

Welcome to Valentine



BOARD OF DIRECTORS MEETING

8.19.2022 • 9:00 am

The Niobrara Lodge

803 East Highway 20, Valentine, Nebraska

NIFA Board of Directors Itinerary
Valentine, NE
August 18-19, 2022

Thursday, August 18

1:00 – 5:00 pm Activities on your own – see page 2

3:00 – 5:45 pm *Hotel Check-in*
The Niobrara Lodge
803 East Highway 20, Valentine

6:00 pm *Dinner*
Bolo
420 E 1st Street, Valentine

Friday, August 19

8:00 am *Breakfast*
The Niobrara Lodge

9:00 am *NIFA Board Meeting*
The Niobrara Lodge

11:30 pm *Lunch & Presentation: Housing on the Rosebud Reservation*
The Niobrara Lodge

1:00 pm *Sandhill Townhomes Groundbreaking Ceremony*
912 Moon Street, Valentine

NIFA Board of Directors Itinerary
Valentine, NE
August 18-19, 2022

For Thursday afternoon, here's a sampling of activities available in the area. For more options, visit Valentine's tourism website, <https://visitvalentine.org/>.

Golf:

- | | |
|--|---|
| <p>➤ Frederick Peak Golf Club
1000 Dowden Street, Valentine
https://valentinegolf.com/
(402) 322-2754
<i>* municipal course</i></p> | <p>The Prairie Club
88897 Highway 97, Valentine
https://theprairieclub.com/
(888) 402-1101
<i>* 17 mi SW of Valentine</i></p> |
|--|---|

Winery:

- Niobrara Valley Vineyards
Nenzel, NE
<https://www.nvvsandhills.net>
(402) 823-4131
** 30 mi west of Valentine; Tasting room open 3-8pm*

The Great Outdoors:

- Fort Niobrara National Wildlife Refuge
39983 Refuge Road, Valentine
<https://www.fws.gov/refuge/fort-niobrara/visit-us>
(402) 376-3789
** 4 mi east of Valentine; Visitor Center hours 9-4pm*
** 3.5 mile self-guided auto tour*
- Smith Falls State Park
90165 Smith Falls Rd, Valentine
<http://outdoornebraska.gov/smithfalls/>
(402) 471-1414
** State park permit required*

(continued next page)

➤ The Cowboy (bike) Trail

Trailhead on Main Street, Valentine

<https://www.nps.gov/thingstodo/bike-the-cowboy-trail.htm>

** Valentine bikeshare station on Main Street, or bring your own*

➤ Canoe/Kayak/Tube the Niobrara

For a half or full day on the river, you'll need to make reservations with an outfitter:

Brewer's Canoers (402) 376-2046 <https://www.brewerscanoers.com/>

Little Outlaw Outfitters (402) 376-1822 <https://outlawcanoe.com/>

Rocky Ford Outfitters (402) 497-3479 <https://rockyfordcampandoutfitters.com/>

Graham Canoe Outfitters (402) 376-3708 <http://www.grahamoutfitters.com/>

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

THURSDAY – FRIDAY, AUGUST 18-19, 2022

**Thursday – Non-Business Dinner
6:00 p.m.
420 East 1st Street, Valentine NE**

**Friday – Business Meeting
9:00 a.m.
The Niobrara Lodge
803 East Highway 20, Valentine, NE**

**11:30 a.m. - 12:30 p.m. Non-Business Luncheon
The Niobrara Lodge**

**1:00 p.m. - Groundbreaking Ceremony
Sandhills Townhomes
912 Moon Street, Valentine, NE**

**Notice Published: August 14, 2022 – Omaha World Herald
August 14, 2022 – Lincoln Journal Star**

AGENDA

Open Meetings Act – Copies of the Open Meetings Act are located on the tables at the entrances to the meeting rooms and posted against the meeting room walls and are online at

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

Friday, August 19, 2022

1. Call Meeting to Order and Roll Call – 5 minutes

AGENDA

August 19, 2022

2. Public Comment Related to the August 19, 2022 Agenda Items (comment period limited to five minutes) – 5 minutes
3. Consent Agenda – 5 minutes
 - a. [June 17, 2022 NIFA Board of Director Meeting Minutes](#)
 - b. Executive Director's Report
 - c. Report on Agricultural Program, Including Loans in Process
 - d. Report on Homeownership Program
 - 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

Consideration of a Motion to Approve the Minutes and Accept the Reports on the Consent Agenda as Presented

Non-Action Items – 60 minutes

Programs Committee – 20 minutes

4. Update on NIFA's Additional Lines of Business – 20 minutes

Governance Committee – 20 minutes

5. Report on Operating Fund – 20 minutes

Risk Management Committee – 20 minutes

6. Discussion of NIFA's Current Bond Policy for Multifamily Bonds – 20 minutes

Strategic Topic – 20 minutes

7. NIFA Strategic Planning – 20 minutes

AGENDA

August 19, 2022

Educational Topic – 30 minutes

8. Securities Law Disclosure Training – 30 minutes

NIFA Highlights – 45 minutes

9. Update on 2022 Series DE Bond Sale by Jeff Gertz, J.P. Morgan – 10 minutes
10. Announcements and Discussion of Upcoming Events – 5 minutes
 - a. Board Training - Wednesday, September 7, 2022 1:00 p.m. – 2:30 p.m.
NIFA Board Room
11. Non-business luncheon – 30 minutes
12. Groundbreaking Ceremony – Sandhills Townhomes
13. Adjournment



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

**Nebraska Cattlemen Office
4611 Cattle Drive, Lincoln NE**

MINUTES OF FRIDAY, June 17, 2022 – 9:00 A.M.

**Notice Published: June 12, 2022 – Omaha World Herald [Affidavit Attached]
June 12, 2022 – Lincoln Journal Star [Affidavit Attached]**

Open Meetings Act – Copies of the Open Meetings Act were located on the table at the entrance to the meeting room, posted against the wall, and online at <https://www.nifa.org/about/board-of-directors>.

All votes taken by roll call of the members.

Board Members Present: Dan Curran, designated representative of NDED as ex-officio Chair
George Achola
Susan Bredthauer
Warren Arganbright
Colten Zamrzla
Michael Walden-Newman
Herb Freeman
Galen Frenzen

Board Members Absent: Steve Wellman (arrived at 10:44 a.m.)

NIFA Staff Present: Shannon Harner, Executive Director and Board Secretary
Sheila Gans, Program Support Specialist and Board Clerk
Christie Weston, Deputy Director
Robin Ambroz, Deputy Director of Programs and Marketing
David Young, Chief Technology and Operations Officer
Jody Cook, Controller
Jacki Young, Chief Homeownership Officer
Sara Tichota, LIHTC Allocation Manager
Pamela Otto, LIHTC Assistant Allocation Manager
Kelly Schultze, LIHTC Compliance Manager

Dudley Beyer, Agricultural Program Manager
John Turner, Partner and Program Development Manager
Joe Spitsen, Program & Education Coordinator
Dawn Steffen, Marketing Manager

Guests:

Aaron Miller, Horizon Bank
Ashley Solt, Mesner Development Company
Brent Williams, Excel Development Group
Bruce Lefler, Piper
Christina Zink, NDED
Connor Menard, Excel Development Group
Fred Hoppe, Hoppe Development
Rob Woodling, Foundations Development
Jacob Starnes, Straightline Development
Janet Latimer, Horizon Bank
Jeff Gertz, JP Morgan
Jim Pose, Straightline Development
Jim Rieker, Advantage Capital
Matthew Cavanaugh, Holy Name Housing Corporation
Mechele Grimes, NDED
Melvin Sudbeck, Straightline Development
Thomas Judds, Little Salt Development and Lincoln Housing Authority
Erika Lynch and Patti Peterson, Kutak Rock LLP

1. Call Meeting to Order and Roll Call

Chair Curran called the meeting to order at 9:02 a.m. with eight members present. Curran reported that copies of the Open Meetings Act were posted on the side wall and located on the table at the entrance to the room and posted on the NIFA website. The notice of the meeting was published on Sunday, June 12, 2022 in the Omaha World Herald and Lincoln Journal Star. Affidavits of publication are attached.

2. Public Comment Related to the June 17, 2022 Agenda Items (comment period limited to five minutes)

Chair Curran opened the public comment period and 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 and the public comment period was closed.

3. Consent Agenda

Chair Curran introduced the Consent Agenda and asked if any board member wished that an item be removed from the Consent Agenda and placed on the agenda. No items were removed from the Consent Agenda.

