



BOARD MEETING MINUTES

**Iowa Finance Authority Presentation Room
2015 Grand Avenue
Des Moines, Iowa
February 3, 2010**

Board Members Present

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

Board Members Absent

Carmela Brown

Staff Members Present

Joe O'Hern, Executive Director/ Board Secretary	Jess Mort, Administrative Assistant
Lori Beary, Community Development Director	Loyd Ogle, Title Guaranty Division (TGD) Director
Eric Chatman, Chief Financial Officer	Carla Pope, Director of Affordable Rental Production
Irene Hardisty, Director of Single-Family Production	Mark Thompson, General Counsel
Steve Harvey, Director of Operations/ Comptroller	David Vaske, Low-Income Housing Tax Credit Manager
Ashley Jared, Assistant Communications Director	Nancy Wallis, Administrative Assistant
Joseph Jones, Director of Governmental Affairs	
Shawna Lode, Communications Director	

Others Present

Jim Beal – Des Moines YMCA	David Grossklaus – Dorsey & Whitney, LLP
Kristi Boyce – Wells Fargo Bank, NA	Dean Hoag – Republic Abstract
Bob Burns – BurnsHousing.com	Dan Kroetz – Cardinal Capital Management
Vernon Delpesce - Des Moines YMCA	Kyle Rice – State Treasurer's Office
Joni DeVries – Wells Fargo Bank Iowa, NA	Senator Joe Seng – District 43, Scott County
Dan Garrett – Midwest Housing Equity Group	James Smith – Dorsey & Whitney, LLP

Call to Order

Chair Caudron called to order the February 3, 2010, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:01 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

January 13, 2010, Board Meeting

Chair Caudron introduced the minutes of the January 13, 2010, regular monthly meeting of the IFA Board of Directors.

Motion: On a motion by Mr. Erickson and a second by Ms. Armstrong, the Board approved the minutes of the January 13, 2010, IFA Board meeting.

Administration

SUMMARY & OVERVIEW

Director O'Hern said IFA staff members were involved in many regular duties as well as additional disaster recovery issues, including Jumpstart Housing Assistance, buyouts in flood-damaged areas, stimulus funding and I-JOBS projects. He answered questions from Board members specifically about disaster recovery efforts in Cedar Rapids.

Mr. Adams joined the conference call at 11:10 a.m.

Review of Financial Statement

Mr. Harvey presented the December 2009 financial results, noting that as a housing agency, year-to-date operating income, operating expense and net grant income are all favorable to budget, making the year-to-date net operating income \$2,204,750 favorable to budget.

Mr. Harvey reported that SRF year-to-date operating income and net grant income are unfavorable to budget, while operating expense is favorable to budget, making net operating income \$486,426 unfavorable to budget.

Motion: On a motion by Mr. Walter and a second by Mr. Johnson, the Board unanimously accepted the December 2009 financial statement.

LEGAL

Adopted and Filed Emergency and Notice of Intended Action Re: Chapter 30, Qualified Midwestern Disaster Area Bond Allocation

Mr. Thompson explained that this is a "double-barrel" approval so the amendments will become effective immediately but will still go through the normal rule-making process. Ms. Beary reported that the Board previously approved rules, but IFA has been waiting for guidance from the Internal Revenue Service. She said the proposed amendments are based on that guidance received from the IRS in December 2009. Ms. Beary explained that the Governor signed an Executive Order making IFA the Governor's designee for the program. She also explained that the amendments propose a \$200 million cap per applicant and provide a set-aside of \$300 million in allocation for use by the Iowa Department of Economic Development, with both the cap and the set-aside to expire on December 31, 2011.

Motion: On a motion by Mr. Adams and a second by Ms. Armstrong, the Board unanimously approved the emergency adoption and filing of the amendments to Chapter 30, Qualified Midwestern Disaster Area Bond Allocation.

Motion: On a motion by Mr. Erickson and a second by Ms. Bordwell, the Board unanimously approved the Notice of Intended Action for the amendments to Chapter 30, Qualified Midwestern Disaster Area Bond Allocation.

Adopted and Filed Re: Chapter 29, Jumpstart Housing Assistance Program

Mr. Thompson explained that this is the final step in approving the Jumpstart Housing Assistance Program rules. He said the Board approved the adoption and filing emergency along with the Notice of Intended Action in December. Mr. Thompson noted that there were no changes made following the previous approval and that IFA received no public comments.

Motion: On a motion by Mr. Johnson and a second by Ms. Bordwell, the Board unanimously approved the adoption and filing of amendments to Chapter 29, Jumpstart Housing Assistance Program.

