

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

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

**11:30 p.m. – 12:45 p.m. Non-Business Luncheon
The Nebraska Club
233 S 13th St, Suite 2000, Lincoln NE**

MINUTES OF FRIDAY, December 11, 2015 @ 1:00 P.M.

**Notice Published: December 6, 2015 - *Omaha World Herald*
December 6, 2015 - *Lincoln Journal Star***

Open Meetings Act - A copy of the Open Meetings Act was located on the table at the back of the room.

All votes taken by roll call of the members.

NIFA BOARD MEMBERS PRESENT

Board Members Present: Eric Zeece, Herb Freeman, Mark Graff, Michael Maroney, Galen Frenzen, Mary Jo McClurg, Bobbie Kriz-Wickham and Michael Walden-Newman

Board Members Absent: Marlin Brabec

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, Assistant Homeownership Manager Cindy Trautman, LIHTC Program Manager Teresa Kile, Assistant LIHTC Manager Kelly Schultze, Director of Development Ted Simpson, Accounting Manager Jody Cook, Assistant Manager Place Based Development Kyle Martin, Manager of Project Review & Program Improvement Larry Jablonski, Agricultural Programs Manager Dudley Beyer and Outreach Program Manager Elizabeth Fimbres

Guests: Jeff Gertz – JP Morgan, Trent Bausch and Megan Wright – Cline, Williams, Wright, Johnson & Oldfather, LLP, Rachel Meredith and Pamela Otto – DED, Erika Lynch and Patti Peterson – Kutak Rock, LLP

1. Call Meeting to Order and Roll Call

Chair Zeece called the meeting to order at 1:02 p.m. with eight members present. Chair Zeece reported that a copy of the Open Meetings Act was located on the table as you enter the room. The notice of the meeting was published on Sunday, December 6, 2015 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

2. Closed Session to Discuss Pending Litigation

Moved by Frenzen, seconded by Freeman to go into closed session at 1:05 p.m. to discuss (A) pending litigation involving (i) General Electric Capital Corporation (and related entities) and (ii) Bayerische Landesbank Girozentrale and (B) strategy in connection therewith, which closed session is consistent with the Nebraska Open Meetings Act and is clearly necessary for the protection of both the public interest and the interests of NIFA. Roll Call Vote – Freeman – yes,

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Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes, Wickham – yes, and Zeece – yes. Motion carried unanimously.

Closed Session

Board Members met in closed session from 1:05 p.m. until 1:12 p.m.

Moved by Frenzen, seconded by Zeece to go into open session at 1:12 p.m. Roll Call Vote – eeman – yes, Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes, Wickham – yes, and Zeece – yes. Motion carried unanimously.

3. Review and Approve Resolution, if any, Resulting From Closed Session

No action resulting from Closed Session.

4. Approval of the October 16, 2015 NIFA Board of Directors Meeting Minutes

Moved by McClurg, seconded by Maroney to approve the October 16, 2015 NIFA Board of Directors Meeting Minutes. Roll call vote – Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes, Wickham – abstain due to not being present at the meeting, Zeece – yes, Freeman – yes. Motion carried – 7 yes and 1 abstaining.

5. Executive Director's Report

Tim Kenny reported that due to the current state of flux in the mortgage loan origination and loan servicing industry, NIFA is reviewing its origination and servicing structures and may engage a consultant to aid in the process. Tim also reported that NIFA received a letter from the State Treasurer regarding providing financial information in connection with the Treasurer's transparency initiative. NIFA staff is looking at consolidating certain financial and other information currently found on the NIFA website onto a central "transparency page" on the NIFA website. A link could then be added to the to the State Treasurer's web page that would take the visitor directly to NIFA's information on the NIFA website. The Annual Executive Director Review process is starting and Patti Peterson will coordinate with Chair Zeece on getting the review forms out to Board members.

6. Public Comment related to the December 11, 2015 Agenda Items (comment period limited to five minutes)

Chair Zeece asked if anyone wished to comment on any of the agenda items and directed that they come forward and state their name and address for the record. No one came forward to comment on any of the agenda items.

