



**IOWA FINANCE AUTHORITY
BOARD MEETING MINUTES**

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

January 14, 2009

Board Members Present

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

Staff Members Present

Bret Mills, Executive Director/Board Secretary	Joseph Jones, Director of Governmental Affairs
Lori Beary, Community Development Director	Loyd Ogle, Director of Title Guaranty Division
Eric Chatman, CFO	Carla Pope, Director of Affordable Rental Production
Mark Fairley, Finance & Investment Manager	Terri Rosonke, HousingIowa Development Specialist
Steve Harvey, Director of Operations/Comptroller	Mark Thompson, General Counsel
Ashley Jared, Assistant Communications Director	Dave Vaske, Low-Income Housing Tax Credit (LIHTC) Manager
Craig Johnson, Underwriter	Nancy Wallis, Administrative Assistant

Others Present

Andy Anderson – Faegre & Benson	Darla Giese – Dorsey & Whitney, LLP
Mike Barnes – Barnes Properties	David Grossklaus - Dorsey & Whitney, LLP
Kristi Boyce – Wells Fargo Bank Iowa, NA	Randy McPhail – Columbia Capital Management
Bob Burns – BurnsHousing.com	Kyle Rice – State Treasurer’s Office
Joni DeVries – Wells Fargo Bank Iowa, NA	
Dan Garrett – Midwest Housing Equity Group	

Chair Caudron stated the meeting would be considered an electronic meeting because the weather and scheduling conflicts prevented the Board members from meeting in one location.

Call To Order

Chair Caudron called to order the January 14, 2009, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 10:52 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

December 10, 2008, Board Meeting

Chair Caudron introduced the minutes of the December 10, 2008, regular meeting of the IFA Board of Directors.

Motion: On a motion by Mr. Erickson and a second by Ms. Bordwell, the Board unanimously approved the minutes of the December 10, 2008, IFA Board meeting.

December 17, 2008, Telephonic Board Meeting

Chair Caudron introduced the minutes of the December 17, 2008, special telephonic meeting of the IFA Board of Directors.

Motion: On a motion by Ms. Brown and a second by Mr. Walter, the Board unanimously approved the minutes of the December 17, 2008, IFA Board meeting.

Administration

SUMMARY & OVERVIEW

Mr. Mills highlighted some points from Governor Culver's Condition of the State Address, and explained that IFA may be named to staff and administer a new state infrastructure authority if that is approved by the Legislature during the upcoming session.

Mr. Mills announced that the annual report is completed and was delivered to IFA just prior to the meeting. He thanked Ms. Jared for her outstanding job on the report, which is in map format.

Mr. Mills noted that IFA has hired three compliance specialists: one in Council Bluffs, one in Iowa City and one in Waterloo in order to decrease travel time for the current compliance team. He also stated that Leo Duffy and Sharon Murphy will retire from IFA on January 22, 2009, and that IFA will host a retirement celebration for both at 2:30 p.m. that day.

Mr. Mills then reported that five firms have responded to the RFP for Financial Advisor for Housing Programs. He said IFA hopes to have one under contract by the end of January.

Mr. Adams joined the meeting by telephone at 11:02 a.m.

ACCOUNTING & FINANCE

Review of Financial Statement

Mr. Harvey presented the November financial results, noting that as a housing agency, revenue is unfavorable to budget due to a shortfall in interest income both for single-family and multifamily

programs. He explained that operating expense is unfavorable to budget, and net grant expense is favorable to budget, making year-to-date operating income \$108,346 unfavorable to budget.

Mr. Harvey reported that SRF year-to-date revenue is favorable to budget, year-to-date operating expenses are unfavorable to budget and net grant income is on budget, making the year-to-date operating income favorable to budget by \$332,530.

Mr. Harvey noted that staff will present a revised budget to the Board in February.

Motion: On a motion by Mr. Erickson and a second by Mr. Johnson, the Board unanimously accepted the November financial statement.

Main Banking Resolution and Certificate of Incumbency

Mr. Harvey introduced the resolution and explained that it is a standard banking resolution, listing officers authorized to execute various transactions with Wells Fargo. He noted that the officers are listed by title only so it is easier to keep current. Mr. Harvey said the Certificate of Incumbency will be signed by each person listed. He addressed questions posed by Board members.

Motion: On a motion by Mr. Erickson and a second by Mr. Adams, the Board unanimously approved the resolution and Certificate of Incumbency.

Linked Deposit Resolution and Certificate of Incumbency

Mr. Harvey introduced the resolution for the SRF Programs, for which there are bank accounts at about 160-200 local Iowa banks to carry out the linked deposit programs.

