

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

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

MINUTES OF FRIDAY, JANUARY 13, 2012 @ 1:00 P.M.

**Notice Published: January 8, 2012 - *Omaha World Herald*
January 8, 2012 - *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: Catherine Lang, Marlin Brabec, David Gale, Pete Graff, Michael Maroney, Mary Jo McClurg, Jeff States, and Bobbie Wickham

Board Members Absent: John Blazek

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Karon Andretti, Chief Operating Officer Steve Clements, Treasurer Judy Krasomil, Ag Manager Dudley Beyer, Single Family Program Manager Jacki Young, Deputy Director of Community Investment Steve Peregrine, Accounting Manager Jody Cook, LIHTC and CRANE Manager Robin Ambroz-Hollman, Deputy Director of Operations Larry Jablonski, Deputy Director of Programs Ted Simpson and Deputy Director of Finance Christie Weston

Guests: Jeff Gertz, Phil Lorenzen, Paula Bhian, Dr. Andy Hoh and Patti Peterson

1. Call Meeting to Order and Roll Call

Tim Kenny introduced and welcomed new board members Catherine Lang and David Gale. Catherine Lang is the Commissioner of Labor and Economic Development Director and will serve as the Chair of the NIFA Board of Directors. David Gale is with Flatrock Capital, LLC in Bassett, Nebraska. David will represent Investment Banking on the NIFA Board of Directors. Chair Catherine Lang called the meeting to order at 1:02 p.m. with eight members present. Chair Lang reported that a copy of the Open Meetings Act was located on the table as persons entered the room. Karon Andretti reported that the notice of the meeting was published on Sunday, December 4, 2011 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

2. Approval of the December 9, 2011 NIFA Board of Directors Meeting Minutes

Moved by Brabec, seconded by McClurg to approve the December 9, 2011 NIFA Board of Directors Meeting Minutes. Motion carried with Lang abstaining due to not being in attendance, Brabec voting yes, Gale abstaining due to not being in attendance, Graff voting yes, Maroney voting yes, McClurg voting yes, States voting yes and Wickham voting yes.

3. Executive Director's Report

NIFA's Housing Conference - Tim Kenny reported that NIFA is holding its tenth Annual Housing Conference at the Marriott Hotel in Omaha on January 24 and 25, 2012. Board members were invited to attend.

100-Day Wellness Challenge – Tim reported that 80% of the NIFA staff has signed up for the challenge.

4. Public Comment related to the January 13, 2012 Agenda Items (comment period limited to five minutes)

Chair Lang 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.

AGRICULTURAL FINANCE DIVISION

5. **Ratification of Public Hearing held Thursday, January 12, 2012 at 9:30 a.m. for the following project:**
Moved by Graff, seconded by States to ratify the Public Hearing held Thursday, January 12, 2012 at 9:30 a.m. for the following project. Motion carried with Gale abstaining¹, Graff voting yes, Maroney voting yes, McClurg voting yes, States voting yes, Wickham voting yes, Lang voting yes and Brabec voting yes.

#1303 – Christopher L. Jacobitz

6. **Adoption of State Bond Allocation**

Moved by Graff, seconded by States to adopt the following State Bond Allocation. Motion carried with Graff voting yes, Maroney voting yes, McClurg voting yes, States voting yes, Wickham voting yes, Lang voting yes, Brabec voting yes and Gale abstaining¹.

Allocation: 12-30-001 – Christopher L. Jacobitz

Issuer: NIFA

Allocation Amount: \$260,000

Allocation Classification: Industrial Revenue

7. **Adoption of Agricultural Finance Division Bond Resolution**

Moved by McClurg, seconded by Graff to adopt the following Agricultural Finance Division Bond Resolution. Motion carried with McClurg voting yes, States voting yes, Wickham voting yes, Lang voting yes, Brabec voting yes, Gale abstaining¹, Graff voting yes and Maroney voting yes.

Bond Resolution #1303 - Christopher L. Jacobitz in the amount of \$260,000 for the purchase of 77 acres, more or less, of farm real estate located in Adams County, Nebraska.

LOW INCOME HOUSING TAX CREDITS

8. **Report from the Programs Committee**

Robin Ambroz-Hollman reported that the Programs Committee (consisting of John Blazek via telephone, Marlin Brabec and Mary Jo McClurg) met prior to the meeting to discuss the applications in the CRANE process. Robin stated there are currently six applications participating in the CRANE process; one application is for a project located in a rural area and five applications are for projects located in urban areas.

