



BOARD MEETING MINUTES

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

May 6, 2009

Board Members Present

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

Staff Members Present

Bret Mills, Executive Director/Board Secretary	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
Steve Harvey, Director of Operations/ Comptroller	David Vaske, Low-Income Housing Tax Credit Manager
Joseph Jones, Director of Governmental Affairs	Nancy Wallis, Administrative Assistant
Shawna Lode, Communications Director	
Loyd Ogle, Director of Title Guaranty Division	
Joe O'Hern, Deputy Director/Director of HousingIowa	

Others Present

Andy Anderson – Faegre & Benson	Dean Hoag – Republic Abstract
Bob Burns – BurnsHousing.com	Dick Murray – Morgan Keegan
Jim Conlin – Conlin Properties	Kyle Rice – State Treasurer's Office
Joni DeVries – Wells Fargo Bank Iowa, NA	Chris Sackett – Brown Winick Law Firm
Dan Garrett – Midwest Housing Equity Group	Ann Stocker - Cargill
David Grossklaus - Dorsey & Whitney, LLP	Judd VandeVoort – Brown Winick Law Firm

Call To Order

Chair Caudron called to order the May 6, 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: Armstrong, Baum, Bordwell, Caudron, Erickson, Johnson and Walter.

Review of Minutes

April 8, 2009, Board Meeting

Chair Caudron introduced the minutes of the April 8, 2009, regular monthly meeting of the IFA Board of Directors.

Motion: On a motion by Mr. Walter and a second by Ms. Bordwell, the Board unanimously approved the minutes of the April 8, 2009, IFA Board meeting.

Administration

SUMMARY & OVERVIEW

Mr. Mills briefly reported about the programs IFA will administer in connection with state and federal stimulus money. He said IFA's duties include programs for Low-Income Housing Tax Credit Assistance, Low-Income Housing Tax Credit Exchange and homelessness prevention as part of the American Recovery and Reinvestment Act. Mr. Mills stated that IFA will also administer the state I-Jobs Board and projects, including \$90 million for water quality and housing, as well as \$150-160 million to be allocated by the I-Jobs Board.

Mr. Mills announced that the Des Moines Register ran an article in the May 6, 2009, edition telling of the partnership between IFA and Passageway, the local nonprofit agency through which IFA hires employees to do clerical work. He also noted that IFA has completed the planning sessions to draft the strategic plan for FY 2010-2014.

RESOLUTIONS DEDICATING IFA's CONFERENCE ROOMS

Mr. Mills reported that the previous resolutions dedicating IFA's two conference rooms predated the acquisition of the current building. Because of that, staff recommended that the resolutions be updated to coincide with the current conference rooms.

Resolution GEN 09-01, Dedicating "The Robert H. Helmick Conference Room"

Mr. Thompson noted that this resolution would formally memorialize the naming of the main conference room in the current building.

Motion: On a motion by Mr. Johnson and a second by Ms. Bordwell, the Board unanimously approved Resolution GEN 09-01, dedicating "The Robert H. Helmick Conference Room."

Resolution GEN 09-02, Dedicating "The William H. McNarney Conference Room"

Mr. Thompson stated that this resolution would formally memorialize the naming of the central conference room at the top of the stairs on the second floor in the current building.

Motion: On a motion by Ms. Baum and a second by Mr. Walter, the Board unanimously approved Resolution GEN 09-02, dedicating "The William H. McNarney Conference Room."

ACCOUNTING & FINANCE

Review of Financial Statement

Mr. Harvey presented the March financial results, noting that as a housing agency, year-to-date operating income, operating expense and net grant expense are all favorable to budget, making year-to-date net operating income \$920,715 favorable to budget.

Mr. Harvey reported that SRF year-to-date operating income is favorable to budget and year-to-date operating expense is unfavorable to budget due to interest expense on the 2009 bond issue and Department of Natural Resources (DNR) expense exceeding IFA's budget. He also noted that net grant income trails budget because of Cap grant draws. Mr. Harvey said that although net operating income is unfavorable to budget, the program is very stable with ample funds. He said the proposed budget for FY 2010 should contain more accurate predictions.

Motion: On a motion by Ms. Baum and a second by Mr. Johnson, the Board unanimously accepted the March financial statement.

Mr. Harvey then briefly summarized some information from the State Auditor's Report on the SRF program. He said the only finding noted was that the annual report, which DNR is required to submit to the Environmental Protection Agency, was submitted 52 days late.

LEGAL

Request from The Service Abstract Company for Waiver of Administrative Rule – 265 IAC 9.3(16), Definition of "Abstract of Title"

Mr. Thompson announced that The Service Abstract Company, with an office in Cedar Rapids, has submitted an application requesting a waiver of the referenced rule. He said the city of Cedar Rapids is proceeding with plans to buy out flood-damaged properties, but that because of the flooding, hundreds of those properties no longer have an abstract available.

