



BOARD MEETING MINUTES

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

December 9, 2009

Board Members Present

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

Board Members Absent

Steven Adams	Heather Armstrong
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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
Craig Johnson, Underwriter	Nancy Wallis, Administrative Assistant
Loyd Ogle, Title Guaranty Division (TG) Director	

Others Present

Syeta Glanton – Governor’s Office	David Grossklaus – Dorsey & Whitney, LLP
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Call To Order

Chair Caudron called to order the December 9, 2009, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:02 a.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Bordwell, Brown, Caudron, Erickson and Johnson.

Chair Caudron noted that the meeting was being held telephonically because of the weather.

Review of Minutes

November 4, 2009, Board Meeting

Chair Caudron introduced the minutes of the November 4, 2009, regular monthly meeting of the IFA Board of Directors.

Motion: On a motion by Mr. Erickson and a second by Mr. Johnson, the Board unanimously approved the minutes of the November 4, 2009, meeting of the IFA Board.

Mr. Walter connected to the meeting at 11:06 a.m.

November 20, 2009, Board Meeting

Chair Caudron introduced the minutes of the November 20, 2009, special telephonic meeting of the IFA Board of Directors.

Chair Caudron and Ms. Brown said they would abstain from voting because they did not attend the meeting.

Motion: On a motion by Ms. Baum and a second by Ms. Bordwell, the Board unanimously approved the minutes of the November 20, 2009, IFA Board meeting.

Administration

SUMMARY & OVERVIEW

Director Mills announced that Governor Culver met with Department Directors on Tuesday, December 8, 2009, to discuss a proposed Executive Order addressing efficiency in state government. Director Mills briefly explained the impact the new plan could have on IFA.

Review of Financial Statement

Mr. Harvey presented the October financial results, noting that as a housing agency, year-to-date operating income, net operating expense and net grant income are all favorable to budget, making the year-to-date net operating income \$1,579,276 favorable to budget.

Mr. Harvey reported that SRF year-to-date operating income and operating expense are favorable to budget while net grant income is unfavorable to budget, making net operating income \$238,329 favorable to budget.

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

Resolution FIN 09-30, Loan Write-Offs

Mr. Harvey introduced the resolution by explaining that IFA entered into three unsecured separate but related forgivable multifamily loan transactions in 1990. He explained the terms of the loans and said that the ownership entity stopped performing according to the contract in 2005. Mr. Harvey said no payments have been made since that time and that after several years of trying to collect, it appears that no further collection opportunities exist. He said he would like permission from the Board to write off the loans because the properties have been sold to new owners. Mr. Harvey noted that IFA would submit the proper tax forms for the balance of the loans.

Motion: Mr. Johnson made a motion to approve the resolution authorizing IFA to write the debt of the loans set forth on Exhibit A off of IFA's loan accounts and cease further collection efforts relating to the loans, and also to complete and issue any appropriate tax documents associated with the write-off of the loans. On a second by Ms. Bordwell, the Board unanimously approved Resolution FIN 09-30.

Resolution FIN 09-28, Multifamily Loan to Bluff Apartments of Fort Madison, L.P.

Mr. Craig Johnson introduced the resolution authorizing a multifamily loan to the Bluff Apartments of Fort Madison, a 40-unit family project comprised of three two-story buildings in Fort Madison. He said the project received \$812,270 in tax credits during the 2009 funding round as well as TCAP funding in the amount of \$1.6 million. Mr. Johnson said the staff recommendation is for a 30-year permanent loan of \$231,000 to be funded upon completion of the construction of the property.

Motion: Mr. Walter made a motion to approve the resolution authorizing IFA to provide a permanent multifamily loan to the owner in an amount not to exceed \$231,000, with a maturity not to exceed 30 years and to be secured by a first mortgage on the project, subject to the conditions of, and as described in, the resolution. On a second by Mr. Erickson, the Board unanimously approved Resolution FIN 09-28.

Resolution FIN 09-29, Authorizing Resolution – Federal Home Loan Bank Advance

Mr. Chatman reported that this resolution would allow IFA to issue another note to Federal Home Loan Bank to preserve bond cap. He said the proposed resolution would authorize the issuance of up to \$150 million with a maturity date not later than December 31, 2010.

