NEBRASKA INVESTMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING

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

11:30 a.m. – 12:30 p.m. Working Lunch
NIFA’s Conference Room – 2nd Floor – Commerce Court
1230 ‘O’ St, Lincoln NE

12:30 p.m. NIFA Board Meeting
NIFA’S CONFERENCE ROOM – 2ND FLOOR – COMMERCE COURT
1230 ‘O’ St, Lincoln NE

MINUTES OF FRIDAY, April 15, 2016 @ 11:30 A.M.

Notice Published: April 10, 2016 - Omaha World Herald
April 10, 2016 - Lincoln Journal Star

Open Meetings Act - A copy of the Open Meetings Act was located on the table by the entrance.

All votes taken by roll call of the members.

NIFA BOARD MEMBERS PRESENT

Board Members Present: Eric Zeece (arrived at 11:35), Michael Maroney, Marlin Brabec, Mark Graff, Galen Frenzen and Michael Walden-Newman

Board Members Absent: Herb Freeman, Greg Ibach and Mary Jo McClurg

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Susan Pulec, Treasurer Judy Krashon, Deputy Director of Programs Robin Ambroz, Single Family Homeownership Manager Jacki Young, Assistant Homeownership Manager Cindy Trautman, LIHTC Program Manager Teresa Kile, Assistant LIHTC Program Manager Kelly Schultz, Director of Development Ted Simpson, Accounting Manager Jody Cook, Assistant Manager Place Based Development Kyle Martin, Agricultural Programs Manager Dudley Beyer and Outreach Program Manager Elizabeth Fimbres.


1. Call Working Session to Order and Roll Call
Vice Chair Maroney called the working session to order at 11:30 a.m. Clerk Susan Pulec called the roll with the following five members present - Michael Maroney, Marlin Brabec, Mark Graff, Galen Frenzen and Michael Walden-Newman. (Chair Zeece arrived at 11:35.) Clerk Pulec reported that a copy of the Open Meetings Act was located on the table as you enter the room. The notice of the
meeting was published on Sunday, April 10, 2016 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

2. **Working Session – Presentations to the Board**

Judy Krasomil, Jacki Young and Tim Kenny led a discussion on Single Family Housing Mortgage Lending. The presentation focused on the challenges and opportunities related to the origination and servicing of single family loans.

After a brief recess immediately following the working session, the meeting was called to order at 12:36 p.m. Clerk Pulec called the roll with the following six members present - Eric Zeece, Michael Maroney, Marlin Brabec, Mark Graff, Galen Frenzen and Michael Walden-Newman.

Clerk Pulec reported that a copy of the Open Meetings Act was located on the table as you enter the room. The notice of the meeting was published on Sunday, April 10, 2016 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

3a.) **Closed Session to Discuss Pending Litigation**

Moved by Frenzen, seconded by Brabec to go into closed session at 12:38 p.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 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 – Zeece – yes, Brabec – 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 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. 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 12:38 p.m. until 1:04 p.m.

Moved by Frenzen, seconded by Maroney to go into open session at 1:04 p.m. Roll Call Vote – Zeece – yes, Graff – yes, Frenzen – yes, Walden-Newman – yes, Brabec – yes, and Maroney – yes. Motion carried unanimously.

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

No action resulting from Closed Session.

4. **Approval of the February 19, 2016 NIFA Board of Directors Meeting Minutes**

Moved by Brabec, seconded by Frenzen to approve the February 19, 2016 NIFA Board of Directors Meeting Minutes. Roll call vote – Zeece – yes, Brabec – yes, Frenzen – yes, Graff – abstain due to not being present at the meeting, Maroney – yes, Walden-Newman – yes. Motion carried –5 yes and 1 abstaining.

5. **Executive Director’s Report**

Tim Kenny introduced Garry Clark who was recently hired by NIFA as Manager of the Nebraska Opportunity Fund. Garry has served as the Executive Director of the Cuming County Economic Development Board and was a former intern in NIFA’s Omaha office. Tim also provided a legislative update and reported on Nebraska legislative bills that will have an impact on NIFA. Elizabeth Fimbres reported on the success of the 14th Annual Housing Innovation Market Place held March 22-23, 2016, in La Vista which was attended by over 450 persons from 19 states. Kelly Schultz, Assistant LIHTC Program Manager, reported on the 21st Annual Tax Credit Seminar which was attended by 210 housing developers and managers. Elizabeth Moreland of Elizabeth Moreland
Consulting was the conference trainer. Tim and Dudley Beyer, Agricultural Program Manager, reported on the 19th year of presenting the Governor's Ag Excellence Awards to Future Farmers of America recipients. Tim also reported the annual training for lenders participating in NIFA's Single Family Housing Program will take place in September 2016.

