

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

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

MINUTES OF FRIDAY, OCTOBER 19, 2018 @ 9:30 A.M.

**Notice Published: October 14, 2018 - *Omaha World Herald*
October 14, 2018 - *Lincoln Journal Star***

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: Dave Rippe, Mark Graff, Michael Maroney, Herb Freeman, Steve Wellman, Mary Jo McClurg, Galen Frenzen 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, Controller Jody Cook, Chief Homeownership Officer Jacki Young, Homeownership Relationship Manager Amanda Wusk, Homeownership Operations Manager Stacy Fotinos, LIHTC Compliance Manager Kelly Schultze, Assistant LIHTC Compliance Manager Julie Johnson, LIHTC Allocation Manager Sara Tichota, Agricultural Programs Manager Dudley Beyer, Outreach Program Manager Elizabeth Fimbres, Accounting Manager Michaela Mallery, Deputy Director Christie Weston and Manager of Community Development & Research John Turner

Guests: Jeff Gertz – J.P. Morgan, Phil Lorenzen – D. A. Davidson & Co., Thomas Judds – Lincoln Housing Authority, Wes Miller – ATS Secured, Jim Stretz - George K. Baum, Shelly Stromp and Lianna Kathol – KPMG, and Patti Peterson – Kutak Rock LLP

1. Call Meeting to Order and Roll Call

Chair Rippe called the meeting to order at 9:31 a.m. with eight members present. Chair Rippe 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, October 14, 2018 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

Marlin Brabec joined the meeting at 9:33 a.m.

2. Closed Session to Discuss Pending Litigation

Moved by Frenzen, seconded by Wellman to go into closed session at 9:34 a.m. to discuss (A) pending litigation involving General Electric Capital Corporation (and related entities) 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, Brabec – yes, Frenzen – yes, Graff – yes,

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Maroney – yes, McClurg – yes, Walden-Newman – yes, Wellman – yes and Rippe – yes. Motion carried unanimously.

Prior to the closed session, the following statement was read by the Chair: “The closed session discussion shall be limited to matters relating to (A) pending litigation involving General Electric Capital Corporation (and related entities) and (B) strategy in connection therewith. Members shall restrict their consideration of matters during the closed session to the purposes stated in the Motion.”

Closed Session

Board Members met in closed session from 9:34 a.m. until 9:46 a.m. Moved by Brabec, seconded by Freeman to go into open session at 9:46 a.m. Roll Call Vote – Rippe – yes, McClurg – yes, Wellman – yes, Graff – yes, Frenzen – yes, Walden-Newman – yes, Brabec – yes, Maroney – yes and Freeman – yes. Motion carried unanimously.

Chair Rippe reiterated that the copies of the Open Meetings Act were posted on the side wall and also located on the table as you enter the room.

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

No action resulting from Closed Session.

4. Approval of Minutes of the August 17, 2018 NIFA Board of Directors Meeting

Moved by Brabec, seconded by Graff to approve the August 17, 2018 NIFA Board of Directors Meeting minutes. Roll call vote – Brabec – yes, Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes, Wellman – yes, Rippe – yes and Freeman – yes. Motion carried unanimously.

5. Executive Director’s Report

Tim Kenny reported the Nebraska Workforce Housing Forum would be taking place in Kearney on Tuesday, October 23 at the Holiday Inn Hotel and Convention Center. Tim also reported NIFA staff recently returned from Austin, Texas where they attended the National Council of State Housing Agencies 2018 Annual Conference & Showplace. Tim reminded Board members they are invited to attend this conference. In 2019 the conference will be held in Boston, October 19-22.

6. Public Comment Related to the October 19, 2018 Agenda Items (comment period limited to five minutes)

Chair Rippe 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.

7. Report from the Audit Committee

Mark Graff reported that the Audit Committee (consisting of Mark Graff, Michael Maroney, Michael Walden-Newman and Galen Frenzen) met with staff via conference call on October 18, 2018 to review the June 30, 2018 financial statements and in person with the KPMG audit partner and manager on October 19, 2018. Christie Weston introduced the Board to Shelly Stromp and Lianna Kathol with KPMG and gave a brief report on the results of the audit and answered questions from the Board. Judy Krasomil gave a PowerPoint presentation of the year-end financial results. The Audit Committee recommended approval of NIFA’s June 30, 2018 Audited Financial Statements.

- 8. Review and Consideration for Approval of NIFA's Audited Financial Statements for the Year Ended June 30, 2018**
Moved by Graff, seconded by Frenzen to approve NIFA's Audited Financial Statements for the Year Ended June 30, 2018. Roll call vote Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes, Wellman – yes, Rippe – yes, Freeman – yes and Brabec – yes. Motion carried unanimously.
- 9. Private Activity Cap Summary**
Judy Krasomil reported on the Private Activity Cap Summary, updating the Board on allocations to date for 2018.

