



**IOWA FINANCE AUTHORITY
TELEPHONIC BOARD MEETING MINUTES**

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

May 26, 2009

Board Members Present

Roger Caudron, Chair	Darlys Baum
Douglas Walter, Vice Chair	Virginia Bordwell
Carmela Brown, Treasurer	David Erickson
Heather Armstrong	Wilfred Johnson

Staff Members Present

Bret Mills, Executive Director/Board Secretary	Terri Rosonke, HousingIowa Development Specialist
Eric Chatman, Chief Financial Officer	Mark Thompson, General Counsel
Jess Mort, Receptionist	Nancy Wallis, Administrative Assistant
Carla Pope, Director of Affordable Rental Production	

Others Present

Dean Hoag – Republic Abstract	James Smith – Dorsey & Whitney, LLP
Kristin Saddoris – Conlin Properties	Jeff Voorhees – National Consulting Alliance

Call To Order

Chair Caudron called to order the May 26, 2009, special telephonic meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:33 a.m. Roll call was taken and a quorum was established with the following Board members present: Armstrong, Baum, Bordwell, Brown, Caudron, Erickson and Johnson.

Ms. Bordwell disconnected temporarily at 11:34 a.m.

Chair Caudron noted for the minutes that the meeting was being held electronically due to schedules of the Board members, which did not allow them to meet in one location.

**Resolution FIN 09-03, Proceedings Relating to Amendment of
Single-Family Mortgage Bond Resolution of the Iowa Finance Authority**

Mr. Chatman introduced Resolution FIN 09-03 by explaining that the purpose of the proposed changes is to replace the Single-Family Endowment with a Restricted Housing Fund, strengthening the pledge to bondholders by creating a Security Account and a Program Account as part of the Restricted Housing Fund.

Ms. Bordwell rejoined the meeting at 11:36 a.m.

Mr. Chatman reported that the proposals came about, not based on any problems with IFA's current cash flows, but on very extreme financial scenarios projected by S & P as a possibility in future years.

Mr. Walter joined the meeting at 11:45 a.m.

There was a lengthy discussion among Board and staff members regarding the requirements and implications of the proposed changes and how they would affect IFA's ability to continue various housing-related programs in the future.

Mr. Chatman said IFA is looking for ways to reduce the sources of risk on its balance sheet in an effort to free up assets in the resolution to allow for greater support of housing-related programs. He then explained that in clause (7) on page 7 of the bond resolution, the phrase, "and A-1+ by S&P" would be added to the end.

Motion: Ms. Brown made a motion to approve the addition to page 7 of the bond resolution. On a second by Mr. Johnson, the Board unanimously approved the addition.

Motion: Ms. Bordwell made a motion to approve the Supplemental Resolution adopting and approving various amendments to the Single-Family Mortgage Bond Resolution of the Iowa Finance Authority, originally adopted July 10, 1991, as previously amended. On a second by Mr. Walter, the Board unanimously adopted and approved the amendments to the Single-Family Mortgage Bond Resolution FIN 09-03 as amended.

**Resolution HI 09-07, Amendment to State Housing Trust Fund Allocation Plan
for the Local Housing Trust Fund Program Dated May 2008,
Notice of Intended Action to Amend Rule 265—19.1(16), and Adoption and Filing
Emergency of Amendments to Rule 265—19.1(16)**

Mr. Thompson introduced Resolution HI 09-07 and explained that all changes are marked in the plan. He said that staff is asking the Board to approve the amendment adopted and filed emergency so it becomes effective immediately, as well as to approve the Notice of Intended Action to allow it to go through the normal rule-making process with a public comment period.

Mr. Caudron noted that in Section 1.6 of the State Housing Trust Fund Allocation Plan for the Local Housing Trust Fund, the city of Sioux City had been omitted from the list of Entitlement Cities. Ms. Rosonke apologized and said she would add that back to the list.

