

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

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

**MINUTES OF FRIDAY, April 21, 2017 @ 8:30 A.M.**

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

**Notice Published:      April 16, 2017 - *Omaha World Herald*  
April 16, 2017 - *Lincoln Journal Star*  
April 17, 2017 - *Lincoln Journal Star***

**Open Meetings Act** – Copies of the Open Meetings Act were posted on the side wall and also located on the table as you enter the room.

All votes taken by roll call of the members.

**NIFA BOARD MEMBERS PRESENT**

Board Members Present: Courtney Dentlinger, Galen Frenzen, Mat Habrock, Marlin Brabec (arrived at 8:35 a.m.), Mark Graff, Herb Freeman, Michael Walden-Newman and Mary Jo McClurg

Board Members Absent: Michael Maroney.

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, LIHTC Compliance Manager Kelly Schultze, LIHTC Allocation Manager Teresa Kile, Director of Development Ted Simpson, Accounting Manager Jody Cook, Agricultural Programs Manager Dudley Beyer, and Manager of Nebraska Opportunity Fund Garry Clark

Guests: Jim Rieker – Advantage Capital, Trent Bausch and Megan Wright – Cline Williams, LLP, Joel Anderson and Brent Williams – Excel Development Group, Cindy Koster – MHEG, Pamela Otto – DED, Scott Keene – Ameritas Investment Corp., Janet Latimer and Barb Reuter – Horizon Bank, Jacob Engle – Twain Financial Partners, Mike Gawley – Holy Name Housing Corporation, Lawrence Butler – 1609 Binney, Nick Dropinski – Builders Development Corporation, Ryan Durant – RMD Real Estate Group, LLC., Steve Peregrine – Nebraska Housing Resource, John Mentgen, President and CEO of Regional West Health Services, Joel VanderVeen and Patti Peterson – Kutak Rock, LLP

**1. Call Meeting to Order and Roll Call**

Chair Dentlinger called the meeting to order at 8:32 a.m. with seven members present. Chair Dentlinger reported that copies of the Open Meetings Act were posted on the side wall and also located on the table as you enter the room. The notice of the meeting was published on Sunday, April 16, 2017 in the *Omaha World Herald* and in the *Lincoln Journal Star*. A correction was

**MINUTES**  
**April 21, 2017**  
**Page 2**

published in the *Lincoln Journal Star* on Monday, April 17, 2017 changing the meeting time from 9:00 a.m. to 8:30 a.m.

Marlin Brabec arrived at 8:35 a.m.

**2. Closed Session to Discuss Pending Litigation**

Moved by Freeman, seconded by McClurg to go into closed session at 8:34 a.m. to discuss (A) pending litigation involving (i) General Electric Capital Corporation (and related entities) and (ii) Bayerische Landesbank Girozentrale and (B) strategy in connection therewith, which closed session is consistent with the Nebraska Open Meetings Act and is clearly necessary for the protection of both the public interest and the interests of NIFA. Roll Call Vote – Freeman – yes, Frenzen – yes, Graff – yes, McClurg – yes, Walden-Newman – yes, Habrock – 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 involving (i) General Electric Capital Corporation (and related entities) and (ii) Bayerische Landesbank Girozentrale and (B) strategy in connection therewith. Members shall restrict their consideration of matters during the closed session to the purposes stated in the Motion.”

**Closed Session**

Board Members met in closed session from 8:34 a.m. until 8:48 a.m.

Moved by Frenzen, seconded by Brabec to go into open session at 8:48 a.m. Roll Call Vote – Dentlinger – yes, McClurg – yes, Habrock – yes, Graff – yes, Frenzen – yes, Walden-Newman – 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 October 21, 2016 and February 17, 2017 NIFA Board of Directors Meeting Minutes**

Moved by Brabec, seconded by Graff to approve the October 21, 2016 and February 17, 2017 NIFA Board of Directors Meeting Minutes. Roll call vote – Brabec – yes, Frenzen – yes, Graff – yes, McClurg – yes, Walden-Newman – abstain, Habrock – yes, Dentlinger – yes, and Freeman – yes. Motion carried – 7 yes and 1 abstaining.