Ms. Bordwell asked about the “Comptroller” position, which was not mentioned in the main banking resolution. Mr. Mills said the title of “Comptroller” is used interchangeably with the title of “Director of Operations”. He noted that the title would be changed to “Director of Operations” on this resolution to keep it consistent with the previous resolution.

Mr. Thompson noted that in Section 2, the title “Deputy Director” was omitted and would be added to the resolution and the Certificate of Incumbency following the meeting.

Motion: Mr. Erickson made a motion to accept the changes amending the resolution and the Certificate of Incumbency. On a second by Ms. Bordwell, the Board unanimously approved the amendments as noted.

Motion: On a motion by Ms. Brown and a second by Mr. Erickson, the Board unanimously approved the resolution and Certificate of Incumbency as amended.

Authorizing Resolution Single Family – Rescission of FHLB Private Placement December 17, 2008, Resolution and Authorizing Amendments to Series D, E & F Resolutions

Mr. Chatman introduced the resolution authorizing the issuance of \$22.5 million of 2008 Series G bonds to hedge the existing swap position that was put on in the fall of 2008. He explained that because the markets have improved recently, if there are no significant changes, the bonds can be issued as originally planned. Mr. Chatman said the current plan is to price the bonds and issue the bonds the first week of February.

Mr. Chatman indicated that the negotiations with the Federal Home Loan Bank for a private placement of these bonds were not successful. Therefore, the current resolution rescinds the previous Series G private placement resolution that the Board approved in December and ratifies the original June 4, 2008, Series G resolution.

Motion: Mr. Johnson made a motion to approve the resolution rescinding resolution adopted December 17, 2008, with respect to Single-Family Mortgage Bonds, 2008 Series G (taxable) (Mortgage-Backed Securities Program), and authorizing amendments to series resolutions authorizing the issuance of Single-Family Mortgage Bonds, 2008 Series D, E & F (Mortgage-Backed Securities Program). On a second by Mr. Walter, the Board unanimously approved the resolution.

LEGAL

Jumpstart Housing Program Waiver Request – Region 6 Planning Commission

Mr. Thompson reported that IFA received a waiver request from Region 6 Planning Commission on behalf of a resident whose home was damaged in the recent natural disasters. He noted that according to the rules of the Jumpstart Housing Assistance Program, in order to receive a forgivable loan for property rehabilitation, a homeowner must allow a lien on the title of the real property for which the forgivable loan is made. Mr. Thompson explained that the homeowner in question lives on the Meskwaki settlement and does not own the land on which his house is located. Because of that, he cannot record a retention agreement as a lien against the property.

Mr. Thompson explained the criteria for a waiver as noted in Chapter 18 of IFA's Administrative Rules. He said IFA staff members believe that in this case, the homeowner would suffer undue hardship by the application of the rule as written and that no other person would be directly affected by the waiver. Therefore, IFA staff members recommend that the Board approve the waiver as requested.

Mr. Thompson noted that a typo at the top of page 2 would be corrected to reference the January 14, 2009, Board meeting rather than February 14, 2009, as currently written.

Motion: On a motion by Mr. Erickson and a second by Mr. Walter, the Board unanimously approved the waiver as requested by Region 6 Planning Commission.

LEGISLATIVE

Mr. Jones announced that the Iowa legislative session began on January 12. He said IFA has submitted three legislative proposals: one for Title Guaranty, one for SRF and a general one for IFA that will include several items. Mr. Jones noted that he will closely monitor the bill regarding the Governor's proposed Rebuild Iowa Infrastructure Authority, which IFA will staff and administer if approved. He also said that the Legislators will receive IFA's annual report on January 15.

COMMUNICATIONS

Ms. Jared distributed copies of the annual report and noted that it showcases IFA's investment by county throughout the state. She also reported that quarterly letters from the Governor's Office have been sent to Iowans with adjustable rate mortgages, explaining how to contact Iowa Mortgage Help (IMH). She noted that the Attorney General's Office has gained wide coverage for public service announcements across the state to highlight IMH. Ms. Jared then announced

that IFA has taken advantage of the opportunity to run IMH ads on MediaCom in Clinton, Southeast Iowa and Ottumwa during the evening inaugural activities.

ECONOMIC DEVELOPMENT PROGRAM

ED Resolution #08-22A, Plaza on 5th Project

Ms. Beary introduced the application for \$16,000,000 of Iowa Finance Authority Commercial Facilities Revenue Bonds for the Plaza on 5th Project in Coralville. She reported that the bonds will be used to finance the commercial portion of a six-story commercial and residential building that will include the proposed Coralville Center for the Performing Arts and three floors for commercial use. Ms Beary noted that because the applicant suffered a loss from the flooding, the project will require an allocation of Midwestern Disaster Area Bond Cap.

