

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

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

MINUTES OF FRIDAY, APRIL 20, 2018 @ 9:00 A.M.

**12:15 p.m. – 1:15 p.m. Non-Business Luncheon
The Nebraska Club
233 S 13th St, Suite 2000, Lincoln NE**

**Notice Published: April 15, 2018 - *Omaha World Herald*
April 15, 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, Marlin Brabec, Mark Graff, Michael Maroney, Mat Habrock and Michael Walden-Newman

Board Members Absent: Herb Freeman, Mary Jo McClurg and Galen Frenzen

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, Chief Homeownership Officer Jacki Young, Homeownership Relationship Manager Amanda Wusk, LIHTC Compliance Manager Kelly Schultze, LIHTC Allocation Manager Sara Tichota, Agricultural Programs Manager Dudley Beyer, Director of Development Ted Simpson, Outreach Program Manager Elizabeth Fimbres and Accounting Manager Michaela Mallery, Controller Jody Cook and Manager of Community Development & Research John Turner

Guests: Cindy Koster – MHEG, Joel Anderson – Excel Development, Jim Stretz – George K. Baum, Mike Gawley – Holy Name Housing Corporation, Rob Woodling – Foundations Development, Jeff Gertz – J.P. Morgan, Phil Lorenzen – D. A. Davidson & Co., Paula Rhian – Horizon Bank, Neeraj Agarwal – Clarity Development, Scott Keene – Ameritas, Erik Lintvedt – Twain Financial Partners, Thomas Judds – Lincoln Housing Authority, Joel VanderVeen and Patti Peterson – Kutak Rock LLP

1. Call Meeting to Order and Roll Call

Chair Rippe called the meeting to order at 9:00 a.m. with six 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, April 15, 2018 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

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Chair Rippe stated agenda items No. 2 and No. 23 would be combined into one closed session discussion.

2. Closed Session to Discuss Pending Litigation

23. Closed Session to Discuss Executive Director's Performance Review

Moved by Brabec, seconded by Maroney to go into closed session at 9:05 a.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 and (C) the Executive Director's Performance Review and the evaluation of the job performance of the Executive Director, which closed session is consistent with the Nebraska Public Meetings law and is necessary to protect the interests of both NIFA and the public. The Executive Director has not requested a public meeting for this discussion. Roll Call Vote – Brabec – yes, Graff – yes, Maroney – yes, Walden-Newman – yes, Habrock – 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 (i) involving General Electric Capital Corporation (and related entities) and (ii) Bayerische Landesbank Girozentrale and (B) strategy in connection therewith and (C) the Executive Director's Performance Review and the evaluation of the job performance of the Executive Director. 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 9:05 a.m. until 10:07 a.m.

Galen Frenzen arrived at 9:10 a.m.

Moved by Maroney, seconded by Habrock to go into open session at 10:07 a.m. Roll Call Vote – Rippe – yes, Habrock – yes, Graff – yes, Frenzen – yes, Walden-Newman – yes, Brabec – yes and Maroney – yes. Motion carried unanimously.

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

No action resulting from Closed Session to Discuss Pending Litigation.

24. Review and Request for Approval of Report and Recommendation from Management Committee Regarding Executive Director's Performance Review

The Management Committee recommends the following action by the Board: Approval of the payment of the Performance-based Compensation to the Executive Director for the year 2017 as provided in the Amended Employment Agreement. Moved by Maroney, seconded by Brabec to Approve the Recommendation from Management Committee Regarding Executive Director's Performance Review. Roll call vote – Graff – yes, Maroney – yes, Walden-Newman – yes, Habrock – yes, Rippe – yes, Brabec – yes and Frenzen - yes. Motion carried unanimously.

4. Approval of Minutes of the February 16, 2018 NIFA Board of Directors Meeting and the March 29, 2018 Working Session

After discussion it was determined the minutes from the March 29, 2018 Working Session did not require Board member approval. The minutes from the February 16, 2018 NIFA Board of Directors Meeting were voted on for approval by Board members.

Moved by Graff, seconded by Brabec to approve the February 16, 2018 NIFA Board of Directors Meeting Minutes. Roll call vote – Graff – yes, Maroney – yes, Walden-Newman – yes, Habrock – abstain due to not being present at the meeting, Rippe – yes, Brabec – yes and Frenzen abstain due to not being present at the meeting. Motion carried – 5 – yes and 2 abstaining.

