

NEBRASKA INVESTMENT FINANCE AUTHORITY BOARD OF DIRECTORS MEETING

**Business Meeting – Hilton Omaha
1001 Cass St, Omaha, NE 68102**

**Tour – The Cottages
1528 N 16th St, Omaha, NE 68110**

Minutes of Friday, October 20, 2023

Notice Published: October 15, 2023 – Omaha World Herald
October 15, 2023 – Lincoln Journal Star
[Affidavits Attached]

Open Meetings Act:

Copies of the Open Meetings Act are located on the table at the entrance to the meeting room and posted against the wall and are online at:

<https://www.nifa.org/about/board-of-directors>

All votes taken by roll call of the members.

Board Members Present: George Achola
Warren Arganbright
K.C. Belitz
Herb Freeman
Sherry Vinton
Colten Zamrzla

Board Members Absent: Susan Bredthauer
Galen Frenzen
Michael Walden-Newman

NIFA Staff Present: Shannon Harner, Executive Director and Board Secretary
Amy Krutz, Executive Assistant and Board Clerk
David Young, Chief Technology and Operations Officer
Christie Weston, Deputy Director of Finance and Administration

Robin Ambroz, Deputy Director of Programs and Marketing
Jody Cook, Controller
Sara Tichota, LIHTC Allocation Manager
Denise Packard, ERA Coordinator
Kelly Schultze, LIHTC Compliance Manager
Tammy Burd, LIHTC Assistant Compliance Manager
Joe Spitsen, Program and Education Coordinator

Guests Present:

Patti Peterson, Kutak Rock LLP
Holly Engelhart, Eide Bailly
Jeff Gertz, JP Morgan
Darin Smith, Arch Icon Development
Mindy Creek, Arch Icon Development
Connor Menard, Excel Development Group
WF Hoppe, Hoppe Developments
Ben Myer, Kutak Rock LLP
Erika Lynch, Kutak Rock LLP
Cassandra Stam, Nebraska Department of Economic Development
Mechele Grimes, Nebraska Department of Economic Development
Misty Christo, Nebraska Department of Economic Development
Ashley Solt, Mesner Development
Ryan Harris, MHEG
Ryan Durant, RMD Group

1. Call Meeting to Order and Roll Call

Chair Belitz called the meeting to order at 9:04 a.m. with 6 members present. Belitz reported that copies of the Open Meetings Act were posted against the wall and located on the table at the back of the room. Notice of the meeting was published on Sunday, October 15, 2023 in the Omaha World Herald and Lincoln Journal Star. Affidavits of the publication are attached.

2. Public Comment Related to the October 20, 2023 Agenda Items (comment period limited to five minutes)

Chair Belitz 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. No individuals came forward.

3. Consent Agenda

- a. August 25, 2023 NIFA Board of Director Meeting Minutes
- b. Executive Director's Report
- c. Report on Homeownership Program
- d. Report on Agriculture Loan Program, Including Loans in Process
- e. Report on Homeowner Assistance Fund
- f. Report on Community Engagement Activities
- g. Report on Collaborative Resource Allocation of Nebraska (CRANE)
- h. Private Activity Bond Cap Summary

Upon the request of Board Member Freeman, item 3(e) was pulled from the Consent Agenda to be discussed individually.

It was then moved by Achola, seconded by Arganbright to approve the Consent Agenda, as amended, including approval of the Minutes and acceptance of the reports on the Consent Agenda, other than item 3(e).

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Freeman, Vinton, Zamrzla

Absent: Bredthauer, Frenzen, Walden-Newman

The motion passed unanimously.

After discussion of item 3(e), led by Board Member Freeman, it was moved by Freeman, seconded by Zamrzla to accept the Report on Homeowner Assistance Fund. Per discussion, detailed numbers regarding the number of applications approved, pending, withdrawn, and denied will be provided to the Board.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Freeman, Vinton, Zamrzla

Absent: Bredthauer, Frenzen, Walden-Newman

The motion passed unanimously.