**5. Executive Director’s Report**

Tim Kenny reported NIFA’s website [spending.nifa.org](http://spending.nifa.org) is up and running and invited Board members to access the site at their leisure. Mr. Kenny also provided handouts and discussed the NIFA Operating Fund Expense Budget to Estimated Actual – June 30, 2017 and the 2016 NIFA Year in Review outlining NIFA’s accomplishments for the year 2016.

**6. Public Comment related to the April 21, 2017 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 2017.

A summary is provided in the Board Book under tab 7.

**DEVELOPMENT FINANCE DIVISION**

**8. Consideration of Adoption of Development Finance Division Limited Purpose Intent Resolution #HC233 - Regional West Medical Center (Electronic Medical Records System Project) to issue revenue bonds in an amount up to \$17,430,000**

Steve Clements reported Regional West Medical Center ("RWMC"), located in Scottsbluff, Nebraska has requested that the Nebraska Investment Finance Authority ("NIFA") issue up to \$17,430,000 in revenue bonds (the "Bonds") for the acquisition, installation and implementation of certain computer hardware and software to be used by RWMC in connection with an electronic medical record system for RWMC and its affiliated clinics. The Bonds will be sold on a private placement basis to Key Government Finance, Inc. Private activity volume cap will not be required because the bonds will be qualified 501(c)(3) bonds. Steve introduced John Mentgen, President and CEO of Regional West Health Services. Mr. Mentgen shared a Powerpoint presentation on Regional West Health Services with Board members. Mr. Mentgen indicated that the RWMC was requesting that NIFA issue the Bonds in order to better meet the schedule of the project. (Mr. Metgen relayed that the time period for Hospital Authority No. 1 of Scotts Bluff County, Nebraska to issue bonds for this project was eight or nine months.)

Moved by Freeman, seconded by Habrock to approve Adoption of Development Finance Division Limited Purpose Intent Resolution #HC233 - Regional West Medical Center (Electronic Medical Records System Project) to issue revenue bonds in an amount up to \$17,430,000. Roll call vote – Frenzen – yes, Graff – yes, McClurg – yes, Walden-Newman – yes, Habrock – yes, Dentlinger – yes, Freeman – yes and Brabec – yes. Motion carried unanimously.

**9. Discussion Regarding Issuance of Bonds for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, Together in an Amount not to Exceed \$4,000,000, and Request for Approval of a Notice to the Governor and Clerk of the Legislature and the Filing Thereof**

Judy Krasomil reported that The Nebraska Department of Environmental Quality (NDEQ) has informed NIFA of the need to issue bonds for the Clean Water State Revolving Fund Program (the "CWSRF") and the Drinking Water State Revolving Fund Program (the "DWSRF"). Proceeds of the bonds will be used to satisfy the state match requirements for federal capitalization grants (the "Grants") under the Federal Clean Water Act for the CWSRF and under the Federal Safe Drinking Water Act for the DWSRF. The size of the bonds is not expected to exceed approximately \$2.0 million for the CWSRF and \$2.0 million for the DWSRF. The bonds will be issued to provide state match for the FY 2017 Grants totaling approximately \$6.8 million for the CWSRF and \$8.3 million for the DWSRF. Both the state match portion and the Grant funds will be used by NDEQ a.) To make loans to municipalities and counties for the acquisition, construction, improvement, repair, rehabilitation or extension of wastewater treatment works and non-point source control systems for the CWSRF; b.) To make loans to the owners of public water supply systems for the acquisition, construction, or modification safe drinking water projects for the DWSRF; and c.) To make certain deposits into the funds and accounts created under one or more trust indentures, including any deposits required to be made to a debt service reserve fund and to pay costs of issuance for the Series 2017 bonds.

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

**LOW INCOME HOUSING TAX CREDITS**

**10. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting Held Wednesday, March 29, 2017**

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

- Siena Francis House PSH Phase 3 – Omaha
- Hillside Rows – Omaha
- Canterbury Estates – Sidney
- Center Block – Hastings

A summary is in the Board Book under tab 10.

