

**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. – 12:45 p.m. Non-Business Luncheon
The Nebraska Club
233 S 13th St, Suite 2000, Lincoln NE**

MINUTES OF FRIDAY, February 19, 2016 @ 1:00 P.M.

**Notice Published: February 14, 2016 - *Omaha World Herald*
February 14, 2016 - *Lincoln Journal Star***

Open Meetings Act - A copy of the Open Meetings Act was located on the table at the back of the room.

All votes taken by roll call of the members.

NIFA BOARD MEMBERS PRESENT

Board Members Present: Courtney Dentlinger, Herb Freeman, Michael Maroney, Marlin Brabec, Mary Jo McClurg, Bobbie Kriz-Wickham and Michael Walden-Newman

Board Members Absent: Mark Graff and Galen Frenzen

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 Homeownership Manager Cindy Trautman, LIHTC Program Manager Teresa Kile, Assistant LIHTC Program Manager Kelly Schultze, Director of Development Ted Simpson, Accounting Manager Jody Cook, Assistant Manager Place Based Development Kyle Martin, Outreach Program Manager Elizabeth Fimbres and Deputy Director Christie Weston

Guests: Rob Woodling – Foundation Development, LLC, Brett West – Assurity Development, Jim Stretz – GKB, Thomas Judds – JUDCO, Jeff Gertz – JP Morgan, Trent Bausch and Megan Wright – Cline, Williams, Wright, Johnson & Oldfather, LLP, Erika Lynch and Patti Peterson – Kutak Rock, LLP

1. Call Meeting to Order and Roll Call

Chair Dentlinger called the meeting to order at 1:02 p.m. with seven members present. Chair Dentlinger 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, February 14, 2016 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

2. Closed Session to Discuss Pending Litigation

Moved by Brabec, seconded by Freeman to go into closed session at 1:05 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 – Freeman – yes,

MINUTES
February 19, 2016
Page 2

Brabec – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes, Wickham – yes, and Dentlinger – 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 1:05 p.m. until 1:41 p.m.

Moved by McClurg, seconded by Freeman to go into open session at 1:41 p.m. Roll Call Vote – Dentlinger – yes, McClurg – yes, Maroney – yes, Walden-Newman – yes, Wickham – yes, Brabec - 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 December 11, 2015 NIFA Board of Directors Meeting Minutes

Moved by McClurg, seconded by Walden-Newman to approve the December 11, 2015 NIFA Board of Directors Meeting Minutes. Roll call vote – McClurg – yes, Walden-Newman – yes, Wickham – yes, Dentlinger – yes, Freeman – yes, Brabec – abstain due to not being present at the meeting and Maroney – yes. Motion carried – 6 yes and 1 abstaining.

5. Executive Director's Report

Tim Kenny gave a legislative update, reporting on Nebraska legislative bills that could impact NIFA.

6. Public Comment related to the February 19, 2016 Agenda Items (comment period limited to five minutes)

Chair Dentlinger 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. Report from the Audit Committee

Christie Weston reported the Audit Committee (consisting of Mark Graff, Michael Maroney, Mary Jo McClurg & Michael Walden-Newman) met on Wednesday, February 17 by conference call to review with staff a revision to the June 30, 2015 audited financial statements. The revision does not impact NIFA's previously reported operating results.

8. Update and Ratification of NIFA's Audited Financial Statements for the Year Ended June 30, 2015

Moved by Freeman, seconded by McClurg to accept the Audit Committee's report and approve NIFA's audited financial statements for the year ended June 30, 2015. Roll call vote – Walden-Newman – yes, Wickham – yes, Dentlinger – yes, Freeman – yes, Brabec – yes, Maroney – yes and McClurg – yes. Motion carried unanimously.

AGRICULTURAL FINANCE DIVISION

9. Status Report on Agricultural Program

Christie Weston reported that three Agricultural Loans have closed since the December 11, 2015 Board of Directors meeting.