Motion: Ms. Brown made a motion to approve the resolution relating to issuance of one or more notes for Single-Family Mortgage Program; authorizing preparation and execution of one or more Credit Agreements; delegating certain responsibilities to the Executive Director for finalizing certain matters, forms and contents of certain documents; and also pertaining to certain other related matters. On a second by Mr. Johnson, the Board unanimously approved Resolution FIN 09-29.

LEGAL

Resolution GEN 09-03, IFA Division Resolution

Mr. Thompson introduced the resolution by explaining that during the last legislative session a provision was approved that allows IFA to create divisions within the agency. He said this resolution takes advantage of that provision, creating the HousingIowa Division, the Section 8 Project-Based Contract Administration Division and the Water Quality Division, in order to make the table of organization more clear.

Motion: On a motion by Ms. Baum and a second by Mr. Walter, the Board unanimously approved Resolution GEN 09-03, establishing and recognizing three new divisions of the Iowa Finance Authority.

Request from Iowa Title Company for Extension of Waiver of Administrative Rule – 265 IAC 9.3(16), Definition of “Abstract of Title”

Mr. Ogle reminded the Board that they previously granted three waiver requests to allow a comprehensive title report instead of preparing a traditional abstract as defined in the rules, in order to assist in the buy-out of approximately 1,300 properties that were damaged in the floods during the summer of 2008. He said the waivers were granted for one year, but because the waiver request

has nearly expired and no title work has been completed yet, Iowa Title Company is requesting an extension until November 2010, so they can complete the work for which they have been awarded the contract by the City of Cedar Rapids.

Mr. Ogle presented the proposed order granting an extension of waiver of Iowa Administrative Code Rule 265–9.3(16).

Motion: On a motion by Mr. Johnson and a second by Mr. Walter, the Board unanimously approved the proposed order granting the extension of waiver until November 2010 to Iowa Title Company only for flood-damaged properties in Linn County.

Adopted and Filed – 265 IAC Ch. 9(16), Title Guaranty Rules

Mr. Ogle stated that the TG Board met Tuesday, December 8, 2009, and approved the rules in final form. He said there had been no public comment but that Title Guaranty had sought input from industry partners, none of which had any objections to the changes. Mr. Ogle summarized four non-substantive edits recommended by TG staff after the Notice of Intended Action was filed. He asked the Board to approve the rules in final form, including those four edits.

Motion: On a motion by Mr. Walter and a second by Ms. Brown, the Board unanimously approved the adoption and filing of 265 IAC Ch. 9(16), Title Guaranty Rules, as edited.

Adopted and Filed – Amendments to Chapter 26, Water Pollution Control Works and Drinking Water Facilities Financing

Ms. Beary explained that the Board approved the Notice of Intended Action for this program in September 2009. She said a public hearing was held with only one person in attendance, but that no public comments were received.

Motion: On a motion by Ms. Bordwell and a second by Mr. Johnson, the Board unanimously approved the adoption and filing of the amendments to Chapter 26, Water Pollution Control Works and Drinking Water Facilities Financing.

Adopted and Filed – 265 IAC Ch. 32, Iowa Jobs Program Re: Scheduling of Rounds; Treatment of Deferred and Denied Applications

Mr. Thompson reported that the Notice of Intended Action was adopted emergency to clarify specific points in the rules. He said there have been no changes following that notice and that this is just the final step in the process which allowed public comment. Mr. Thompson said IFA received no public comments on the clarifications.

Motion: On a motion by Ms. Brown and a second by Mr. Walter, the Board unanimously approved the adoption and filing of 265 IAC Ch. 32, Iowa Jobs Program relating to scheduling of rounds and treatment of deferred and denied applications.

Adopted and Filed Emergency and Notice of Intended Action – 265 IAC Ch. 32, Iowa Jobs Program Re: Deadlines for Negotiation of Final Contracts, Stacking of I-JOBS Funding and Federal Funds not Mentioned in Application

Mr. Thompson announced that these changes have been approved by the I-JOBS Board and need final approval by the IFA Board. He said that by doing the “double-barrel” approval, the changes will become effective immediately but still allow opportunity for public comment. He explained the

changes clarifying the results of combining I-JOBS funding with federal funds that were not disclosed in the application, which could result in the denial of previously approved funding. Mr. Thompson also noted that the original rules stated the owner entity has 45 days to sign a final contract, but that there were some controversies about when the 45-day period starts. He said the proposed amendments clarify that issue.