- a. April 22, 2022 NIFA Board of Director Meeting Minutes
- b. Executive Director's Report

- c. Report from Programs Committee
- d. Report on Agricultural Program, Including Loans in Process
 - Borrower: Miles Peterson
 - Purpose: Purchase of approximately 108.24 acres of farm real estate – Gosper County, Nebraska
 - Purchase price: \$709,958
 - NIFA loan/bond amount: \$359,958
 - Interest rate through NIFA of 3.75% variable (Market rate: 4.75% variable)
 - Bondholder: The First State Bank of Holdrege – Holdrege, Nebraska
- e. Report on Homeownership Program
- f. Report on Homeowner Assistance Fund
- g. Report on Community Engagement Activities
- h. Report on Collaborative Resource Allocation of Nebraska (CRANE)
- i. Private Activity Bond Cap Summary
- j. Re-Appointment of Standing Committee Members Pursuant to the Bylaws

MOTION: Moved by Achola, seconded by Arganbright to approve the minutes, and accept the reports on the Consent Agenda as presented in the Board book.

Via roll call vote, the following votes were recorded:

Voting AYE: Walden-Newman, Bredthauer, Arganbright, Frenzen, Zamrzla, Freeman, Achola and Curran

Absent: Wellman

The motion passed unanimously.

Action Items

General

[Agenda Items 4 and 5 were discussed and acted upon together]

- 4. Consideration of a Motion to Approve Bond Resolution #DEV-264 Authorizing the Issuance of Nebraska Investment Finance Authority Drinking Water State Revolving Fund Revenue Bonds, in one or more Series 2022 (the “2022” DWSRF Bonds”) in the Aggregate Principal Amount of not to Exceed \$5,000,000 for the Purpose of Providing Funds to the Nebraska Department of Environment and Energy to Provide Loans to Owners of Public Water Supply Systems in Connection with the Drinking Water State Revolving Fund Program**

5. Consideration of a Motion to Approve Bond Resolution #DEV-265 Authorizing the Issuance of Nebraska Investment Finance Authority Clean Water State Revolving Fund Revenue Bonds, in one or more Series 2022 (the "2022 CWSRF Bonds") in the Aggregate Principal Amount of not to Exceed \$3,000,000 for the Purpose of Providing Funds to the Nebraska Department of Environment and Energy to Provide Loans to Nebraska Municipalities and Counties in Connection with the Clean Water State Revolving Fund Program

Presented by Jody Cook

Action required: Adoption of Bond Resolutions #DEV-264 and #DEV-265 as presented in the Board book.

MOTION: Moved by Arganbright, seconded by Achola for adoption of Bond Resolutions #DEV-264 and #DEV-265.

Via roll call vote, the following votes were recorded:

Voting AYE: Bredthauer, Arganbright, Frenzen, Zamrzla, Freeman, Achola, Curran and Walden-Newman

Absent: Wellman

The motion passed unanimously.

Audit Committee – 15 minutes

6. Update on FY 2022 Audit Process

Presented by Christie Weston and Shannon Harner

With respect to the selection of an accounting firm to perform the financial audit of NIFA for fiscal year ended June 30, 2022, requests for proposals were sent to various accounting firms. Responses have been received and will be reviewed by the Audit Committee and NIFA staff.

Action required: None

7. Consideration of a Motion to Authorize the Selection by the Executive Director of an Independent Certified Public Accounting Firm to Perform the Annual Financial Audit of NIFA for Fiscal Year Ended June 30, 2022

Presented by Shannon Harner

To proceed with the review of the proposals received and the selection of a firm to conduct the annual audit for the fiscal year ended June 30, 2022, Shannon requested that the Board consider the following Motion.

Action required: Motion to direct the Executive Director, after consultation with the Audit Committee, to select an independent certified public accounting firm to perform the annual financial audit of NIFA for fiscal year ended June 30, 2022.

MOTION: After review and discussion, on behalf of the Audit Committee, Zamrzla moved for approval, seconded by Frenzen.

Via roll call vote, the following votes were recorded:

Voting AYE: Arganbright, Frenzen, Zamrzla, Freeman, Achola, Curran, Walden-Newman and Bredthauer

Absent: Wellman

The motion passed unanimously.

Programs Committee

8. Update on ARPA Funds Procedures and Processes

Presented by Chair Curran and Shannon Harner

Chair Curran and Shannon Harner updated the Board on the status of and process expected to be followed for the \$20,500,000 in American Rescue Plan Act (ARPA) federal funds appropriated to the Nebraska Department of Economic Development to contract with NIFA for development of affordable housing units eligible for federal 4% and 9% low-income housing tax credit programs.

Action required: None

9. Reiew and Consideration of the Adoption of Resolution No. 463 with Respect to Establishing and Allocating Funds to the LIHTC Gap Financing Account within the Nebraska Opportunity Fund for the Purpose of Providing a Portion of the Financial Assistance in Connection with the LIHTC Gap Financing Program to be Carried out Pursuant to LB 1014 (2022) and Authorizing the Issuance of Limited Obligation Notes/Bonds and Other Limited Obligations of NIFA to Additionally Assist in the Funding of Loans to be Made Pursuant to the LIHTC Gap Financing Program

Presented by Shannon Harner

Action required: Adoption of Resolution No. 463 as presented in the Board book.

MOTION: After review and discussion, on behalf of the Programs Committee, Freeman moved for approval of Resolution No. 463. Motion seconded by Arganbright:

Via roll call vote, the following votes were recorded:

Voting AYE: Frenzen, Zamrzla, Freeman, Curran, Walden-Newman, Bredthauer and Arganbright

Abstain: Achola

Absent: Wellman

The motion passed 7 yes and 1 abstaining.

10. Consideration of a Motion to Authorize the Executive Director, in the Discretion of the Executive Director, to Increase Existing 2020/2021 Conditional Allocations of 9% Low Income Housing Tax Credits/Nebraska Affordable Housing Tax Credits by Re-allocating Returned 2022 9% LIHTC/AHTC, LIHTC/AHTC Returned from a Prior Year and/or National Pool LIHTC in Connection with the LIHTC Gap Financing Program and Application Process with Respect to the Distribution of Certain Federal Funds Appropriated for Development of Affordable Housing Units Eligible for Federal 4% and 9% LIHTC Programs

Presented by Shannon Harner

Action required: Motion to authorize the Executive Director, in her discretion and upon review of information submitted in connection with applications for SLFRF funds, to reallocate returned 2022 9% LIHTC/AHTC, LIHTC/AHTC returned from a prior year and/or National Pool LIHTC to those project owners with 2020/2021 9% LIHTC/AHTC allocations, in such amounts as determined by the Executive Director based upon receipt and review of such information and completion of the analysis and subsidy layering reviews of such projects, as needed to address current gap financing deficiencies due to the Covid pandemic and other extenuating circumstances as presented in the Board book.

MOTION: After review and discussion, on behalf of the Programs Committee, Freeman moved for approval of the motion. Seconded by Zamrzla.

Via roll call vote, the following votes were recorded:

Voting AYE: Zamrzla, Freeman, Curran, Walden-Newman, Bredthauer, Arganbright and Frenzen.

Abstain: Achola

Absent: Wellman

The motion passed 7 yes and 1 abstaining.

11. Consideration of Approval of Conditional Reservations for 2022 Low Income Housing Tax Credit (LIHTC) and Affordable Housing Tax credit (AHTC) Programs

Presented by Sara Tichota

The following materials were distributed and discussed by Sara Tichota:

- Summary of 2022 Applications
- 2022 Allocation Summary
- Programs Committee Report (June 17, 2022)

Action required: Motion to approve conditional reservations for 2022 LIHTC and AHTC programs as follows:

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 2022-2023 Qualified Allocation Plan – 2022-2023 Housing Credit Allocation Plan for 9% LIHTC/AHTC (the "Qualified Allocation Plan") – Competitive Cycle;

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; 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:

Competitive Cycle

<u>Applicant</u>	<u>Project</u>	<u>County</u>	<u>City</u>	<u>LIHTC Amount</u>	<u>AHTC Amount</u>
132 Sahler, LLC	132 Sahler, LLC	Douglas	Omaha	\$531,097	\$531,097
Central City Housing Agency	Avenue 25 Villas	Merrick	Central City	\$201,433	\$201,433
Mesner Development Co.	Fremont Northside Townhomes II	Dodge	Fremont	\$327,163	\$327,163
180 Drexel, LLC	180 Drexel, LLC	Douglas	Omaha	\$468,902	\$468,902
Mesner Development Co.	State Street Villas	Hall	Grand Island	\$275,500	\$275,500
Mesner Development Co.	River Fork Villas	Madison	Norfolk	\$361,654	\$361,65
Hoppe & Son, LLC	Foxtail Central	Lancaster	Lincoln	\$426,564	\$426,564
*Lincoln Civic Housing, Inc.	Emerald View Apartments, LLC	Lancaster	Lincoln	\$622,225	\$622,225
**Brinshore Development, LLC	Highlander Phase V	Douglas	Omaha	\$605,223	\$605,223
Total				\$3,819,761	\$3,819,761

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.
4. *This Motion authorizes a conditional reservation of Tax Credits (\$622,225 of Section 42 Credits and \$622,225 of Nebraska Credits) for Lincoln Civic Housing, Inc. Of such conditional reservation, \$326,623 of Section 42 Credits and \$326,623 of Nebraska Credits will be reserved from 2022 Tax Credits. The remaining \$295,602 of Section 42 Credits and \$295,602 of Nebraska Credits for Lincoln Civic Housing, Inc. 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 2022 Tax Credits, Tax Credits returned from a prior year, national pool received for 2022 Section 42 Credits, or 2023 Tax Credits.
5. **This Motion authorizes a conditional reservation of Tax Credits (\$605,223 of Section 42 Credits and \$605,223 of Nebraska Credits) for Brinshore Development, LLC. Of such conditional reservation, \$309,615 of Section 42 Credits and \$309,615 of Nebraska Credits will be reserved from 2022 Tax Credits. The remaining \$295,608 of Section 42 Credits and \$295,608 of Nebraska Credits for Brinshore Development, LLC 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 2022 Tax Credits, Tax Credits returned from a prior year, national pool received for 2022 Section 42 Credits, or 2023 Tax Credits.

