

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

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

**11:15 a.m. – 12:30 p.m. Non-Business Luncheon
The Nebraska Club
233 S 13th St, Suite 2000, Lincoln NE**

MINUTES OF FRIDAY, August 19, 2016 @ 12:30 P.M.

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

Open Meetings Act - A copy of the Open Meetings Act was located on the table as you enter the room.

All votes taken by roll call of the members.

NIFA BOARD MEMBERS PRESENT

Board Members Present: Courtney Dentlinger, Herb Freeman, Marlin Brabec, Galen Frenzen, Mark Graff, Michael Maroney and Mary Jo McClurg

Board Members Absent: Michael Walden-Newman and Mat Habrock

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Sheila Gans, Treasurer Judy Krasomil, Deputy Director of Programs Robin Ambroz, Single Family Homeownership Manager Jacki Young, Assistant Single Family Program Manager Cindy Trautman, LIHTC Program Manager Teresa Kile, Assistant LIHTC Program Manager Kelly Schultze, Director of Development Ted Simpson, Accounting Manager Jody Cook, Agricultural Programs Manager Dudley Beyer, Manager of Nebraska Opportunity Fund Garry Clark, Outreach Program Coordinator Royce Sheibal and Deputy Director Christie Weston

Guests: Jeff Gertz – JP Morgan, Steve Peregrine – Nebraska Housing Resource, Tom McLeay – Clarity Development Company, Jim Rieker – Advantage Capital, Phil Lorenzen – D.A. Davidson and Company and Patti Peterson – Kutak Rock, LLP

1. Call Meeting to Order and Roll Call

Chair Dentlinger called the meeting to order at 12:43 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, August 14, 2016 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

2. Closed Session to Discuss Pending Litigation

Moved by Freeman, seconded by Brabec to go into closed session at 12:45 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 – Dentlinger – yes,

Freeman – yes, Brabec – yes, Frenzen – yes, Graff – yes, Maroney – yes and McClurg – 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 12:45 p.m. until 1:04 p.m.

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

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

No action resulting from Closed Session.

4. Approval of the June 17, 2016 NIFA Board of Directors Meeting Minutes

Moved by McClurg, seconded by Maroney to approve the June 17, 2016 NIFA Board of Directors Meeting Minutes. Roll call vote – Frenzen – yes, Graff – yes, Maroney – yes, McClurg – yes, Dentlinger – abstain due to not being present at the meeting, Freeman – yes, and Brabec – abstain due to not being present at the meeting. Motion carried – 5 yes and 2 abstaining.

5. Executive Director's Report

Tim Kenny reported that in the mortgage loan industry, down payment assistance programs have recently been a topic of discussion by entities that question whether they are allowable in connection with government-insured loans. Currently there is a lot of misunderstanding about the types of down payment assistance programs and sources of funding. NIFA's down payment assistance program is funded by NIFA funds, not by premiums acquired from selling above-market rate loans. NCSHA has been working on behalf of HFAs on this issue. During the 2016 session, the Nebraska Legislature passed legislation that created the Nebraska Affordable Housing Tax Credit. NIFA is in the very early stages of working with our partners on incorporating this state tax credit into the Low Income Housing Tax Credit Program.

6. Public Comment related to the August 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. 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 two Agricultural Loans have closed since the June 17, 2016 Board of Directors meeting. Dudley also reported on the NIFA Agricultural Loan Report for fiscal year ending 6-30-16.

Bond Resolution #1333 – Jared L. and Kristin L. Hammon in the amount of \$236,188 for the purchase of 309 acres in Boyd County, Nebraska

Bond Resolution #1334 – Taylor E. and Brianna N. Jacobitz in the amount of \$280,000 for the purchase of 70 acres in Kearney County, Nebraska

LOW INCOME HOUSING TAX CREDITS

9. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting held Wednesday, June 22, 2016

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

Siena Francis House PSH Phase 3 – Omaha
Skyline Apartments - Norfolk
Adams Park Senior Cottages – Omaha
Hillside Rows – Omaha
Canterbury Estates – Sidney
SSN LIHTC #1 – Niobrara
Center Block – Hastings
The Row Lexington – Lexington

SINGLE FAMILY HOUSING FINANCE DIVISION

10. 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 1,413 loan reservations to date in 2016. Fifty-five percent of the loans are First Home Plus, thirty-eight percent are Homebuyer Assistance and seven percent are Military Home. Jeff Gertz, J.P. Morgan gave an update on the national bond market.