5. **Executive Director's Report**
Tim Kenny reported NIFA staff and Board member Mark Graff attended a Working Session in the NIFA Board room on March 29, 2018. This session presented by Erika Lynch and Patti Peterson of Kutak Rock LLP gave an in-depth look at the origins and history of NIFA. Tim also reported NIFA staff is planning another Working Session to take place in May, possibly the 18th or 25th. The topic of the May session will be Visioning. Tim invited Board members to stay following the Board meeting for a webinar hosted by Novogradac titled Investing in Opportunity Act.
6. **Public Comment Related to the April 20, 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. **Private Activity Cap Summary**
Judy Krasomil reported on the Private Activity Cap Summary, updating the Board on allocations to date for 2018.

FINANCE DIVISION

8. **Report from the Audit Committee**
Judy Krasomil reported that the Audit Committee (consisting of Michael Maroney, Michael Walden-Newman and Mark Graff) met via conference call to discuss the proposal received from NIFA's independent accountants, KPMG for the 2018 financial statement audit. The Audit Committee recommends to the Board of Directors that KPMG be retained to perform NIFA's 2018 audit.
9. **Consideration and Request for Approval of KPMG as NIFA's Independent Auditors for Fiscal Year Ending June 30, 2018**
Moved by Frenzen, seconded by Maroney to accept the Audit Committee's report and approve KPMG as NIFA's independent auditors for the fiscal year 2018 annual audit. Roll call vote – Maroney – yes, Walden-Newman – yes, Habrock – yes, Rippe – yes, Brabec – yes, Frenzen – yes and Graff – yes. Motion carried – unanimously.
10. **Briefing on 2019-2020 Budget Process and Preliminary Budget**
Judy Krasomil distributed an Operating Fund Expense Preliminary Budget for June 30, 2019 and 2020 and Tim Kenny provided an overview.

AGRICULTURAL FINANCE DIVISION

11. **Status Report on Agricultural Program**
Dudley Beyer reported that one Agricultural Loan is in process since the February 16, 2018 Board of Directors meeting.

Borrowers Vincent S. and Lindsay J. Shaw in the amount of \$533,500 for the purchase of 151.15 acres of farm land and irrigation pivot in Adams County, Nebraska.

LOW INCOME HOUSING TAX CREDITS

12. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting Held Wednesday, March 21, 2018

Sara Tichota reported the following projects are in the CRANE process:

Siena Francis House PSH Phase 3 – Omaha
Victory Apartments II – Omaha
Bethlehem House – Omaha
Hanscom Apartments – Omaha
Florentine Apartments – Omaha
Angels Share Campus – Blair
CenterPointe Campus for Hope – Omaha
Nobility Point – Omaha

13. Report from the Programs Committee

Sara Tichota reported that Tim Kenny, Robin Ambroz and the Programs Committee (consisting of Marlin Brabec and Herb Freeman) met via telephone conference call on Thursday, April 19, 2018 to discuss Round Two applications submitted in the 2018 Low Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Program and the CRANE Program. Sara reported NIFA received seventeen applications for consideration in Round Two under the competitive process. Seven applications were for developments to be located in rural areas and ten applications were for developments to be located in urban areas.

14. Consideration of Approval of Conditional Reservations for Round Two in the 2018 Low-Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Programs

Seventeen applications were received by NIFA for consideration in Round Two under the competitive process. Seven applications were for developments to be located in rural areas and ten applications were for developments to be located in urban areas. NIFA and Kutak Rock staff members reviewed each application.

Moved by Graff, seconded by Habrock to approve Conditional Reservations for Round Two in the 2018 Low Income Housing Tax Credit (LIHTC) Program as set forth in the Motion presented to the Board by the Programs Committee. Roll call vote – Walden-Newman – yes, Habrock – yes, Rippe – yes, Brabec – abstain, Frenzen – yes, Graff – yes and Maroney – abstain. Motion carried – 5 – yes and 2 abstaining. For the record, Michael Maroney stated that his abstention was due to being a developer and submitting projects from time to time for consideration of tax credits. For the record, Marlin Brabec stated that his abstention was based on a potential conflict he has related to one of the proposed projects which arises as a part of his private business.