6. **Public Comment related to the April 15, 2016 Agenda Items (comment period limited to five minutes)**
Chair Zeece 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 2016.

**AGRICULTURAL FINANCE DIVISION**

8. **Status Report on Agricultural Program**
Dudley Beyer reported that three Agricultural Loans have closed since the February 19, 2016 Board of Directors meeting.

- Bond Resolution #1327 – Tyler and Kimberly Piening in the amount of $256,020 for the purchase of 63.67 acres in Lancaster County, Nebraska
- Bond Resolution #1324 – Brandon T. Hauxwell in the amount of $500,000 for the purchase of 680 acres in Red Willow County, Nebraska
- Bond Resolution #1329 – Russell D. Korinek in the amount of $163,200 for the purchase of 158.26 acres in Saline County, Nebraska

**LOW INCOME HOUSING TAX CREDITS**

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

- Ames Row Houses – Omaha
- Siena Francis House PSH Phase 3 – Omaha
- Victory Park Apartments – Lincoln
- Odd Fellow Manor – Lincoln
- Adams Park Senior Cottages – Omaha
- Hillside Rows – Omaha
- Canterbury Estates – Sidney
- The Row Lexington – Lexington
- Center Block - Hastings

10. **Report from the Programs Committee**
Teresa Kile reported that Robin Ambroz, Kelly Schultze, Teresa Kile and the Programs Committee (consisting of Marlin Brabec and Mary Jo McClurg) met via conference call on Friday, April 8, 2016, to discuss two CRANE applications that have attained a Category 1 designation. These two projects, Ames Row Houses - Omaha and Victory Park Apartments - Lincoln were each recommended by the Programs Committee for a Conditional Reservation of Low Income Housing
Tax Credits. The Programs Committee also discussed applications submitted in the 2016 LIHTC Round Two-Competitive, for recommendations of Conditional Reservations of Low Income Housing Tax Credits. Teresa reported NIFA received eleven applications in Round Two, requesting approximately $5 million in tax credits. Seven of the applications were for projects to be located in urban areas and four were for projects to be located in rural areas.

11. Consideration of and Request for Approval of Conditional Reservations for Round Two in the 2016 Low-Income Housing Tax Credit (LIHTC) Program

Moved by Brabec, seconded by Walden-Newman to approve Conditional Reservations for Round Two and CRANE in the 2016 Low Income Housing Tax Credit (LIHTC) Program as set forth in the Motion presented to the Board by the Programs Committee. Roll call vote—Frenzen – yes, Graff – yes, Maroney – abstaining due to being a developer and submitting projects from time to time for consideration of tax credits, Walden-Newman – yes and Zeece – yes. Motion (set forth below) carried – 5 yes and 1 abstaining.

Motion:
Whereas, the Nebraska Investment Finance Authority has completed its review of the applications for Low Income Housing Tax Credits ("Tax Credits") under the 2016 LIHTC Program - Round Two and CRANE and;

Whereas, said review was conducted pursuant to the plan and procedures for the 2016 Low Income Housing Tax Credit Program developed by NIFA and approved by the Governor, then

Be it resolved that, subject to continued authorization of the Low Income Housing Tax Credit Program pursuant to Section 42 of the Internal Revenue Code of 1986 (the "Code"), and the allocation amounts established therein, a "conditional reservation" of Tax Credits shall be granted to the following projects:

### Round Two:

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Project</th>
<th>County</th>
<th>City</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building A Better Tomorrow, Inc.</td>
<td>Sabata Estates</td>
<td>Butler</td>
<td>David City</td>
<td>$180,088</td>
</tr>
<tr>
<td>Building A Better Tomorrow, Inc.</td>
<td>Parkland Estates II</td>
<td>Lincoln</td>
<td>North Platte</td>
<td>$183,899</td>
</tr>
<tr>
<td>CRANE:</td>
<td></td>
<td></td>
<td></td>
<td>$596,560</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Project</th>
<th>County</th>
<th>City</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarity Development Company, LLC</td>
<td>Ames Row Houses</td>
<td>Douglas</td>
<td>Omaha</td>
<td>$191,101</td>
</tr>
<tr>
<td>America First Real Estate Group, LLC</td>
<td>Victory Park – Lincoln</td>
<td>Lancaster</td>
<td>Lincoln</td>
<td>$719,118*</td>
</tr>
</tbody>
</table>