**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 telephone conference call on Wednesday, April 19, 2017 to discuss Round One applications submitted in the 2017 Low Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Program. Teresa reported NIFA received twenty-two applications. Twelve applications were for developments to be located in rural areas and ten applications were for developments to be located in urban areas.

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

Moved by Frenzen, seconded by McClurg to approve the Conditional Reservations for Round One in the 2017 LIHTC and AHTC Programs. Roll call vote – McClurg – yes, Walden-Newman – yes, Habrock – yes, Dentlinger – yes, Freeman – yes, Brabec – yes, Frenzen – yes, and Graff – yes. Motion carried unanimously.

**Motion:**

Whereas the Nebraska Investment Finance Authority (“NIFA”) has completed its review of the applications for federal low-income housing tax credits (“Section 42 Credits”) and Nebraska state low-income housing tax credits (“Nebraska Credits”) and, together with the Section 42 Credits, collectively, the “Tax Credits”) pursuant to the Low Income Housing Tax Credit Program 2017 LIHTC Allocation Plan for 9% LIHTCs and Nebraska Affordable Housing Tax Credits – Round One and;

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

Be it resolved that subject to continued authorization of the Section 42 Credit program pursuant to Section 42 of the Internal Revenue Code of 1986 (the “Code”) and the continued authorization of the Nebraska Affordable Housing Tax Credit pursuant to Neb. Rev. Stat. § 77-2501 et seq. (the “AHTC Act”) and, in each case, the allocation amounts established therein, a “conditional reservation” of Tax Credits in the amounts and categories set forth below shall be granted to the applicants of the following projects:

**Round One**

Applicant	Project	County	City	LIHTC Amount	AHTC Amount
Foundations Development, LLC	Sorensen Heights	Douglas	Omaha	\$600,000	\$600,000
Foundations Development, LLC	Wayne Crown II	Wayne	Wayne	\$164,002	\$164,002
Dana Point Development Corporation	Eastbrooke Gardens	Buffalo	Kearney	\$402,954	\$402,954
Building A Better Tomorrow, Inc.	Madison Villas	Madison	Norfolk	\$620,129	\$620,129
				\$1,787,085	\$1,787,085

**Conditions:**

1. Amounts reserved for the Section 42 Credits may be adjusted by the Executive Director by up to 15% up or down, based upon receipt and review of the final information necessary to complete the analysis and subsidy layering reviews. Amounts reserved for the Nebraska Credits may be adjusted by the Executive Director by up to 15% up or down, based upon receipt and review of the final information necessary to complete the analysis and subsidy layering reviews.
2. A conditional reservation for Tax Credits will become a final reservation upon the resolution within ninety (90) days of all outstanding items, including financial and technical questions, to the satisfaction of the Executive Director. Upon satisfaction of such conditions, a reservation will require no future action by this Board to become a final reservation of Tax Credits.
3. Reservations and allocations of Tax Credits will be made pursuant to the requirements of the 2017 QAP, Section 42 of the Code, in the case of the Section 42 Credits, the AHTC Act, in the case of the Nebraska Credits and, in each case, are subject to the representations made by the applicant in the application, the conditions imposed by the 2017 QAP and such other conditions as the Executive Director deems necessary in light of his review of the application within the purposes of the 2017 QAP and the Tax Credit Programs.

**SINGLE FAMILY HOUSING FINANCE DIVISION**

**13. Status Report on Single Family Program and Market Developments**

Jacki Young referred Board members to the Single Family Report in the Board book and reported NIFA has received 532 loan reservations to date in 2017. The average loan amount is \$113,000. Sixty percent of the loans are for homes located in urban areas and forty percent are for homes located in rural areas.