MOTION: After review and discussion, on behalf of the Programs Committee, Freeman moved for approval, which was seconded by Zamrzla.

Via roll call vote, the following votes were recorded:

Voting AYE: Freeman, Curran, Walden-Newman, Bredthauer, Arganbright, Frenzen and Zamrzla.

Abstain: Achola

Absent: Wellman

The motion passed 7 yes and 1 abstaining.

12. Update on the Purchase Price Limits Set by the Executive Director for the NIFA Single Family Housing Program and the Workforce Housing Program

Presented by Shannon Harner

Shannon Harner noted that the purchase price limits for the First Home Program have been set at or below the maximum limits permitted by the federal Internal Revenue Code. (For a single-unit home located in a non-targeted area, the purchase price limit for the First Home Program has been set at \$349,525.) For the Welcome Home Program and the Workforce Housing Program, the purchase price limit has been set at \$427,000 (a limit based upon the maximum limit permitted by Section 143 of the Code for a single-unit located in a targeted area).

Action required: None.

Governance Committee

13. Consideration of a Motion to Approve NIFA's Operating Budget for Fiscal Year July 1, 2022 through June 30, 2023

Presented by Christie Weston

Action required: Adoption of proposed FY 2023 NIFA Operating Fund and NOF budgets as presented in the Board book.

MOTION: After review and discussion, Frenzen moved for approval which was seconded by Achola.

Via roll call vote, the following votes were recorded:

Voting AYE: Achola, Curran, Walden-Newman, Bredthauer, Arganbright, Frenzen, Zamrzla and Freeman

Absent: Wellman

The motion passed unanimously.

14. Nomination and Election of Vice-Chair

Request for nominations by Chair Curran

Action required: Election of Vice-Chair

MOTION: Moved by Achola, seconded by Bredthauer to elect Warren Arganbright as Vice-Chair of the NIFA Board of Directors

Via roll call vote, the following votes were recorded:

Voting AYE: Curran, Walden-Newman, Bredthauer, Frenzen, Zamrzla, Freeman and Achola

Abstain: Arganbright

Absent: Wellman

The motion passed 7 yes and 1 abstaining.

Strategic Topic

15. Lines of Business Improvement and/or Expansion Discussion

Presented by Shannon Harner

A handout, "NIFA Potential Lines of Business-The Way Forward" was distributed and Shannon Harner and David Young led a discussion with respect to identifying opportunities for new and refreshed programs and identifying various financing products and opportunities.

Board member Steve Wellman arrived at 10:44 a.m.

NIFA Highlights

16. Announcements and Discussion of Upcoming Events

Presented by Shannon Harner

17. Adjournment

Motion: Moved by Frenzen to adjourn at 10:58 a.m.

Respectfully submitted,



Shannon R. Harner
Executive Director and Board Secretary



*** Proof of Publication ***

State of Nebraska)
Lancaster County) SS.

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

ORDER NUMBER 1082933

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 *Wegon Janner* Date 6/14/22

NOTICE OF MEETING
NEBRASKA INVESTMENT
FINANCE AUTHORITY
Meeting to be held In-Person Only
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, June 17, at 9:00 a.m. The Authority's meeting will be held at the Nebraska Cattlemen Office - 4611 Cattle Drive, 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. The agenda of the meeting, which is kept continually current, is available for public inspection at NIFA's website at <https://www.nifa.org/about/board-of-directors> and posted on the front door of NIFA'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 at the meeting will be available at the meeting location and on the bus tour the day of the meeting and at NIFA's website at <https://www.nifa.org/about/board-of-directors>. Handouts and other materials presented at the meeting and on the bus tour will be available for viewing by all attendees. Copies of Board materials, not otherwise made available at NIFA's website the day before the meeting and the tour, will be posted on NIFA's website at <http://www.nifa.org/about/board-of-directors> and available from NIFA upon request subsequent to the meeting. For more information or questions please contact Christie Weston, Deputy Director, at (402) 434-3912. 1082933 6:12 ZNEZ

Section: Class Legals

Category: 0099 LEGALS

PUBLISHED ON: 06/12/2022

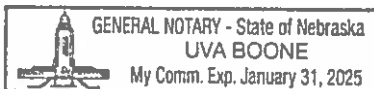
TOTAL AD COST: 31.09

FILED ON: 6/14/2022

Subscribed in my presence and sworn to before me on

June 14, 20 22

U. Boone Notary Public





Affidavit of Publication

NIFA
1230 'O' ST.
SUITE 200
LINCOLN, NE 68508

Date	Category	Description	Ad Size	Total Cost
06/18/2022	Legal Notices	NOTICE OF MEETING NEBRASKA INVESTMENT	1 x 0 L	700.06

**NOTICE OF MEETING
NEBRASKA INVESTMENT
FINANCE AUTHORITY
Meeting to be Held In-Person Only**

**Publisher of the
World Herald**

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, June 17, at 9:00 a.m. The Authority's meeting will be held at the Nebraska Cattlemen Office - 4611 Cattle Drive, 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.

The agenda of the meeting, which is kept continually current, is available for public inspection at NIFA's website at <https://www.nifa.org/about/board-of-directors> and posted on the front door of NIFA'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 at the meeting will be available at the meeting location and at NIFA'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 NIFA's website the day before the meeting will be posted on NIFA's website at <http://www.nifa.org/about/board-of-directors> and available from NIFA upon request subsequent to the meeting.

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

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:

06/12/2022

The First insertion being given ... 06/12/2022

Newspaper reference: 0000312573

Billing Representative

Sworn to and subscribed before me this Sunday, June 12, 2022

Notary Public

Kimberly Kay Harris
NOTARY PUBLIC
Commonwealth of Virginia
Reg. No. 356753
Commission Exp. Jan. 31, 2025

State of Virginia
City of Richmond
My Commission expires _____

E-mail
Sheila.Gans@nifa.org

August 2022
Board Meeting Executive Director Report

NIFA Board Members:

Welcome to the first meeting of FY2023 and our first “out-state” meeting in recent history. As a statewide Board, it is important to visit communities we serve.

This month marks my two-year mark at NIFA – this seems both short and long – I feel that NIFA has done so much in such a short time and the credit for that lies with the dedicated staff at NIFA. To that end, here is a short recounting of goals and our progress toward them:

Our FY 2022 Wildly Important Goal was to “streamline at least one key process per department that moves us toward achieving our 3-5 year vision”. Our 3-5 year vision is:

NIFA leverages its resources, data, knowledge and technology, with effective, statewide partnerships and collaboration, to promote vibrant Nebraska communities through affordable housing solutions and agribusiness.

Highlights of what the team has accomplished over the last year (I do mean “highlights and I’m sure I’ve missed some great things as there have been many):

Finance and Accounting – moved to electronic payments to a majority of vendors, increasing efficiency and security of payment processes. Improved the budgeting process through more intensive departmental input and review.

Tax Credit Compliance – implemented digital signatures for project documentation, improved the process of digital documentation through eDocs, and began addressing their larger technology needs. In addition, Tax Credit Compliance hired a site inspection specialist and began the process of bringing all site inspections in-house.

Tax Credit Allocation – Streamlined the 9% LIHTC Application and scoring processes and provided a repository of information for developers through the Engage platform. Beginning with the June conditional allocations, each successful applicant will have their own Engage Workspace. They have also done great work with DED and DHHS in working collaboratively to create efficiencies in applications and allocation of resources.

Homeownership – Focused on understanding lender challenges that result in second mortgage closing document errors and revising training, providing additional resources, and directly contacting lenders who needed additional compliance assistance. They also did the background work necessary to prepare for launching our Welcome Home loan product in FY2023. Last, but CERTAINLY not least, the combined Homeownership, Marketing and CE teams successfully launched, and are administering, the Homeowner Assistance Fund.

