

**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, FEBRUARY 26, 2010 @ 1:00 P.M.**

**Notice Published: February 21, 2010 – *Omaha World Herald*  
February 21 2010 - *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: Richard Baier, John Blazek, Pete Graff, Ginger Langemeier, Mike Maroney, Mary Jo McClurg and Jeff States

Board Members Absent: Marlin Brabec

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Karon Andretti, Chief Operating Officer Steve Clements, Treasurer Judy Krasomil; Ag Program Manager Dudley Beyer, LIHTC and CRANE Manager Robin Ambroz-Hollman, Single Family Program Manager Jacki Young, and Deputy Director of Programs Ted Simpson

Guests: Dan Kubr, Pamela Forster, Dolores Baugert, Randy McPhail, John Wygoski, Brian Andersen, Mike Fallesen, Mark O'Brien, Cindy Koster, Lauren Wismer, Janet Latimer, Brent Williams, Jeff Gertz, Scott Keene and Patti Peterson

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

Chair Richard Baier called the meeting to order at 1:13 p.m. with seven members present. Richard stated 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, February 21, 2010 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

**2. Approval of the January 22, 2010 NIFA Board of Directors Meeting Minutes**

Moved by Graff, seconded by Blazek to approve the January 22, 2010 NIFA Board of Directors Meeting Minutes. Motion carried unanimously.

**3. Executive Director's Report**

Tim Kenny gave the following report.

Multifamily and Tax Credit and Single Family Strategic Planning Sessions – Tim reported that the NIFA staff from the respective departments met to brainstorm with the objective to come up with programmatic objectives as well as financial needs for the upcoming budget consideration. Staff from Kutak Rock attended both sessions. JP Morgan attended the Single Family Session. Tim thanked everyone for their invaluable input in this process.

NCSHA Legislative Conference – Tim reported that John Blazek, Michael Maroney and Ted Simpson would be joining him at the NCSHA Legislative Conference in Washington, DC on March 8-10, 2010. Meetings have been scheduled with Nebraska's congressional delegation to discuss topics important to NIFA to include the low income limits in Nebraska with respect to multifamily, the need for some provision in the mortgage revenue bond program with respect to home improvement loan resources and observations about Nebraska's inability to secure an allocation of New Market Tax Credits.

**4. Public Comment related to the February 26, 2010 Agenda Items (comment period limit to five minutes)**

Richard Baier 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.

**5. Review and Approval of Resolution Honoring Special Service to NIFA**  
Tim Kenny read the following resolution.

WHEREAS, General Counsel Patricia Peterson has been a valued member of and friend to the Nebraska Investment Finance Authority (the "Authority") from February 1980 to present; and

WHEREAS, NIFA desires to recognize and honor Patricia Peterson for the many contributions she has made, including the giving of her personal time as well as her commitment to carrying out the public purposes of the Authority.

WHEREAS, Patricia Peterson, as General Counsel, was instrumental in various Board initiatives to expand the Authority's existing programs and was proactive in the development and approval of new and innovative approaches to housing production and neighborhood revitalization; and

NOW, THEREFORE, be it resolved by the members of the Nebraska Investment Finance Authority that:  
THE BOARD OF DIRECTORS, on behalf of the Authority, expresses their sincere appreciation to Patricia Peterson, NIFA's General Counsel, who has personified the spirit and commitment of the Authority, for her thirty years of service to the Authority.

Tim expressed NIFA's genuine thanks to Patti Peterson for her thirty years of outstanding service to NIFA. Moved by Graff, seconded by Langemeier to approve Resolution No. 327 honoring Patricia Peterson for her years of service. Motion carried unanimously.

**AGRICULTURAL FINANCE DIVISION**

**6. Ratification of the Public Hearing held Thursday, February 25, 2010 at 9:30 a.m. for the following projects:**

Moved by McClurg, seconded by Maroney to ratify the Public Hearing held Thursday, February 25, 2010, at 9:30 a.m. for the following projects. Karon Andretti reported no one attended the Public Hearing. Motion carried unanimously.

#1289 – Christopher and Sarah Sabatka

#1290 – Lonnie and Melissa Rostvet

**7. Adoption of State Bond Allocations**

Moved by Graff, seconded by States to adopt the following State Bond Allocations. Motion carried unanimously.

Allocation: 10-30-002 – Christopher and Sarah Sabatka

Issuer: NIFA

Allocation Amount: \$113,213

Allocation Classification: Industrial Revenue

Allocation: 10-30-003 – Lonnie and Melissa Rostvet

Issuer: NIFA

Allocation Amount: \$358,400

Allocation Classification: Industrial Revenue

**8. Adoption of the following Agricultural Finance Division Bond Resolutions**

Moved by McClurg, seconded by States to adopt the following Agricultural Finance Division Bond Resolutions. Motion carried unanimously.

Bond Resolution #1289 - Christopher and Sarah Sabatka in the amount of \$113,213 for the purchase of 70 acres of farm real estate, located in Lancaster County, Nebraska.