**FINANCE DIVISION**

**14. Report from the Audit Committee**

Judy Krasomil reported that the Audit Committee (consisting of Michael Maroney, Michael Walden-Newman, Mark Graff and Mary Jo McClurg) met via conference call to discuss the proposal received from NIFA's independent accountants, KPMG, for the 2017 financial statement audit. Staff shared with the committee information about the audit team, KPMG's level of service to NIFA, and proposed fees. Based on input received from staff, the Audit Committee recommends to the Board of Directors that KPMG be retained to perform NIFA's 2017 audit.

**15. Consideration and Request for Approval of KPMG as NIFA's Independent Auditors for Fiscal Year Ending June 30, 2017**

Moved by Walden-Newman, seconded by McClurg to accept the Audit Committee's recommendation and approve KPMG as NIFA's independent auditors for the fiscal year 2017 annual audit. Roll call vote – Walden-Newman – yes, Habrock – yes, Dentlinger – yes, Freeman – yes, Brabec – yes, Frenzen – yes, Graff – yes and McClurg – yes. Motion carried unanimously.

**OUTREACH DIVISION**

**16. Report from the Outreach Department**

Robin Ambroz commented on the Outreach Report provided in the Board book. Robin reported on the success of the 2017 Housing Innovation Marketplace Conference, held March 21<sup>st</sup> and 22<sup>nd</sup>, 2017 at the La Vista Conference center. The theme for the 15<sup>th</sup> Annual Affordable Housing Conference was "Hometown Heroes". There were over 400 registered attendees who participated this year and 16 partner sponsors. Participant feedback on the conference was overwhelmingly positive.

**17. Workforce Housing Initiative Pilot Program Update**

Robin Ambroz distributed a Workforce Housing Report. Robin reported NIFA staff have performed site visits and partner meetings with two of the three communities from the responses

received for Round 2. The visits in Beatrice and Bloomfield have assisted with the clarification of project terms and NIFA's participation in the projects. Currently, it is anticipated that NIFA's participation in both projects would be in the form of a loan guarantee for the permanent financing. Staff continues to work with the applicant for the Nebraska City Proposal and will be attending a site visit and meeting with representatives within the next month. Robin and Garry Clark reported the NIFA outreach team has been working on the development of a new Workforce Housing website, "LiveNE.org". The goal is to provide a statewide platform for workforce housing solutions and partnerships in all areas outside of the Omaha/Lincoln Metro areas.

**18. Update on Nebraska Housing Resource (NHR)**

Tim Kenny introduced Steve Peregrine, Executive Director of Nebraska Housing Resource (NHR). Mr. Peregrine distributed a handout to the Board giving background information on the nonprofit, which was incorporated in 1998. NHR's purpose is to provide affordable low and moderate-income housing opportunities by increasing the supply of affordable lots, arranging attractive financing packages for qualified first-time buyers, and encouraging more homebuilders to enter or expand into this market. Mr. Peregrine described NHR's current project at Hub Hall Heights.

**19. Update on Activities of the African American Empowerment Network**

Ted Simpson introduced Willie Barney, Executive Director of the Empowerment Network. Mr. Barney shared a Powerpoint presentation outlining the work being done in the North Omaha Village Zone. The North Omaha Village Zone embraces a comprehensive, holistic development strategy. They have developed a 7 Step Empowerment Plan with a purpose to accelerate the transformation of North Omaha into a great place to live, raise a family, do business, worship and play.

**OTHER BUSINESS/ANNOUNCEMENTS**

**20. Update on NIFA Compliance with the Nebraska Taxpayer Transparency Act**  
Jody Cook provided an overview of NIFA's website – [www.spending.nifa.org](http://www.spending.nifa.org).

**21. Announcements and Discussion of Upcoming Events**

NIFA June Board Meeting – June 9, 2017

NCSHA Housing Credit Connect in Atlanta, GA – June 20-23, 2017

NIFA August Board Meeting – August 18, 2017

NIFA Board Member Retreat and October Board Meeting – October 12-13, 2017

NIFA December Board Meeting – December 15, 2017

**22. Adjournment**

Moved by Frenzen to adjourn at 11:20 a.m.

Respectfully submitted,

Timothy R. Kenny  
Executive Director

