

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

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

MINUTES OF FRIDAY, August 18, 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: August 13, 2017 - *Omaha World Herald*
August 13, 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, Herb Freeman, Marlin Brabec, Mark Graff, Michael Maroney, Mary Jo McClurg, Michael Walden-Newman and Mat Habrock

Board Members Absent: 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 Single Family Homeownership Manager Cindy Trautman, LIHTC Compliance Manager Kelly Schultze, LIHTC Allocation Manager Teresa Kile, Director of Development Ted Simpson, Agricultural Programs Manager Dudley Beyer, Manager of Nebraska Opportunity Fund Garry Clark and Deputy Director Christie Weston

Guests: Jim Rieker – Advantage Capital, Joel Anderson – Excel Development Group, Megan Wright, Jonathan Papik and Trent Bausch – Cline Williams, Erik Nore – Freddie Mac, Amanda Brewer and Al Siemek – Habitat for Humanity of Omaha, Richard Baier – Nebraska Bankers Association, Jeff Gertz – JP Morgan, Drew Page and Patti Peterson – Kutak Rock LLP

1. Call Meeting to Order and Roll Call

Chair Dentlinger called the meeting to order at 8:31 a.m. with eight 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, August 13, 2017 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 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

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protection of both the public interest and the interests of NIFA. Roll Call Vote – Freeman – yes, Brabec – yes, Graff – yes, Maroney – 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 8:54 a.m.

Moved by McClurg, seconded by Habrock to go into open session at 8:54 a.m. Roll Call Vote – Dentlinger – yes, McClurg – yes, Habrock – yes, Graff – yes, Walden-Newman – 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 July 12, 2017 NIFA Board of Directors Meeting Minutes

Moved by Brabec, seconded by McClurg to approve the July 12, 2017 NIFA Board of Directors Meeting Minutes. Roll call vote – Brabec – yes, Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – abstain due to not being present at the meeting, Habrock – yes, Dentlinger – yes and Freeman – yes. Motion carried – 7 yes and 1 abstaining.

5. Executive Director’s Report

Tim Kenny reported the August 18, 2017 NIFA Board of Directors Meeting agenda is forward looking and addresses many issues and opportunities of the future.

6. Introduction of Rod Bates and Discussion of 2017 - Visioning Process

Tim Kenny introduced Rod Bates – facilitator of the NIFA 2017 Visioning Process and Board Retreat taking place October 11-13, 2017 at the Hilton Omaha, 1001 Cass Street. Rod gave an overview of the visioning process and encouraged Board Members to email him with any comments or suggestions they may have for the retreat.

7. Public Comment related to the August 18, 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.

8. Private Activity Cap Summary

Judy Krasomil reported on the Private Activity Cap Summary updating the Board on allocations to date for 2017. Judy also pointed out the summary now includes the Ag allocation remaining to date.

AGRICULTURAL FINANCE DIVISION

9. Status Report on Agricultural Program

Dudley Beyer reported that two Agricultural Loans have closed since the June 9, 2017 Board of Directors meeting.

Bond Resolution #1338 – Aaron S. and Ellen M. Keck in the amount of \$365,000 for the purchase of 160 acres in Knox County, Nebraska.

Bond Resolution #1339 – Curt R. Anderson in the amount of \$316,775 for the purchase of 80 acres in Wayne County, Nebraska.

LOW INCOME HOUSING TAX CREDITS

10. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting Held Wednesday, July 26, 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
Victory Apartments II – Omaha
Bethlehem House – Omaha
Hanscom Apartments – Omaha
Eagle Heights – Omaha

11. Report from the Programs Committee

Teresa Kile reported that NIFA staff and the Programs Committee (consisting of Marlin Brabec, Mark Graff and Mary Jo McClurg) met via telephone conference call on Tuesday, August 15, 2017 to discuss the proposed changes to the 2018 Qualified Allocation Plan for the Low Income Housing Tax Credit (LIHTC) and Nebraska Affordable Housing Tax Credit (AHTC) Programs. Teresa then briefed the board on the changes being recommended for the 2018 Qualified Allocation Plan, including consideration of the written comments and public comments made at the Public Hearing held on August 9, 2017.

12. Consideration and Request for Approval of the 2018 Qualified Allocation Plan for the Low Income Housing Tax Credit (LIHTC) and Nebraska Affordable Housing Tax Credit (AHTC) Programs

Moved by Graff, seconded by McClurg to approve the 2018 Qualified Allocation Plan for the Low Income Housing Tax Credit (LIHTC) and Nebraska Affordable Housing Tax Credit (AHTC) Programs. Roll call vote – Graff – yes, Maroney – abstain due to being a developer and submitting projects from time to time for consideration of tax credits, McClurg – yes, Walden-Newman – yes, Habrock – yes, Dentlinger – yes, Freeman – yes and Brabec – yes. Motion carried unanimously.

SINGLE FAMILY HOUSING FINANCE DIVISION

13. Status Report on Single Family Program

Jacki Young distributed the Single Family Report and reported NIFA has received 1,427 loan reservations to date in 2017. The average loan amount is \$116,440. Fifty-nine percent of the loans are for homes located in urban areas and forty-one percent are for homes located in rural areas. Jacki also reported she along with Jody Cook and Tim Kenny attended the HFA Symposium sponsored by US Bank, August 14-16, 2017 in Minneapolis, MN.

14. Update on Market Developments

Judy Krasomil gave a pipeline report. Jeff Gertz, J.P. Morgan, gave a report on the national bond market.