Community Engagement increased reporting compliance in their Housing Study Grant Program and launched mySidewalk, our data visualization tool. Additionally, the

Community Engagement team brought back the in-person, but still number limited, NIFA conference. Finally, the CE team successfully applied for the H3C grant.

HR – Fully implemented our 4 x 2 performance management system in Fiscal Q2 (calendar Q4), updated the Policy Manual, and took over and automated our benefits enrollment processes.

Operations – Implemented use of digital signature technology for contracts and partially adopted digital, payable approval processes in coordination with accounting. Researched additional lines of business, in coordination with various NIFA departments, reviewing many nation-wide program examples. Successfully worked with state legislators and partners to obtain ARPA SLRF funding and update the NIFA statute.

IT – Hired IT leadership, created an internal technology steering committee and began work on strategic technology plan for NIFA. Additional IT security measures have also been implemented.

On an organization-wide basis, NIFA began a 3 -5 year Strategic Planning process. The Strategic Planning Committee of the Board identified an initial strategy that took precedence over an internal one – that of procuring a Statewide Housing Needs Assessment to inform a Statewide Strategic Housing Framework. As a result, work began in earnest in Q3 of our FY (Q1 of the calendar year) on those plans. The Needs Assessment was delivered to the Governor's office, as promised, on June 30th, and its findings are being incorporated into the Statewide Strategic Housing Council's work on the Strategic Housing Framework, which will be completed prior to the end of 2022.

At this Board meeting, our strategic topic is, well, strategic – or rather Strategic Planning. I'll be going over what the process will look like, presenting broad objectives articulated by NIFA staff, and discussing how our process will be informed by the Statewide Strategic Housing Framework.

Meeting Action or Discussion Items:

Program Committee:

We will present and discuss additional detail on our exploration of Additional Lines of Business.

Risk Management Committee:

Patti will lead us through a discussion of our current multifamily bond policy and potential revisions. No action will be taken on bond policy at this meeting.

Governance Committee:

The Finance team will provide a report on the Operating Fund.

Patti will provide an overview of what you need to know, as Board members, about the SEC and our bond sales.

Other Updates:

Statewide Housing Strategy and Needs Assessment: As previously reported, NIFA's Statewide Housing Strategy Framework Initiative continues to progress. Workgroups and the Council both met during July and August to finalize the pillars and identify strategies to address and support them. As previously noted, the Needs Assessment was timely delivered to the Governor's Office.

HAF: The updated dashboard can be found at <https://nebraskahaf.com/resources>

ARPA/SLFRF: NIFA continues to work with DED regarding finalizing the ARPA funded program for LIHTC Gap Financing. The Treasury change to the SLFRF rules greatly simplified and assisted our ability to streamline the process.

Human Resources: We continue to fill positions and currently have one open position for a Program Specialist.

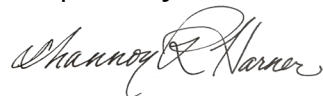
Engagement Opportunities:

Below are some opportunities to engage:

NIFA – Webinar Wednesdays are back on the calendar! Stay tuned at the NIFA website for updates and opportunities.

I look forward to seeing you at the Board meeting, in Valentine! [Click here for a map:](#) 803 East Highway 20, Valentine, NE.

Respectfully,



Shannon R. Harner

AGRICULTURAL LOAN SUMMARY

Public Hearing Date: June 9, 2022

Series Resolution: Providing for the Issuance of Agricultural Development Direct Loan Revenue Bond (Miles Peterson Project) Series 2022 (the “Bond”)

Borrower: Miles M. Peterson

Bond Purchaser: The First State Bank, Holdrege, Nebraska

Purpose: Loan (the “Loan”) to acquire approximately 108.24 acres of farm real estate, located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 11, Township 8 North, Range 21, West of the 6th P.M. (located southwest of the intersection of Road 749 and Road 437), and the NW $\frac{1}{4}$ of Section 12, Township 8 North, Range 21, West of the 6th P.M. (located southeast of the intersection of Road 749 and Road 437), all in Gosper County, Nebraska.

Amount: \$359,958

Bond Dated Date: June 30, 2022

Terms: The Bond shall bear interest at 3.75% per annum until December 31, 2027 (the “Change Date”). On that date and every 12 months thereafter, the interest rate will be adjusted to 2% above an index rate based on the weekly average yield on United States Treasury Securities adjusted to a constant maturity of ten years (the “Index”). The result of this calculation will be rounded up to the nearest 0.125 percent. Interest shall be computed on an actual/360 basis. The loan shall be paid on demand and if no demand is made, principal and interest shall be paid in 29 annual payments of \$19,956.13 (subject to any interest rate changes) beginning December 31, 2022 and each December 31 thereafter to and including December 31, 2050. The final payment of the entire unpaid balance of principal and accrued interest thereon will be due December 31, 2051 (the “Maturity Date”). Upon an interest rate change, the payments will be reamortized at the new interest rate over the remaining term. In the event of default or 25 days delinquency, interest will accrue on the unpaid principal balance of the Bond at a rate equal to 3% over the current Bond interest rate and the future Bond interest rate after scheduled rate changes. The interest rate during the term of this Bond, will not be more than 9.75% or less than 3.75%. The interest rate may not change more than 2% each Change Date. If a payment is more than 10 days past due, the Borrower will be charged 5% of the late amount of principal and interest with a minimum payment of \$7.50 and a maximum payment of \$25.