DEVELOPMENT FINANCE DIVISION

11. Allocation of 2016 Volume Cap – Douglas County Housing Authority

Judy Krasomil briefed the Board on this request for Volume Cap for the Douglas County Housing Authority in connection with the proposed issuance of tax-exempt bonds to finance a 110-unit affordable housing project (new construction) to be located at 5319 N. 30th Street in Omaha. Moved by McClurg, seconded by Graff to adopt the following Volume Cap Allocation: Roll call vote – Graff – yes, Maroney – yes, McClurg – yes, Dentlinger – yes, Freeman – yes, Brabec – yes, and Frenzen – yes. Motion carried unanimously.

Allocation: 16-30-006
Issuer: Douglas County Housing Authority
Allocation Amount: \$9,900,000
Allocation Classification: Industrial Development and Non-Statewide Housing

OUTREACH

12. Report from the Outreach Department

Robin Ambroz reported on the First Round of Housing Study Grant applications. NIFA received six applications, five were approved.

13. **Review of Nebraska Opportunity Fund (NOF) Budget to Actual Expenses FYE 6-30-16**
Tim Kenny reported on the Nebraska Opportunity Fund 2015/2016 Budget to Actual Expense.
14. **Review of NOF Project Descriptions and Budget for 2017/2018**
Tim Kenny reported on the Nebraska Opportunity Fund (NOF) Projects and Budget for 2017/2018.
15. **Review and Consideration for Approval to Reallocate \$25,000 from FY 2017 and \$25,000 from FY 2018 Nebraska Opportunity Fund Budget - General (Support Resources for any Partner) to each of FY 2017 and FY 2018 for Community Development-Lincoln South Downtown Plan Implementation**
Tim Kenny reported that at its June 2016 meeting, the Board approved the NOF Budget Expenditures for FY 2017/2018. The Budget provides for \$50,000 in each of FY 2017 and FY 2018 for the Lincoln South Downtown Plan Implementation (the "South Downtown Plan") to provide technical assistance to the Lincoln Community Foundation, Inc. LCF has requested an additional \$25,000 for each of FY 2017 and FY 2018 to carry out implementation of the South Downtown Plan.
Moved by Brabec, seconded by Frenzen to reallocate \$25,000 from FY 2017 and \$25,000 from FY 2018 Nebraska Opportunity Fund Budget - General (Support Resources for any Partner) to each of FY 2017 and FY 2018 for Community Development-Lincoln South Downtown Plan Implementation. Roll call vote – Maroney – yes, McClurg – yes, Dentlinger – yes, Freeman – yes, Brabec – yes, Frenzen – yes and Graff - yes. Motion carried unanimously.

MULTI-FAMILY HOUSING FINANCE DIVISION

16. **Status Report on Current Pilot Program Projects**
Robin Ambroz gave an update on the three projects in the Workforce Housing Initiative Pilot Program. Broken Bow is hoping to begin construction this fall. Elwood is reassessing its potential resources. Schuyler is moving forward with a 12 unit project and seeking approval of a Commitment for Financing from the Workforce Housing Account.
17. **Review and Consideration for Approval of Resolution No. 411 Authorizing a Commitment for Financing from the Workforce Housing Account in an Amount Not to Exceed \$1,995,000 in Connection with Workforce Housing to be Constructed in Schuyler, Nebraska**
Robin Ambroz reported Schuyler Community Development Inc. and Mesner Development Co. (jointly, the "Applicant") are in the final stages of their proposal for a workforce housing development in the city of Schuyler. The Applicant has submitted a proposed financing package to NIFA for consideration. Resolution No. 411 authorizes NIFA to provide up to \$1,995,000 as a loan guarantee from funds available in the Workforce Housing Account as set forth in Schedule I to the Resolution.
Moved by Graff, seconded by Freeman to Approve Resolution No. 411 Authorizing a Commitment for Financing from the Workforce Housing Account in an Amount Not to Exceed \$1,995,000 in Connection with Workforce Housing to be Constructed in Schuyler, Nebraska. Roll call vote – McClurg – yes, Dentlinger – yes, Freeman – yes, Brabec – yes, Frenzen – yes, Graff – yes and Maroney – yes. Motion carried unanimously.
18. **Review and Consideration for Approval of Workforce Housing Initiative Pilot Program Round 2 – Nebraska Opportunity Fund**
Robin Ambroz reported Agenda Item No. 18 seeks approval of the details of the proposed Workforce Housing Initiative Pilot Program Round 2 for implementation of the next phase of pilot projects. For Round 2, NIFA's participation will be in the form of loan participations or loan guarantees. No direct loans will be available. NIFA will follow a similar RFP process that was deployed during the initial phase of the Pilot.

