

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

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

MINUTES OF FRIDAY, June 9, 2017 @ 8:30 A.M.

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

**Notice Published: June 4, 2017 - *Omaha World Herald*
 June 4, 2017 - *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: Michael Maroney, Galen Frenzen, Mark Graff, Herb Freeman and Michael Walden-Newman

Board Members Absent: Courtney Dentlinger, Mary Jo McClurg, Mat Habrock and 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, Single Family Homeownership Manager Jacki Young, Assistant Single Family Homeownership Manager Cindy Trautman, LIHTC Compliance Manager Kelly Schultze, LIHTC Allocation Manager Teresa Kile, Director of Development Ted Simpson, Accounting Manager Jody Cook, Agricultural Programs Manager Dudley Beyer, Manager of Nebraska Opportunity Fund Garry Clark and Deputy Director Christie Weston

Guests: Jim Rieker – Advantage Capital, Joel Anderson – Excel Development Group, Cindy Koster – MHEG, Janet Latimer and Barb Reuter – Horizon Bank, Melissa Forster and Jeff Beckler – Zimmerman Properties, Rob Woodling – Foundations Development. Mike Gawley – Holy Name Housing Corporation, Mike Ickowski Chief Financial Officer Regional West Health Services, Jeff Gertz – JP Morgan, Drew Page and Patti Peterson – Kutak Rock LLP

1. Call Meeting to Order and Roll Call

Vice Chair Maroney called the meeting to order at 8:30 a.m. with five members present. Vice Chair Maroney 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, June 4, 2017 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 8:32 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, which closed

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

Prior to the closed session, the following statement was read by the Vice Chair: “The closed session discussion shall be limited to matters relating to (A) pending litigation involving (i) General Electric Capital Corporation (and related entities) and (ii) Bayerische Landesbank Girozentrale 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 8:32 a.m. until 8:42 a.m.

Moved by Frenzen, seconded by Walden-Newman to go into open session at 8:42 a.m. Roll Call Vote – Graff – yes, Frenzen – yes, Walden-Newman – yes, Maroney – yes and Freeman – 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 May 24, 2017 NIFA Board of Directors Meeting Minutes

Approval of the May 24, 2017 NIFA Board of Directors Meeting Minutes will be held over until the August 18, 2017 NIFA Board of Directors Meeting.

5. Executive Director’s Report

Tim Kenny reported on a strategic alliance NIFA staff is developing with the Indiana Housing and Community Development Authority (IHCDA). NIFA is working with IHCDA to submit a joint application for New Markets Tax Credits. Tim also reported NIFA has had an inquiry into the WorkForce Housing B Program for a large multi-family housing project.

6. Public Comment related to the June 9, 2017 Agenda Items (comment period limited to five minutes)

Vice Chair Maroney 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 2017. Patti Peterson gave a presentation on Private Activity Bonds and Volume Cap including a brief overview of the types of Tax-Exempt Bonds.

AGRICULTURAL FINANCE DIVISION

8. Status Report on Agricultural Program

Dudley Beyer reported that one Agricultural Loan has closed since the April 21, 2017 Board of Directors meeting.

Bond Resolution #1337 – Dexter R. and Kate E. Spitsnogle in the amount of \$305,000 for the purchase of 149 acres in Gage County, Nebraska.

LOW INCOME HOUSING TAX CREDITS

9. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting Held Wednesday, May 24, 2017

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

Siena Francis House PSH Phase 3 – Omaha
Hillside Rows – Omaha
Canterbury Estates – Sidney
Victory Apartments II – Omaha
Bethlehem House – Omaha
Hanscom Apartments – Omaha
Eagle Heights – Omaha

10. Report from the Programs Committee

Teresa Kile reported that Tim Kenny, Robin Ambroz, Ted Simpson, Garry Clark and the Programs Committee (consisting of Marlin Brabec, Herb Freeman, Michael Walden-Newman and Mary Jo McClurg) met via telephone conference call on Wednesday, June 17, 2017 to discuss Round Two applications submitted in the 2017 Low Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Program. Teresa reported NIFA received nineteen applications. Nine applications were for developments to be located in rural areas and ten applications were for developments to be located in urban areas.

11. Consideration and Approval of Conditional Reservations for Round Two in the 2017 Low-Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Program

Nineteen applications were received by NIFA for consideration in Round Two under the competitive process. Nine 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 Freeman, seconded by Frenzen to approve Conditional Reservations for Round Two in the 2017 Low Income Housing Tax Credit (LIHTC) Program as set forth in the Motion presented to the Board by the Programs Committee. Roll call vote – Maroney – yes, Walden-Newman – yes, Freeman – yes, Frenzen – yes and Graff – yes. Motion carried unanimously.