AGRICULTURAL FINANCE DIVISION

- 10. Status Report on Agricultural Program**
Dudley Beyer reported that one Agricultural Loan has closed since the August 17, 2018 Board of Directors meeting. The loan closed on a taxable basis and is expected to close as tax-exempt in November 2018.

Bond Resolution #1345 – Matthew A. and Jamie L. Rottinghaus in the amount of \$250,000 for the purchase of 160 acres in Pawnee County, Nebraska.

LOW INCOME HOUSING TAX CREDITS

- 11. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting Held Wednesday, September 19, 2018**
Sara Tichota reported the following projects are in the CRANE process:

Victory Apartments II – Omaha
Bethlehem House – Omaha
Hanscom Apartments – Omaha
Angels Share Campus – Blair
CenterPointe Campus for Hope – Omaha
Nobility Point – Omaha
Villa Rows – Omaha
Columbus FRC Housing – Columbus

SINGLE FAMILY HOUSING FINANCE DIVISION

- 12. Status Report on Single Family Program**
Jacki referred Board members to the Single Family Report in the Board book and reported NIFA has received 2,442 loan reservations to date in 2018. The average loan amount is \$127,000 and loan reservations total \$310,534,708. Sixty-six percent of the loans are for homes located in urban areas and thirty-four percent are for homes located in rural areas.
- 13. Update on Market Developments**
Jeff Gertz, J.P. Morgan, gave an update on the national bond market.

14. Review and Consideration of Approval to File Notice with the Nebraska Legislature and the Governor of the State of Nebraska of NIFA's Intent to Issue Single Family Housing Program Bonds in the Aggregate Principal Amount of up to \$500,000,000

Judy Krasomil reported this Notice is filed with the Nebraska Legislature and the Governor of the State of Nebraska indicating NIFA's intent to issue up to \$500,000,000 in aggregate principal amount of revenue bonds, general obligation bonds, or some combination thereof during the 2019 calendar year to finance projects (in this case single family mortgage loans), the beneficiaries or borrowers of which will not be known at the time of issuance. Such bonds are expected to be issued in connection with NIFA's single family bond program. The Notice is required pursuant to the NIFA Act.

Moved by Frenzen, seconded by McClurg to approve the Notice and the filing of the Notice with the Nebraska Legislature and the Governor of the State of Nebraska. Roll call vote – Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes, Wellman – yes, Rippe – yes, Freeman – yes, Brabec – yes, and Frenzen – yes. Motion carried unanimously.

OUTREACH DIVISION

15. Report from the Outreach Department

Elizabeth Fimbres referred Board members to the Outreach Report in the Board book and reported NIFA hosted the Midwest Housing Finance Collaborative annual meeting on September 17th. The gathering of housing finance experts from seven states was held at the Omaha Downtown Marriott and included a tour of the Highlander redevelopment area. Elizabeth also reported the Housing Study Grants for Round 1 of Fiscal Year 2019 have been awarded to Beaver City, Burt County, Butler County, Crete, Elmwood, Grand Island, Humboldt and Pender. The Outreach Team approved \$81,655 in grant funds, matched by \$146,045 from the applicants' own communities.

OTHER BUSINESS/ANNOUNCEMENTS

16. Discussion of Opportunities in Blockchain Technology

Tim Kenny led a discussion on opportunities in Blockchain Technology. A handout describing how Blockchain Technology can be most effectively used was distributed. Tim introduced Wes Miller, President and CEO - ATS Secured. Mr. Miller provided background information on ATS Secured's unique Distributed Ledger Technology (DLT), combining the data security standards of centralized databases with aspects of Blockchain, including data integrity, immutability and truth to reduce costs of data storage, compliance, and labor while improving data security.

17. Updates on Community Development and Innovation Projects:

Nebraska Blueprint, Rural Renaissance, Workforce Housing (Lincoln and Omaha), Homeless Housing Initiatives and Nebraska Opportunity Fund

Chair Rippe announced Agenda Item No. 17 would be moved to the December 14, 2018 NIFA Board of Director's Meeting Agenda.

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18. Approval of Resolution No. 431 Recognizing Michael Maroney for his Service on the NIFA Board of Directors

Tim Kenny recognized Michael Maroney for his 20 years of service on the NIFA Board of Directors. Moved by Frenzen, seconded by McClurg to adopt Resolution No. 431. Roll call vote – Maroney – abstain, McClurg – yes, Walden-Newman – yes, Wellman – yes, Rippe – yes, Freeman – yes, Brabec – yes, Frenzen – yes and Graff – yes. Motion carried – 8 yes and 1 abstaining. Mr. Maroney thanked the Board and NIFA staff for the recognition.

19. Announcements and Discussion of Upcoming Events

NIFA December Board Meeting – December 14, 2018

20. Adjournment

Moved by Frenzen to adjourn at 11:41 a.m.

Respectfully submitted,



Tim Kenny
Executive Director