AGRICULTURAL FINANCE DIVISION

7. Adoption of State Bond Allocation

Moved by Frenzen, seconded by McClurg to adopt the following State Bond Allocation. Roll Call vote – Maroney – yes, McClurg – yes, Walden-Newman – yes, Wickham – yes, Zeece – yes, Freeman – yes, Frenzen – yes and Graff – yes. Motion carried unanimously.

Allocation: 16-30-001 – Agricultural Development Direct Loan Revenue Bonds

Issuer: NIFA

Allocation Amount: \$5,000,000

Allocation Classification: Industrial Revenue

8. Review and Consideration for Approval of Bond Resolution No. 406 Authorizing the issuance of up to \$5,000,000 in aggregate principal amount of Agricultural Development Direct Loan Revenue Bonds, Series 2016 through the calendar year ending December 31,

2016 in multiple issues and separate series to finance farm loans for individual farmers and ranchers

Moved by McClurg, seconded by Wickham to approve Bond Resolution No 406. Roll Call vote – McClurg – yes, Walden-Newman – yes, Wickham – yes. Zeece – yes, Freeman – yes, Frenzen – yes, Graff – yes and Maroney – yes. Motion carried unanimously.

9. Consideration of Allocation of 2016 State Volume Cap-Highlander Phase I Project, Omaha, Nebraska

Steve Clements reported this Volume Cap Allocation was originally approved at the October 16, 2015 Board of Director's meeting. The project (Highlander Phase 1, Project) has asked to move from a 2015 Volume Cap Allocation to a 2016 Volume Cap Allocation.

Moved by Freeman, seconded by McClurg to adopt the following State Bond Allocation. Roll Call vote – Wickham – abstain due to not being present at the October 16, 2015 Board meeting, Zeece – yes, Freeman – yes, Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes and Walden-Newman – yes. Motion carried – 7 yes and 1 abstaining.

Allocation: 16-30-002 – Multifamily Housing Bonds (Highland Phase I Project)
Issuer: Nebraska Investment Finance Authority
Allocation Amount: \$ 14,750,000
Allocation Classification: Non-Statewide Housing

10. Consideration of Allocation of 2016 State Volume Cap – Pine Tree Apartments, Omaha, NE

Steve Clements provided background information with respect to the proposed Bond Allocation. Moved by Freeman, seconded by McClurg to adopt the following Bond Allocation. Roll Call vote – Zeece – yes, Freeman – yes, Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes and Wickham – yes. Motion carried unanimously.

Allocation: 16-30-003 – Multifamily Housing Bonds (Pine Tree Apartments)
Issuer: Douglas County Housing Authority
Allocation Amount: \$16,500,000
Allocation Classification: Non-Statewide Housing

11. Report on Workforce Housing Request for Proposal Process

Robin Ambroz reported a Request For Proposals (RFP) for NIFA's Workforce Housing Initiative (WHI) Pilot Program was released on October 1, 2015. Initial proposals were due on December 4, 2015. NIFA received five proposals that contemplate construction of a total of 46 new single family and duplex rental units of workforce housing across the state. Over the next several months, NIFA staff and partners will evaluate and prioritize the proposals, develop programmatic documents and guidelines, and establish the timeline for final awards. During this process, NIFA plans to fine-tune the program parameters, with input from the pilot program participants, in anticipation of subsequently deploying a permanent Workforce Housing Initiative Program based upon the successful outcome of the pilot projects.