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 2017 LIHTC Allocation Plan for 9% LIHTCs and Nebraska Affordable Housing Tax Credits – Round Two and;

Whereas said review was conducted pursuant to the 2017 Qualified Allocation Plan (the “2017 QAP”), as amended, adopted by NIFA pursuant to a public process and approved by the Governor of the state of Nebraska; then

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>
St James Apartment Partners, LLC	St. James Manor	Douglas	Omaha	\$482,480*	\$390,000*
Ambassador Holding Company	Ambassador Senior Patio Homes	Otoe	Nebraska City	\$285,500	\$285,500
Midwest Housing Initiatives, Inc.	Porter Estates	Gage	Beatrice	\$184,641	\$184,641
Mesner Development Company	Southview Estates	Wayne	Wayne	<u>\$274,634</u>	<u>\$274,634</u>
				\$1,227,255	\$1,134,775

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 2017 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 2017 QAP and such other conditions as the Executive Director deems necessary in light of his review of the application within the purposes of the 2017 QAP and the Tax Credit Programs.
4. *This Motion authorizes a conditional reservation of \$482,480 for St. James Manor with \$341,690 of LIHTC and \$341,690 of AHTC to be reserved from 2017 Tax Credits. The remaining \$140,790 LIHTC and \$48,310 of AHTC 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 2017 Tax Credits, Tax Credits returned from a prior year, national pool Tax Credits received for 2017 or 2018 Tax Credits.

SINGLE FAMILY HOUSING FINANCE DIVISION

12. Status Report on Single Family Program and Market Developments

Jacki Young referred Board members to the Single Family Report in the Board book and reported NIFA has received 837 loan reservations to date in 2017. The average loan amount is \$115,386. Sixty percent of the loans are for homes located in urban areas and forty percent are for homes located in rural areas. Jeff Gertz, J.P. Morgan, gave a report on the national bond market. Judy Krasomil gave a pipeline report.

DEVELOPMENT FINANCE DIVISION

13. Ratification of the Public Hearing held Friday, June 2, 2017, at 3:00 p.m. (Mountain Time) at Regional West Medical Center, Scottsbluff, Nebraska, for the following project:

Regional West Medical Center - \$20,000,000 Nebraska Investment Finance Authority

A Public Hearing was held in the Education Center Room of the Regional West Medical Center, 4021 Avenue B, Scottsbluff, Nebraska on June 2, 2017 at 3:00 p.m. (Mountain Time) by Steve Likes, on behalf of NIFA, for the proposed issuance by NIFA of the Hospital Revenue Bond (Regional West Medical Center Project), Series 2017, pursuant to a plan of finance, in an aggregate principal amount not to exceed \$20,000,000 for the benefit of Regional West Medical Center, a nonprofit corporation existing under the laws of the State of Nebraska.

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Moved by Frenzen, seconded by Walden-Newman to ratify the Public Hearing held Friday, June 2, 2017, at 3:00 p.m. (Mountain Time). Roll call vote – Walden-Newman – yes, Freeman – yes, Frenzen – yes, Graff – yes and Maroney – yes. Motion carried unanimously.

14. Consideration and Approval of Bond Resolution No. HC-233 authorizing the issuance, sale and delivery of Nebraska Investment Finance Authority Hospital Revenue Bond (Regional West Medical Center Project), Series 2017, in aggregate principal amount of not to exceed \$20,000,000 for the purpose of providing funds to purchase, install, and implement the Cerner Electronic Medical Records System (the “EMR System”) for the Regional West Medical Center

Steve Clements reported on April 21, 2017, the NIFA Board passed Limited Purpose Intent Resolution #HC233 in connection with the proposed issuance of tax-exempt bonds to finance the EMR system. Steve provided background information with respect to the project and bond terms. Moved by Graff, seconded by Freeman to adopt Bond Resolution No. HC-233. Roll call vote – Freeman – yes, Frenzen – yes, Graff – yes, Maroney – yes and Walden-Newman – yes. Motion carried unanimously.

