

**NEBRASKA INVESTMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING**

**NIFA'S CONFERENCE ROOM – 2ND FLOOR – COMMERCE COURT
1230 'O' Street, Lincoln, NE**

MINUTES OF FRIDAY, JANUARY 24, 2020 @ 9:00 A.M.

Notice Published: **January 19, 2020 - *Omaha World Herald* [Affidavit attached]**
 January 19, 2020 - *Lincoln Journal Star* [Affidavit attached]

Open Meetings Act – Copies of the Open Meetings Act were posted on the side wall and also located on the table as you enter the room.

All votes taken by roll call of the members.

NIFA BOARD MEMBERS PRESENT

Board Members Present: Anthony Goins, Herb Freeman, Marlin Brabec, Galen Frenzen, George Achola, Michael Walden-Newman and Steve Wellman

Board Members Absent: Warren Arganbright and Mary Jo McClurg

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Sheila Gans, Chief Operating Officer Steve Clements, Treasurer Judy Krasomil, Deputy Director of Programs Robin Ambroz, Controller Jody Cook, Chief Homeownership Officer Jacki Young, Homeownership Operations Manager Stacy Fotinos, LIHTC Compliance Manager Kelly Schultze, Assistant LIHTC Compliance Manager Tammy Burd, LIHTC Allocation Manager Sara Tichota, Accounting Manager Michaela Mallery, Assistant Manager for RHA Development & Training Joe Spitsen, Manager of Community Development & Research John Turner and Deputy Director Christie Weston

Guests: Cindy Koster – MHEG, Rob Woodling – Foundation Development, Jerry Spethman – DA Davidson and Co, Jeff Gertz – J.P. Morgan, Chris Leng – Excel Development, Teresa Kile – Kile Consulting, Jim Rieker – Advantage Capital, Bruce Lefler – Piper Sandler & Co., Ted Witt – Horizon Bank, Michael Thomas – private citizen and Patti Peterson – Kutak Rock LLP

1. **Call Meeting to Order and Roll Call**

Chair Goins called the meeting to order at 9:02 a.m. with six members present. Tim Kenny reported that copies of the Open Meetings Act were posted on the side wall and also located on the table as you enter the room. The notice of the meeting was published on Sunday, January 19, 2020 in the *Omaha World Herald* and in the *Lincoln Journal Star*. *Affidavits of publication are attached.*

MINUTES
January 24, 2020
Page 2

2. **Approval of the December 13, 2019 NIFA Board of Directors Meeting Minutes**
Moved by Freeman, seconded by Brabec to approve the December 13, 2019 NIFA Board of Directors Meeting minutes. Roll call vote – Freeman – yes, Brabec – yes, Achola – yes, Walden-Newman – yes, Wellman – yes and Goins – abstain due to not being present at the meeting. Motion carried – 6 voting yes, 1 abstaining.
 3. **Executive Director's Report**
Tim Kenny distributed copies of NIFA's response to the Request for Input issued by the Federal Housing Finance Agency (FHFA) and the report issued by Standard & Poor's, the agency which provides a rating on NIFA's general obligation credit as well as on the single family housing revenue bonds issued by NFA. The FHFA has asked interested parties to provide input on potential changes to Fannie Mae and Freddie Mac Uniform Mortgage-Backed Security (MBS) pooling practices. Tim also mentioned that he is preparing, as co-chair of the Governor's Task Force on Housing, comments in response to the request for information ("RFI"), issued by the Department of Housing and Urban Development and related to regulatory barriers that contribute to shortages in affordable housing supply. The comments will particularly reflect the regulatory barriers relating to providing housing as part of a disaster recovery program and the need to remove barriers preventing the delivery of resources to the people who need them in a timely manner. Tim reported that Standard and Poor's would like to set up a time for a visit with NIFA Board members and staff in the near future.
- Galen Frenzen arrived at 9:16 a.m.
4. **Public Comment related to the January 24, 2020 Agenda Items (comment period limited to five minutes)**
Chair Goins asked if anyone wished to comment on any of the agenda items and directed that they come forward and state their name for the record. Those coming forward to comment were:
 - Rob Woodling of Foundation Development provided comments with respect to Agenda Item #7- LIHTC Policy Map.
 - Michael Thomas, requested information regarding the process of getting started as a developer in the LIHTC program.
 5. **Private Activity Cap Summary**
Judy Krasomil presented the Private Activity Cap Summary, updating the Board on what NIFA received in 2020 volume cap and the balance of 2019 to be carried forward.
 6. **Update on Discussion Regarding NIFA's Independent Auditor's Report**
Christie Weston provided the following information in response to a request from the Board at the December 13, 2019 NIFA Board meeting. In connection with the audit performed by KPMG on NIFA's annual financial statements, KPMG issues a qualified opinion. This is because NIFA's Single Family loan portfolio consisting primarily of mortgage loans securitized into mortgage-backed securities, is reported by NIFA at amortized cost rather than at fair value, as required by Governmental Accounting standards. Christie explained management's process for determining, in 1997, (when this particular accounting standard was issued), to report in this manner. Christie also shared the impact that fair value reporting would have had on NIFA's financial statements over the past 10 years, indicating material overstatements or understatements of income. A report issued by Standard & Poor's was referenced that outlines the rating agency's perspective that fair value adjustments must be analyzed and in the majority of cases, discounted to gain a more accurate picture of a house finance agency's financial position. The Board expressed various thoughts on management's position and will give further consideration regarding adoption of a Board policy statement at a future meeting.