**Conditions:**

1. Amounts reserved 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 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 within ninety (90) days. Upon satisfaction of such conditions, a reservation will require no future action by this Board to become a final reservation.

3. Reservations and allocations of Tax Credits will be made pursuant to the requirements of Section 42 of the Code and are subject to the representations made by the applicant in the Tax Credit application, the conditions imposed by the allocation plan and such other conditions as the Executive Director deems necessary in light of his review of the application within the purposes of the LIHTC Program.

4. Pursuant to Section 2.4(d) of the QAP, the Executive Director recommends that $222,070 remaining in Round Two be transferred to CRANE. By adoption of this Motion, such transfer is hereby approved.

5. *This Motion authorizes a conditional reservation in the amount of $719,118 for Victory Park – Lincoln with $347,654 allocated from CRANE, with the intent that the remaining balance of $371,164 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 2016 Tax Credits, Tax Credits returned from a prior year, national pool Tax Credits received for 2016 or 2017 Tax Credits.
SINGLE FAMILY HOUSING FINANCE DIVISION

12. Status Report on Single Family Program and Market Developments:
Jacki Young distributed the Loan Reservations Report to the Board members and reported NIFA has received 599 loan reservations to date in 2016. The average loan amount is $110,000. 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 an update on the National Bond Market, reviewed the pricing book, and provided an overview of the retail and institutional order periods from the Single Family 2016 Series AB Bond Sale. Jeff also extended the opportunity for members of the Board to attend a bond pricing in person in the future.

DEVELOPMENT FINANCE DIVISION

14. 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 $4,000,000, 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, totaling approximately $6.8 million for the CWSRF and $8.3 million for the DWSRF. The size of the bonds is not expected to exceed $2.0 million for the CWSRF and $2.0 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 of 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 2016 bonds.

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

MULTI-FAMILY HOUSING FINANCE DIVISION

15. Workforce Housing Initiative Pilot Program Update
Robin Ambroz reported NIFA staff continues to work with the three communities that were selected for the Workforce Housing Initiative Pilot Program and provided updates for each of the three selected communities: Broken Bow, Elwood and Schuyler. NIFA staff will continue to work to develop recommendations for NIFA's financial participation in the proposed WHI projects to present to the Board for consideration at the June meeting. Each community would like to proceed with construction in 2016.
OUTREACH DEPARTMENT

16. Report from the Outreach Department
Elizabeth Fimbres referred members to the Outreach Report in the Board book and reported she attended the Nebraska Economic Development Association Conference in South Sioux City from April 13-15. Elizabeth highlighted events from the Outreach Report, including the Capital City Breakfast Club, Omaha A.M. and the Mountain Plains Housing Summit taking place from May 2-4.

17. Update on Nebraska Housing Resource (NHR) and Prairie Gold Homes (PGH)
Tim introduced Byron Fischer of Prairie Gold Homes, the recipient of NIFA’s 2016 Making a Difference Award. Byron discussed PGH activities related to furthering its mission of providing skills-based training to inmates in an effort to increase their possibility for employment upon release and to reduce recidivism. PGH has expanded its comprehensive educational and job training program to participants at the Nebraska Department of Corrections Work Ethic Camp in McCook.

OTHER BUSINESS/ANNOUNCEMENTS

18. Announcements and Discussion of Upcoming Events and Scheduling
Mountain Plains Housing Summit 2016 – May 2-4, 2016 in Jackson Hole, WY
2016 Housing Credit Connect – June 13-16, 2016 in Seattle, WA
2016 NCSHA Annual Conference and Showplace – September 24-27, 2016 in Fontainebleau Miami Beach, FL
NIFA Board Meeting June 17, 2016

19. Adjournment
Moved by Frenzen to adjourn at 2:50 p.m.

Respectfully submitted,

Timothy R. Kenny
Executive Director