HOMEOWNERSHIP PROGRAM REPORT

Board of Directors Meeting

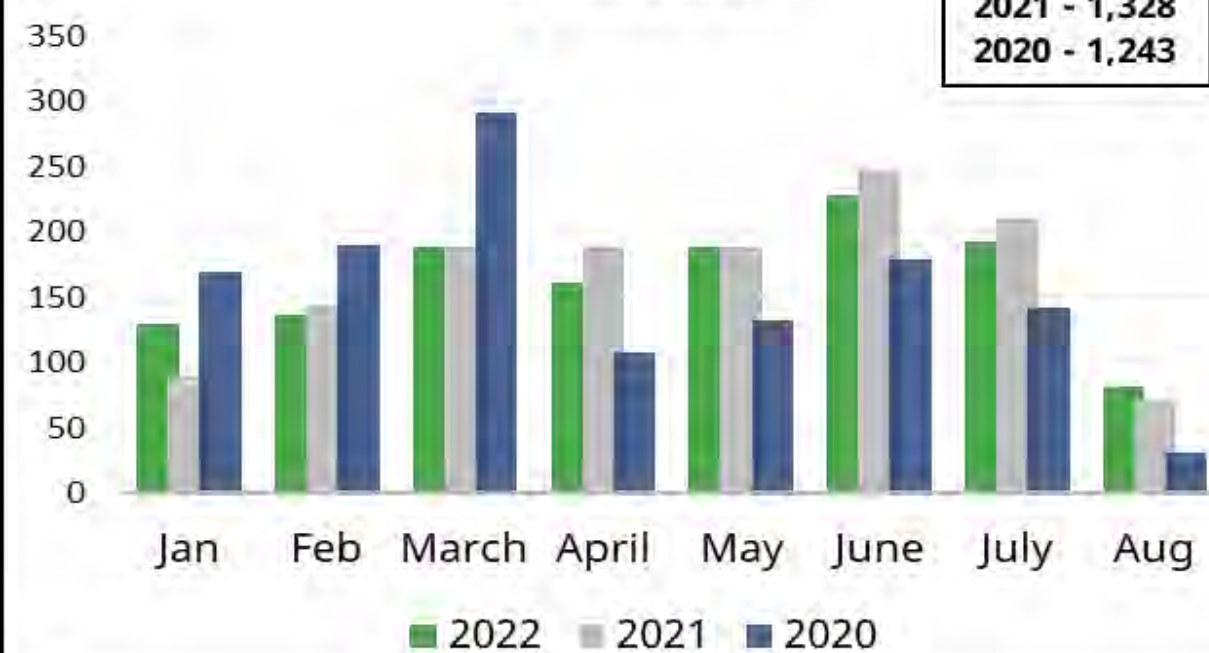
August 19, 2022

YTD 2022 Reservation Activity

As of 8/10/22

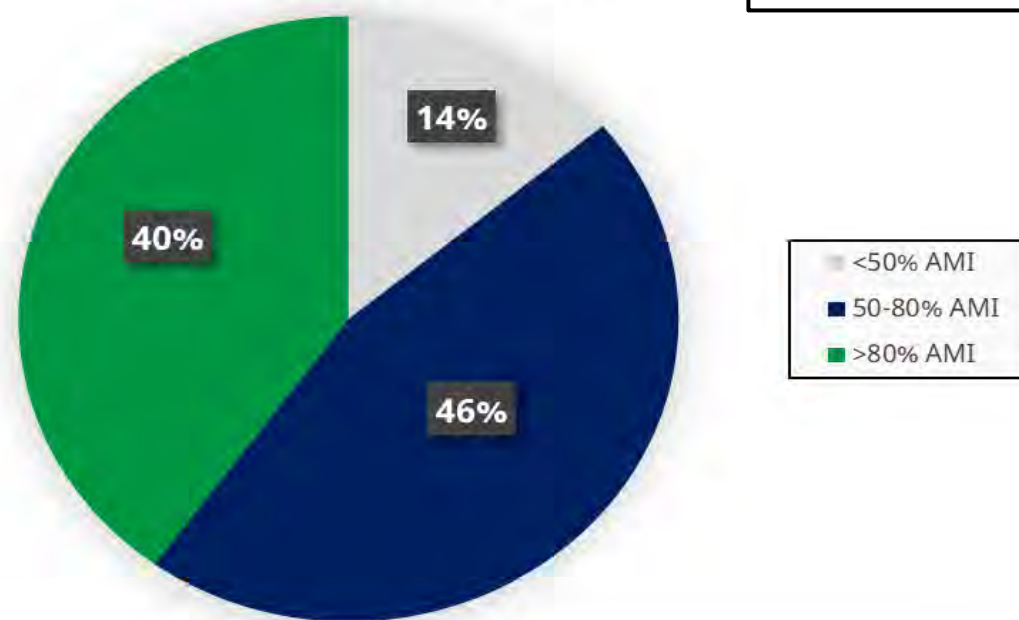
# Loan Reservations	1,307
\$ Loan Reservations	\$231,128,667
Average 1st Loan Amount	\$176,839
Average 2nd Loan Amount	\$7,930
Urban Areas	59%
Rural Areas	41%

By Month

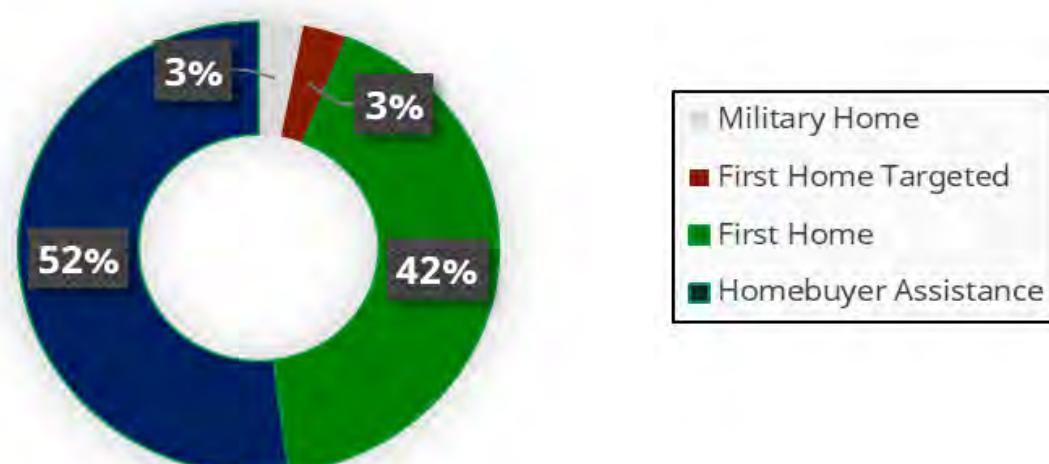


By Borrower AMI

Average AMI - 74%



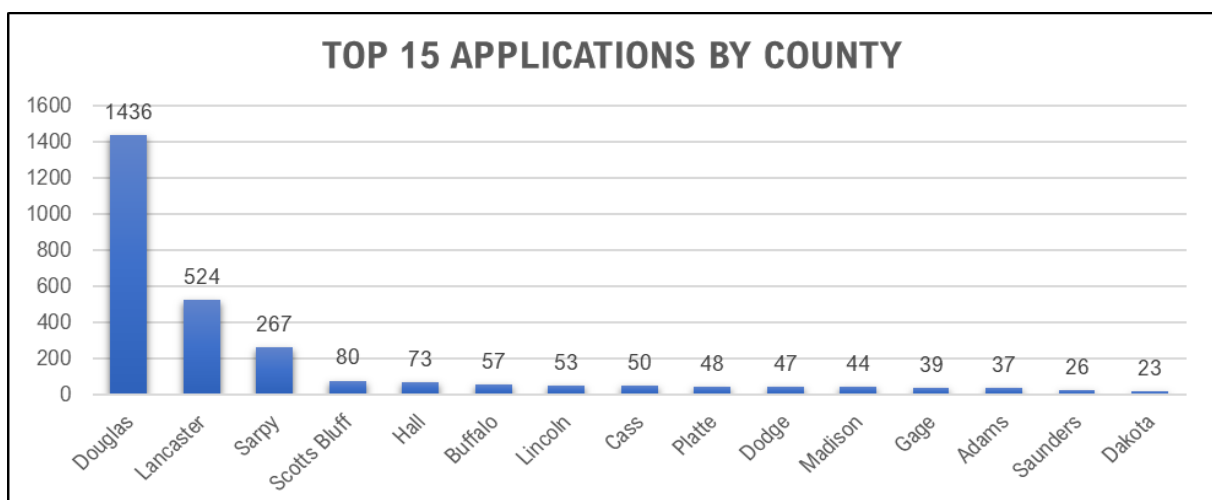
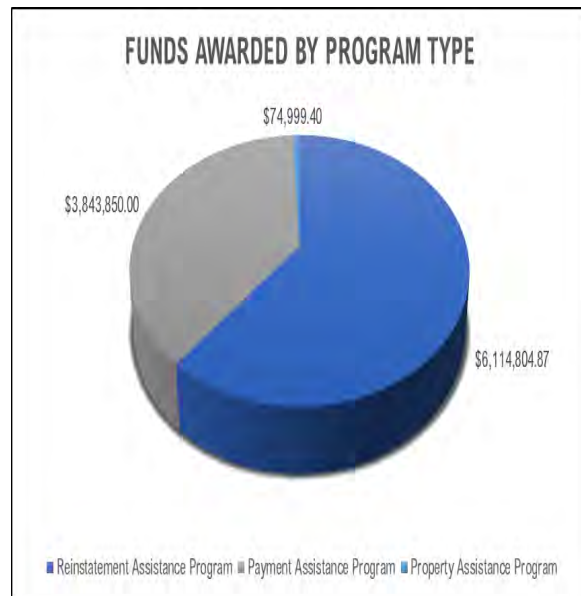
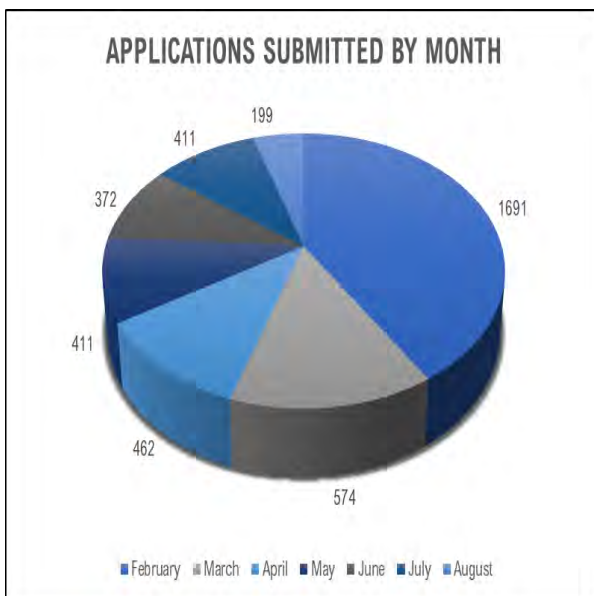
By Program



Nebraska Homeownership Assistance Fund – August Board Report

TOTALS

APPLICATIONS	4119
COUNTIES	79/93
APPROVED	1164
FUNDED	871
REFERRED TO NHDA	175



NIFA COMMUNITY ENGAGEMENT AUGUST 2022 REPORT

COMMUNITY ENGAGEMENT IN ACTION

The Community Engagement team actively implements NIFA's core values via our partnerships. We contribute technical assistance and support to the Reentry Transitional Housing Network and Continuum of Care organizations that are preparing for American Rescue Plan Act HOME Funds, which will target homeless populations. Members of Community Engagement participate in monthly Olmstead Planning Housing Work Group meetings that focus on assuring that accessible housing exists for people living with disabilities. We also support agencies and groups that provide housing opportunities to immigrants, refugees and other socially disadvantaged groups.

HOUSING HEALTHY COMMUNITITES (H3C)

NIFA recently received a Healthy Housing Healthy Communities (H3C) planning grant, which we are facilitating by partnering with Bryan Hospital, Community Health Endowment, Community Development Resources, and other stakeholders. We are organizing weekly educational and informational meetings to gain a better understanding of the housing continuum for immigrants and refugees. This 18-month planning grant will focus on building a system that shepherds our newest Nebraskans to workforce opportunities and stable and affordable housing.

