

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

**Embassy Suites – Regents A/B
1040 P Street, Lincoln, Nebraska
Option of Video/Audio Conference for Members of the Public**

MINUTES OF FRIDAY, August 21, 2020 @ 9:00 A.M.

**Notice Published: August 16, 2020 - *Omaha World Herald* [Affidavit attached]
August 17, 2020 - *Lincoln Journal Star* [Affidavit attached]
Agenda amended at 9:00 a.m. on August 20, 2020**

Open Meetings Act – Copies of the Open Meetings Act were posted by the door as you entered Regents A/B and on the NIFA website at www.nifa.org/about/history-board

All votes taken by roll call of the members.

NIFA BOARD MEMBERS PRESENT

Board Members Present: Anthony Goins, Warren Arganbright, Susan Bredthauer, Galen Frenzen, Michael Walden-Newman, Steve Wellman, Colten Zamrzla

Board Members Absent: Herb Freeman (Excused - absent due to concerns about COVID-19), George Achola

NIFA Staff Present: Executive Director and Board Secretary, Shannon Harner; Clerk, Susan Pulec; 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; Agricultural Program, Manager Dudley Beyer; Communication and Outreach Manager, Elizabeth Fimbres; Assistant Manager for RHA Development & Training, Joe Spitsen; Manager of Community Development & Research, John Turner; Compliance Specialist, Shelley Abraham; Marketing and Relationship Manager, Amanda Wusk; Allocation Specialist, Kirk Benner; Compliance Specialist, Andray Fairley and Eric Matty; Deputy Director Christie Weston

Guests: Herb Freeman – NP Dodge, Trent Bausch – Cline Williams Wright Johnson LLP, Ann Burge, Ryan Harris and Cindy Koster – MHEG, Rob Woodling – Foundation Development, Mindy Crook – Arch Icon, Jeff Gertz – J.P. Morgan, John Foley – St. James Manor, Mike Gawley – Holy Name Housing Corporation, Sheryl Hiatt – Nebraska Department of Economic Development, Cristy Larson – Mesner Law, Christopher Lenz and Brent Williams – Excel Development Group, Steve Peregrine – Nebraska Housing Resource, Scott Riffle - Stifel, Ted Simpson, Pam Otto – DED, Teresa Kile – Kile Consulting, Fred Hoppe – Hoppe Homes, Barry Gottfried – Stifel, Gerald Hahn – Phoenix Holding, Patti Peterson, Steve Likes and Erika Lynch – Kutak Rock LLP

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1. Call Meeting to Order and Roll Call

Chair Goins called the meeting to order at 9:03 a.m. with seven members present. Goins reported that copies of the Open Meetings Act were posted by the door as you entered Regents A/B , on the NIFA website, as well as in the "Handouts" section of the webinar. The notice of the meeting was published on Sunday, August 16, 2020 in the *Omaha World Herald* and Monday, August 17, 2020 in the *Lincoln Journal Star*. *Affidavits of publication are attached*. The agenda, a copy of which was continually kept current at the office and on the website of NIFA, was amended at 9:00 a.m. on August 20, 2020.

2. Approval of Corrections to the June 19, 2020 NIFA Board of Directors Meeting Minutes

Christie Weston presented amendments to the June 19, 2020 minutes, noting a correction of roll call vote to include Steve Wellman in items 7 and 8, and the inclusion of comments by George Achola in item 14. Moved by Frenzen seconded by Arganbright to approved the corrections to the June 19, 2020 NIFA Board Minutes. Roll call vote – Goins – yes, Zamrzla – yes, Frenzen – yes, Arganbright – yes, Walden-Newman – yes, Wellman – yes, Bredthauer - yes. Motion carried unanimously.

Approval of the June 19, 2020 NIFA Board of Directors Meeting Minutes, As Amended

Moved by Wellman seconded by Arganbright to approve the June 19, 2020 NIFA Board of Directors Meeting Minutes, As Amended. Roll call vote – Walden-Newman – yes, Wellman – yes, Bredthauer – yes, Goins – yes, Zamrzla – yes, Frenzen – yes, Arganbright – yes. Motion carried unanimously.