Mr. Ogle noted that the IFA Board approved such a waiver at the February and March Board meetings for Iowa Title Company and for Republic Abstract and Settlement, LLC. He said The Service Abstract Company has been asked by the city of Cedar Rapids to bid on plans to take title to approximately 1,300 flood-damaged properties, and in order to do that, the company would like to receive the same waiver in order to be able to compete for the title business in Linn County. He explained that, as with the two previous waivers approved by the Board, this waiver would apply only to flood-damaged properties in Linn County for only one year.

Mr. Ogle introduced the proposed order granting request for waiver of Iowa Administrative Code Rule 265—9.3(16), which had been drafted by staff for consideration by the IFA Board.

Motion: Ms. Armstrong made a motion to approve the proposed order granting a waiver of Iowa Administrative Code Rule 265—9.3(16) to The Service Abstract Company. On a second by Mr. Walter, a vote was taken with the following results: YES: Armstrong, Baum, Erickson, Johnson, Walter and Caudron; NO: Bordwell; ABSTAIN: None. The Board approved the order on a majority vote.

LEGISLATIVE

Mr. Jones distributed a summary of the state legislative session and noted that nothing had changed on the federal level since his last update. He provided a brief verbal report on the outcome of the requests IFA submitted to the Legislature, explaining that each one was approved with the exception of the closing company registration bill, which will be submitted next year by the Banking Superintendent. Mr. Jones said he would provide a detailed report at the June Board meeting after he has reviewed each bill in its entirety.

COMMUNICATIONS

Ms. Lode said the Board packets included a new brochure for the FirstHome and FirstHome Plus programs. She explained that the brochure also promotes the Military Service Member Homeownership Assistance program, which provides up to \$5,000 to qualified homebuyers, and REOHome, which offers up to \$10,000 in down payment/closing cost assistance to qualified Iowans purchasing a home that is Real Estate Owned (REO).

Ms. Lode showed the Board a new comprehensive Affordable Assisted Living (AAL) Manual that IFA recently distributed to AAL programs around the state. She said the binders were made possible by a grant from the USDA Rural Community Development Initiative. She also spoke briefly about some recent newspaper articles, 400 postcards that were recently sent to homeowners who have previously contacted the Iowa Mortgage Help hotline, and noted that IFA has already distributed 20,000 mediation notes to attorneys around the nation.

Community Development Programs

Resolution ED 09-06A, Ashley Square Project

Ms. Beary introduced the application and inducement resolution for \$6,500,000 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds for the Ashley Square Project in Des Moines. She said the bonds will be used to refund bonds issued in 1999 for Ashley Square, a 144-unit multifamily housing project in Des Moines. Ms. Beary noted that the project will not require Private Activity Bond Cap.

Motion: Mr. Walter made a motion to adopt the resolution approving an application for \$6,500,000 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds (Ashley Square Apartments Project), Series 2009, for Ashley Square Housing Cooperative (the “Borrower”), and evidencing the intent to proceed with the issuance of \$6,500,000 of Revenue Refunding Bonds. On a second by Ms. Bordwell, the Board unanimously adopted Resolution ED 09-06A.

Public Hearing for ED Loan 08-11, Amsted Industries Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$9,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Amsted Industries Project in Keokuk. She reported that the bonds will be used to construct three transformers and related equipment to supply electricity to furnaces that melt steel for the manufacture of locomotive wheels. Ms. Beary said the original inducement resolution was adopted on July 9, 2008, while an amended inducement resolution was adopted on September 10, 2008. She explained that this project will require Private Activity Bond Cap.

Chair Caudron opened the public hearing at 11:32 a.m. regarding the issuance of an amount not to exceed \$9,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Amsted Industries Project in Keokuk. 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 11:33 a.m.

Public Hearing for ED Loan #09-04, Cargill Inc. Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$174,000 of Iowa Finance Authority Midwestern Disaster Area Economic Development

Revenue Bonds for the Cargill Incorporated Projects. She explained that the bonds will be used to reconstruct and expand existing facilities in Dubuque, Cedar Rapids, Muscatine, New Sharon, Eddyville, Ottumwa and Buffalo. Ms. Beary said the IFA Board adopted the inducement resolution on April 8, 2009.

Chair Caudron opened the public hearing at 11:34 a.m. regarding the issuance of an amount not to exceed \$174,000 of Iowa Finance Authority Midwestern Disaster Area Economic Development Revenue Bonds for the Cargill Incorporated Projects. 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 11:35 a.m.

Resolution ED 09-04B, Cargill, Inc. Project

Ms. Beary introduced the authorizing resolution for \$174,000,000 of Iowa Finance Authority Midwestern Disaster Area Economic Development Revenue Bonds for the reconstruction and expansion project for Cargill, Inc. at various locations throughout the state. She said the applicant suffered a loss from the flooding in 2008 and will require an allocation of Midwestern Disaster Area Bonds.