9. **Consideration and Approval of Low Income Housing Tax Credit Conditional Reservation in the 2012 CRANE Program**

The following motion was made by McClurg and seconded by Brabec. Motion carried with States voting yes, Wickham voting yes, Lang voting yes, Brabec voting yes, Gale abstaining¹, Graff voting yes, Maroney abstaining due to being a developer and submitting projects from time to time for consideration of tax credits, and McClurg voting yes.

Whereas the Nebraska Investment Finance Authority has completed its review of the applications for Low-Income Housing Tax Credits ("Tax Credits") under the 2012 LIHTC Program – CRANE, and;

Whereas said review was conducted pursuant to the plan and procedures for the 2012 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 project:

CRANE Program

<u>Applicant</u>	<u>County</u>	<u>City</u>	<u>Amount</u>
Victory Apartments, LLC	Douglas	Omaha	\$950,755

¹David Gale was appointed as a NIFA board member by the Governor on January 11, 2012. Due to this appointment occurring only two days prior to the NFA board meeting, Mr. Gale has elected to abstain on voting on all action items for this meeting.

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 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 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.

MULTIFAMILY HOUSING DIVISION

10. **Ratification of Public Hearing held December 8, 2011 at 9:30 a.m. for the following project:**
Moved by States, seconded by Maroney to ratify the Public Hearing held December 8, 2011 at 9:30 a.m. Motion carried with Wickham voting yes, Lang voting yes, Brabec voting yes, Gale abstaining¹, Graff voting yes, Maroney voting yes, McClurg voting yes and States voting yes.
Regency Apartments - \$6,065,000
11. **Consideration of Approval of Resolution No. MF174R-1 Amending Certain Terms and Provisions and Authorizing the Execution of a Supplemental Trust Indenture and Modification Agreement relating to Nebraska Investment Finance Authority Multifamily Housing Revenue Bonds (Regency Apartments Project) Series 2003**
Steve Clements reported that in 2003, NIFA issued its \$6,065,000 Multifamily Housing Revenue Bonds (Regency Apartments Project) Series 2033 (the "Bonds") for the purchase and rehabilitation of a 14 building apartment complex consisting of 106 units located at 7311 Buckingham Drive in Lincoln, Nebraska (approximately 73rd and "A" Streets). The "mandatory stabilization date" for the project occurred and the required "stabilization levels" required by the terms of the original financing were not met. The Bondholder (which we understand is now Freddie Mac) and the owner of the project have agreed to revised financing terms to address the viability of the project. Centerline Mortgage Capital Inc., the servicer, on behalf of Freddie Mac, has requested NIFA's consent to the revised terms. Because the Bonds were issued by NIFA, any modification to the Bond terms must be approved by NIFA. This bond resolution would authorize the execution of a supplemental trust indenture and modification agreement, amending certain terms of the Bonds (to alter the timing for the payment of interest and revise the Bond redemption provisions) and the loan agreement and other actions in order to amend the terms of the Bonds in order to stabilize the project financing. These changes will be accomplished with Bondholder consent. Steve introduced Mike Rogers, Bond Counsel, and stated he was available to answer questions regarding the project. Moved by McClurg, seconded by States to approve Resolution No. MF174R-1. Motion carried with Lang voting yes, Brabec voting yes, Gale abstaining¹, Graff voting yes, Maroney voting yes, McClurg voting yes, States voting yes and Wickham voting yes.

SINGLE FAMILY HOUSING FINANCE DIVISION

12. **Status Report on Single Family Program and Market Developments**
Jacki Young gave a recap of NIFA's Single Family Program for calendar year 2011. NIFA closed 1,498 loans of which 830 were from urban areas and 668 were from rural areas totaling \$145, 521,382. The average loan amount was \$97,144 and the average purchase price was \$99,513. The average credit score of the borrowers was 702. Fifty-nine per cent of the borrowers were below 80% AMI. Sixty-two percent of the loans were FHA, 28% were Rural Development, 4% were VA and 6% were conventional loans. Judy Krasomil reported in November NIFA closed a bond issue for \$110 million of which \$100 million of bond proceeds have been used to purchase mortgage backed securities. Jeff Gertz gave a report on the national bond market.

¹David Gale was appointed as a NIFA board member by the Governor on January 11, 2012. Due to this appointment occurring only two days prior to the NFA board meeting, Mr. Gale has elected to abstain on voting on all action items for this meeting.

13. Adoption of State Bond Allocations

Moved by Graff, seconded by Brabec to adopt the following State Bond Allocations. Motion carried with Brabec voting yes, Gale abstaining¹, Graff voting yes, Maroney voting yes, McClurg voting yes, States voting yes, Wickham voting yes and Lang voting yes.