Moved by Frenzen, seconded McClurg for Approval of Workforce Housing Initiative Pilot Program Round 2 – Nebraska Opportunity Fund. Roll call vote – Dentlinger – yes, Freeman – yes, Brabec – yes, Frenzen – yes, Graff – yes, Maroney – yes and McClurg – yes.

19. Discussion Regarding Housing Production in Nebraska and Resource Gap Analysis

Tim Kenny stated that NIFA is in conversation with our partners and communities at large about defining and framing the problem of resource gaps in workforce housing production in Nebraska. Tim described the process NIFA uses to analyze and identify where our statutory authority, capacity, and community support intersect so that we can create programs that add the most value to communities in Nebraska. The Workforce Housing Initiative (“Plan A”) is a public-private partnership with smaller communities. NIFA is developing other program financing tools (“Plan B, C & D”) for larger communities. Royce Sheibal and Garry Clark of NIFA described how these tools and other NIFA programs each serve a specific segment of the population of Nebraska. This is a discussion only agenda item and no Board action was requested at this time.

20. Review and Discussion Regarding Opportunities for Producing Workforce Housing in “Gateway Communities”

Tim Kenny reported that at its June 2016 meeting, the NIFA Board approved the Nebraska Opportunity Fund (NOF) Budget which included \$7,000,000 for the investment in “Gateway Communities” (non-urban communities with populations greater than 10,000, not including Omaha Metro and Lincoln) to assist in the development of “larger scale” workforce housing (“WFH”). These WFH investments will be geared toward larger, multi-family “rental” WFH developments providing families (150% statewide median income for family of four) decent, safe, and affordable housing options. Tim outlined the proposed program financing tools:

- Plan A - The Workforce Housing Initiative
- Plan B - Gateway Community Loan Guarantees (“GCLG”)
- Plan C - Gateway Community Investment Funds
- Plan D - Capitalizing a Multi-Family Loan Program

This is a discussion only agenda item and no Board action was requested at this time.

OTHER BUSINESS/ANNOUNCEMENTS

21. Review and Consideration for Approval: Change to Upcoming Events and Board Meeting Schedule

Tim Kenny led a discussion regarding a change in the Board Meeting Schedule from afternoon to morning meetings beginning at 9:30 a.m. Tim also suggested two “topic” meetings be added to the proposed schedule, one in March of 2017 in conjunction with the annual NIFA conference and one in October focusing on Workforce Housing Development and Asset Modernization Resources. The Board discussed the proposed changes and agreed to the addition of two “topic” meetings and retaining the current meeting time of 1:00 p.m.

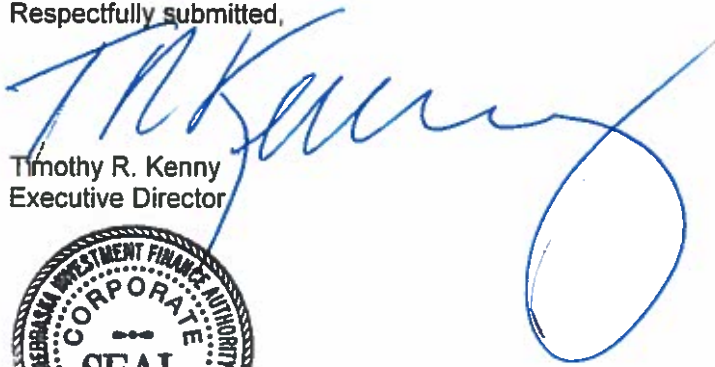
Moved by Maroney, seconded by Freeman to revise the 2016-2017 Board of Director’s Meeting schedule to include a “topic” meeting in March 2017 and a “topic” meeting in October 2016. Roll call vote – Dentlinger – yes, Freeman – yes, Brabec – yes, Frenzen – yes, Graff – abstain, Maroney – yes and McClurg – yes. Motion carried – 6 yes and 1 abstaining.

23. Adjournment

Moved by Frenzen to adjourn at 2:32 p.m.

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Respectfully submitted,



Timothy R. Kenny
Executive Director