LOW INCOME HOUSING TAX CREDITS

7. **LIHTC Policy Map Discussion**
Robin Ambroz and Tim Kenny led a Board discussion, incorporating the policy map included in the Board book which demonstrates how NIFA's qualified allocation plan scoring criteria support the broader policies underlying the low-income housing tax credit program. Robin and Sara Tichota also responded to a question about the experience of other HFAs who have moved to a two-year qualified allocation plan, all of which provided positive comments on the change.
8. **Report on the Nebraska Affordable Housing Tax Credit Program for 2017-2019**
Tim Kenny reported staff has prepared an analysis of the Nebraska Affordable Housing Tax Credit for Board consideration. The review summarizes uses and opportunities for improvements. The Board was asked to review the report and consider recommendations in the context of the 2021-22 QAP review.

SINGLE FAMILY HOUSING FINANCE DIVISION

9. **Status Report on Single Family Program**
Jacki Young referred Board members to the Homeownership report in the Board book and reported NIFA has received 70 loan reservations to date in 2020, for a total of approximately \$9.6 million in loans. The average loan amount is approximately \$137,000, with an urban/rural split of 61% urban, 39% rural.
10. **Update on Market Developments**
Jeff Gertz gave an update on the national bond market.
11. **Risk Management Discussion:**
 - a. Summary from December 13, 2019 meeting
 - b. Mortgage Loan Pipeline Management

Judy Krasomil, Jody Cook, Steve Clements and Jacki Young led a discussion regarding Single Family Program financial risks and mitigation and also the mortgage loan pipeline management.
12. **Discussion Regarding a Request for Proposal Process for Co-Managers for the Single Family Revenue Bond Program**
Christie Weston reported staff periodically reviews its relationships with those financial intermediaries which provide services for NIFA's various bond programs. The current investment banking co-manager group includes Ameritas Investment Corp., D.A. Davidson & Co. and First National Capital Markets, Inc. The co-manager group works with potential investors of NIFA bonds, with emphasis on selling NIFA single family bonds to Nebraska retail buyers. Because of recent changes occurring at the co-manager institutions, NIFA staff has begun drafting a request for proposals regarding its co-manager intermediaries. This request for proposal is expected to be issued in the month of February. Staff will analyze the responses and present a summary to the appropriate committee of the NIFA Board, and the committee will make its recommendation to the full Board of Directors.

