finance Authority Senior Living Facilities Revenue and Refunding Bonds for the Rowley Memorial Masonic Home Project in Perry, located in Dallas County. She reported that the bonds will be used to construct a new 57-bed nursing facility, and to refund 2003 bonds. Ms. Harris said the facility will have a 16-unit assisted living wing, commercial kitchen, spa and community space. She noted that Rowley Memorial Masonic Home is a 501 c(3) private non-profit corporation. Ms. Harris stated that the inducement resolution was adopted on July 10, 2013, and that the public hearing was held on August 7, 2013, with no verbal or written comments being received.

MOTION: Ms. Brown made a motion to adopt the resolution authorizing the issuance of not to exceed \$20,000,000 of Iowa Finance Authority Senior Living Facilities Revenue and Refunding Bonds (Rowley Memorial Masonic Home Project) in one or more series for the purpose of making a loan to assist the borrower in refunding a portion of certain prior bonds, retiring certain existing indebtedness and in the acquisition, construction, renovation and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining thereto; 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/or servicer; and related matters. On a second by Mr. Magalhães, the Board voted unanimously to adopt Resolution ED 13-04B.

Resolution ED 13-06B, UnityPoint Health Project

Ms. Randleman submitted a letter stating a possible conflict of interest, due to the fact that her spouse is employed by the applying entity. She said she would abstain from discussing or voting on the item

Ms. Harris introduced the resolution authorizing the issuance of an amount not to exceed \$280,000,000 of Iowa Finance Authority Health Facilities Revenue Bonds for the UnityPoint Health Project. She announced that the bonds will be used to refinance Series 2005A and 2009C bonds as well as for the acquisition, construction and equipping of facilities in Fort Dodge, Cedar Rapids, Muscatine, Sioux City, Dubuque, Des Moines and Waterloo. Ms. Harris explained that the inducement resolution was adopted on August 7, 2013, and that the public hearing was held at 8:30 a.m. on September 4, 2013, at the IFA offices, with no verbal or written comments being received. She noted that the resolution increases the original amount of the bonds due to increased refunding. UnityPoint is the new name of Iowa Health Systems, which is a 501 c(3) private non-profit corporation.

MOTION: Mr. Heil made a motion to adopt the resolution authorizing the issuance of not to exceed \$280,000,000 of Iowa Finance Authority Health Facilities Revenue Bonds (UnityPoint Health Project) in one or more series for the purpose of making a loan to assist the borrower in refunding a portion of certain prior bonds, retiring certain existing indebtedness and in the acquisition, construction, renovation and equipping of various projects; authorizing the execution and delivery of certain financing documents pertaining thereto; 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. Peterson, a vote was taken with the following results: **YES:** Brown, Heil, Johnson, Magalhães, Peterson, and Baum; **NO:** None; **ABSTAIN:** Randleman [see attached letter]. The Board approved Resolution ED 13-06B on a majority vote.

IOWA AGRICULTURAL DEVELOPMENT DIVISION (IADD)

Chair Baum introduced the IADD resolutions.

MOTION: On a motion by Ms. Randleman and a second by Mr. Magalhães, the Board voted unanimously to approve the following resolutions:

AG #13-002B, Alvie and Alice Meyer

This is a resolution authorizing the issuance of \$250,000 for Alvie and Alice Meyer. The bond will be used to construct a bedded cattle confinement in Lyon County. The lender is Peoples Bank in Lester.

AG #13-003B, Brandon W. and Jessica L. Winter

This is a resolution authorizing the issuance of \$501,100 for Brandon W. and Jessica L. Winter. The bond will be used to purchase 170 acres of agricultural land in Hardin County. The lender is Community Bank in Nevada.

AG #13-004B, Jerry A. and Pamela A. Dunbar

This is a resolution authorizing the issuance of \$130,000 for Jerry A. and Pamela A. Dunbar. The bond will be used to purchase 78 acres of agricultural land and build a machine shed in Washington County. The lender is Federation Bank in Wellman.