WEBINAR WEDNESDAYS

Our partners have responded favorably to the reintroduction of NIFA's Webinar Wednesdays. Fifty attendees registered for our session "Nebraska Emergency Rental Assistance Update" and 71 registered for Nebraska Homeowners Assistance Fund (NHAF). Both webinars are available on our YouTube and can be found via NIFA's website. Community Engagement staff strives to offer relevant, actionable webinars. Our upcoming webinars in August and September are "A Future in Farming" and "Esusu - Helping People Build Credit Through Rent."



SAVE THE DATE FOR 2023 HOUSING CONFERENCE

2023 will be the 19th anniversary of NIFA's annual conference and we are excited to announce some changes! The 2023 event will be held April 17-19 at the Cornhusker Hotel in Lincoln.

This event will host the NIFA Lender Workshop and annual LIHTC Compliance Training. This year we will be adding an Agricultural track as well.

Please save the date and plan to join us - great things are coming!

ERA DEADLINE

The Emergency Rental Assistance program ends September 20, 2022, and the final deadline to submit an application is September 9, 2022. ERA funds will continue to be available in the Lincoln and Omaha jurisdictions.

CRANE Public Meeting Report
via Zoom
June 15, 2022
9:00 a.m.

Attendees (via Zoom): Lynn Gorman, White Lotus Group; Darin Smith, Arch Icon; John Trouba, Department of Health and Human Services-Division of Behavioral Health; Mechele Grimes, Department of Economic Development; and Pamela Otto, NIFA.

Meeting called to order by Pamela Otto at 9:00 a.m.

Grand Island Liberty Campus – Grand Island

Lynn Gorman reported they are working through the comments and working on the Phase I. Category 2.

Stephen Center – Omaha

Darin Smith reported Arch Icon is now working on the development and would like to have a meeting to discuss the development. Pamela Otto stated she would schedule a meeting. Category 4.

Meeting adjourned: 9:06 a.m.

CRANE APPLICATION LIST

NEBRASKA INVESTMENT FINANCE AUTHORITY
LOW INCOME HOUSING TAX CREDIT PROGRAM
(updated 7/7/22)

NIFA PROJECT #	PROJECT NAME & ADDRESS	APPLICANT NAME	COUNTY	TOTAL UNITS	LIHTC UNITS	MARKET UNITS	# OF BLDGS	PROJECT TYPE	PROFIT STATUS	FINANCING SOURCES	ESTIMATED COST	LIHTC REQUESTED	AHTC REQUESTED	CATEGORY DESIGNATION
7-1016	Grand Island Liberty Campus 2300 West Capital Avenue Grand Island, NE 68803-2003	Liberty Campus GI, LLC 10404 Essex Court, Suite 101 Omaha, NE 68114 Lynn Gorman: 402.557.6824	Hall	48	48	0	2	Adaptive/Reuse Non-Metro Multifamily Seniors Veterans Housing CDBG-DR	For Profit	HOME Funds-\$500,000 Tax Increment Financing Federal Historic Tax Credits State Historic Tax Credits Deffered Developer Fee Donation of Land & Buildings	\$ 17,433,784	\$ 800,000	\$ 800,000	Category 2
Stephen Center														Category 4
				48	48	0	2				\$ 17,433,784	\$ 800,000	\$ 800,000	

NEBRASKA INVESTMENT FINANCE AUTHORITY
PRIVATE ACTIVITY CAP-ALLOCATION STATUS
CALENDAR YEAR 2022

AS OF 8/10/22

	50%	20%	30%	335,115,000		
			Ag/ IDB/Non Statewide Hsg			
	Housing Carryforward	Statewide Housing	50% Jan-June	50% July-Dec	Governor's Discretionary	GRAND TOTAL
Beginning Allocation	814,307,374.40	167,557,500.00	33,511,500.00	33,511,500.00	100,534,500.00	1,149,422,374.40
Allocations Todate	(179,999,988.00)	0.00	(1,746,118.00)	0.00	0.00	(181,746,106.00)
Ag Allocation not used			(3,253,882.00)			(3,253,882.00)
Conditional Allocations			0.00			0.00
Transfers			0.00		0.00	-
Balance Remaining	634,307,386.40	167,557,500.00	28,511,500.00	33,511,500.00	100,534,500.00	964,422,386.40

Ag/IDB/Non Statewide Housing-ALLOCATION DETAIL					
District	AG	IDB	MF	Total by District	
1	0	0	0	0	
2	0	0	0	0	
3	(1,746,118)	0	0	(1,746,118)	
Total by Category	(1,746,118)	0	0	(1,746,118)	
Conditional Allocations		0	0	0	
Ag Allocation not used	(3,253,882)			(3,253,882)	
Total	(5,000,000)	0	0	(5,000,000)	

NIFA Housing-CARRYFORWARD DETAIL				
Originated	2019	2020	2021	TOTAL
Expires	2022	2023	2024	
Beginning	221,130,677.40	319,011,497.00	274,165,200.00	814,307,374.40
Used	(179,999,988.00)			(179,999,988.00)
Ending	41,130,689.40	319,011,497.00	274,165,200.00	634,307,386.40

Other Issuers -CARRYFORWARD DETAIL		
Originated	2021	TOTAL
Expires	2024	
Beginning	24,000,000	24,000,000
Used	(18,000,000)	(18,000,000)
Ending	6,000,000	6,000,000

OPERATING FUND REPORT

**Unaudited, preliminary amounts

PERIOD: Jun-22

	ACTUAL EXPENSE VS PRIOR YEAR				FY22 BUDGET TO ACTUAL COMPARISON			
	FY 2022	FY 2021	INC/DEC	% I/D	ACTUAL	BUDGET	OVER(UNDER)	% BDGT
Operating Revenue:								
Investment Interest Income	226,640	587	226,053	38,509.9	226,640	92,000	134,640	246.3
Mortgage Loan Income	179,543	11,025	168,518	1,528.5	179,543	533,000	(353,457)	33.7
Fees and Other Income	2,399,754	2,165,871	233,883	10.8	2,399,754	1,993,059	406,695	120.4
Single Family Op Fees	1,446,039	1,513,750	(67,711)	(4.5)	1,446,039	1,600,000	(153,961)	90.4
Total Operating Revenue	4,251,976	3,691,233	560,743	15.2	4,251,976	4,218,059	33,917	100.8
Allocation from Operating Reserves	1,549,976	2,078,984	(529,008)	(25.4)	1,549,976	2,225,431	(675,455)	69.6
Total Operating Revenue [After Allocation]	5,801,952	5,770,217	31,735	0.5	5,801,952	6,443,490	(641,538)	90.0
Operating Expense:								
Personnel	3,654,052	3,486,481	167,571	4.8	3,654,052	3,839,995	(185,943)	95.2
Office Operations	378,126	404,880	(26,754)	(6.6)	378,126	500,438	(122,312)	75.6
Professional Fees	998,049	1,100,478	(102,429)	(9.3)	998,049	1,248,900	(250,851)	79.9
Information Technology	559,530	560,462	(932)	(0.2)	559,530	640,705	(81,175)	87.3
Rent	205,695	210,916	(5,221)	(2.5)	205,695	205,952	(257)	99.9
MBS/Warehouse Fees	6,500	7,000	(500)	(7.1)	6,500	7,500	(1,000)	86.7
Total Operating Expense	5,801,952	5,770,217	31,735	0.5	5,801,952	6,443,490	(641,538)	90.0
Net Operating Income	0	0	0	0.0	0	0	0	0
Mission & Non-Recurring Expenses:								
NOF-Expenditures	535,563	611,815	(76,252)	(12.5)	535,563	705,500	(169,937)	75.9
NOF-Investments (Workforce Housing Match)	0	6,864,157	(6,864,157)	(100.0)	0	230,000	(230,000)	0.0
Non-Recurring Expenses	0	0	0	0.0	0	0	0	0.0
Allocation from NOF Designated Funds	(535,563)	(7,475,972)	6,940,409	(93)	(535,563)	(935,500)	399,937	57.2
Total Mission & Non-Recurring Expenses	0	0	0	0.0	0	0	0	0.0
Net Income	0	0	0	0.0	0	0	0	0
Market Value Adjustments Affecting Revenue:								
Investment Mark to Market	(384,179)	56,774	(440,953)	(776.7)	(384,179)	0		

NIFA Board of Directors Meeting

August 19, 2022

Agenda Item #6:

Discussion of NIFA's Current Bond Policy for Multifamily Bonds

Documents included:

- Power Point – Structures Related to Privately-Placed Multifamily Revenue Bonds
- Examples of “Private Placement” Structures Seen in the Market
- Draft of Bond Issuance Policy for Multifamily Housing Bonds

RECOMMENDED ACTION:

Discussion only.

