



BOARD MEETING MINUTES

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

February 4, 2009

Board Members Present

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

Staff Members Present

Bret Mills, Executive Director/Board Secretary	Joseph Jones, Director of Governmental Affairs
Lori Beary, Community Development Director	Shawna Lode, Communications Director
Eric Chatman, CFO	Loyd Ogle, Director of Title Guaranty Division
Mark Fairley, Finance & Investment Manager	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
Ashley Jared, Assistant Communications Director	Dave Vaske, Low-Income Housing Tax Credit (LIHTC) Manager
Craig Johnson, Underwriter	Nancy Wallis, Administrative Assistant

Others Present

Bob Burns – BurnsHousing.com	Dan Garrett – Midwest Housing Equity Group
Jim Conlin – Conlin Properties	David Grossklaus - Dorsey & Whitney, LLP
Joni DeVries – Wells Fargo Bank Iowa, NA	Kyle Rice – State Treasurer’s Office

Call To Order

Chair Caudron called to order the February 4, 2009, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:00 a.m. Roll call was taken and a quorum was established with the following Board members present: Adams, Baum, Bordwell, Brown, Caudron, Erickson, Johnson and Walter.

Review of Minutes

January 14, 2009, Board Meeting

Chair Caudron introduced the minutes of the January 14, 2009, regular meeting of the IFA Board of Directors.

Ms. Bordwell noted an error on page 5 of the minutes, where the location of the Economic Development Project was incorrect. Ms. Wallis said she would make that correction after the meeting.

Motion: On a motion by Ms. Bordwell and a second by Mr. Johnson, the Board unanimously approved the minutes of the January 14, 2009, IFA Board meeting as amended.

Administration

SUMMARY & OVERVIEW

Mr. Mills announced that the State Treasurer's Office has selected CSG Advisors as IFA's financial advisor.

Mr. Mills thanked Mr. O'Hern, Ms. Rosonke and Mr. Jones for their work, which resulted in IFA receiving \$24 million for the State Jumpstart Housing Assistance Program. He said contracts will be delivered to the Councils of Government and entitlement cities. The contracts should be signed in time for IFA to begin distributing the money by Friday, February 6, 2009.

Mr. Mills reported that IFA received thanks from Humility of Mary for outstanding work in transferring John Lewis Coffee Shop properties over to Humility of Mary. He also noted that IFA's finance department closed the Series G bonds on February 3, 2009, and that the bond issue received a AAA rating by Standard & Poor's.

ACCOUNTING & FINANCE

Review of Financial Statement

Mr. Harvey presented the December 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, but net grant expense is favorable to budget due to receipt of funds from Iowa Department of Economic Development into the State Housing Trust Fund, making year-to-date operating income \$64,991 favorable to budget. The State Housing Trust Fund money should be disbursed by year-end.

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 \$75,417.

Motion: On a motion by Ms. Brown and a second by Mr. Walter, the Board unanimously accepted the December financial statement.

Revision of Budget

Mr. Harvey introduced the budget revision by saying that the revision incorporates five months of actual figures with a look forward at the next seven months. He said IFA has significantly reduced the amount of expected bond issues for the rest of the fiscal year. Mr. Harvey provided details of the housing authority ratios, miscellaneous restricted funds and the Title Guaranty budget, while he explained that IFA's General Fund is solid for the remainder of the year.

Motion: On a motion by Ms. Baum and a second by Ms. Brown, the Board voted unanimously to amend IFA's FY09 budget.

Resolution – Multifamily Loan to Robert E. Schorg Manor

Mr. Craig Johnson introduced the resolution for multifamily loans to Robert E. Schorg Manor, a two-story building in Cedar Rapids. He said the permanent loan would be used to pay off HUD’s direct 202 loan and for rehabilitation costs and the refinance would enable the project to continue to provide affordable housing to senior and handicapped residents. Mr. Johnson explained the terms of the proposed loan and said the funds would come from IFA’s multifamily endowment.

Motion: Mr. Walter made a motion to authorize IFA to commit to and fund the first loan to the borrower in an aggregate principal amount not to exceed \$1 million with a maturity of up to 30 years at up to 8 percent interest, and to commit to and fund a subordinate loan of up to \$400,000 with a maturity of up to 30 years and an interest rate of up to 4 percent per annum. On a second by Mr. Adams, the Board unanimously approved the resolution.

LEGISLATIVE

Mr. Jones distributed a state legislative update of bills IFA has requested, IFA budget bills and other legislation or initiatives of interest to IFA. He provided details of the status of each bill. Mr. Jones also provided a brief update of federal legislation.