Motion:

Whereas the Nebraska Investment Finance Authority (“NIFA”) has completed its review of the applications for federal low-income housing tax credits (“Section 42 Credits”) and Nebraska state low-income housing tax credits (“Nebraska Credits”) and, together with the Section 42 Credits, collectively, the “Tax Credits”) pursuant to the Low Income Housing Tax Credit Program 2018 LIHTC Allocation Plan for 9% LIHTCs and Nebraska Affordable Housing Tax Credits – Round Two and

Whereas said review was conducted pursuant to the 2018 Qualified Allocation Plan (the “2018 QAP”), adopted by NIFA pursuant to a public process and approved by the Governor of the state of Nebraska; the

Be it resolved that subject to continued authorization of the Section 42 Credit program pursuant to Section 42 of the Internal Revenue Code of 1986 (the “Code”) and the continued authorization of the Nebraska Affordable Housing Tax Credit pursuant to Neb. Rev. Stat. § 77-2501 et seq. (the “AHTC Act”) and, in each case, the allocation amounts established therein, a “conditional reservation” of Tax Credits in the amounts and categories set forth below shall be granted to the applicants of the following projects:

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Round Two

<u>Applicant</u>	<u>Project</u>	<u>County</u>	<u>City</u>	<u>LIHTC Amount</u>	<u>AHTC Amount</u>
Foundations Development, LLC	165 Fort	Douglas	Omaha	\$928,032	\$928,032
Holy Name Housing Corporation*	Adams Park Crown I	Douglas	Omaha	\$210,180	\$210,180
				\$1,138,212	\$1,138,212

Conditions:

1. Amounts reserved for the Section 42 Credits may be adjusted by the Executive Director by up to 15% up or down, based upon receipt and review of the final information necessary to complete the analysis and subsidy layering reviews. Amounts reserved for the Nebraska Credits may be adjusted by the Executive Director by up to 15% up or down, based upon receipt and review of the final information necessary to complete the analysis and subsidy layering reviews.
 2. A conditional reservation for Tax Credits will become a final reservation upon the resolution within ninety (90) days of all outstanding items, including financial and technical questions, to the satisfaction of the Executive Director. Upon satisfaction of such conditions, a reservation will require no future action by this Board to become a final reservation of Tax Credits.
 3. Reservations and allocations of Tax Credits will be made pursuant to the requirements of the 2018 QAP, Section 42 of the Code, in the case of the Section 42 Credits, the AHTC Act, in the case of the Nebraska Credits and, in each case, are subject to the representations made by the applicant in the application, the conditions imposed by the 2018 QAP and such other conditions as the Executive Director deems necessary in light of his review of the application within the purposes of the 2018 QAP and the Tax Credit Programs.
 4. *This Motion authorizes a conditional reservation of \$210,180 for Adams Park Crown I with \$143,315 of Section 42 and \$143,315 of Nebraska Credits to be reserved from 2018 Tax Credits. The remaining \$66,865 Section 42 and \$66,865 of Nebraska Credits shall be funded from the following sources or any combination thereof at the discretion of the Executive Director, subject to the availability of Tax Credits; returned 2018 Tax Credits, Tax Credits returned from a prior year, national pool Tax Credits received for 2018 or 2019 Tax Credits.
- 15. Briefing on 2019 Qualified Allocation Process (QAP)**
 Sara Tichota briefed the Board on a tentative schedule for the 2019 Qualified Allocation Plan (QAP) process. Sara reviewed the tentative schedule for the process and stated the final draft of the QAP for the Low Income Housing Tax Credit and Affordable Housing Tax Credit Programs should be ready for the Board's review and consideration at the June 15, 2018 Board meeting.

SINGLE FAMILY HOUSING FINANCE DIVISION

- 16. Update on Market Developments**
 Jeff Gertz, J.P. Morgan, gave a report on the national bond market.
- 17. Status Report on Single Family Program**
 Jacki Young referred Board members to the Single Family Report in the Board book and reported NIFA has received 849 loan reservations to date in 2018. The average loan amount is \$126,258 and loan reservations total \$107,192,718 to date in 2018. Sixty-five percent of the loans are for homes located in urban areas and thirty-five percent are for homes located in rural areas. Jacki introduced Homeownership Relationship Manager Amanda Wusk to NIFA Board members. Amanda gave an update on Single Family activities including the upcoming NIFA lender workshops taking place in North Platte April 24th and in LaVista on April 25th.

 Dave Rippe left the meeting at 11:07 a.m.
- 18. Consideration of Adoption of Resolution No. 427 to Increase the Applicable Income and Purchase Price Limits for Mortgage Loan Programs Offered Pursuant to NIFA's Single Family Program and Making Certain Findings in Connection Therewith**
 Moved by Frenzen, seconded by Walden-Newman to Adopt Resolution No. 427 to Increase the Applicable Income and Purchase Price Limits for Mortgage Loan Programs Offered Pursuant to NIFA's Single Family Program and Making Certain Findings in Connection Therewith. Roll call

vote – Habrock – yes, Brabec – yes, Frenzen – yes, Graff- yes and Maroney – yes and Waden-Newman - yes. Motion carried unanimously.