15. Consideration and Approval of Bond Resolution #DEV-254 authorizing the issuance of Nebraska Investment Finance Authority Drinking Water State Revolving Fund Revenue Bonds, Series 2017A (the Series “2017A DWSRF Bonds”) in the aggregate principal amount of not to exceed \$2,000,000 for the purpose of providing funds to the Nebraska Department of Environmental Quality to provide loans to owners of public water supply systems in connection with the Drinking Water State Revolving Fund Program

Judy Krasomil reported that the Nebraska Department of Environmental Quality (NDEQ) has informed NIFA of the need to issue bonds for 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 Safe Drinking Water Act. The size of the bonds is not expected to exceed \$2.0 million to provide state match for the FY 2017 Grant which is expected to approximate \$8,312,000. Due to the strength of the Drinking Water State Revolving Fund Program, interest earnings from the current loan portfolio are expected to be sufficient to pay the principal and interest on the Series 2017A DWSRF Bonds, which will be privately placed on a short-term basis. Upon issuance of the bonds, funds representing prior interest earnings on the Drinking Water loan portfolio will be used purchase escrow securities (U.S. Treasuries) sufficient to pay principal and interest on the 2017A DWSRF Bonds at maturity. Accordingly, the attached bond resolution authorizes the issuance of the 2017A DWSRF Bonds in a principal amount not to exceed \$2,000,000, maturing no later than December 31, 2018, the proceeds of which will be used by NDEQ to make loans to owners of public water supplies for the acquisition, construction or modification of safe drinking water projects within the State of Nebraska thereby satisfying the state match requirements for the FY 2017 Grant.

Moved by Frenzen, seconded by Freeman to adopt Bond Resolution #DEV-254. Roll call vote – Freeman – yes, Frenzen – yes, Graff – yes, Maroney – yes and Walden-Newman – yes. Motion carried unanimously.

16. Consideration and Approval of Bond Resolution #DEV-255 authorizing the issuance of Nebraska Investment Finance Authority Clean Water State Revolving Fund Revenue Bonds, Series 2017B (the Series “2017B CWSRF Bonds”) in the aggregate principal amount of not to exceed \$2,000,000 for the purpose of providing funds to the Nebraska Department of Environmental Quality to provide loans to Nebraska Municipalities and Counties in Connection with the Clean Water State Revolving Fund Program

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”). Proceeds of the bonds will be used to satisfy the state match requirements for

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federal capitalization grants (the "Grants") under the Federal Clean Water Act. The size of the bonds is not expected to exceed \$2.0 million to provide state match for the FY 2017 Grant which is expected to approximate \$6,803,000. Due to the strength of the Clean Water State Revolving Fund Program, interest earnings from the current loan portfolio are expected to be sufficient to pay the principal and interest on the Series 2017B CWSRF Bonds, which will be privately placed on a short-term basis. Upon issuance of the bonds, funds representing prior interest earnings on the Clean Water loan portfolio will be used purchase escrow securities (U.S. Treasuries) sufficient to pay principal and interest on the 2017B CWSRF Bonds at maturity. Accordingly, the attached bond resolution authorizes the issuance of the 2017B CWSRF Bonds in a principal amount not to exceed \$2,000,000, maturing no later than December 31, 2018, the proceeds of which will be used by NDEQ 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 thereby satisfying the state match requirements for the FY 2018 Grant.

Moved by Freeman, seconded by Walden-Newman to adopt Bond Resolution ##DEV-255. Roll call vote – Frenzen – yes, Graff – yes, Maroney – yes, Walden-Newman – yes and Freeman – yes. Motion carried unanimously.

17. **Ratification of the Public Hearing held Thursday, June 8, 2017, at 10:00 a.m. for the following project:**

**Mosaic - \$20,000,000
Public Finance Authority**

A Public Hearing was held in the NIFA Board Room, 1230 O Street, Suite 200, Lincoln, Nebraska on June 8, 2017 at 10:00 a.m. by Sheila Gans at the request of the Public Finance Authority with respect to financing Mosaic facilities located in Nebraska.

Moved by Frenzen, seconded by Graff to ratify the Public Hearing held June 8, 2017 at 10:00 a.m. Roll call vote – Frenzen – yes, Graff – yes, Maroney – yes, Walden-Newman – yes and Freeman – yes. Motion carried unanimously.

18. **Ratification of the Public Hearing held Friday, June 9, 2017, at 7:30 a.m. for the following project:**

**Catholic Health Initiatives - \$575,000,000
Colorado Health Facilities Authority**

A Public Hearing was held in the NIFA Board Room, 1230 O Street, Suite 200, Lincoln, Nebraska on June 9, 2017 at 7:30 a.m. by Sheila Gans, at the request of The Colorado Health Facilities Authority (COHFA), with respect to financing COHFA facilities located in Nebraska.