Allocation: 12-20-001 – Single Family Housing Revenue Bonds
Issuer: NIFA
Allocation Amount: \$490,000,000
Allocation Classification: Housing

Allocation: 12-20-002 – Single Family General Obligation Bonds
Issuer: NIFA
Allocation Amount: \$10,000,000
Allocation Classification: Housing

14. Review and Approval of Bond Resolution No. 359 Authorizing the issuance of one or more series of up to \$490,000,000 in aggregate principal amount of Single Family Housing Revenue Bonds, Series 2012 through the calendar year ending December 31, 2012

Patti Peterson reported that this Bond Resolution authorizes the issuance of up to \$490,000,000* in aggregate principal amount of single family mortgage revenue bonds in one or more issues and as one of more series to be issued through the calendar year ending December 31, 2012. It is the intention of NIFA to issue such bonds in one or more issues and as one or more series. The resolution directs the Executive Director to issue and sell such bonds in one or more issues and as one or more series at the times and with such terms as the Executive Director determines are in the best interests of NIFA, subject to the parameters of this Bond Resolution, the Indenture and the Act. Bonds issued pursuant to this Bond Resolution will be issued under the existing 1994 General Indenture of Trust. Moved by Maroney, seconded by Graff to approve Bond Resolution No. 359. Motion carried with Graff voting yes, Maroney voting yes, McClurg voting yes, States voting yes, Wickham voting yes, Lang voting yes, Brabec voting yes, and Gale abstaining¹.

15. Review and Approval of Bond Resolution No. 360 Authorizing the issuance of one or more series of up to \$490,000,000 in aggregate principal amount of Homeownership Revenue Bonds, Series 2012 through the calendar year ending December 31, 2012*

Patti Peterson reported this Bond Resolution authorizes the issuance of up to \$490,000,000* in aggregate principal amount of Homeownership Revenue Bonds in one or more issues and as one or more series to be issued through the calendar year ending December 31, 2012. It is the intention of NIFA to issue such bonds in one or more issues and as one or more series. The following Bond Resolution further directs the Executive Director to issue and sell such bonds in one or more issues and as one or more series at the times and with such terms as the Executive Director determines are in the best interests of NIFA, subject to the parameters of this Bond Resolution, the Indenture and the Act. Bonds issued pursuant to this Bond Resolution would be issued under the existing 2009 General Indenture of Trust. Moved by States, seconded by Brabec to approve Bond Resolution No. 360. Motion carried with Maroney voting yes, McClurg voting yes, States voting yes, Wickham voting yes, Lang voting yes, Brabec voting yes, Gale abstaining¹, and Graff voting yes.

16. Review and Approval of Bond Resolution No. 361 Authorizing the issuance of one or more series of up to \$490,000,000 in aggregate principal amount of Housing Revenue Bonds (Mortgage-Backed Securities), Series 2012 through the calendar year ending December 31, 2012*

Patti Peterson reported this Bond Resolution authorizes the issuance of up to \$490,000,000* in aggregate principal amount of Housing Revenue Bonds (Mortgage-Backed Securities) in one or more issues and as one or more series to be issued through the calendar year ending December 31, 2012. It is the intention of NIFA to issue such Bonds pursuant to one or more indentures of trust. NIFA intends to sell the Bonds to a single purchaser on a private placement basis; it is not expected that the Bonds would be reoffered to the

¹David Gale was appointed as a NIFA board member by the Governor on January 11, 2012. Due to this appointment occurring only two days prior to the NFA board meeting, Mr. Gale has elected to abstain on voting on all action items for this meeting.

public. Each individual series of Bonds are expected to be backed solely by specific mortgage-backed securities financed by NIFA. The Bond Resolution further directs the Executive Director to issue and sell such bonds in one or more issues and as one or more series at the times and with such terms as the Executive Director determines are in the best interests of NIFA, subject to the parameters of this Bond Resolution, the Indenture and the Act. Moved by Graff, seconded by Brabec to approve Bond Resolution No. 361. Motion carried with McClurg voting yes, States voting yes, Wickham voting yes, Lang voting yes, Brabec voting yes, Gale abstaining¹, Graff voting yes and Maroney voting yes.

^{*}The maximum aggregate principal amount of Bonds which may be issued pursuant to Bond Resolution Nos. 359, 360 and 361 is \$490,000,000, and the principal amount of Bonds issued pursuant to each such Bond Resolution shall reduce the amount of Bonds which may be issued under the other Bond Resolutions.