Motion: Ms. Bordwell made a motion to approve an application authorizing the issuance in one or more series of not to exceed \$174,000,000 of Iowa Finance Authority Midwestern Disaster Area Economic Development Revenue Bonds (Cargill, Incorporated Project), Series 2009A and 2009B, for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of multiple agricultural manufacturing and industrial projects in seven counties of the State of Iowa; authorizing the execution and delivery of certain financing documents pertaining to the project; 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 Resolution ED 09-04B.

Resolution ED 09-05B, Randy and Ronnie Hunt Partnership Project

Ms. Beary introduced the authorizing resolution for \$3,250,000 of Iowa Finance Authority Variable rate Demand Refunding Revenue Bonds for the Randy and Ronnie Hunt Partnership Project in Salix, located in Woodbury County. She said the bonds were issued in 2007 and were used to construct a manure management system for a dairy facility.

Motion: Ms. Baum made a motion to adopt the resolution approving an application and authorizing the issuance of not to exceed \$3,250,000 of Iowa Finance Authority Variable Rate Demand Refunding Revenue Bonds (Randy and Ronnie Hunt Partnership Project), Series 2009, for the purpose of making a loan to assist the Borrower in refunding existing bonds of the Authority; authorizing the execution and delivery of certain financing documents pertaining to the refunding; 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 Ms. Bordwell, the Board unanimously approved Resolution ED 09-05B.

Resolution WQ 09-03, Planning & Design Loans

Ms. Beary introduced the resolution approving Planning & Design Loans totaling \$1,982,350 for Winterset, Stacyville, Guttenberg, Sioux City, Dakota City, Janesville, Algona, South English,

Randall, Allerton, Albert City, Epworth, Manchester and Marion. She stated that with the adoption of this resolution, IFA has approved Planning & Design Loans in FY09 totaling over \$21 million for 74 projects.

Motion: On a motion by Mr. Johnson and a second by Ms. Armstrong, the Board unanimously approved Resolution WQ 09-03, Planning & Design Loans, for the projects and amounts shown on Exhibit A.

Ms. Beary provided a brief update on the stimulus funds, explaining that the Board would need to consider and approve rules for the funding in the near future.

HousingIowa

AFFORDABLE RENTAL PRODUCTION PROGRAMS

Resolution HI 09-04, Appointment of State Housing Trust Fund Advisory Board Members

Ms. Rosonke explained that the proposed Advisory Board is much the same as in January 2008, when the previous appointments were made. She said the only exception is that because Andy Johnson is no longer able to serve, Tim Ostroski and Laura Russell have been appointed, increasing the number of people on the Board by one, pending approval by the IFA Board. Ms. Rosonke expressed appreciation for the time and effort Andy Johnson spent serving on the Board and as a leader in the Housing Trust Fund Advocacy Network.

Motion: On a motion by Mr. Johnson and a second by Mr. Walter, the Board unanimously approved Resolution HI 09-04, approving the appointment of the Board members listed on Exhibit A of the resolution.

Resolution HI 09-05, 2009 Disaster Relief Low-Income Housing Tax Credit Awards

Mr. Vaske introduced the resolution for a Disaster Relief Low-Income Housing Tax Credit award to Liberty Manor in Waterloo, an acquisition/rehab project for seniors. He referred to the information on Exhibit A and in the talking points, attached to the resolution in the Board materials.

Motion: On a motion by Mr. Johnson and a second by Ms. Bordwell, the Board unanimously approved Resolution HI 09-05, awarding Low-Income Housing Tax Credits to the project and in the amount shown on Exhibit A.

Resolution HI 09-06, Award of Additional Credits to LIHTC #07-01, Creston Plaza Apartments, LP, Phase I

Mr. Vaske introduced the resolution and explained that the project is eligible to receive up to \$7,853 in additional Low-Income Housing Tax Credits based on construction cost increases for the project. He said staff recommends approving the allocation of additional tax credits.

Motion: On a motion by Mr. Erickson and a second by Mr. Johnson, the Board unanimously approved Resolution HI 09-06, awarding \$7,853 in additional Low-Income Housing Tax Credits to LIHTC #07-01, Creston Plaza Apartments, LP, Phase I.

Title Guaranty Division (TG)

Mr. Ogle noted that continued increases in the refinance business brought Title Guaranty revenue to approximately \$347,000 in April. He said more than 85 percent of that business is now done through field issuance. He also reported that TG is holding regional academies around the state, and that TG has recently become a member of the Iowa Land Title Association.

Mr. Adams joined the meeting via telephone at 11:51 a.m.

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. Bob Burns, an architect and developer from Iowa City, spoke to the Board about State Housing Tax Credits.

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

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, June 3, 2009, (ed.: but was later changed to June 10) in IFA's Presentation Room.

Adjournment

There being no further business, on a motion by Mr. Adams and a second by Mr. Johnson, the May 6, 2009, meeting of the IFA Board of Directors adjourned at 11:59 a.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