Bond Resolution #1322 – Riley J. Beal in the amount of \$517,700 for the purchase of 151.3 acres in Adams County, Nebraska

Bond Resolution #1323 – Jacob Immink in the amount of \$225,000 for the purchase of 160 acres in Jefferson County, Nebraska

Bond Resolution #1325 – Spencer and Ellen Hagemeyer in the amount of \$405,800 for the purchase of 190 acres in Gage County, Nebraska

LOW INCOME HOUSING TAX CREDITS

10. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting Held Wednesday, January 27, 2016

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

Salvation Army of Omaha – Omaha
Ames Row Houses – Omaha
Siena Francis House PSH Phase 3 – Omaha
The Brewery Lofts – Hastings
Victory Park Apartments – Lincoln
Odd Fellow Manor – Lincoln
Adams Park Senior Cottages – Omaha
Hillside Rows – Omaha
Canterbury Estates - Sidney

11. Report from the Programs Committee

Teresa Kile reported that Tim Kenny, Robin Ambroz and the Programs Committee (consisting of Marlin Brabec, Herb Freeman, and Mary Jo McClurg) met via conference call on Wednesday, February 17, 2016 to discuss two CRANE applications that have attained a Category 1 designation and are now recommended by the Programs Committee for Conditional Reservation of Low Income Housing Tax Credits. The projects are 3612 Cuming Street Project and The Brewery Lofts. The Programs Committee also discussed Round One applications submitted in the 2016 Low-Income Housing Tax Credit Program for recommendations of a Conditional Reservation of Low Income Housing Tax Credits. Teresa reported NIFA received 17 applications requesting approximately \$8.1 million in tax credits. Ten of the applications were for projects to be located in urban areas and seven were for projects to be located in rural areas.

12. Consideration of Approval of Conditional Reservations for Round One and CRANE in the 2016 Low Income Housing Tax Credit (LIHTC) Program

Moved by McClurg, seconded by Brabec to approve the Conditional Reservations for Round One and CRANE in the 2016 Low Income Housing Tax Credit (LIHTC) Program. Roll call vote – Wickham – yes, Dentlinger – yes, Freeman – yes, Brabec – yes, Maroney – abstaining due to being a developer and submitting projects from time to time for consideration of tax credits, McClurg – yes and Walden-Newman – yes. Motion carried – 6 yes and 1 abstaining.

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 One 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 One:

<u>Applicant</u>	<u>Project</u>	<u>County</u>	<u>City</u>	<u>Amount</u>
Clarity Development Company, LLC	Blair Senior Residences	Douglas	Omaha	\$636,682
Foundations Development, LLC	Northwest Senior	Douglas	Omaha	\$503,999
Mesner Development Co.	Eastside Estates	Adams	Hastings	\$459,190
Mesner Development Co.	Kraci Meadows	Colfax	Schuyler	<u>\$220,027</u>
				\$1,819,898

CRANE:

<u>Applicant</u>	<u>Project</u>	<u>County</u>	<u>City</u>	<u>Amount</u>
The Salvation Army	3612 Cuming Street Project	Douglas	Omaha	\$637,548
Cohen-Esrey Affordable Partners, LLC	The Brewery Lofts	Adams	Hastings	<u>\$440,838</u>
				\$1,078,386

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.

SINGLE FAMILY HOUSING FINANCE DIVISION

- 13. Status Report on Single Family Program and Market Developments:**
 Jacki Young distributed the Single Family Program Loan Report to the Board members and reported NIFA has received 217 loan reservations to date in 2016. The average loan amount is \$108,000. Sixty-five percent of the loans are for homes located in urban areas and thirty-five percent are for homes located in rural areas.

MULTI-FAMILY HOUSING FINANCE DIVISION

- 14. Allocation of 2016 Volume Cap – Bluffs at Cherry Hill**
 Moved by Brabec seconded by McClurg to adopt the following Volume Cap Allocation. Roll Call vote – Dentlinger – yes, Freeman – yes, Brabec – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes and Wickham – yes. Motion carried unanimously.

- (a) Allocation: 16-30-004
 Issuer: Douglas County Housing Authority
 Allocation Amount: \$16,850,000
 Allocation Classification: Non-Statewide Housing

- 15. Workforce Housing Initiative Pilot Program Update**
 Robin Ambroz reported NIFA received five proposals from communities in response to NIFA's Request for Proposals (RFP) for the Workforce Housing Initiative Pilot Program. All proposals were reviewed by a scoring team of NIFA staff. The team has selected three communities to continue in the Pilot Program: Broken Bow, Elwood and Schuyler. Broken Bow is proposing twelve single family three bedroom homes, Elwood is proposing six single family three bedroom homes and Schuyler is proposing twelve homes, eight single family and two duplexes. NIFA staff

continues to work with the selected communities to gather additional information and will develop recommendations for NIFA's financial participation in the proposed WHI projects for the Board's consideration.