LOW INCOME HOUSING TAX CREDITS

12. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meetings Held Wednesday, October 28, 2015 and Wednesday, November 18, 2015

Teresa Kile reported the following projects are in the CRANE process:

Salvation Army of Omaha – Omaha
Ames Row Houses – Omaha
Siena Francis House PSH Phase 3 – Omaha

The Brewery Lofts – Hastings
Victory Park Apartments – Lincoln
Odd Fellow Manor – Lincoln
Adams Park Senior Cottages - Omaha

SINGLE FAMILY HOUSING FINANCE DIVISION

13. **Status Report on Single Family Program and Market Developments:**
Cindy Trautman distributed the Single Family Program Loan Report to the Board members and reported NIFA has received 2,879 loan reservations totaling \$315.9 million year-to-date. Sixty-four percent of the loans are for homes located in urban areas and thirty-six percent are for homes located in rural areas. Judy Krasomil reported at the end of December 2015 NIFA will have approximately \$49 million pooled into mortgage backed securities to be used to recycle into prior bond deals or to be held for a new bond issue in March 2016. Jeff Gertz, J.P. Morgan, gave a report on the national bond market.
14. **Adoption of State Bond Allocations**
Moved by McClurg seconded by Frenzen to adopt the following State Bond Allocations. Roll Call vote – Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes, Wickham – yes, Zeece – yes, Freeman – yes. Motion carried unanimously.
- (a) Allocation: 16-20-001 – Single Family Housing Revenue Bonds
Issuer: NIFA
Allocation Amount: \$490,000,000
Allocation Classification: Housing
 - (b) Allocation: 16-20-002 – Single Family General Obligation Bonds
Issuer: NIFA
Allocation Amount: \$10,000,000
Allocation Classification: Housing
15. **Ratification of the Public Hearing held on Friday, December 11, 2015 at 9:30 a.m. for the following:**
Single Family Program - \$500,000,000
- Sheila Gans, who conducted the hearing, reported that there were no additional attendees at the hearing. Moved by Frenzen, seconded by Freeman to Ratify the Public Hearing held December 11, 2015 at 9:30 a.m. Roll Call vote – Maroney – yes, McClurg – yes, Walden-Newman yes, Wickham – yes, Zeece – yes, Freeman – yes, Frenzen – yes, and Graff – yes. Motion carried unanimously.
16. **Review and Consideration for Approval of Bond Resolution No. 407 Authorizing the issuance of one or more series of up to \$490,000,000 in aggregate principal amount of Single Family Housing Revenue Bonds, Series 2016 through the calendar year ending December 31, 2016**
Judy Krasomil stated that this Bond Resolution authorizes the issuance of up to \$490,000,000 in aggregate principal amount of single family mortgage revenue bonds in one or more issues and as one or more series to be issued through the calendar year ending December 31, 2016. The resolution authorizes the Executive Director to issue and sell such bonds in one or more issues and as one or more series at the times and with such terms as the Executive Director determines are in the best interests of NIFA, subject to the parameters of this Bond Resolution, the Indenture

and the Act. Bonds issued pursuant to this Bond Resolution will be issued under the existing 1994 General Indenture of Trust.

Agenda items No. 16 and No. 17 were combined into one vote.

17. **Review and Consideration for Approval of Bond Resolution No. 408 Authorizing the issuance of one or more series of up to \$10,000,000 in aggregate principal amount of General Obligation Bonds, Series 2016 through the calendar year ending December 31, 2016 to provide financing for Homebuyer Assistance**
Judy Krasomil stated that this Bond Resolution authorizes the issuance of General Obligation Bonds with the proceeds to be used in connection with NIFA's homebuyer assistance program to provide assistance to qualified low- and moderate income persons in the State with respect to their down payment and closing costs as borrowers under the Authority's single family housing mortgage program. The Bond Resolution authorizes the issuance of up to \$10,000,000 in aggregate principal amount of bonds in one or more issues and as one or more series to be issued through the calendar year ending December 31, 2016 and backed by the general credit of NIFA to fund homebuyer assistance. The Bond Resolution further authorizes the Executive Director to issue and sell such bonds in one or more issues and as one or more series at the times and with the terms as the Executive Director determines are in the best interests of NIFA, subject to the parameters of this Bond Resolution, the Indenture and the Act. Moved by McClurg, seconded by Maroney to Approve Bond Resolutions No. 407 and 408. Roll Call vote – McClurg – yes, Walden-Newman – yes, Wickham – yes, Zeece – yes, Freeman – yes, Frenzen – yes, Graff – yes and Maroney – yes, Motion carried unanimously.
18. **Review and Consideration for Approval of Resolution No. 409 directing the carry forward, pursuant to Section 146(f) of the Internal Revenue Code of 1986, as amended, of remaining 2015 State Volume Cap for the issuance of qualified mortgage revenue bonds and mortgage credit certificates**
Judy Krasomil reported that pursuant to Executive Order 98-3 the Governor has given authority to the NIFA Board to carry forward any remaining unused state volume cap for purposes of qualified mortgage bonds. NIFA staff will determine the final amount of volume cap remaining December 31, 2015 which is expected to approximate \$300,800,000. Moved by McClurg, seconded by Frenzen to approve Bond Resolution No. 409. Roll Call vote – Walden-Newman – not present, Wickham – yes, Zeece – yes, Freeman – yes, Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes. Motion carried – 7 yes and 1 absent.