Motion: On a motion by Ms. Baum and a second by Mr. Erickson, the Board unanimously approved the adoption and filing emergency and the Notice of Intended Action for 265 IAC Ch. 32, Iowa Jobs Program relating to the deadlines for negotiation of final contracts, stacking of I-JOBS funding and federal funds not mentioned in application.

COMMUNICATIONS

Chair Caudron referred to the report in the Board materials.

Community Development Programs

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 09-23A, Christian Opportunity Center Project

Ms. Beary introduced the application and inducement resolution for \$1,200,000 of Iowa Finance Authority Rehabilitation Facilities Revenue and Refunding Bonds for the Christian Opportunity Center (COC) Project. She explained that COC provides training in both work skills and living skills to people with disabilities. She said that the bonds will be used to purchase two homes in Indianola and one home in Pella, to update an existing apartment complex, and to refinance existing bank debt. Ms. Beary noted that the project will not require Private Activity Bond Cap.

Motion: Ms. Brown made a motion to adopt the resolution approving an application for \$1,200,000 of Iowa Finance Authority Rehabilitation Facilities Revenue and Refunding Bonds (Christian Opportunity Center Project), Series 2009, for Christian Opportunity Center (the “Borrower”), and evidencing the intent to proceed with the issuance of \$1,200,000 of Rehabilitation Facilities Revenue and Refunding Bonds. On a second by Mr. Johnson, the Board unanimously adopted Resolution ED 09-23A.

Resolution ED 09-24B, Iowa School Cash Anticipation Program

Ms. Beary introduced the resolution accepting the application and authorizing the issuance of \$150,000,000 of Iowa Finance Authority Revenue Anticipation Notes for the Iowa School Cash Anticipation Program (ISCAP). She stated that the notes, which require no inducement resolution because they are governmental bonds, will be used to provide funds for school districts to help with cash flow. Ms. Beary explained that ISCAP is a non-profit corporation that has 28E agreements with school districts to use this pooled cash flow financing. She noted that IFA did a similar bond issue for them last June, and that the project will not require Private Activity Bond Cap.

Motion: Mr. Walter made a motion to adopt the resolution approving an application and authorizing the issuance of not to exceed \$150,000,000 of Iowa Finance Authority Revenue Anticipation Notes (Iowa School Cash Anticipation Program), Series 2010, for the purpose of assisting certain Iowa school corporations in financing their cash flow needs; authorizing the execution and delivery of certain financing documents pertaining to the financing; authorizing the assignment of certain financing documents for further securing the payment of the Notes;

authorizing the sale of the Notes; authorizing the appointment of a trustee; and related matters. On a second by Ms. Bordwell, the Board unanimously approved Resolution ED 09-24B.

Resolution ED 09-25A, Art's-Way Manufacturing Project

Ms. Beary introduced the application and inducement resolution for \$1,300,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Art's-Way Manufacturing Company in West Union in Fayette County. She reported that Art's-Way is a manufacturer of agricultural machinery and that the bonds will be used to finance a building for the expansion of the company. Ms. Beary noted that the project will require Private Activity Bond Cap.

Motion: Ms. Bordwell made a motion to adopt the resolution approving an application for \$1,300,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds (Art's-Way Manufacturing Co., Inc. Project), Series 2009, for Art's-Way Manufacturing Co., Inc. (the "Borrower"), and evidencing the intent to proceed with the issuance of \$1,300,000 of Manufacturing Facility Revenue Bonds. On a second by Ms. Baum, the Board unanimously approved Resolution ED 09-25A.

Public Hearing for Heritage Christian School Project, ED 09-21

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$1,300,000 of Iowa Finance Authority Educational Facility Revenue Bonds for the Heritage Christian School Project in North Liberty for a new K-8 school. Ms. Beary noted that the inducement resolution was adopted on November 4, 2009, and that the project will not require Private Activity Bond Cap.