AG #13-005B, Aaron O. Lorch

This is a resolution authorizing the issuance of \$500,000 for Aaron O. Lorch. The bond will be used to purchase 86.7 acres of agricultural land in Osceola County. The lender is Northwest Bank in Spencer.

AG #04314M, Steven D. and Tonia S. Westra, Hull

This is a resolution amending a \$297,500 Beginning Farmer Loan to Steven D. and Tonia S. Westra issued in 2008 to allow for the reduction in interest rate and rate floor. The lender is American State Bank in Hull.

AG #04495M, Shawn L. Sponheim, Osage

This is a resolution amending the \$248,500 Beginning Farmer Loan to Shawn L. Sponheim issued in 2010 to allow for the reduction in interest rate, payment amount and rate floor. The lender is US Bank in Boone.

HousingIowa

Resolution HI 13-17, Emergency Solutions Grant (ESG) Awards for 2014 Funding Round

Ms. Lewis introduced the resolution authorizing the allocation of funds for the federal Emergency Solutions Grant Program for the 2014 calendar year. She explained that the program provides assistance to help individuals and families experiencing a housing crisis to be quickly rehoused and stabilized. Ms. Lewis announced that IFA received 35 applications requesting funding. For the 2014 calendar year, IFA estimates that \$1,982,486 will be available for recipients. She noted that the attachment to the resolution includes a list of the 25 projects that scored above the threshold score of 94 points, as well as the funding that is being recommended by staff.

MOTION: Ms. Randleman made a motion to approve the resolution authorizing IFA, pursuant to chapter 42 of its administrative rules, to award approximately \$1,982,486 to 25 applicants as listed by the Proposed Iowa Statewide Emergency Solutions Grant Program Funding Awards for the 2014 Calendar Year, subject to final verification by IFA staff. On a second by Mr. Heil, the Board unanimously approved Resolution HI 13-17.

Resolution HI 13-18, USDA Rural Development LIHTC Awards

Mr. Vaske introduced the resolution authorizing the award of Low-Income Housing Tax Credits (LIHTC) to three projects under the Rural Development set-aside, pursuant to the 2013 Qualified Allocation Plan (QAP). He explained that two of the projects would also include an award of state HOME funds. Mr. Vaske noted that the three projects are sponsored by Community Housing Initiatives.

MOTION: Ms. Brown made a motion to approve the resolution awarding 2013 tax credits and (where indicated) HOME Program funding to the projects listed on Exhibit A of the resolution. On a second by Mr. Peterson, the Board unanimously approved Resolution HI 13-18.

Title Guaranty Division (TGD)

Chair Baum referred to the printed report included in the Board materials. She said there would be no verbal report.

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.

Mr. Bob Burns, representing the Housing Trust Fund of Johnson County, addressed the Board regarding cost caps in the QAP, and the need for more affordable housing in Johnson County, as well as the high cost of purchasing land in the county.

There being no additional audience members wishing to address the Board, Chair Baum closed the public comment period.

Adjournment

There being no further business, on a motion by Mr. Magalhães and a second by Ms. Randleman, the September 4, 2013, regular monthly meeting of the IFA Board of Directors adjourned at 5:50 p.m.

Dated this 2nd day of October 2013.

Respectfully submitted:

Approved as to form:

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

Darlys J. Baum, Chair
Iowa Finance Authority

Memorandum

To: David Jamison, Executive Director
Mark Thompson, General Counsel
Nancy Wallis, Administrative Assistant

From: Ruth Randleman

Date: 9.04.13

Re: Disclosure of Conflict of Interest

Pursuant to Iowa Code section 16.3A, the undersigned member of the Board of the Iowa Finance Authority hereby discloses the following conflict of interest with respect to Unity Point Health Project ED 13-06B [describe matter to which the conflict applies – for example, Resolution #01-6A, a specific board action, tax credits, etc.]:

Spouse employed by applying entity

describe the conflict](the "Conflict").

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

Ruth Randleman
(Signature)

Ruth Randleman
(Printed Name)