OUTREACH DIVISION

13. **Report from the Outreach Department**
Robin Ambroz reported NIFA's 18th Annual Housing Innovation Marketplace will be held March 16-18th. Robin invited Board members to attend the conference and noted that continuing education credits will be available for Real Estate, Mental Health and Legal Education.

OTHER BUSINESS/ANNOUNCEMENTS

14. **Legislative Update**
Patti Peterson gave a brief summary of bills introduced in the Unicameral this legislative session that may be relevant to or impact the operations and/or programs of NIFA.
15. **Housing Macro Economics and National Association Home Builders Report**
Tim Kenny announced he would email Board members the powerpoint relevant to agenda item No. 15.
16. **Discussion Regarding the Preparation of Bylaws to Set Forth Certain Governance and Operational Rules Applicable to the NIFA Board**
Patti Peterson reported that counsel is, pursuant to the board's request, working on draft bylaws. It was decided a committee would be formed to work with counsel to review the bylaws and make any recommendations to the board. The members of the committee will be George Achola, Warren Arganbright, Michael Walden-Newman and Herb Freeman.
17. **Report from the Executive Director Search Committee**
Board member George Achola reported the executive director search consultant has prepared a proposed job description and marketing materials. The Executive Director Search Committee reviewed the job description and marketing materials and presented their comments to the consultant. These documents have now been forwarded to Tim Kenny, Christie Weston and NIFA counsel for review. The job description and marketing materials should be available to the full Board for their review sometime in February.
18. **Announcements and Discussion of Upcoming Events:**
NCSHA Housing Credit Connect in St. Louis, MO – June 2-5, 2020
NCSHA Annual Conference and Showplace in New Orleans, LA – October 24-27, 2020
19. **Adjournment**
Moved by Frenzen to adjourn at 12:08 p.m.

Respectfully submitted,

Christie Weston

Christie Weston
Deputy Director





Affidavit of Publication

NEBRASKA INVESTMENT FINANCE AUTHORITY
1230 O ST
SUITE 200
LINCOLN, NE 68508-1402

Table with 5 columns: Date, Category, Description, Ad Size, Total Cost. Row 1: 01/25/2020, Legal Notices, NOTICE OF MEETING NEBRASKA INVESTMENT, 1 x 0 L, 327.46

NOTICE OF MEETING

NEBRASKA INVESTMENT FINANCE AUTHORITY

Notice is hereby given that the Nebraska Investment Finance Authority (the "Authority") will hold a Board of Directors Meeting, which is open to attendance by the public, on Friday, January 24, 2020 at 9:00 a.m. The Authority's Meeting will be held at the offices of the Nebraska Investment Finance Authority, 1230 'O' Street, Suite 200, Lincoln, Nebraska. Persons requiring an accommodation consistent with the Americans with Disabilities Act are asked to contact Sheila Gans at the Authority at (402) 434-3900 at least 48 hours in advance of the meeting. Such meeting will be followed by a non-business luncheon at the Nebraska Club, 233 South 13th Street, Lincoln, Nebraska at 11:30 a.m.

The agenda, which is kept continually current, is available for public inspection at the Authority's offices, 1230 'O' Street, Suite 200, Lincoln, Nebraska, during normal business hours. For more information please contact Christie Weston at (402) 434-3900.

Publisher of the World Herald

I, (the undersigned) an authorized representative of the World Herald, a daily newspaper published in Omaha, Douglas County, Nebraska; do certify that the annexed notice NOTICE OF MEETING NEBRAS was published in said newspapers on the following dates:

01/19/2020

The First insertion being given ... 01/19/2020

Newspaper reference: 0000109696

Handwritten signature of Lisa K Rhinney

Billing Representative

Sworn to and subscribed before me this Sunday, January 19, 2020

Handwritten signature of Kimberly B Harris

Notary Public

State of Virginia
City of Richmond
My Commission expires

Kimberly B. Harris
NOTARY PUBLIC
Commonwealth of Virginia
Notary Registration Number 356753
Commission Expires January 31, 2021

*** Proof of Publication ***

State of Nebraska)
Lancaster County) SS.