DEVELOPMENT FINANCE DIVISION

19. Discussion Regarding Issuance of Bonds for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, Together in an Amount not to Exceed \$5,000,000, and Request for Approval of a Notice to the Governor and Clerk of the Legislature and the Filing Thereof

Judy Krasomil reported that the Nebraska Department of Environmental Quality (NDEQ) has informed NIFA of the need to issue bonds for the Clean Water State Revolving Fund Program (the "CWSRF") and the Drinking Water State Revolving Fund Program (the "DWSRF"). Proceeds of the bonds will be used to satisfy the state match requirements for federal capitalization grants (the "Grants") under the Federal Clean Water Act for the CWSRF and under the Federal Safe Drinking Water Act for the DWSRF. The size of the bonds is not expected to exceed approximately \$2.0 million for the CWSRF and \$3.0 million for the DWSRF. The bonds will be issued to provide state match for the FY 2018 Grants totaling approximately \$7.96 million for the CWSRF and \$11.4 million for the DWSRF. Both the state match portion and the Grant funds will be used by NDEQ a.) To make loans to municipalities and counties for the acquisition, construction, improvement, repair, rehabilitation or extension of wastewater treatment works and non-point source control systems for the CWSRF; b.) To make loans to the owners of public water supply systems for the acquisition, construction, or modification safe drinking water projects for the DWSRF; and c.) To make certain deposits into the funds and accounts created under one or more trust indentures, including any deposits required to be made to a debt service reserve fund and to pay costs of issuance for the Series 2018 bonds.

Moved by Habrock, seconded by Brabec to approve the Notice and the sending of the Notice to the Governor and Clerk of the Legislature. Roll call vote – Brabec – yes, Frenzen – yes, Graff – yes, Maroney – yes, Walden-Newman – yes and Habrock – yes. Motion carried unanimously.

OUTREACH DIVISION

20. Report from the Outreach Department

Elizabeth Fimbres referred Board members to the Outreach Report in the Board book and reported NIFA's 17th annual Housing Innovation Marketplace, held March 13-14 was a great success. This year's theme, "Agents of Change," emphasized how each and every attendee can be an important agent of change in their community. Attendance grew this year with more than 420 participants from Nebraska and 20 other states. Elizabeth also announced, NIFA is honored to be the host of state for the 2018 Mountain Plains Housing Summit on May 7-9, 2018. The summit draws leaders and staff from 10 Housing Finance Agencies in the Mountain Plains region with the goal of discussing housing issues critical to our area.

OTHER BUSINESS/ANNOUNCEMENTS

21. Update and Review of 2018 NIFA Visioning

Robin Ambroz gave an update and review of the NIFA Statement of Vision & Strategy. In May, NIFA staff will host an in-depth discussion of the Visioning process.

22. Approval of Resolution No. 428 Recognizing Ted Simpson for his Years of Service with NIFA

Tim Kenny thanked Ted Simpson for his 16 years of service and contributions to NIFA. Ted will be retiring from NIFA May 1, 2018. Moved by Frenzen, seconded by Graff to approve Bond

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Resolution No. 428. Roll call vote – Brabec – yes, Frenzen – yes, Graff – yes, Maroney – yes, Walden-Newman – yes and Habrock – yes. Motion carried unanimously.

25. Announcements and Discussion of Upcoming Events

NIFA June Board Meeting – June 15, 2018

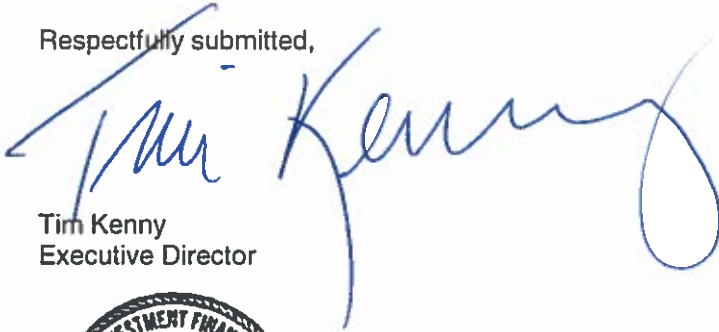
NCSHA Housing Credit Connect in Chicago, IL – June 19-22, 2018

3rd Annual Nebraska Governor’s Economic Development Summit – July 12, 2018

26. Adjournment

Moved by Habrock to adjourn at 11:45 a.m.

Respectfully submitted,



Tim Kenny
Executive Director

