



**IOWA FINANCE AUTHORITY
TELEPHONIC BOARD MEETING MINUTES**

**Iowa Finance Authority Helmick Conference Room
2015 Grand Avenue
Des Moines, Iowa**

December 17, 2008

Board Members Present

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

Staff Members Present

Bret Mills, Executive Director	Carla Pope, Director of Affordable Rental Production
Lori Beary, Community Development Director	Terri Rosonke, HousingIowa Development Specialist
Eric Chatman, Chief Financial Officer	Mark Thompson, General Counsel
Leo Duffy, Architect/Construction Analyst	Dave Vaske, Low-Income Housing Tax Credit Manager
Craig Johnson, Underwriter	Nancy Wallis, Administrative Assistant
Joe O'Hern, Director of HousingIowa	

Others Present

Al Collet – Community Housing Initiatives	Brett Hyland – Hubbell Realty Company
Jim Conlin – Conlin Properties	Paul Johnson – Bank of America
Debbie Fisher – Newbury Development Company	Jackie Nickolaus – Sherman Associates
Darla Giese – Dorsey & Whitney, LLP	Kyle Rice – State Treasurer's Office
David Grossklaus – Dorsey & Whitney, LLP	James Smith – Dorsey & Whitney, LLP
Michael Hayes – Hubbell Realty Company	Jim Weber – Hubbell Realty Company

Call To Order

Chair Caudron called to order the December 17, 2008, special telephonic meeting of the Iowa Finance Authority (IFA) Board of Directors at 9:30 a.m. Roll call was taken and a quorum was established with the following Board members present: Adams, Armstrong, Baum, Bordwell, Brown, Caudron and Walter.

Mr. Mills said that because of excessive noise disturbance during the December 10, 2008, IFA Board meeting, Board and staff made a decision to allow only Board members to connect to Board meeting conference calls in the future.

Mr. Thompson noted for the minutes that the meeting was being held telephonically because the schedules of the Board members did not allow them to meet together in one place.

Finance

Authorizing Resolution – Private Placement Note with FHLB, 2008 Series G Bonds

Mr. Chatman introduced the resolution requesting approval to negotiate a Private Placement Note with Federal Home Loan Bank (FHLB) to issue up to \$22,500,000 for 2008 Series G bonds. In answer to a question from the Board, Mr. Chatman said the issue could be fixed rate or variable. He said negotiations were ongoing with FHLB and the Board would be notified before the issue was finalized.

Motion: Mr. Adams made a motion to approve the resolution adopting and approving a Series Resolution relating to Single-Family Mortgage Bonds, 2008 Series G (Taxable) (Mortgage-Backed Securities Program) and authorizing the issuance, sale and delivery of the Authority's Single-Family Mortgage Bonds pursuant to such Series Resolution; authorizing the execution and delivery of a Contract of Purchase and a Continuing Disclosure Agreement; and delegating certain responsibilities to the Executive Director for finalizing certain matters, forms and contents of certain documents. On a second by Mr. Walter, the Board unanimously approved the authorizing resolution.

Legal

Adopted and Filed Emergency Re: Chapter 30, Midwest Disaster Area Bond Allocation, and Notice of Intended Action Re: Chapter 30, Midwest Disaster Area Bond Allocation

Mr. Thompson explained that this is a new chapter IFA is adding in order to implement the Heartland Disaster Tax Relief Act of 2008, which provided additional bonding capacity for counties affected by natural disasters in 2008. He said IFA is asking for the chapter to be adopted and filed emergency so it can become effective immediately. Mr. Thompson explained that IFA is also asking the Board to approve the Notice of Intended Action, which allows the new chapter to go through the normal rule-making process, including a public comment period.

Motion: On a motion by Ms. Brown and a second by Ms. Armstrong, the Board unanimously approved the Adopted and Filed Emergency Re: Chapter 30, Midwest Disaster Area Bond Allocation, and the Notice of Intended Action Re: Chapter 30, Midwest Disaster Area Bond Allocation.

Adopted and Filed Emergency Re: Chapter 31, Council on Homelessness, and Notice of Intended Action Re: Chapter 31, Council on Homelessness

Mr. Thompson introduced the new Chapter 31 and reported that the Council on Homelessness had been approved during the last legislative session. He said the Council on Homelessness would be administered by IFA with Mr. Lyle Schwery administering the program. Mr. Thompson explained that this new chapter, if approved by the Board, would be adopted and filed emergency so it can become effective immediately, and IFA would also submit a Notice of

Intended Action to allow the new chapter to go through the normal rule-making process, including a public comment period.

Motion: On a motion by Mr. Walter and a second by Ms. Bordwell, the Board unanimously approved the Adopted and Filed Emergency Re: Chapter 31, Council on Homelessness, and the Notice of Intended Action Re: Chapter 31, Council on Homelessness.

Economic Development Loan Program

ED Amending Resolution #08-10A-1, Iowa Health System Project

Ms. Beary introduced the amending inducement resolution for \$692,500,000 of Iowa Finance Authority Hospital Refunding Revenue Bonds for the Iowa Health System Project. She said the bonds will be used to construct a new hospital in West Des Moines, to make improvements to other hospital facilities and to refund various outstanding bonds. Ms. Beary explained that the IFA Board adopted the original inducement resolution for \$215,000,000 on July 9, 2008. Ms. Giese noted that the borrower requested an increase in the amount of the bonds in order to refund nearly all outstanding bonds, which should provide a significant savings for them.