OUTREACH DEPARTMENT

19. **Report from the Outreach Department**
Elizabeth Fimbres reported on a well-attended First Friday event in Beatrice. The next First Friday for January will be hosted by NeighborWorks Lincoln, which recently completed a housing study on the Clinton and Hartley neighborhoods. Elizabeth also reported staff would begin scoring applications for the Housing Study Grant Program this month. NIFA received 12 applications for Round 2. Total grants requested were \$138,949 which exceeds currently budgeted funds for this Program. Bobbie Kriz-Wickham noted that one of the items required for strong applications in our workforce housing pilot and other programs is a market study. She also expressed that it would be beneficial to provide Housing Study Grant funding for as many of those 12 communities that qualify for the grants as possible. Tim stated NIFA has \$100,000 in the dividend budget in "reserves" for general support. Moved by Wickham, seconded by Maroney that with respect to the Housing Study Grant applications NIFA received in Round 2, if staff recommends funding in excess of the current remaining budgeted amount, staff is authorized to

transfer an amount from the budget reserves, up to \$100,000, to fund the approved applications. Roll Call vote – Maroney – yes, McClurg – yes, Walden-Newman – yes, Wickham – yes, Zeece – yes, Freeman – yes, Frenzen – yes and Graff – yes. Motion carried unanimously.

OTHER BUSINESS/ANNOUNCEMENTS

- 20. Status Update on New Markets Tax Credit Application Process**
Tim Kenny reported on the status of the application process for New Markets Tax Credit funds. Applications are due December 16, 2015.

- 21. Staff Authorization and Delegation**
Moved by Freeman seconded by Maroney to approve a motion for the following Staff Authorization and Delegation:
During the time period beginning at 5:00 p.m. on December 18, 2015 through and including the earlier of (i) February 18, 2016 or (ii) such date as specified in writing by Timothy Kenny, Christie Weston, Deputy Director of the Nebraska Investment Finance Authority, is hereby authorized to act as Executive Director for all purposes of the Nebraska Investment Authority Act and shall execute, on behalf of the Nebraska Investment Finance Authority, any and all contracts, agreements, certificates and other similar documents authorized to be executed by the Executive Director of the Nebraska Investment Finance Authority. Roll call vote – Freeman – yes, Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes, Wickham – yes and Zeece – yes.

- 22. Announcements and discussion of upcoming Board meetings, events and scheduling**
The proposed NIFA Board Meeting schedule for 2016 is as follows:
February 19, 2016 at 1:00 p.m.
April 15, 2016 at 1:00 p.m.
June 17, 2016 at 1:00 p.m.
August 19, 2016 at 1:00 p.m.
October 21, 2016 at 1:00 p.m.
December 9, 2016 at 1:00 p.m.

- 23. Adjournment**
Moved by Frenzen to adjourn at 2:44 p.m.

Respectfully submitted,



Timothy R. Kenny
Executive Director