**NEBRASKA INVESTMENT FINANCE AUTHORITY
BOND ISSUANCE POLICY
FOR
MULTIFAMILY HOUSING BONDS
[DATE], 2022**

This Bond Issuance Policy for Multifamily Housing Bonds ("MF Bond Policy") applies to bonds ("Bonds") to be issued by the Nebraska Investment Finance Authority ("NIFA") pursuant to Section 142 of the Internal Revenue Code of 1986 (the "Code") to finance multifamily rental housing projects for which 4% Low-Income Housing Tax Credits ("LIHTC") and, in some cases, the Nebraska State Affordable Housing Tax-Credits ("AHTC"), have been requested.

This MF Bond Policy applies to the issuance of Bonds issued by NIFA. With respect to the program parameters and requirements for requesting LIHTCs and AHTCs, see the applicable Qualified Allocation Plan ("QAP") adopted by NIFA.

The goals and objectives set forth in the QAP, together with the following goals and objectives, will be considered by NIFA and the NIFA Executive Director (the "Executive Director") in connection with the issuance of NIFA Bonds for the development of multifamily rental housing in Nebraska:

- To expand the financing opportunities offered by NIFA with respect to the development of multifamily rental housing for low and moderate income persons and families ("Qualified Households").
- To use the expertise and capacity of NIFA staff and financing partners to develop financing tools for the financing of multifamily rental housing.
- To increase the participation of lenders in Nebraska in providing financing for multifamily rental housing for Qualified Households.
- To generate revenue to cover all initial and continuing NIFA costs associated with the issuance and compliance monitoring of NIFA Bonds for multifamily rental housing.

General Financing Requirements for Multifamily Housing Bonds Issued by NIFA

As a statewide issuer of bonds, particularly single family mortgage revenue bonds, it is imperative that NIFA maintain its reputation among investors as a prudent issuer of debt, both within the State of Nebraska (the "State") and on a national basis. Although NIFA's bonds (other than those bonds specifically based upon the general credit of NIFA) are nonrecourse to NIFA as well as the State, a default in connection with the payment of principal or interest on a NIFA bond could jeopardize the reputation of NIFA in the capital markets, and diminish the ability of NIFA to provide low-cost financing for its programs and borrowers in the future.

NIFA reserves the right not to approve a particular financing structure. It also reserves the right in special circumstances to approve an exception to the requirements of this MF Bond Policy.

This MF Bond Policy is a statement of principles identifying the basic goals of NIFA relating to publicly offered rated bonds and privately placed unrated bonds. This MF Bond Policy is intended to provide a foundation on which to base decisions, particularly regarding individual unrated bond transactions. In connection with the financing of multifamily rental housing, NIFA has and may continue to receive requests to issue a range of bonds to a variety of investors. In a changing marketplace, it is not possible to establish a single, unchanging set of guidelines to assure compliance with these essential principles. Instead, the Board of NIFA delegates to the Executive Director the discretion, to be exercised in accordance with this MF Bond Policy, together with other staff-developed guidelines, to assure that these essential principles with respect to rated and unrated Bonds are met on each transaction.

Publicly Sold NIFA Bonds – Rating Required

Bonds issued by NIFA to finance multifamily rental housing which will be sold to the general public must have a bond credit rating in at least the “AA” category from Standard & Poor’s Corporation or the equivalent rating from Moody’s Investor’s Service or Fitch Ratings. Short-term or variable rate Bonds issued for multifamily rental housing must have a short term rating in at least the “A-2” category from Standard & Poor’s Corporation or the equivalent rating from Moody’s Investor’s Service or Fitch Ratings.

Privately Placed NIFA Bonds - Unrated

NIFA recognizes that it has a responsibility to provide cost-effective and responsive financing options that meet borrower needs and that there are circumstances where a bond credit rating is impractical or impossible. Accordingly, NIFA will consider issuing Bonds without a credit rating in order to finance multifamily rental housing provided the Bonds are “privately placed” in accordance with the requirements set forth in this MF Bond Policy.

Criteria Applicable to Unrated Bonds

NIFA staff will review a proposal for the issuance of unrated Bonds to determine if it reasonably meets the criteria set forth in this MF Bond Policy with respect to the following:

(a) Borrower Risk. The borrower will be required to make payments of principal and interest on the Bonds and comply with all Bond covenants. NIFA staff does not underwrite the loan to the borrower for credit purposes. The determination of borrower credit risk must be made by the purchaser of the Bonds.

(b) Potential Bond Purchasers Must Be Capable of Assessing the Risk of the Investment. The issuance of unrated Bonds by NIFA is limited to purchases by investors who are capable of assessing, assuming and acknowledging the risk of a bond default based

on the facts of the underlying borrower/project. The purchaser of the Bonds must have the capability to assess the transaction as a business loan to the borrower.

(c) Limitations Applicable to Unrated Bonds. In proceeding with the issuance of unrated Bonds, the Executive Director shall determine the parameters and restrictions to be applicable to the unrated bonds, including but not limited to the following:

- Limiting the pool of investors to a single investor or a limited group of investors, each of whom has taken full responsibility for analyzing the transaction and the risk such as:
 - Lending institutions that will originate and intend to service the loan;
 - Sophisticated investors who have a unique interest in the project and who have the resources to evaluate their investment in the project or who are parties with substantial experience in real estate or tax-exempt investment and the means to undertake the risk; or
 - Qualified Institutional Buyers (QIBs), as defined in Rule 144(a) of the Securities Act of 1933, as amended
- Offering bonds in minimum denominations, e.g. \$250,000 or more;
- Requiring restrictions with respect to the transfer of the Bonds (see below);
- Requiring trustee/fiscal agent procedures that regulate transfers of the Bonds;
- Requiring a “sophisticated investor letter” from the initial and in some cases subsequent purchasers (e.g., a traveling letter) in a form acceptable to the Executive Director;
- Prohibiting book-entry bonds for unrated Bonds; and
- Requiring a bond trustee for fiscal agent for the Bonds.

(d) Restrictions on the Transfer of Unrated Bonds. Unrated Bonds shall be acquired by the purchaser thereof for investment for its own account and not with a present view toward resale or distribution. In certain cases, the Executive Director may allow the purchaser to reserve the right to sell, transfer, participate or redistribute the Bonds to an entity such as the following:

- (i) an “affiliate” of the purchaser; or
- (ii) a trust or other custodial arrangement established by the purchaser or one of its affiliates [or any state or local government or any agency or entity which is a political subdivision of a federal, state or local government], in each case (i) the owners of any beneficial interest in which are limited to “qualified institutional buyers,” as defined in Rule 144A promulgated under the Securities Act of 1933 (the “Securities Act”) [that is a financial institution or commercial bank having capital and surplus of \$5,000,000,000 or more], or Institutional Accredited Investors or (ii) the

beneficial interests in which will be rated in the “BBB” category or higher without regard to modifier (or the equivalent investment grade category) by Standard & Poor’s Corporation, Moody’s Investor’s Service or Fitch Ratings; or

(iii) a secured party, custodian or other entity in connection with a pledge by the purchaser to secure public deposits or other obligations of the purchaser or an Affiliate to state or local governmental entities; or

(iv) a qualified institutional buyer as defined in Rule 144A promulgated under the Securities Act of 1933 (the “Securities Act”) or an institutional accredited investor and who executes an investor letter acceptable to the Executive Director.

(e) *An Acceptable Strategy to Monitor Bond Covenants and Make Decisions in the Event of a Default.* The Bonds must be structured so that a failure to pay timely principal or interest or a failure to comply with other covenants can be expeditiously addressed with minimal involvement of NIFA, minimal risk to the NIFA’s reputation or implications for its financial accounting. This must be addressed in the documents to the satisfaction of the Executive Director, including, but not limited to, the following:

- There is a bond trustee/fiscal agent experienced with workouts engaged to monitor the Bond covenants;
- There is a required majority bondholder at all times responsible for all workout decisions and actions; or
- There is an agreed upon lead lender/investor responsible for all workout decisions and actions.