Chair Caudron opened the public hearing at 11:54 a.m. regarding the issuance of an amount not to exceed \$1,300,000 of Iowa Finance Authority Educational Facility Revenue Bonds for the Heritage Christian School Project in North Liberty for a new K-8 school. 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 11:55 a.m.

Public Hearing for ED 09-22Western Home Communities Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$12,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds for the Western Home Communities Project in Cedar Falls. She said the bonds will be used to finance a new 35-unit assisted living complex in Cedar Falls, to retire existing debt and to refund prior bonds that were used to finance the main campus facility in Cedar Falls and the Walnut Court facility in Waterloo, both of which are for seniors.

Chair Caudron opened the public hearing at 11:56 a.m. regarding the issuance of an amount not to exceed \$12,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds for the Western Home Communities Project in Cedar Falls. Ms. Beary noted that 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 11:57 a.m.

Resolution ED 09-22B, Western Home Communities Project

Ms. Beary introduced the authorizing resolution for \$12,000,000 of Iowa Finance Authority Health Care Facilities Revenue Bonds for the Western Home Communities Project in Cedar Falls. She said

the Board adopted the inducement resolution on November 20, 2009, and that the project will not require Private Activity Bond Cap.

Motion: Mr. Johnson made a motion to approve the resolution authorizing the issuance of not to exceed \$12,000,000 of Iowa Finance Authority Health Care Facilities Revenue Bonds (Western Home Project), Series 2009, for the purpose of making a loan to assist the borrower in the acquisition construction, renovation and equipping of a project and refinancing certain indebtedness; 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 Ms. Bordwell, the Board unanimously approved Resolution ED 09-22B.

WATER QUALITY PROGRAMS

Resolution WQ 09-10, Planning & Design Loans

Ms. Beary introduced the resolution approving Planning & Design Loans for the cities of Newhall, Lamont, Minburn and Ames for a total of \$6,924,000.

Motion: On a motion by Ms. Brown and a second by Mr. Walter, the Board unanimously approved Resolution WQ 09-10, authorizing Planning & Design Loans to the communities and in the amounts set forth on Exhibit A of the resolution.

HousingIowa

AFFORDABLE RENTAL PRODUCTION PROGRAMS

Resolution HI 09-51, State Housing Trust Fund Project-Based Housing Program Awards

Ms. Rosonke introduced the resolution allocating awards to four projects for a total of \$200,000 under the FY 2010 funding round. She said IFA had a total of \$1,058,204 to award under the program during FY 2010, \$50,000 of which has already been awarded. Ms. Rosonke reported that awards approved by the Board leverage \$1.76 for every dollar of Project-Based funding, and that the approved projects will assist 446 affordable housing units in Iowa. She noted that summaries of the four projects were included in the Board materials.

Motion: Ms. Baum made a motion to approve the resolution awarding grants under the State Housing Trust Fund Project-Based Housing Program to the recipients and in the amounts listed on Exhibit A of the resolution, contingent upon the applicants securing all other funding sources identified in the project budgets. On a second by Mr. Walter, the Board unanimously approved Resolution HI 09-51.

Title Guaranty Division (TG)

Transfer of Funds

Mr. Ogle reported that the TG Board met on December 8, 2009, and approved a transfer of funds from Title Guaranty to IFA's housing programs in the amount of \$749,000.

Motion: On a motion by Ms. Brown and a second by Mr. Johnson, the Board unanimously accepted the transfer of \$749,000 from TG to IFA's housing programs, with appreciation to the TG staff for their hard work.

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.

Next Meeting

The next regular monthly meeting of the IFA Board of Directors will be held at 11:00 a.m. on Wednesday, January 13, 2010, in IFA's Presentation Room.

Adjournment

There being no further business, on a motion by Ms. Brown and a second by Ms. Bordwell, the December 9, 2009, meeting of the IFA Board of Directors adjourned at 12:02 p.m.

Dated this 13th day of January 2010.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director/Board Secretary
Iowa Finance Authority

Roger J. Caudron, Chair
Iowa Finance Authority