Moved by Freeman, seconded by Walden-Newman to ratify the Public Hearing held June 9, 2017 at 7:30 a.m. Roll call vote – Graff – yes, Maroney – yes, Walden-Newman – yes, Freeman – yes and Frenzen – yes. Motion carried unanimously.

OUTREACH DIVISION

19. **Report from the Outreach Department**

Robin Ambroz commented on the Outreach Report provided in the Board book. Robin reported on the First Friday Club which has been renamed Community Development Conversations (CDC), and the upcoming CDC meeting dates.

OTHER BUSINESS/ANNOUNCEMENTS

20. Quarterly Disclosure Report for the Quarter Ended March 31, 2017

Judy Krasomil gave a presentation of the NIFA Finance Review for the Quarter Ended March 31, 2017 (Unaudited).

21. Discussion of 2017 Visioning Process

Tim Kenny presented a tentative outline of the 2017 Visioning Process agenda for the October Board Retreat taking place at the Omaha Hilton October 11-13, 2017.

22. Consideration of Motion to Request NIFA Staff to Serve on Various Boards as a Representative of NIFA

Moved by Freeman, seconded by Graff to approve the following:

Motion: Service by the following NIFA employees or board members on the organizations listed below is in furtherance of carrying out the purposes of NIFA and is hereby ratified and approved.

- (1) Timothy Kenny
 - Member: Home Builders Association of Lincoln
 - Member: Columbus Ne Homebuilders Association
 - Member: Lincoln Rotary Club # 14 – Various Committees
 - Board Member: MetaFund – NMTC Advisory Board of Directors
 - Board Member: Morgan Stanley New Markets, Inc. – NMTC Advisory Board
 - Member: National Association of Home Builders – Housing Finance and Tax Credit Steering Committees
 - Member: Lincoln South Downtown Community Advisory Committee
- (2) Robin Ambroz
 - Member: Lincoln South Downtown Community Advisory Committee
- (3) Jacki Young:
 - Member: REACH Homebuyer Education Council
- (4) Cindy Trautman
 - Member: Realtors Association of Lincoln – Housing Advocacy Committee
- (5) Garry Clark
 - Board Member: National Rural Economic Development Association
- (6) Michael Maroney
 - Board Member: National Conference of State Housing Boards

Roll call vote – Maroney – yes, Walden-Newman – yes, Freeman – yes, Frenzen – yes and Graff – yes. Motion carried unanimously.

23. Closed Session to Discuss Renewal of Executive Director's Amended Employment Agreement

Moved by Freeman, seconded by Graff to go into closed session at 10:37 a.m. to discuss the renewal of the Executive Director's Amended Employment Agreement, 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 – Walden-Newman – yes, Freeman – yes, Frenzen – yes, Graff – yes and Maroney – yes. Motion carried unanimously.

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Prior to the Closed Session, the following statement was read by the Vice Chair:

The closed session discussion shall be limited to matters to the renewal of the Executive Director's Amended Employment Agreement. 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 10:37 a.m. until 10:45 a.m.

Moved by Frenzen, seconded by Freeman to go into open session at 10:45 a.m. Roll call vote – Walden-Newman – yes, Maroney – yes, Freeman – yes, Frenzen – yes and Graff – yes. Motion carried unanimously.

24. Review and Request for Approval of Report and Recommendation from the Management Committee Regarding Renewal of Executive Director's Amended Employment Agreement

The Management Committee recommends the following action by the Board:

Approval of the renewal of the Executive Director's Amended Employment Agreement in accordance with its terms.

Moved by Freeman, seconded by Graff to Approve the Recommendation from Management Committee Regarding Renewal of Executive Director's Amended Employment Agreement. Roll call vote – Freeman – yes, Frenzen – yes, Graff – yes, Maroney – yes and Walden-Newman – yes. Motion carried unanimously.

25. Announcements and Discussion of Upcoming Events, Including Fall Board Retreat

NIFA August Board Meeting – August 18, 2017

NIFA Board Member Retreat and October Board Meeting – October 11-13, 2017

NCSHA 2017 Annual Conference & Showplace, Denver, Colorado – October 14-17, 2017

NIFA December Board Meeting – December 15, 2017

26. Adjournment

Moved by Frenzen to adjourn at 11:05 a.m.

Respectfully submitted,

Timothy R. Kenny
Executive Director