NIFA MULTIFAMILY BOND ISSUANCE POLICY DISCUSSION EXAMPLES OF “PRIVATE PLACEMENT” STRUCTURES SEEN IN THE MARKET

Back-to-Back (B2B) Bank Loan Structures

The “back-to-back bank loan” structure is often used by those banks actively involved in the development of affordable housing (e.g., Citibank, N.A., Wells Fargo, Key Bank and a number of regional banks among others). This structure generally involves the following:

- the bank (“Bank”), as funding lender (“Funding Lender” makes a loan (“Funding Loan”) to a governmental issuer, such as NIFA (“Issuer” or “Governmental Lender”) pursuant to a funding loan agreement (“Funding Loan Agreement”);
- in exchange for the Funding Loan, the Issuer delivers to the Bank the Issuer’s tax-exempt Multifamily Mortgage Revenue Note (“Governmental Lender Note”) evidencing the Issuer’s obligation to repay the Funding Loan;
- proceeds of the Funding Loan received by the Issuer are loaned (“Borrower Loan”) to the borrower (the “Borrower”) on a draw-down basis pursuant to the Borrower Loan Agreement (“Borrower Loan Agreement”) between the Issuer and the Borrower;
- the Bank or another trust company may be appointed as agent to the Issuer to advance funds/service the Borrower Loan;
- proceeds of the Borrower Loan are then used by the Borrower to construct the multifamily rental housing development;
- the Issuer assigns, with the exception of certain rights to be retained by the Issuer, the Borrower Loan to the Bank (or fiscal agent for the benefit of the Bank);
- when the Bank makes the Funding Loan and receives the Governmental Lender Note, the Bank executes an investor letter where the Bank generally represents that it is qualified to make the Governmental Loan, has completed all of its own diligence, intends to hold the loan for its own account, and agrees to only transfer the Governmental Loan in limited circumstances; and
- the Bank/Funding Lender may serve as both the construction and permanent loan lender, or the funding phases may be bifurcated between separate lenders.

Banks often want to securitize these loans so that they can both (i) continue to receive a portion of the interest paid on the Funding Loans and (ii) obtain more capital to loan to new borrowers. As Banks package the Funding Loans and Borrower Loans together and sell them to a third party, we will refer to all of the obligations of the Borrowers as the “Funding Loans.” While there are numerous types of securitizations, three types are widely used and are useful examples of how these securitizations can function.

Securitization of the Governmental Lender Notes – the Citibank Program

Until recently, Citibank, N.A. (“Citibank”) kept all of the Governmental Loans on Citibank’s balance sheet. Beginning in 2019, Citibank has securitized certain portions of its portfolio of Funding Loans.¹ For existing deals, Citibank has requested that Issuer’s execute amendments to their existing Funding Loan Agreements to accommodate the securitizations. More recently, Citibank has incorporated such provisions (accommodating their model of securitizations) in the Funding Loan documents.

The securitizations are accomplished by Citibank through conduit issuers (“Municipal Issuers”) (with Citibank selling a group of Funding Loans to the Municipal Issuer. To obtain funds to purchase the Funding Loans, the Municipal Issuer issues pass-through certificates in the capital markets, which are paid from, and secured by, the Funding Loans. In this structure, the Municipal Issuer is the owner of the Funding Loans, which it pledges as security for the repayment of its pass-through certificates.

The pass-through certificates currently being issued by such Municipal Issuers in the Citibank program have been rated at least investment grade (BBB or BBB+) by S&P and are sold to investors in a public offering. Citi Global Markets Inc. acts as the underwriter of the pass-through certificates.

Citibank has also created securitizations with Freddie Mac, instead of the Municipal Issuers. These securitizations are essentially the same, however due to Freddie Mac guaranteeing payment of the Funding Loans, the rating on the pass-thru certificates is much higher.

The Prairie View development in Kearney, Nebraska, for which NIFA approved 2022 private activity volume cap for 4% tax-exempt bonds, is being financed pursuant to the Citibank program. The developer had initially requested that NIFA issue the bonds. Because of the requirements of NIFA’s current bond policy, the developer is now working with the Kearney Housing Authority to proceed with a tax-exempt issuance of debt pursuant to the Citibank program.

Provisions Typically Required in the Issuer Documents

To accomplish the securitization of the Funding Loans, the Bank documents will require that the Bank have greater flexibility with respect to subsequent sales and transfers of the Funding Loans. These provisions often include lower minimum denominations of the Notes, fewer restrictions on the transfer/sale of the Governmental Lender Notes (or beneficial interests therein). ***Some of the typical provisions that are required by the Banks/Funding Lenders offering this type of program would not meet the requirements of NIFA’s current bond issuance policy for the private placement of NIFA bonds, particularly with respect to the transfer provisions of the notes/bonds.***

¹ According to Citibank, their securitizations only involve Governmental Loans which are performing, well-secured, seasoned loans (with full disclosure documentation and investment grade ratings).

Examples of the provisions required by Banks in the agreements with the Municipal Issuers are:

- Permitted Transfers: to (i) a governmental entity; (ii) an affiliate; (iii) a trust or custodial arrangement established by the Bank or a governmental entity, as long as any securities that are issued by this arrangement are either (a) rated BBB- or higher (investment grade) or (b) purchased by a QIB² [that is a financial institution or commercial bank having capital and surplus of \$5,000,000,000 or more]; [The current NIFA bond policy requires that if the NIFA note/bond is securitized, the certificates issued by the transferee or trust be rated “AA” or better or an investor letter must be signed by the transferee.]
- Providing low or no minimum denomination limits for Governmental Lender Notes transferred [The current NIFA bond policy requires that the minimum denomination is the principal amount of the bonds/notes.];
- Removing limitations on the number of purchasers of the Governmental Lender Notes (or interests therein); and
- Removing the requirement that the Bank obtain investor letters (also referred to as transferee representations) for subsequent transfers made by the Bank. [The current NIFA bond policy requires that each transferee (other than in connection with a “AA” rated securitization of interests) execute an investor letter.]

Additionally, Citibank’s form documents (like most of these programs) are structured as tax-exempt loans rather than tax-exempt bonds (in large part due to more favorable regulatory and accounting treatment with respect to the Bank) and provide for a “fiscal agent” rather than a “trustee” – or they have no fiscal agent or trustee at all. In the instance of no fiscal agent or trustee, the documents will provide for the Bank, as purchaser, (not the Borrower) to be responsible for keeping the Issuer informed of compliance matters, delivery of quarterly reports, notices and consents. The current NIFA bond policy requires the appointment of a “trustee” for the notes/bonds issued by NIFA.

Freddie Mac Tax-Exempt Loan (“TEL”) Program

The Freddie Mac TEL Program is similar in many ways to the Back-to-Back Bank program and is generally structured as follows:

- The Bank makes a Funding Loan to a Municipal Issuer to finance either the construction or substantial rehabilitation of affordable housing. The Issuer makes the Borrower Loan to a Borrower, in a manner very similar to the Citibank structure.
- Under the Freddie Program, however, Freddie agrees to purchase the Funding Loan when conversion benchmarks, such as LTV, rent-up, debt service coverage, are

² A “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended. The information in brackets was an additional restriction for a particular transaction. The restrictions on “transferees” varies from deal to deal and issuer to issuer.

satisfied. When those conditions are met, the Bank sells the Funding Loan to Freddie Mac.

- Freddie Mac then issues its own Freddie Mac securities, which are secured by the Funding Loans and Freddie Mac's guarantee. The Freddie Mac securities are sold in a public offering.
- Like the Municipal Issuers, Freddie Mac retains ownership of the Funding Loans.
- Often the Freddie Mac securities will consist of "senior" securities and "subordinate" securities. The senior securities carry the rating of Freddie Mac (AA+); the subordinate securities are generally unrated and sold to institutional investors specifically selected by Freddie Mac.

Because the Freddie Mac TEL structure does not require the sale of the Funding Loans, Freddie Mac is not required to obtain investor letters from the purchasers of either the senior securities or the subordinate securities. From the beginning, the Freddie Mac TEL structure was designed to permit securitization of the Funding Loans and so the TEL documents need no modifications to permit securitization.

Investment Fund Securitizations

There are also investment funds that purchase and securitize notes/bonds issued by Issuers to finance affordable housing projects. The investment fund normally signs the form of Issuer investor letter when it purchases the bonds. The investment fund will securitize the notes/bonds by selling them to a trust. When the trust purchases the notes/bonds, the investment fund signs an investor letter on behalf of the trust. The trust issues certificates which are purchased by investors (generally QIBs) which do not sign investor letters regarding restrictions on transfers.

Local Bank Structures

The structures we have seen with local banks have involved local banks purchasing notes/bonds and agreeing to hold the bond/loan/note in their account with the ability to transfer the note/bond only to a single party who agrees to execute the same form of Issuer investor letter. In some cases, NIFA has allowed the local banks to participate interests in a single note/bond with another qualifying bank. These structures are consistent with the NIFA multifamily bond policy.

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August 11, 2022



STRATEGIC OBJECTIVES

AUGUST 2022

3-5 YEAR VISION:

NIFA leverages its resources, data, knowledge (know-how) and technology with effective statewide partnerships and collaboration, to promote vibrant Nebraska communities through affordable housing solutions and agribusiness.



NIFA has the institutional capacity and financial stability to carry out its mission.



NIFA is inclusive and supports diversity in its team, partnerships and programs.



NIFA is a trusted and respected source of financing with which homebuyers, farmers/ranchers, lenders, and developers choose to do business.



NIFA is an effective leader in shaping Nebraska's affordable housing landscape through a collaborative statewide strategy.



NIFA continually evaluates and innovates within its programs to improve affordability and respond to the changing housing and financing needs of Nebraska's communities and the population it serves.