Motion: Ms. Bordwell made a motion to approve the amending Resolution #08-10A-1 in order to increase the principal amount of the bonds to \$692,500,000 and to amend the project description.

Affordable Rental Production

Resolution – 2008 Disaster Relief Low-Income Housing Tax Credit Awards

Ms. Pope introduced the resolution and summarized the information from Exhibit A and the talking points from each project. She said that Homes of Oakridge, Homes of Oakridge II and Cedar View Apartments have each requested HOME funds, which are allocated by the Iowa Department of Economic Development. Ms. Pope and Mr. Mills answered questions from the Board about various projects. Mr. Vaske reported that he sent a new sheet of talking points just prior to the start of the meeting making a correction on some of the figures for Hometown Harbor Bettendorf project.

Motion: On a motion by Ms. Armstrong and a second by Ms. Baum, the Board voted unanimously to approve the allocation of \$12,463,377 in tax credits to the nine projects listed on Exhibit A of the resolution.

Resolution Awarding Additional 2008 Tax Credits for Davenport Housing VII (LIHTC #06-33, Marycrest Senior Campus IV)

Mr. Vaske reported that this item had been deferred from the December 10, 2008, IFA Board meeting because of a news article that mentioned the possibility of foreclosure on one of the buildings on that campus. He also said he had sent a copy of a map of the Marycrest Campus to all Board members, and he noted that the building facing foreclosure has not received any tax credits from IFA because it has only market-rate units.

Ms. Pope reminded the Board that this project received an allocation of tax credits in December 2007, but that there was a misunderstanding of when the carryover would then be due. She explained that IFA's tax credit consultant recommended that IFA make an allocation of 2008 tax

credits to the project instead of the 2007 credits. Ms. Pope provided further information about the project and its syndicator and owner. She said the owner and syndicator expect to have the project completed by the fall of 2009.

Motion: Mr. Walter made a motion to approve the award of additional 2008 Low-Income Housing Tax Credits to Davenport Housing VII, L.P., d/b/a Marycrest Senior Campus IV, contingent upon the successful completion of underwriting, with the actual final award being based on the audited costs submitted as part of the Form 8609 application process. On a second by Mr. Adams, the Board unanimously approved the award of additional 2008 tax credits for Davenport Housing VII (LIHTC #06-33, Marycrest Senior Campus IV).

In response to questions from Board members, Ms. Pope and Mr. Mills provided information about the timeline for payment of reservation fees during the allocation of the disaster relief tax credits, and how staff communicated that information to developers.

Resolution – State Housing Trust Fund (SHTF) Project-Based Housing Program Awards

Ms. Rosonke announced that there were three funding recommendations to consider under the FY 2009 Project-Based Housing Program, for a total of \$210,000.

Ms. Rosonke reported that the City of Burlington has requested a grant of \$90,000 to assist in the rehabilitation and conversion of the second and third floors of a downtown property to create three affordable rental-housing units. She said the building, known as the Hedge Building, is on the National Register of Historic Places, and will include three one-bedroom apartments for tenants at or below 80 percent of the area median income (AMI) plus an additional two-bedroom market-rate unit. Ms. Rosonke noted that the building's main floor will be renovated to provide commercial space. She explained that the Project-Based Housing Program award will be used to help finance the construction costs of the new affordable housing units on the upper floors.

Ms. Rosonke stated that Northeast Iowa Community Action Corporation (NEICAC) has requested a \$30,000 grant to assist in the construction of a single-family home in Volga as part of the nonprofit organization's Rent-to-Own Program. She said the Project-Based Housing Program award will be used to help finance construction and related soft costs for the lease-purchase project, and that the housing units will be rented to eligible households at or below 60 percent AMI. Ms. Rosonke also noted that participating households will prepare for homeownership with counseling from NEICAC's NeighborWorks® America certified homebuyer educator, and that families are expected to be ready for home purchase within one to three years.

Ms. Rosonke announced that Cornerstone Senior Communities of Remsen has requested a grant of \$90,000 to convert the vacant second floor of a historic school building in Sutherland into nine affordable rental apartments for older persons. She explained that the project will include nine one-bedroom apartments, with seven units targeted to tenants at or below 80 percent AMI and two units targeted to tenants at or below 50 percent AMI. Ms. Rosonke said the third floor has already been renovated and provides nine market-rate apartments for seniors as well as a commons area, and that the main floor houses offices and a congregate meal site with a kitchen. She noted the Project-Based Housing Program award will be used to finance construction costs for the new affordable housing units to be created on the second floor.

Motion: Ms. Baum made a motion to approve the resolution awarding grants totaling \$210,000 under the SHTF Project-Based Housing Program to the recipients and in the amounts listed on Exhibit A of the resolution, contingent upon all other funding sources being secured, as identified in the applicants' project budgets. On a second by Ms. Bordwell, the Board unanimously approved the resolution.

Adjournment

There being no further business, on a motion by Mr. Walter and a second by Mr. Adams, the December 17, 2008, meeting of the IFA Board of Directors adjourned at 10:30 a.m.

Dated this 14th day of January 2009.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Roger J. Caudron, Chair
Iowa Finance Authority

S:\Administration\Board\Minutes\Minutes 2008\12-17-08 Minutes_Telephonic.doc