3. Executive Director's Report

Shannon Harner welcomed the new board members, Susan Bredthauer and Colten Zamrzla.

Shannon announced that this week she, Krista Metcher of USDA, Dudley Beyer and Tim Kenny were panelists on Senator Adrian Smith's 3rd District Agricultural Summit.

Shannon has been meeting with the staff and wanted to make sure the Board knows we have enthusiastic, competent and mission-driven employees. She is looking forward to working with all of them.

Shannon reported that the NIFA Single Family Housing Revenue Bonds, 2020 Series B and 2020 Series C were priced this week and that the Bonds were well-received by the market.

Shannon proposed that the Board consider holding one or more of its meetings each year in locations outside of Lincoln, as well as adding strategic educational topics as part of future agendas. All thoughts are welcome on the format for upcoming board meetings.

Shannon updated the Board on the rise in construction costs due to the pandemic. There is some concern as to how to best address potential gaps in financing that may occur with respect to those projects for which LIHTC reservations have been approved. Shannon has asked the staff for ideas to address the issue, but wanted to bring to the Board's attention that this is an ongoing issue because of the higher costs and the scarcity of materials as a result of the pandemic.

With respect to activities of the Unicameral, Shannon reported that a transfer of \$10 million was authorized from the general fund to the Rural Workforce Housing Fund for the development of affordable workforce housing. Additionally, LB 866 was adopted, creating the Middle Income

Workforce Housing Investment Fund (with a \$10 million appropriation to the Fund over two years) and adopting the Municipal Density and Missing Middle Housing Act, requiring cities of certain classes to report to the Urban Affairs Committee efforts to address the availability of and incentives for affordable housing through zoning codes, ordinances and regulations. LB 1021 amends the Community Development Law to provide expedited review for certain types of redevelopment projects. Finally, LB 424 amends the Municipal Land Bank Act to permit cities other than metropolitan class to create land banks.

4. Public Comment Related to the September 18, 2020 Agenda Items (comment period limited to five minutes)

(a) 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. No individuals came forward.

(b) Chair Goins then invited John Foley to address the Board with respect to St. James Manor, a LIHTC project located in Omaha. Mr. Foley made a presentation to the Board, seeking the release of the land use restriction agreement filed of record for St. James Manor. For the record, Mr. Foley provided a written copy of his remarks to the Secretary.

5. Consideration of Adoption of a Resolution Recognizing the Service of Tim Kenny as Executive Director

Resolution 449, summarizing the accomplishments of Tim Kenny as Executive Director, was read into the record. Moved by Arganbright seconded by Wellman to adopt Resolution 449 Recognizing the Service of Tim Kenny as Executive Director. Roll call vote – Bredthauer – yes, Goins – yes, Zamrzla – yes, Frenzen – yes, Arganbright – yes, Walden-Newman – yes, Wellman – yes. Motion carried unanimously.

6. Welcome and Introduction of Shannon Harner, Executive Director

Chair Goins formally introduced and welcomed Shannon Harner to the Board of Directors as NIFA's new Executive Director.

7. Update on Status of the Operational Risk Assessment and Current Financial Audit

Christie Weston reported that NIFA received BDO's Service Agreement and Statement of Work for Operational Risk Assessment services. The documents are currently under review by staff and legal counsel. With respect to the current financial audit, KPMG began this year's financial statement audit earlier this week. Due to the pandemic, this year's audit will be performed remotely, using a secure site for documents and files to be uploaded, and so far it is going well. Staff anticipates the audit will be complete and financial statements ready for the Audit Committee to review and recommend approval to the Board at the October board meeting.