OUTREACH DEPARTMENT

16. Report from the Outreach Department

Chair Dentlinger referred Board members to the Outreach Report in the Board book. The report was not reviewed during the meeting. Board members were asked to contact Tim if they had any questions.

OTHER BUSINESS/ANNOUNCEMENTS

17. Quarterly Disclosure Report for the Quarter Ended December 31, 2015

Chair Dentlinger referred Board members to the Quarterly Disclosure Report in the Board book. The report was not reviewed during the meeting. Board members were asked to contact Tim if they had any questions.

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

Moved by McClurg, seconded by Walden-Newman 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
 - Board Member: Home Builders Association of Lincoln*
 - Board Member: MetaFund – Advisory Board of Directors
 - Board Member: Morgan Stanley New Markets, Inc. – Governing Board
 - Member: Nebraska Capital Access Partners – Advisory Council (Mackey Banco)
 - Member: National Association of Home Builders – Housing Finance Committee and Tax Credit Steering Committee
 - Member: Lincoln South Downtown Community Advisory Committee
- (2) Robin Ambroz
 - Member: Lincoln South Downtown Community Advisory Committee
- (3) Jacki Young:
 - Board Member: Affordable Housing Initiatives of Lincoln
 - Member: REACH Homebuyer Education Council
- (4) Cindy Trautman
 - Member: Realtors Association of Lincoln – Housing Advocacy Committee
- (5) Michael Maroney
 - Board Member: National Conference of State Housing Boards

- Tim will also be joining and serving with either the Grand Island or Norfolk Home Builders Association in 2016-2017.

Marlin Brabec left the meeting at 2:55 p.m.

Roll call vote – Freeman – yes, Maroney – abstain, McClurg – yes, Walden-Newman – yes, Wickham – yes and Dentlinger – yes. Motion carried – 5 yes and 1 abstaining.

19. Closed Session to Discuss Executive Director's Performance Review

Moved by Freeman, seconded by McClurg to go into Closed Session at 2:58 p.m. to discuss the Executive Director's Performance Review and the evaluation of the job performance of the Executive Director, which closed session is consistent with the Nebraska Public Meetings law and

MINUTES
February 19, 2016
Page 6

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 – Maroney – yes, McClurg – yes, Walden-Newman – yes, Wickham – yes, Dentlinger – yes and Freeman – 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 related to the Executive Director's Performance Review and the evaluation of the job performance of the Executive Director. 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 2:58 p.m. until 3:23 p.m.

Moved by Freeman, seconded by McClurg to go into open session at 3:23 p.m. Roll Call Vote – Dentlinger – yes, McClurg – yes, Maroney – yes, Walden-Newman – yes, Wickham – yes, and Freeman – yes. Motion carried unanimously.

20. Review and Request for Approval of Report and Recommendation from Management Committee Regarding Executive Director's Performance Review

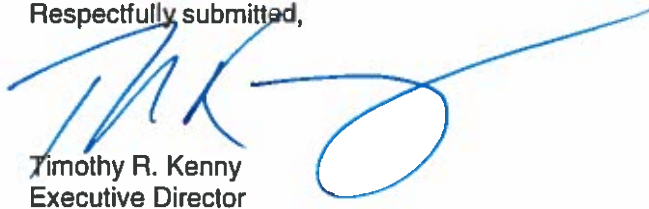
The Management Committee recommends the following action by the Board: Approval of the payment of the Performance-based Compensation to the Executive Director for the year 2015 as provided in the Amended Employment Agreement. Moved by Maroney, seconded by Freeman to Approve the Recommendation from Management Committee Regarding Executive Director's Performance Review. Roll call vote – Maroney – yes, McClurg – yes, Walden-Newman – yes, Wickham – yes, Dentlinger – yes and Freeman – yes. Motion carried unanimously.

21. Announcements and Discussion of Upcoming Events and Scheduling
2016 Housing Innovation Marketplace – March 22-23, 2016 in LaVista, NE
NIFA Board Meeting April 15, 2016

22. Adjournment

Moved by McClurg to adjourn at 3:28 p.m.

Respectfully submitted,



Timothy R. Kenny
Executive Director