DEVELOPMENT FINANCE DIVISION

15. **Ratification of the Public Hearing held Monday July 31, 2017, at 9:30 a.m. for the following project:**

Evangelical Lutheran Good Samaritan Society - \$105,750,000
Colorado Health Facilities Authority

A Public Hearing was held in the NIFA Board Room, 1230 O Street, Suite 200, Lincoln, Nebraska on July 31, 2017 at 9:30 a.m. by Sheila Gans, at the request of The Colorado Health Facilities Authority (COHFA), with respect to financing COHFA facilities located in Nebraska.

Moved by Maroney, seconded by Habrock to ratify the Public Hearing held Monday, July 31, 2017, at 9:30 a.m. Roll call vote – Maroney – yes, McClurg – yes, Walden-Newman – yes, Habrock – yes, Dentlinger – yes, Freeman – yes, Brabec – yes and Graff – 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 Community Development Conversations (CDC) meetings held in Pawnee City, Wayne, York and Scottsbluff. NIFA staff also attended the Krael Meadows ribbon cutting in Schuyler.

17. **Workforce Housing Program Update**

Garry Clark gave an update regarding the Workforce Housing Initiatives and an overview of current and potential Multifamily Rental Programs. Garry also 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. **Consideration and Adoption of Board Resolution No. 418 Approving a Grant to Invest Nebraska Corporation for the Purposes of Providing Technical and Operational Assistance to Nebraska's Entrepreneurs and Authorizing Budgeting Authority**

Tim Kenny introduced Dan Hoffman, CEO of Invest Nebraska. Mr. Hoffman provided background information on Invest Nebraska. NIFA, through the Nebraska Department of Economic Development, received a request for a grant for technical assistance from Invest Nebraska Corporation, a non-profit 501(c)(3) corporation and public-private venture development organization which advises and invests in early stage businesses across the state. Invest Nebraska's proposal contains a request of NIFA for \$200,000 in order to increase its outreach through its Operational Assistance Program by expanding into underserved areas across the state. In connection with the request, NIFA staff is recommending a grant from NIFA to Invest Nebraska in the amount of \$100,000 to be used for technical and operational assistance. Authorization from the Board is required to add a new line item to the Nebraska Opportunity Fund (NOF) Budget Expenditures for FY 2017-2018 for this grant. The amount of the grant, if approved, will be required to be matched with funds from other sources by at least 2 to 1. Moved by Graff, seconded by Brabec to Adopt Board Resolution No. 418 Approving a Grant in the amount of \$100,000 to Invest Nebraska Corporation for the Purposes of Providing Technical and Operational Assistance to Nebraska's Entrepreneurs and Authorizing Budgeting Authority. Roll call vote – McClurg – yes, Walden-Newman – yes, Habrock – yes, Dentlinger – yes, Freeman – yes, Brabec – yes, Graff – yes, and Maroney – yes. Motion carried unanimously.

19. Update on Rural Renaissance Activities

Tim Kenny gave an update on Nebraska Rural Renaissance activities. The Nebraska Rural Renaissance is a group of individuals dedicated to encouraging successful economic growth in Nebraska's rural communities. Established in 2003, the group meets to discuss and implement innovative methods to systematically add value in rural Nebraska through advocacy, education and development. On September 27-29, 2017, over 15 Rural Renaissance guests and approximately 25 invited local leaders representing 10 counties will join in earnest engagement during the Prairie Lakes Business Leaders' Summit to be held in McCook, Nebraska.

20. Discussion Regarding a Single Family Loan Program Partnership with Habitat for Humanity of Omaha and Fannie Mae

Tim Kenny introduced Amanda Brewer – Executive Director of Habitat for Humanity of Omaha ("Habitat Omaha"). Ms. Brewer gave an overview of the programs provided by Habitat for Humanity and their partnership with NIFA. NIFA has supported Habitat Omaha's efforts to provide housing to lower income families in Omaha by purchasing mortgage loans made by Habitat Omaha to its clients to finance the purchase of new homes (the "Habitat Mortgage Loans"). To help provide Habitat Omaha with a more predictable funding source and potential access to capital markets to finance its mortgage loans, NIFA and Habitat Omaha have engaged in discussions with Fannie Mae to develop a program to securitize the Habitat Mortgage Loans into mortgage backed securities. These mortgage backed securities would then be available to be pledged as security for bonds issued by NIFA. NIFA and Habitat Omaha hope to engage a local bank as seller/servicer for the program. Fannie Mae has expressed its interest in developing such a program. Fannie Mae has an existing risk share program under which it securitizes uninsured mortgage loans that may serve as a model for securitizing the Habitat Mortgage Loans within the parameters set by Fannie Mae's charter. Fannie Mae has indicated that Habitat Omaha's willingness to charge a nominal interest rate on the Habitat Mortgage Loans and its experience developing non-traditional underwriting standards, as well as NIFA's participation in issuing the bonds to be secured by the mortgage backed securities, are each beneficial and critical elements in developing the program.

OTHER BUSINESS/ANNOUNCEMENTS

21. Resolution No. 419 Recognizing Years of Service with NIFA

Tim Kenny thanked Cindy Trautman for her 14 years of service and contributions to NIFA. Cindy will be retiring from NIFA September 30, 2017. Moved by Brabec, seconded by McClurg to approve Bond Resolution No. 419. Roll call vote – Dentlinger – yes, Freeman – yes, Brabec – yes, Graff – yes, Maroney – yes, McClurg – yes, Walden-Newman – yes and Habrock – yes. Motion carried unanimously.

22. Announcements and Discussion of Upcoming Events

NIFA Board Member Retreat and October Board Meeting – October 11-13, 2017
NCSHA 2017 Annual Conference & Showplace, Denver, Colorado – October 14-17, 2017
NIFA December Board Meeting – December 15, 2017

23. Adjournment

Moved by Maroney to adjourn at 10:45 a.m.

Respectfully submitted,

Christie Weston
Deputy Director