8. (a) Consideration and Approval of Resolution No. 447 Adopting the Initial Bylaws of the Nebraska Investment Finance Authority

Patti Peterson reported that the Bylaws Committee, consisting of Warren Arganbright, Herb Freeman, Michael Walden-Newman and George Achola, provided the current draft of the Bylaws for review by the Board. In the proposed draft of the Bylaws, many of the provisions reflect the requirements of the NIFA Act. Several of the provisions provide for specific creation of and purpose for the various standing committees: Audit, Governance, Programs and Risk Management. Additionally, the Bylaws provide for the election by the members of a Vice-Chair. Warren Arganbright added that proposed draft of the bylaws presented for approval today is not perpetual; the bylaws may be amended by the board when there are issues that need to be addressed. Mr. Arganbright stated that the Bylaws Committee does recommend approval. Moved by Arganbright seconded by Walden-Newman to adopt the initial Bylaws of the Nebraska Investment Finance Authority. Roll call vote – Frenzen – yes, Arganbright – yes, Walden-

Newman – yes, Bredthauer – yes, Goins – yes, Zamrzla – yes, Wellman – yes. Motion carried unanimously.

(b) Appointment of Standing Committee Members Pursuant to the Bylaws

Shannon noted that while the Bylaws do create a general overview of each of the committees, the next set of meetings will flesh out in more detail the policies and purview of each committee. A proposed list of committee appointments was presented by Chair Goins. Moved by Zamrzla seconded by Arganbright to approve the appointment of standing committee members as set forth in the assignment list presented by Chair Goins. . Roll call vote – Walden-Newman – yes, Bredthauer – yes, Goins – yes, Zamrzla – yes, Frenzen – yes, Arganbright – yes, Wellman – yes. Motion carried unanimously.

9. Private Activity Bond Cap Summary

Judy Krasomil presented the Private Activity Cap Summary, updating the Board on allocations to date for 2020.

AGRICULTURAL FINANCE DIVISION

10. Report on Agricultural Program Regarding Loan Summaries

Borrower: Brock Hinrichs
Purpose: Purchase 123.45 acres of farm real estate – Adams County, Nebraska
Proposed NIFA Loan/Bond Amount: \$338,750
Proposed Interest Rate: 3.75% Variable (Bank's Conventional Interest Rate: 5.10% Variable)
Proposed Bond Purchaser: Adams County Bank – Kenesaw, NE

Borrower: Kathlyn M. Hauxwell
Purpose: Purchase 1,212.15 acres of farm real estate – Red Willow County, Nebraska
Proposed NIFA Loan/Bond Amount: \$552,500
Proposed Interest Rate: 4.00% Fixed (Conventional Interest Rate of Banks: 6.50% Fixed)
Proposed Bond Purchaser: Ashtonfield, LLC – Grand Island, NE

Dudley Beyer reported that the above-listed Agricultural loans are a summary of recently closed loans. Dudley also noted that included in HR 2, the "Moving Forward Act" is a provision to increase the limit on depreciable agriculture property to match land, which is currently \$552,500. HR 2 would also change the definition of previous ownership allowed by a beginning farmer from 30% of mean acreage size to 30% of average acres. This would be consistent with the programs of Farm Services who often participate in providing financing to beginning farmers and ranchers.

LOW INCOME HOUSING TAX CREDITS

11. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting Held on Wednesday, July 15, 2020

The CRANE meeting was held on July 15, 2020. Affidavits of publication are attached. Additionally, Sara Tichota reported that the following projects are in the CRANE process:

Hanscom Apartments – Omaha
Angels Share Campus – Blair

South Street Project – Lincoln
Larimore 3483 – Omaha
Siena Francis Cottages – Omaha
Better Together Campus – Omaha
Shadow Lake Apartments – Papillion
Eastside Bungalows – Omaha
Omega Westpoint – West Point

SINGLE FAMILY HOUSING FINANCE DIVISION

12. Status Report on Single Family Program

Jacki Young referred Board members to the Homeownership report in the Board book and reported NIFA has received 1,250 loan reservations to date in 2020, for a total of approximately \$173.1 million in loans. The average loan amount is \$138,484, with an urban/rural split of 56% urban, 44% rural. Jacki noted that there may be some increase in loan delinquencies because of COVID-19, and at this point some loans in forbearance are in current status so we do not have an accurate picture of what our portfolio may look like at the end of the forbearance period. There has been some discussion with the state about possible funding for persons in forbearance and Shannon asked the Board for further direction on how they would like NIFA staff to proceed. Chair Goins requested a report of single family loan activity divided out for North and South Omaha.