Adopted and Filed Re: Chapter 32, Iowa Jobs Program

Mr. Thompson reported that the IFA Board voted in December to adopt and file these amendments emergency and to approve the Notice of Intended Action. He stated that no changes have been made following that approval and that IFA received no public comments.

Motion: On a motion by Ms. Armstrong and a second by Mr. Erickson, the Board unanimously approved the adoption and filing of amendments to Chapter 32, Iowa Jobs Program.

Adopted and Filed Re: Chapter 35, Affordable Housing Assistance Grant Fund

Mr. Thompson announced that the IFA Board approved the Notice of Intended Action in November. He said no changes have been made following that approval and that IFA received no public comments.

Motion: On a motion by Mr. Walter and a second by Ms. Baum, the Board unanimously approved the adoption and filing of amendments to Chapter 35, Affordable Housing Assistance Grant Fund.

LEGISLATIVE

Mr. Jones said there was no congressional update, but he did report that the President's budget included a recommendation to fund the National Housing Trust Fund, which could impact IFA if approved. Mr. Jones presented a brief summary of state legislation based on information included in his memo in the Board materials. He said that Director O'Hern would make a presentation to the Senate Economic Growth Committee on February 4, 2010.

COMMUNICATIONS

Ms. Lode briefly summarized a few of the newest projects that have been completed recently, including the availability of updates to the single-family programs via text messaging, the new Title Guaranty Commercial web site at www.titleguarantycommercial.com and the FY10 annual report that is available only in electronic form in order to save resources.

Ms. Jared then presented a video highlighting IFA and its various programs. She noted that the software used for the presentation is available for use by the entire agency for various presentations.

Ms. Bordwell disconnected from the conference call at 11:47.

Community Development Programs

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 10-01A, Siena Hills Senior Living Center

Ms. Beary introduced the application and inducement resolution for \$11,000,000 of Iowa Finance Authority Assisted Living Facility Revenue Bonds for the Siena Hills Senior Living Center Project in Ankeny. She explained that the bonds will be used to finance the construction of a 48-apartment assisted living facility focused on residents suffering from Alzheimer's and/or other forms of dementia. Ms. Beary said the project does not require Private Activity Bond Cap.

Motion: Mr. Johnson made a motion to adopt the resolution approving an application for \$11,000,000 of Iowa Finance Authority Assisted Living Facility Revenue Bonds (Siena Hills Senior Living Center Project), Series 2010, for Lexington Square Communities, Inc., (the "Borrower"), and evidencing the intent to proceed with the issuance of \$11,000,000 of Assisted Living Facility Revenue Bonds. On a second by Mr. Erickson, the Board unanimously adopted Resolution ED 10-01A.

Resolution ED 09-21B, Heritage Christian School Project

Ms. Beary introduced the authorizing resolution for \$1,300,000 of Iowa Finance Authority Educational Facility Revenue Bonds for the Heritage Christian School Project in North Liberty. She reported that the bonds will be used for a new K-8 school. Ms. Beary noted that the IFA Board adopted the inducement resolution on November 4, 2009, and that the public hearing was held on December 9, 2009. She said the project will not require Private Activity Bond Cap.

Motion: Mr. Adams made a motion to adopt the resolution approving the issuance of not to exceed \$1,300,000 of Educational Facility Revenue Bonds (Heritage Christian School Project) for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; 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; and related matters. On a second by Ms. Armstrong, the Board unanimously approved Resolution ED 09-21B.

Public Hearing for Christian Opportunity Center Project, ED 09-23

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 Development Revenue Bonds for the Christian Opportunity Center (COC) Project. She stated that COC provides training in both work skills and living skills to people with disabilities. She said the bonds will be used to purchase two homes in Indianola, one in Pella, and to update an existing apartment complex.

Chair Caudron opened the public hearing at 11:52 a.m. regarding the issuance of an amount not to exceed \$1,300,000 of Iowa Finance Authority Development Revenue Bonds for the Christian Opportunity Center 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 11:53 a.m.

Resolution ED 09-23B, Christian Opportunity Center Project

Ms. Beary introduced the authorizing resolution for \$1,200,000 of Iowa Finance Authority Development Revenue Bonds for the Christian Opportunity Center (COC) Project. She reported

that the Board adopted the inducement resolution on December 9, 2009, and that the project would not require Private Activity Bond Cap.

Motion: Mr. Erickson made a motion to adopt the resolution authorizing the issuance of not to exceed \$1,200,000 Iowa Finance Authority Development Revenue Bonds (Christian Opportunity Center Project), Series 2010, for the purpose of making a loan to assist the borrower in the refinancing and financing the acquisition, furnishing, equipping and renovating of a project; 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; and related matters. On a second by Mr. Johnson, the Board unanimously adopted Resolution ED 09-23B.