Motion: Mr. Walter made a motion to adopt the resolution approving the application for \$16,000,000 of Iowa Finance Authority Commercial Facilities Revenue Bonds (Plaza on 5th LC Project), Series 2009, for Plaza on 5th LC (the “Borrower”), and evidencing the intent to proceed with the issuance of \$16,000,000 of Commercial Facilities Revenue Bonds. On a second by Mr. Johnson, the Board unanimously approved ED Resolution #08-22A.

ED Resolution #08-17B, Wellmark, Inc. Project

Ms. Beary announced that the borrower has asked for this resolution to be postponed pending additional financial planning.

Public Hearing for Iowa Health Systems Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$692,500,000 of Iowa Finance Authority Hospital Refunding Revenue Bonds for the Iowa Health Systems 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 stated that the Board approved the inducement resolution on July 9, 2008, and an amended inducement resolution on December 17, 2008. She noted the project will not require Private Activity Bond Cap.

Public Hearing

Chair Caudron opened the public hearing at 10:27 a.m. regarding the issuance of an amount not to exceed \$692,500,000 of Iowa Finance Authority Hospital Refunding Revenue Bonds for the Iowa Health Systems 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 10:28 a.m.

ED Amending Resolution #747B-1, The Mill Apartments Project

Ms. Beary introduced the resolution authorizing a First Amendment to the Amended and Restated Regulatory Agreement relating to \$6,500,000 of Iowa Finance Authority Mortgage Revenue Refunding Bonds for the Mill Apartments Project in Des Moines. She explained that the bonds were issued in 1999 for the acquisition of a 144-unit multifamily project, which is now being acquired by Ashley Square Housing Cooperative. Ms. Beary said this resolution allows the Regulatory Agreement to be amended to allow the transfer of the property to the new owner as well as other needed changes.

Motion: Ms. Baum made a motion to adopt the resolution authorizing the execution of a First Amendment to Amended and Restated Regulatory Agreement relating to the Authority's \$6,500,000 Multifamily Mortgage Revenue Refunding Bonds (The Mill Apartments Project), Series 1999A and Series 1999B. On a second by Mr. Erickson, the Board unanimously approved ED Amending Resolution #747B-1.

HousingIowa

SINGLE-FAMILY PROGRAMS

Resolution – Mortgage Loan Sale Authority

Mr. Thompson reported that U.S. Bank, as IFA's Master Servicer, has requested that the IFA Board approve this resolution, which designates specific IFA employees who are authorized to direct U.S. Bank on how to sell mortgages originated under IFA's FirstHome Program.

Motion: On a motion by Mr. Erickson and a second by Ms. Brown, the Board unanimously approved the resolution.

Title Guaranty Division (TG)

Transfer of Funds from TG to IFA's Housing Programs

Mr. Ogle said the TG Board met on January 13, 2009, and approved a transfer of \$107,000 to IFA's housing programs.

Motion: On a motion by Mr. Adams and a second by Mr. Johnson, the Board accepted the transfer of funds from Title Guaranty.

Mr. Ogle explained that the TG Board made a recommendation to delete the definition of "Title Plant" in the waiver rules, and will ask the IFA Board to approve a Notice of Intended Action to that effect at the February 4, 2009, IFA Board meeting.

Water Quality Programs

Resolution – Planning & Design Loans

Ms. Beary introduced the resolution approving Planning and Design Loans totaling \$1,857,105 for Boone, Waucoma, RUSS for the City of Ollie, Xenia for the North Polk Community School, and increases for Hospers, Steamboat Rock and Wellman. She stated that with the adoption of this resolution, IFA has approved Planning and Design Loans in FY09 for 35 projects totaling \$10,089,498.

Motion: On a motion by Ms. Bordwell and a second by Mr. Adams, the Board unanimously approved the Planning and Design Loan Resolution.

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.

Mr. Burns with BurnsHousing.com addressed the Board about the possibility of the public being able to call in for Board meetings at some time in the future.

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

Mr. Vaske then distributed copies of a PowerPoint presentation to Board members showing the projects that were approved at the December 17, 2008, IFA Board meeting for an allocation of 2008 Disaster Relief Low-Income Housing Tax Credits.

Next Meeting

Chair Caudron announced that the next regular monthly meeting of the Iowa Finance Authority Board of Directors would be held at 10:45 a.m. on Wednesday, February 4, 2009, in IFA's Presentation Room.

Adjournment

There being no further business, on a motion by Mr. Erickson and a second by Mr. Johnson, the January 14, 2009, meeting of the IFA Board of Directors adjourned at 11:43 a.m.

Dated this 4th day of February 2009.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Roger J. Caudron, Chair
Iowa Finance Authority