13. Update on Market Developments

Jeff Gertz, J.P. Morgan, provided highlights of the recent pricing and sale of NIFA's \$84.75 million Single Family Housing Revenue Bonds, 2020 Series B and 2020 Series C. .

OUTREACH DIVISION

14. Report from the Outreach Department

Elizabeth Fimbres reported on recent ribbon cuttings for affordable housing developments in Holdrege and York for which NIFA provided financial resources. NIFA continues to update the Emergency Response website information to include resources available pursuant to the CARES Act. Since the last board meeting, we have had more than 500 people attend our virtual Networking with NIFA and Conference ConNEction meetings, taking us to over 1,000 attendees so far this year. NIFA hosted the Annual LIHTC Tax Credit Training digitally, which training was attended by over 230 persons. Amanda Wusk reported on the efforts to increase awareness of resources and training available from NIFA across all digital platforms. There is a current focus to increase awareness about the NIFA Ag department and the Housing.NE.gov website. Staff are also pulling data from the Profile of Nebraska to highlight communities across Nebraska and bring awareness of the Profile and Dashboard as a resource for information.

15. Update on the \$5M Lincoln Workforce Housing Revolving Account

Robin Ambroz updated the board on the prior Board Resolution No. 435 and the community meetings that have been happening across the city of Lincoln. With the passage of LB 866, there is renewed excitement about initiatives being discussed in Lincoln for the development of affordable workforce housing. Specifics of how this might be addressed by NIFA will be brought to the Board at a future meeting.

16. **Update on TIF Monetization Project in Lexington and Grand Island with Hoppe Homes**
Tim Kenny updated the board on how this lot by lot Tax Increment Financing project in Lexington and Grand Island provides two benefits: creating reasonable loans with the benefit of the full value of the property going directly to the owner, and ownership subsidy spread over time. The project will begin in Lexington and then scale larger in the Grand Island area.

OTHER BUSINESS/ANNOUNCEMENTS

17. **Quarterly Report on NIFA Operations**
Christie Weston presented the quarterly financial dashboard, including a fiscal year-to-date budget to actual comparison, trends in personnel and benefit costs, a comparison of income between the current and prior fiscal years, and a look at NIFA's investment and single family debt portfolios. This is unaudited data and will be updated with audited final results at the October board meeting.
18. **Approval of Staff Authorizations**
Christie Weston reported that staff authorizations have been updated in accordance with recent changes in the Executive Director and Accounting Manager positions as presented in the board book. Moved by Arganbright seconded by Frenzen to approve Staff Authorizations as set forth in the board book. Roll call vote – Goins – yes, Walden-Newman – yes, Frenzen – yes, Arganbright – yes, Bredthauer – yes, Zamrzla – yes, Wellman – yes. Motion carried unanimously.
19. **Approval of Resolutions Recognizing Service to NIFA**
Moved by Frenzen seconded by Walden-Newman to approve Resolution 450 Recognizing the Service of Marlin Brabec on the NIFA Board. Roll call vote – Goins – yes, Zamrzla – yes, Wellman – yes, Frenzen – yes, Arganbright – yes, Walden-Newman – yes, Bredthauer – yes. Motion carried unanimously.
20. **Announcements and Discussion of Upcoming Events**
The NCSHA Annual Conference, which will be virtual this year, is scheduled for October 27-29, 2020.
21. **Closed Sessions to Discuss Potential Litigation**
Moved by Arganbright, seconded by Zamrzla to go into closed session at 11:03 a.m. to discuss litigation, the imminence of which has been evidenced by communication of a threat of litigation against NIFA, which closed session is consistent with the Nebraska Public Meetings law and is necessary to protect the interests of both NIFA and the public. Roll call vote – Bredthauer – yes, Frenzen – yes, Arganbright – yes, Wellman – yes, Zamrzla – yes, Walden-Newman – yes, Goins – 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 litigation, the imminence of which has been evidenced by communication of a threat of litigation against NIFA. Members shall restrict their consideration of matters during the closed session to the purpose stated in the Motion."