Action Items & Reports

Audit Committee

4. Consideration of a Motion to Approve the Audited Financial Statements for Fiscal Year Ending June 30, 2023

A report from the Audit Committee was distributed. Christie Weston presented highlights of the financial statements and the audit process. Eide Bailly Audit Partner Holly Engelhart was present to answer any Board member questions. Both Christie and Holly expressed gratitude to the NIFA Finance Team for a smooth audit process.

A discussion was held on the risks associated with swaps and on how swaps appear on the balance sheet, which is consistent with GASB requirements. Moved by Freeman, seconded by Achola to approve the audited financial statements for fiscal year ending June 30, 2023.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Freeman, Vinton, Zamrzla

Absent: Bredthauer, Frenzen, Walden-Newman

The motion passed unanimously.

Other Action Items

5. Consideration of Adoption of Resolution No. 471 — Authorizing the Authority to Enter into One or More Warehouse Financings with the Federal Home Loan Bank of Topeka to Provide Interim Financing for Single Family Mortgage Loans and Mortgage-Backed Securities to be Ultimately Financed with the Proceeds of the Authority's Single Family Housing Revenue Bonds

Jody Cook briefed the Board on Resolution No. 471, which gives staff greater flexibility to utilize financing tools as determined necessary to carry out NIFA's purpose.

Moved by Arganbright, seconded by Freeman to approve Resolution No. 471.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Freeman, Vinton, Zamrzla

Absent: Bredthauer, Frenzen, Walden-Newman

The motion passed unanimously.

6. Consideration of a Motion to Approve the Nebraska Investment Finance Authority Amended Swap Management and Execution Policy

Jody Cook provided an overview of the proposed Swap Management and Execution Policy. A discussion was held on the risks associated with variable rate debt and on the use of

derivatives. Jody informed the Board that NIFA employs Evercrest Advisors as an additional resource for risk management. This Policy will be reviewed biennially.

A presentation will be arranged for the Governance Committee with both cfX and NIFA's swap advisor, Evercrest Advisors.

Moved by Zamrzla, seconded by Freeman to approve the Nebraska Investment Finance Authority Amended Swap Management and Execution Policy.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Freeman, Vinton, Zamrzla

Absent: Bredthauer, Frenzen, Walden-Newman

The motion passed unanimously.

Programs Committee

7. Consideration of Approval of Conditional Reservations for 2024 Low Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Programs

Sara Tichota presented data from the 2024 LIHTC applications and the outcomes of changes made to the Qualified Allocation Plan (QAP). Sara then presented the motion and touched on key points.

MOTION

Whereas, the Nebraska Investment Finance Authority ("NIFA") has completed its review of the applications for 9% 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 2024-2025 Qualified Allocation Plan - 2024-2025 Housing Credit Allocation Plan for 9% LIHTC/AHTC (the "Qualified Allocation Plan") - Competitive Cycle (2024 Tax Credits);

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

Whereas, the Qualified Allocation Plan provides that NIFA conduct an evaluation to determine the appropriate amount, if any, of Tax Credits to be reserved, ranking alternate applicants in both metro and non-metro scoring pools and, subject to the discretion of NIFA, selecting alternate applicants ("Alternate Applicants") from the applications submitted for

conditional reservations in the event additional Tax Credits become available as described below; and

NOW, THEREFORE, BE IT RESOLVED BY THE NEBRASKA INVESTMENT FINANCE AUTHORITY THAT:

Section 1. 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:

Competitive Cycle

| <u>Applicant</u> | <u>Project</u> | <u>County</u> | <u>City</u> | <u>LIHTC Amount</u> | <u>AHTC Amount</u> |
|-------------------------------|-----------------------------|----------------------|--------------------|----------------------------|---------------------------|
| Arch Icon Development Company | Millard Landing | Douglas | Omaha | \$699,930 | \$699,930 |
| Mesner Development Co. | River Fork Villas II | Madison | Norfolk | \$306,294 | \$306,294 |
| Mesner Development Co. | Fairview Villas | Adams | Hastings | \$446,284 | \$446,284 |
| Hoppe & Son, LLC | Tallgrass Family Housing | Sarpy | Papillion | \$629,761 | \$629,761 |
| Midwest Housing Initiatives | Southlawn V | Hall | Grand Island | \$363,860 | \$363,860 |
| TESCO Development Inc. | Carstens Gardens Apartments | Gage | Beatrice | \$440,755 | \$440,755 |
| Hoppe & Son, LLC | Tallgrass Senior Housing | Sarpy | Papillion | \$429,899 | \$429,899 |
| Total | | | | \$3,316,783 | \$3,316,783 |

Section 2. That subject to continued authorization of the Section 42 Credit program pursuant to Section 42 of the Code and the continued authorization of the Nebraska

Affordable Housing Tax Credit pursuant to the AHTC Act and, in each case, the allocation amounts established therein, the Executive Director is hereby authorized to make a “conditional reservation” of Tax Credits to the Alternate Applicants in the amounts and categories set forth below for the following projects with consideration given to meeting the established set-asides. Alternate Applicants will only be considered for a “conditional reservation” if any 2024 credits are returned and are not reallocated to fulfill existing forward commitments before February 9, 2024. (No conditional reservations will be made to any Alternate Applicant after February 9, 2024, from any source.) A conditional reservation for any Alternate Applicant(s) 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 2024 Tax Credits, Tax Credits returned from a prior year, national pool received for 2023 Section 42 Credits, or 2025 Tax Credits.

Competitive Cycle – Alternate Applicants

| <u>Rank</u> | <u>Alternate Applicant</u> | <u>Project</u> | <u>County/ Metro/Non- Metro</u> | <u>City</u> | <u>LIHTC Amount</u> | <u>AHTC Amount</u> |
|--------------------|-----------------------------------|-----------------------|--|--------------------|--------------------------------|-------------------------------|
| | <u>Metro Alternate</u> | | | | | |
| 1 | Brinshore Development, LLC | Arbor Flats | Douglas | Omaha | \$1,050,000 | \$1,050,000 |
| | Total | | | | \$1,050,000 | \$1,050,000 |

Conditions:

1. As set forth in the Qualified Allocation Plan, amounts reserved for the Section 42 Credits may be adjusted by the Executive Director by up to 10% 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 10% 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 Qualified Allocation Plan, 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 Qualified Allocation Plan and such other conditions as the Executive Director deems necessary in light of her review of the application within the purposes of the Qualified Allocation Plan.

Moved by Arganbright, seconded by Freeman to approve the conditional reservations for 2024 Low Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) programs.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Freeman, Vinton, Zamrzla

Absent: Bredthauer, Frenzen, Walden-Newman

The motion passed unanimously.

8. Consideration of a Motion to Amend the Motion Passed by the NIFA Board on April 22, 2022, with Respect to Approval of Conditional Reservations – Future Binding Commitments for Category 1 CRANE Projects

Shannon Harner provided background information on the previous motion passed in April of 2022 when multiple CRANE projects reached a level 1 simultaneously. The previous Motion set a completions deadline for forward allocated projects that was shorter than that allowed by Code and the need for additional flexibility was noted. Sara then led a discussion on the various aspects of this issue including legal concerns, project feasibility, federally required timelines, and efficacy of CRANE credits.

The amendment shall delete the requirement that the projects listed in the Original Motion be required to be placed in service no later than December 31, 2024. Further, the Executive Director shall be authorized to permit a placed in service date, with respect to the projects listed in the Original Motion, that follow the requirements as outlined in IRS Code Section 42r, based upon the determination of the Executive Director that such later date is in the best interests of the development of the project and the Low Income Housing Tax Credit Program.