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895179 11 Jan 19

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

RECEIVED JAN 24 2020

ORDER NUMBER 895179

The undersigned, being first duly sworn, deposes and says that she/he is a Clerk of the Lincoln Journal Star, legal newspaper printed, published and having a general circulation in the County of Lancaster and State of Nebraska, and that the attached printed notice was published in said newspaper

one successive times(s) the first insertion having been on January 19, 20 20 and thereafter on _____, 20____ and that said newspaper is the legal newspaper under the statues of the State of Nebraska.

Mary Ueno

Section: Class Legals
Category: 0099 LEGALS
PUBLISHED ON: 01/19/2020

TOTAL AD COST: 18.09
FILED ON: 1/20/2020

The above facts are within my personal knowledge and are further verified by my personal inspection of each notice in each of said issues.

Subscribed in my presence and sworn to before me on

January 20, 2020
Susan R Martin Notary Public





Affidavit of Publication

RECEIVED JAN 27 2020

NEBRASKA INVESTMENT FINANCE AUTHORITY
1230 O ST
SUITE 200
LINCOLN, NE 68508-1402

Table with 5 columns: Date, Category, Description, Ad Size, Total Cost. Row 1: 01/25/2020, Legal Notices, Nebraska Investment Finance Authority Notice of Pu, 2 x 0 L, 514.68

Nebraska Investment Finance Authority
Notice of Public Meeting
For the Collaborative Resource Allocation for Nebraska
("CRANE")
Notice is hereby given that the Nebraska Investment Finance Authority ("NIFA") will hold a public meeting on the CRANE program process: Wednesday, January 22, 2020 at 10:30 a.m., at NIFA located at 1230 "O" Street Suite 200, Lincoln, Nebraska 68508. Persons requiring an accommodation consistent with the Americans with Disabilities Act are asked to contact Sheila Gans at the Authority at (402) 434-3900 at least 48 hours in advance of the meeting. The CRANE program includes resources available pursuant to the 2020 Low-Income Housing Tax Credit (LIHTC) program.
The purpose of the meeting is to:
• Review and discuss proposals for January that are eligible for CRANE resources.
• Discuss current status of CRANE Projects
Copies of the proposed CRANE process are available on NIFA's website nifa.org (Qualified Allocation Plan) or at the NIFA office (1230 "O" Street, Suite 200, Lincoln, NE 68508-1402).
All interested persons are invited to present projects at the public meeting or prior to the time of the meeting and submit written comments to NIFA at the address shown above concerning the CRANE process. For additional information, contact Sara Tichota at (402) 434-3900.

Publisher of the World Herald

I, (the undersigned) an authorized representative of the World Herald, a daily newspaper published in Omaha, Douglas County, Nebraska; do certify that the annexed notice Nebraska Investment Finan was published in said newspapers on the following dates:

01/19/2020

The First insertion being given ... 01/19/2020

Newspaper reference: 0000109684

Lisa K Rhinney
Billing Representative

Sworn to and subscribed before me this Sunday, January 19, 2020

Kimberly B Harris
Notary Public

State of Virginia
City of Richmond
My Commission expires

Kimberly B. Harris
NOTARY PUBLIC
Commonwealth of Virginia
Notary Registration Number 356753
Commission Expires January 31, 2021

***** Proof of Publication *****

State of Nebraska)
Lancaster County) SS.

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895189 11 Jan 19

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

RECEIVED JAN 24 2020

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one successive times(s) the first insertion having been on January 19, 2020 and thereafter on _____, 20____ and that said newspaper is the legal newspaper under the statues of the State of Nebraska.

Mary Alice

Section: Class Legals
Category: 0099 LEGALS
PUBLISHED ON: 01/19/2020

TOTAL AD COST: 23.74
FILED ON: 1/20/2020

The above facts are within my personal knowledge and are further verified by my personal inspection of each notice in each of said issues.

Subscribed in my presence and sworn to before me on

January 20, 2020
Susan R Martin Notary Public