Closed Session

Board Members met in closed session from 11:03 a.m. until 11:43 a.m. Michael Walden-Newman left the meeting at 11:27 a.m. Moved by Arganbright, seconded by Wellman to go into open session at 11:43 a.m. Roll Call Vote – Goins – yes, Zamrzla – yes, Wellman – yes, Frenzen – yes, Bredthauer – yes, and Arganbright – yes. Motion carried unanimously.

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22. **Adjournment**
Moved by Frenzen to adjourn at 11:44 a.m.

Respectfully submitted,



Shannon R. Harner
Executive Director





Affidavit of Publication

RECEIVED AUG 20 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: 08/22/2020, Legal Notices, NOTICE OF MEETING NEBRASKA INVESTMENT, 2 x 0 L, 1,167.52

NOTICE OF MEETING
NEBRASKA INVESTMENT FINANCE AUTHORITY
[Meeting to be held in person (with the option of Videoconference and Audio-Only Teleconference for the public)]
Notice is hereby given that the Nebraska Investment Finance Authority (the "Authority") will hold a Board of Directors Meeting, which is open to participation by the public, on Friday, August 21, 2020 at 9:00 a.m. The Authority's meeting will be held at the Embassy Suites - Downtown Lincoln, 1040 P St, 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.
In addition to the in person meeting, the Authority will allow members of the public or any other witness (other than a member of the Authority), including the news media, to access the meeting and/or appear before the Authority by videoconference by using the registration link below:
https://attendee.gotowebinar.com/register/2860619602094475789
Instructions to access the meeting by audio-only telephone conference will be posted on the Authority's website at https://www.nifa.org/about/history-board no later than 24 hours prior to the start 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/history-board and posted on the front door of the Authority's office at Commerce Court, Suite 200, 1230 "O" Street, Lincoln, Nebraska, during normal business hours. Please note: the offices of the Authority are not open to the public at this time.
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, which will be discussed at the meeting will be available at the meeting location the day of the meeting and at the Authority's website at https://www.nifa.org/about/history-board the day before the meeting. Handouts and other materials presented at the meeting will be available for viewing by all attendees, including those accessing the meeting via videoconference. Copies of Board materials, not otherwise made available at the Authority's website the day before the meeting, will also be posted on the Authority's website at https://www.nifa.org/about/board-meeting-archives and available from NIFA, upon request, subsequent to the meeting.
For more information or questions regarding accessing the meeting electronically, please contact Christie Weston, Deputy Director, at (402) 434-3912.

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:

08/16/2020

The First insertion being given ... 08/16/2020

Newspaper reference: 0000166213

Handwritten signature of Susan H. Allen

Billing Representative

Sworn to and subscribed before me this Sunday, August 16, 2020

Handwritten signature of Kimberly B. Harris

Notary Public

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

State of Virginia
City of Richmond
My Commission expires

*** Proof of Publication ***

State of Nebraska)
Lancaster County) SS.

RECEIVED AUG 21 2020

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

ORDER NUMBER 932624

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 August 17, 2020 and thereafter on _____, 20____ and that said newspaper is the legal newspaper under the statutes of the State of Nebraska.

Mary White

Section: Class Legals
Category: 0099 LEGALS
PUBLISHED ON: 08/17/2020

TOTAL AD COST: 46.35
FILED ON: 8/17/2020

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

August 18, 2020
U. Boone Notary Public



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FINANCE AUTHORITY**
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932624 11 Aug 17