Moved by Freeman, seconded by Zamrzla to amend the motion passed by the NIFA Board on April 22, 2022, with Respect to approval of conditional reservations – Future binding commitments for Category 1 CRANE projects.

Via roll call, the following votes were recorded:

Voting AYE: Arganbright, Belitz, Freeman, Vinton, Zamrzla

Abstaining: Achola (due to the proposed action of the Board impacting a program with respect to which Mr. Achola has an interest)

Absent: Bredthauer, Frenzen, Walden-Newman

The motion passed.

9. General Discussion regarding CRANE Program

Shannon presented the topic for general discussion. Based on this conversation, staff plans to bring a motion for consideration to the Board in December. Sara then gave an overview of the CRANE programs and the necessity for Board action: Due to increasing need, there are consistently multiple high-quality applications in large excess of the allocated amount for CRANE funds.

The Board discussed: the use of tiebreakers; an increase to minimum point requirements; the creation of Board-level staff guidelines; the introduction of community match requirements; a narrowing of categories. The Board also was in favor of using this opportunity to ensure that approved projects are in line with NIFA's strategic objectives.

Single Family Housing Finance

10. Consideration of a Motion to Approve the Notice Pursuant to Section 58-270 and the Filing Thereof with the Governor and the Clerk of the Nebraska Legislature of NIFA's Intent to Issue Single Family Housing Bonds in the Aggregate Principal Amount of up to \$650,000,000

Jody Cook returned to brief the Board on the Notice, noting that the amount of annual issuance has been increased due to almost exceeding the amount noticed in 2023.

Moved by Freeman, seconded by Zamrzla to approve the Notice pursuant to Section 58-270 and the filing thereof with the Governor and the Clerk of the Nebraska Legislature of NIFA's intent to issue Single Family Housing Bonds in the aggregate principal amount of up to \$650,000,000.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Freeman, Vinton, Zamrzla

Absent: Bredthauer, Frenzen, Walden-Newman

The motion passed unanimously.

Strategic Topic

11. Nebraska Emergency Rental Assistance Program Launch

Denise Packard gave a report on the launch of the Nebraska Emergency Rental Assistance Program (ERA). She thanked NIFA's partners: Nebraska Emergency Management Agency, NelNet, Legal Aid of Nebraska, HotB, Emspace + Lovgren, and Nebraska Children and Families Foundation. Shannon reminded the Board that NIFA will be able to use part of the ERA funds to create affordable housing once 75% of the funds have been expended on assistance payments.

A discussion was held on NIFA's procedures for determining the application cut-off date and for identifying fraudulent applications. Robin Ambroz responded that similar procedures to those implemented by the Nebraska Homeowners Assistance Fund (NHAF) have been put in place for ERA as they have been highly effective for NHAF.

Board Member Freeman noted that the volume of applications presented by Denise demonstrates a tremendous need in the state. The Board may be interested in any advocacy opportunities on this topic.

NIFA Highlights

12. Update on NIFA's Bond Sale

Jeff Gertz of JP Morgan provided an update on the bond sale priced this Wednesday and Thursday.

13. Announcements and Discussion of Upcoming Events

a. 2024 Board Meeting Schedule

Shannon previewed an upcoming topic for the Board on a program to utilize NIFA bonds to build non-profit childcare facilities in the state. She also introduced the proposed 2024 Board Meeting Schedule.

David Young presented recent updates with Pillar Two of the Nebraska Housing Framework. Multiple conversations are being facilitated in communities across the state on navigating the development process and on how to effectively spend and build in alignment with community needs. The toolkit is in the finalization process.

Board Member Arganbright thanked NIFA staff for their hard work and guidance. Chair Belitz expressed a commitment to continuing the close collaboration between the Department of Economic Development (DED) and NIFA.

14. Recess to a Non-Business Lunch

The Board concluded the business portion of the meeting. Moved by Achola, seconded by Arganbright to adjourn.