COMMUNICATIONS

Chair Caudron welcomed Ms. Lode back after a leave of absence. Ms. Lode thanked Ms. Jared for her work during Ms. Lode’s absence, especially on the annual report. Ms. Lode announced that February 28, 2009, marks the first anniversary of Iowa Mortgage Help (IMH). She said a news conference will be scheduled, perhaps in Waterloo. Ms. Jared then distributed copies of a direct-mail piece with a testimonial on the back from an IMH client who was able to keep her home because of the assistance she received from IMH. Ms. Jared noted that these pieces would be mailed to individuals who have contacted IMH in the past but have not made further contact.

ECONOMIC DEVELOPMENT PROGRAM

ED Resolution #08-10B, Iowa Health System Project

Ms. Beary introduced the authorizing resolution for \$650,000,000 of Iowa Finance Authority Variable Rate Demand Health Facilities 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, with the majority of the bonds being used to refund prior bonds. Ms. Beary explained that the Board approved the original inducement resolution on July 9, 2008, an amended inducement resolution on December 17, 2008, and held the public hearing on January 14, 2009. She said the project will not require Private Activity Bond Cap.

Motion: Mr. Erickson made a motion to adopt the resolution authorizing the issuance of not to exceed \$650,000,000 of Iowa Finance Authority Variable Rate Demand Health Facilities Revenue Bonds (Iowa Health System) in one or more series for the purpose of making a loan to assist the borrower in refunding certain prior bonds 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. Johnson, the Board unanimously approved ED Resolution #08-10B.

HousingIowa

AFFORDABLE RENTAL PRODUCTION PROGRAMS

Resolution – 2009 Disaster Relief Low-Income Housing Tax Credit (LIHTC) Awards

Mr. Vaske introduced the resolution and explained that of the two projects listed on Exhibit A, Westport Terrace Apartments Project has been removed from the list for the current meeting. He provided a brief description of the remaining project, The Preserve at Crossroads, noting that the project includes 96 family units and is being recommended to receive an allocation of \$1,209,245 in Low-Income Housing Tax Credits. Mr. Vaske asked the Board to act on the resolution as amended with only one project.

Motion: On a motion by Ms. Bordwell and a second by Mr. Walter, the Board unanimously approved the resolution as amended.

Resolution – Tri-County Housing Trust Fund Decertification

Ms. Rosonke explained that the Tri-County Housing Trust Fund was certified as a Local Housing Trust Fund (LHTF) on April 6, 2005, subject to certain contingencies that have never been satisfied. She said that the entity has not applied for funding during the last two available funding rounds, has never received an award from the LHTF Program and appears to be an inactive LHTF. For those reasons, staff recommended the decertification, which would allow eligible applicants in Boone, Hamilton and Webster Counties to apply directly to IFA for funding under the Project-Based Housing Program.

Motion: Mr. Johnson made a motion to decertify Tri-County Housing Trust Fund as a Local Housing Trust Fund pursuant to section 2.4 of the State Housing Trust Fund Allocation Plan for the Local Housing Trust Fund Dated May 2008. On a second by Ms. Bordwell, the Board unanimously approved the resolution.

Title Guaranty Division (TG)

Mr. Ogle reported that while purchase transaction business has declined, refinance business continues to increase, helping to keep Title Guaranty profitable. He also said the commercial business continues to grow.

Mr. Ogle said the TG Board is making some changes in the refinance product to make it more efficient and more competitive.

Water Quality Programs

Resolution – Planning & Design Loans

Ms. Beary introduced the resolution approving Planning and Design Loans totaling \$2,257,644 for three projects planned by Xenia Rural Water. The projects include the Winn/Worth wastewater project in Worth County, the Fraser Valley water treatment plant in Boone County and the Beaver Creek water treatment plant in Dallas County. She stated that with the adoption of this resolution, IFA has approved Planning and Design Loans in FY09 for 38 projects totaling \$12,347,142.

Motion: On a motion by Mr. Erickson and a second by Ms. Brown, 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.

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

Mr. Adams said he appreciated the list of FirstHome loans closed by county but was disappointed in the low number of loans in the southwest area of the state and the lack of participation by lenders in that area. Mr. Mills noted that IFA shares the goal of better distribution across the state.

Chair Caudron thanked the IFA staff for their hard work on the budget and for positioning IFA to be able to withstand the economic downturn. He also announced that IFA would host a Funnel Cake Day at the state capitol beginning at 11:00 a.m. on March 12, 2009.

Next Meeting

Ms. Wallis said the next regular monthly meeting of the Iowa Finance Authority Board of Directors would be held at 10:45 a.m. on Wednesday, March 11, 2009, in IFA's Presentation Room.

Adjournment

There being no further business, on a motion by Mr. Walter and a second by Mr. Johnson, the February 4, 2009, meeting of the IFA Board of Directors adjourned at 12:03 p.m.

Dated this 11th day of March 2009.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Roger J. Caudron, Chair
Iowa Finance Authority