- 17. Review and Approval of Bond Resolution No. 362 Authorizing the issuance of one or more series of up to \$10,000,000 in aggregate principal amount of General Obligation Bonds, Series 2012 through the calendar year ending December 31, 2012 to provide financing for Homebuyer Assistance**
Patti Peterson reported this Bond Resolution authorizes the issuance of General Obligation Bonds with the proceeds to be used in connection with NIFA's homebuyer assistance program to provide assistance to qualified low- and moderate income persons in the State with respect to their down payment and closing costs as borrowers under the Authority's single family housing mortgage program. The Bond Resolution authorizes the issuance of up to \$10,000,000 in aggregate principal amount of bonds in one or more issues and as one or more series to be issued through the calendar year ending December 31, 2012 and backed by the general credit of NIFA to fund homebuyer assistance. The Bond Resolution further directs the Executive Director to issue and sell such bonds in one or more issues and as one or more series at the times and with the terms as the Executive Director determines are in the best interests of NIFA, subject to the parameters of this Bond Resolution, the Indenture and the Act. Moved by Brabec, seconded by States to approve Bond Resolution No. 362. Motion carried with States voting yes, Wickham voting yes, Lang voting yes, Brabec voting yes, Gale abstaining¹, Graff voting yes, Maroney voting yes and McClurg voting yes.

Chair Lang moved Agenda Items #21 and #22 forward.

- 21. Presentation of Quarterly Disclosure Review for September 30, 2011**
Judy Krasomil and Steve Clements gave the following report on NIFA's Quarterly Disclosure Review for quarter ending September 30, 2011 with primary emphasis on the single family program.

Chair Lang left the board meeting at 2:20 p.m. and turned the meeting over to Vice Chair Graff.

- 22. Continuation of 2011 Strategic Planning Process**
Dr. Andy Ho gave an overview of NIFA's Strategic Plan. The Board and staff have identified five strategic initiatives: 1) develop a plan to become a champion/voice/catalyst for community transformation. 2) Complete a comprehensive housing plan for the State. 3) Strengthen financial health. 4) Examine current NIFA programs for their relevance. 5) Promote NIFA (mission, programs) by developing "Housing champions" in the public and private sectors. NIFA staff will begin identifying specific initiatives and an action plan for implementation and present to the board at a future meeting.

¹David Gale was appointed as a NIFA board member by the Governor on January 11, 2012. Due to this appointment occurring only two days prior to the NFA board meeting, Mr. Gale has elected to abstain on voting on all action items for this meeting.

OUTREACH REPORT

18. Report from the Outreach Department

Ted Simpson gave the following Outreach Department report.

Staff Education and Training

National Foreclosure Mitigation Counseling Annual Meeting – Steve Peregrine attended the annual grantee meeting in Washington, DC on December 15 and 16 which was hosted by NeighborWorks® America.

Targeted Communication Efforts

Omaha a.m. networking breakfasts – The December meeting was held on December 14 at the offices of Schemmer & Associates. The January meeting will be hosted by Alley, Poyner, Machietto Architects on January 18.

Capitol City Breakfast Club – The inaugural meeting of the Capitol City Breakfast Club will be held January 18 at the Egg and I Restaurant. This will be a monthly early morning networking opportunity for Lincoln area housing and community development professionals to share news, needs, ideas and opportunities.

Omaha Chamber's 2012 Annual Meeting – This event is scheduled for February 1, 2012 at the Century Link Center featuring keynote speakers Governor Dave Heineman and Gallup Chairman and CEO Jim Clifton.

NIFA's 10th Annual Housing Innovation Marketplace – The theme for this year's housing conference is "Glad to Be In Nebraska" and will be held January 24 and 25 at the Omaha Marriott Regency.

BUSINESS AND INDUSTRIAL FINANCE DIVISION

19. Report on the Nebraska Asset Modernization Initiative

Larry Jablonski reported that NIFA has received 46 applications and reserved \$370,000. NIFA continues to market the initiative by holding webinars monthly, publishing articles in the Nebraska banker's newsletter, CRA publication, and numerous newspapers.

OTHER BUSINESS/ANNOUNCEMENTS

20. Reports from Board Committees

No further board committee reports were given.

23. Announcements and Discussion of Upcoming Events and Scheduling

Tim Kenny reported that following upcoming events.

NIFA's Housing Conference – The conference is scheduled for January 23 and 24, 2012 at the Omaha Marriott Hotel.

NIFA Board Meeting – The next NIFA Board Meeting is scheduled for Friday, February 10, 2012 at 1:00 p.m.

NCSHA Legislative Conference – NCSHA Leg Con is scheduled for April 23-25, 2012. Board members interested in attending should contact Karon Andretti so she can make the necessary travel arrangements.

24. Adjournment

Moved by States to adjourn the board meeting at 3:05 p.m.

Respectfully submitted,


Timothy R. Kenny
Executive Director