Mr. Caudron asked if unallocated funds could now be moved from the Project-Based program to the Local Housing Trust Fund program. Ms. Rosonke reported that the Legislature did approve that change, which will be presented to the Board for consideration at the June Board meeting.

Motion: Mr. Johnson made a motion to approve the amendment to include Sioux City in the list of Entitlement Cities after it was inadvertently omitted. On a second by Ms. Bordwell, the Board unanimously approved the addition.

Motion: Ms. Baum made a motion to approve Resolution HI 09-07 as amended. On a second by Ms. Bordwell, the Board unanimously approved Resolution HI 09-07.

Resolution HI 09-08, Tax Credit Exchange Program

Ms. Pope introduced Resolution HI 09-08, allowing IFA to apply for participation in a program managed by the United States Treasury pursuant to the American Reinvestment and Recovery Act of 2009 (the “Recovery Act”). She said the program allows housing credit agencies to exchange a portion of their housing credit ceiling for cash grants, which can be used to make subawards to finance the construction or acquisition and rehabilitation of qualified low-income housing units. Based on the formula provided by the U.S. Treasury, IFA would be eligible to exchange up to 100 percent of unallocated 2008 per capita Low-Income Housing Tax Credits (LIHTC) and 40 percent of unallocated 2009 per capita credits for grant funds. Ms. Pope said the total amount of grant funds IFA could currently receive would be \$72,772,712.

Ms. Pope explained that the program would provide strict guidance for IFA to follow, requiring IFA staff to underwrite each project and allocate only the amount of grant funds needed to make the project financially viable. She also noted that IFA’s plan for the program would be presented to the IFA Board on June 10 for consideration before the program could begin.

Motion: On a motion by Mr. Walter and a second by Mr. Johnson, the Board unanimously approved Resolution HI 09-08, authorizing IFA’s Executive Director and staff to take such steps as are necessary or appropriate to request and accomplish the exchanges noted.

Resolution HI 09-09, Tax Credit Assistance Program (TCAP)

Ms. Pope provided some background on this program which is also part of the Recovery Act. She told of several training sessions which IFA staff have attended in order to better prepare for IFA’s participation in the program. Ms. Pope explained that the program would provide funds in the form of loans with the intent to get construction started on LIHTC projects and to provide gap financing.

Ms. Pope reported that a plan must be approved by the Board, then be available for public comment for five calendar days and be submitted to HUD no later than June 3, 2009. She noted that the report to HUD must include all comments received from the public, as well as IFA’s response to the comments. Because of the time constraint, the Board will not see the plan again before it is submitted to HUD.

Ms. Pope stated that if IFA is approved for participation in the program, 75 percent of the funds must be spent by February 2011 and the rest of the funds must be spent by February 2012.

Ms. Pope then noted two changes that were made after the draft plan was sent to the Board. She said that on the official version, the web site link at the bottom of page 1 would show a more direct link to the Recovery Act information on IFA's web site. She also said that on page 3, under "B. Solicitation Process", line 5 of bullet 2, the word "meeting" was added in order to make the sentence read, 'At the time Ownership Entity receives a meeting request from IFA. . .'

Motion: On a motion by Ms. Bordwell and a second by Mr. Erickson, the Board unanimously approved the changes just noted.

Motion: Ms. Baum made a motion to approve Resolution HI 09-09, authorizing IFA's participation in TCAP in an amount up to the full amount of available funding, to authorize the publication of the draft TCAP Project Selection Process and Criteria, to accept public comments, to make reasonable and appropriate changes based on such comments, to submit the final plan to HUD and to take such steps as are necessary for IFA to participate in TCAP. On a second by Ms. Armstrong, the Board unanimously approved Resolution HI 09-09.

Adjournment

There being no further business, on a motion by Mr. Johnson and a second by Ms. Brown, the May 26, 2009, special telephonic meeting of the IFA Board of Directors adjourned at 12:55 p.m.

Dated this 10th day of June 2009.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Roger J. Caudron, Chair
Iowa Finance Authority