Via roll call, the following votes were recorded:

Voting AYE: Achola, Arganbright, Belitz, Freeman, Vinton, Zamrzla

Absent: Bredthauer, Frenzen, Walden-Newman

The motion passed unanimously.

Note that the Board and staff went on a tour of The Cottages following the non-business lunch. No roll call was required because a quorum was not present.

Respectfully submitted,



Shannon R. Harner
Executive Director and Board Secretary



*** Proof of Publication ***

State of Indiana)
Lake County) SS.

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

ORDER NUMBER 1188147

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 and that said newspaper is the legal newspaper under the statutes of the State of Nebraska.

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

Clerk of the Lincoln Journal Star

Signature

Date

[Handwritten Signature]
10/16/23

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 followed by a Tour of The Cottages by Siena Francis House, which are both open to participation by the public, on Friday, October 20, 2023, beginning at 9:00 a.m. (The tour will commence upon adjournment of the Board meeting.) The Authority's meeting will be held at the Hilton Omaha, 1001 Cass Street, Omaha, Nebraska. The tour will take place at 1528 N 16th Street, Omaha, Nebraska.
Persons requiring an accommodation consistent with the Americans with Disabilities Act are asked to contact Amy Krutz at the Authority at (402) 434-6935 at least 48 hours in advance of the meeting.
The agenda of the meeting, which is kept continually current, is available for public inspection at the Authority's website at <https://www.nifa.org/about/board-of-directors> and posted on the front door of the Authority's office at Suite 200, 1230 O Street, Lincoln, Nebraska, during normal business hours.
A current copy of the Open Meetings Act, Neb. Rev. Stat. 84-1407 et. seq., and a copy of the Board book materials (which may be updated) to be discussed, will be available at the meeting and at the Authority's website at <https://www.nifa.org/about/board-of-directors>.
Handouts and other materials presented at the meeting will be available for viewing by all attendees. Copies of Board materials not otherwise made available at the Authority's website will be available from the Authority, upon request, subsequent to the meeting.
For more information or questions please contact Christie Weston, Deputy Director, at (402) 434-3912.
1188147 10/15 ZNEZ

Section: Class Legals

Category: 0099 LEGALS

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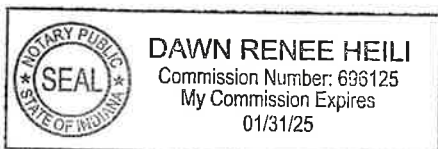
FILED ON: 10/16/2023

Subscribed in my presence and sworn to before me on

October 16, 2023

Dawn Renee Heili

Notary Public



AFFIDAVIT

State of Florida, County of Charlotte, ss:

I, Stefan Edward Pla, being of lawful age, being duly sworn upon oath, hereby depose and say that I am agent of Column Software, PBC, duly appointed and authorized agent of the Publisher of Omaha World Herald, a legal daily newspaper printed and published in the county of Douglas and State of Nebraska, and of general circulation in the Counties of Douglas, and Sarpy and State of Nebraska, and that the attached printed notice was published in said newspaper on the dates stated below and that said newspaper is a legal newspaper under the statutes of the State of Nebraska.

PUBLICATION DATES:

Oct. 15, 2023

NOTICE NAME: Notice of Board Meeting (10/20/23)

PUBLICATION FEE: \$60.00

Stefan Pla

(Signed) _____

VERIFICATION

State of Florida
County of Charlotte

Subscribed in my presence and sworn to before me on this: 10/16/2023

Rachael Mary Schults

Notary Public

Notarized online using audio-video communication



RACHAEL MARY SCHULTS
Notary Public - State of Florida

Commission # HH135678

Expires on May 27, 2025

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For more information or questions please contact Christie Weston, Deputy Director, at (402) 434-3912.
2023, (10) 15 - Sundays, ZNEZ