WATER QUALITY PROGRAMS

Resolution WQ 10-02, Planning & Design Loans

Ms. Beary introduced the resolution approving Planning & Design Loans totaling \$1,450,050 for the Poweshiek Water Association and for the cities of Madison, Alexander, Lohrville, Dexter and Redfield.

Motion: On a motion by Mr. Walter and a second by Mr. Erickson, the Board unanimously approved Resolution WQ 10-02, authorizing Planning & Design Loans to the entities and in the amounts set forth on Exhibit A of the resolution.

Resolution WQ 10-03, I-JOBS Water Quality Financial Assistance Awards

Ms. Beary introduced the resolution allocating I-JOBS awards for water or wastewater projects to communities with a population of more than 10,000. She reported that 29 applications were received requesting a total of more than \$400 million, and that only \$20 million was available for large communities. Ms. Beary explained the scoring system based on the priorities for the program. She then announced that the resolution seeks approval for awards to three cities: Clinton (\$2.5 million), Sioux City (\$8 million) and Davenport (\$9.5 million) for a total of \$20 million.

Motion: On a motion by Mr. Walter and a second by Mr. Johnson, the Board unanimously approved Resolution WQ 10-03, authorizing the funding of I-JOBS Water Quality Financial Assistance Program grants to the communities and in the amounts set forth on Exhibit A of the resolution.

HousingIowa

AFFORDABLE RENTAL PRODUCTION PROGRAMS

Resolution HI 10-02, Tax Credit Program Awards (ARRA Section 1602 & TCAP)

Mr. Vaske referred to the memo included in the Board packets, which explained that IFA is rescinding awards to three recipients of TCAP awards and one recipient of a Section 1602 award because the projects did not comply with the requirement of closing the program agreement within 120 days from the date of the Letter of Solicitation. Because those awards have been rescinded, IFA is able to make some new awards.

Mr. Vaske introduced the resolution allocating Section 1602 awards to two projects for a total of \$6,964,264, and a TCAP award of \$1,504,651 to one project. He provided a brief description of each project.

Motion: Mr. Erickson made a motion to approve the resolution authorizing TCAP and Section 1602 awards to the recipients and in the amounts listed on Exhibit A of the resolution. On a second by Ms. Baum, the Board unanimously approved Resolution HI 10-02.

Resolution HI 10-03, Request for Increase in Tax Credits to Eastwood of Ames

Mr. Vaske announced that the Board materials included a letter from Mr. Doug LaBounty, President and General Partner of CHI Ames, LLLP requesting additional tax credits for Eastwood of Ames, a 60-unit acquisition/rehabilitation project in Ames. Mr. Vaske noted that the project originally received an award of \$743,554, and would now qualify for an additional award of \$204,504, based on underwriting performed by IFA staff. The additional cost was caused by two events: the investor's credit committee required a washer and dryer in each unit, and all drywall had to be replaced after asbestos was found in the drywall compound.

Motion: Mr. Erickson made a motion to approve the award of an additional \$204,504 in Midwestern Disaster Relief Tax Credits to CHI Ames, LLLP for Eastwood of Ames (Project LIHTC #09-0903), for a total award of \$948,058. On a second by Mr. Adams, the Board unanimously approved Resolution HI 10-03.

SINGLE-FAMILY PRODUCTION

Resolution HI 10-04, Single-Family Purchase Price and Income Limits

Ms. Hardisty introduced the resolution setting the FirstHome and FirstHome Plus income limits based on income figures released by the U.S. Department of Housing and Urban Development, and setting the non-targeted area purchase price limit at \$258,000, as allowed by Revenue Procedure 2009-18.

Motion: Ms. Baum made a motion to approve the purchase price and income limits as set forth on Exhibit A of the resolution. On a second by Mr. Erickson, the Board unanimously approved Resolution HI 10-04.

Title Guaranty Division (TGD)

Mr. Ogle reported that the next TGD Board will meet on March 2, 2010. He said revenue in January was more than \$591,000, a new record. He also provided a brief explanation of two pieces of legislation TG is following closely, the Mechanic's Lien bill and the Closing Company Regulation.

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 spoke on behalf of Muscatine Senior Resources and the Pearl Point project, referring to the impact the 2010 LIHTC Qualified Allocation Plan unit cost cap has on Pearl Point.

There being no additional 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, March 3, 2010, in IFA's Presentation Room.

Adjournment

There being no further business, on a motion by Mr. Adams and a second by Mr. Johnson, the February 3, 2010, meeting of the IFA Board of Directors adjourned at 12:27 p.m.

Dated this 3rd day of March 2010.

Respectfully submitted:

Approved as to form:

Joseph O'Hern
Executive Director/Board Secretary
Iowa Finance Authority

Roger J. Caudron, Chair
Iowa Finance Authority

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