Bond Resolution #1290 - Lonnie and Melissa Rostvet in the amount of \$358,400 for the purchase of 160 acres of farm real estate, including a pivot, located in Webster County, Nebraska.

**HEALTH CARE FINANCE DIVISION**

**9. Ratification of the Public Hearing held Friday, February 26, 2010 at 9:30 a.m. for the following project:**

Moved by McClurg, seconded by Maroney to ratify the Public Hearing held Friday, February 26, 2010 at 9:30 a.m. for the following project. Karon Andretti reported that Lauren Wismer with Gilmore & Bell attended the Public Hearing in support of the project. Motion carried unanimously.

Mosaic Project - \$7,000,000

10. **Review and approval of Bond Resolution No. HC-232 authorizing the issuance by NIFA of its Revenue Bond (Mosaic Project), Series 2010 in a principal amount not to exceed \$7,500,000 for the purpose of making a loan to Mosaic to construct, equip and furnish six separate intermediate care facilities for developmentally disabled persons and to acquire and remodel an existing facility for developmentally disabled individuals.**

Steve Clements reported the resolution authorizes the issuance and sale of a Revenue Bond (Mosaic Project), Series 2010, in a principal amount not to exceed \$7,500,000 (the "Bond"), for the benefit of Mosaic, a Nebraska non-profit corporation (the "Owner"). The Owner intends to use the proceeds of the Bond to (i) construct, equip and furnish six separate intermediate care facilities for developmentally disabled persons and acquire and remodel an existing facility for developmentally disabled individuals (the "Project"), and (ii) pay certain costs of issuing the Bond. The Bond is to be issued by NIFA and sold on a private placement basis to the purchaser thereof pursuant to an investor letter previously negotiated with NIFA. The Bond is expected to bear interest at a fixed interest rate. The Bond is a limited obligation of NIFA, payable solely from the revenues pledged thereto. No moneys of NIFA are pledged to the payment or security of the Bond or to the Project. Moved by McClurg, seconded by Blazek to approve Bond Resolution No. HC-232. Motion carried unanimously.

### **LOW INCOME HOUSING TAX CREDITS**

11. **Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting held Wednesday February 10, 2010**

Robin Ambroz-Hollman reported the following projects are in the CRANE process:

- Liberty Place – South Sioux City
- Southern Valley – Omaha
- Mosaic – Omaha, Norfolk and Grand Island
- Park School – Omaha
- One World – Omaha
- Omaha Economic Development Corporation – Omaha
- Siena-Francis Housing – Omaha

12. **Report from the Programs Committee**

Robin Ambroz-Hollman reported that the Programs Committee (consisting of John Blazek, Marlin Brabec, Pete Graff and Mary Jo McClurg) met via webinar and/or in person to review the applications for Round One in the 2010 Low Income housing Tax Credit Program as well as the applications for Section 1602 Program. Robin stated that NIFA, NDED, and Kutak Rock staff members analyzed the applications in detail for Round One applications in the 2010 LIHTC Program, CRANE and Section 1602 Program. The scoring methods and results used are in accordance with the 2010 LIHTC Allocation Plan which was approved September 25, 2009 by the NIFA Board of Directors and approved by Governor Dave Heineman on September 28, 2009. The applications for Section 1602 tax credits were scored according to the selection criteria and results used in accordance with the Section 1602 Program guidelines.

13. **Consideration and Approval of Conditional Reservations for Round One Applications in the 2010 Low Income Housing Tax Credit (LIHTC) Program**

Robin Ambroz-Hollman reported that NIFA received eighteen applications for consideration in Round One under the competitive process requesting a total of \$9.6 million in tax credits. Eight applications were located in rural areas and ten were located in urban areas. Ten applications were for projects located in counties designated as Midwestern Disaster Areas. Six applications participating in the CRANE process for LIHTC were considered in Round One. One application is for a project which includes units located in a rural area, four applications include units in an urban area and one application includes units located in both rural and urban areas. Four applications are for projects located in counties designated as Midwestern Disaster Areas.

The following motion was made by Blazek, seconded by McClurg. Motion carried with Baier abstaining due to NDED being an allocator of HOME funds, Blazek voting yes, Graff voting yes, Langemeier voting yes, Maroney abstaining due to being a developer and submitting projects from time to time for consideration of tax credits, McClurg voting yes and States 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 2010 LIHTC Program – Round One and CRANE, and;

Whereas said review was conducted pursuant to the plan and procedures for the 2010 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, as amended (the "Code"), and the allocation amounts established therein, a "conditional reservation" of Tax Credits shall be granted to the following projects:

**ROUND ONE:**

<b><u>Applicant</u></b>	<b><u>County</u></b>	<b><u>City</u></b>	<b><u>Amount</u></b>
Pedcor Investments-2008-CXVIII, L.P.	Sarpy	LaVista	\$1,746,215
Omaha Housing for the Homeless, LLC	Douglas	Omaha	\$ 202,616
The Orchards at Wildewood Limited Partnership	Sarpy	LaVista	\$ 657,213
Rosewood Estates II, LLC	Box Butte	Alliance	\$ 210,755
Village at Heartland Park II, LLC	Seward	Seward	\$ 188,735
Shannon Heights, LLC	Douglas	Omaha	\$ 315,891
Minden West Estates, LLC	Kearney	Minden	\$ 178,825
Lexington Estates, L.P.	Dawson	Lexington	\$ 157,309
Rolling Hills Townhomes, LLC	Valley	Ord	\$ 111,989
Sunrise Lane, LLC	Phelps	Holdrege	\$ 194,084
Westridge Crown, LLC	Hall	Grand Island	\$ 154,959
Village Crown Limited Partnership	Douglas	Omaha	\$ 361,735
		<b>Total:</b>	<b>\$4,480,326</b>

**CRANE:**

<b><u>Applicant</u></b>	<b><u>County</u></b>	<b><u>City</u></b>	<b><u>Amount</u></b>
SSCNE, L.P.	Dakota	South Sioux City	\$ 904,648
Mosaic Residential Services of Nebraska, LLC	Hall, Madison, and Douglas	Grand Island, Norfolk, and Omaha	\$ 283,075
		<b>Total:</b>	<b>\$1,187,723</b>

**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. In addition, the Executive Director may reallocate allocations in tax credit equivalent amounts, between the Section 42 and Section 1602 resources, to optimize or avoid resource loss.
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.

**14. Consideration and Approval of Conditional Reservations for Section 1602 Program**

Robin Ambroz-Hollman reported NIFA received twenty-one applications requesting over \$29 million in Section 1602 tax credits. Ten of the applications were for projects located in rural areas, ten were for projects located in urban/MSA areas and one was for a project located in both urban and rural areas. Ten of the applications were for projects located in counties designated as Midwestern Disaster Areas. Two of the applicants participated in the CRANE process for low income housing tax credits. The following motion was made by McClurg and seconded by Blazek. Motion carried with Blazek voting yes, Graff voting yes, Langemeier voting yes, Maroney abstaining due to being a developer and submitting projects from time to time for consideration of tax credits, McClurg voting yes, States voting yes and Baier voting yes.

Whereas the Nebraska Investment Finance Authority has completed its review of the applications for the Section 1602 Program, and;

Whereas said review was conducted pursuant to the Section 1602 Program guidelines, then

Be it resolved that, subject to continued authorization of the Section 1602 program, and the allocation amounts established therein, a "conditional award" shall be granted to the following projects:

<u>Applicant</u>	<u>County</u>	<u>City</u>	<u>Amount</u>
Millard Good Samaritan Housing, Limited Partnership	Douglas	Omaha	\$ 275,004
Liberty Estates, LLC	Lancaster	Waverly	\$ 720,814
Hastings Village Gardens Good Samaritan Housing Limited Partnership	Adams	Hastings	\$ 600,000
Ridgewood Crown, LLC	Hall	Grand Island	\$ 935,295
Jefferson Square, LLC	Dawson	Gothenburg	\$ 552,263
Pedcor Investments-2008-CXVIII, L.P.	Sarpy	LaVista	\$ 1,542,464
Omaha Housing for the Homeless, LLC	Douglas	Omaha	\$ 1,292,317
The Orchards at Wildewood Limited Partnership	Sarpy	LaVista	\$ 949,571
Rosewood Estates II, LLC	Box Butte	Alliance	\$ 964,372
Village at Heartland Park II, LLC	Seward	Seward	\$ 862,290
Shannon Heights, LLC	Douglas	Omaha	\$ 1,307,669
Minden West Estates, LLC	Kearney	Minden	\$ 895,779
Lexington Estates, L.P.	Dawson	Lexington	\$ 1,067,518
Rolling Hills Townhomes, LLC	Valley	Ord	\$ 589,505
Sunrise Lane, LLC	Phelps	Holdrege	\$ 820,859
Westridge Crown, LLC	Hall	Grand Island	\$ 1,496,825
Village Crown Limited Partnership	Douglas	Omaha	\$ 2,181,285
SSCNE, L.P.	Dakota	South Sioux City	\$ 542,353
Mosaic Residential Services of Nebraska, LLC	Hall, Madison, and Douglas	Grand Island, Norfolk, and Omaha	\$ 2,187,503
		<b>Total:</b>	<b>\$19,783,686</b>

**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. In addition, the Executive Director may reallocate allocations in tax credit equivalent amounts, between the Section 42 and Section 1602 resources, to optimize or avoid resource loss.
2. A conditional award will become a final award upon the resolution of all outstanding conditional award items, including satisfaction of all federal requirements, financial and technical questions, to the satisfaction of the Executive Director within ninety (90) days. Upon satisfaction of such conditions, an award will require no future action by this Board to become a final award.
3. Awards of Section 1602 funds will be made pursuant to the requirements under the American Recovery and Reinvestment Act of 2009 and are subject to the representations made in the Section 1602 application, the conditions imposed by the federal requirements of such program and such other conditions as the Executive Director deems necessary in light of his review of the application within the purposes of the Section 1602 program.

**SINGLE FAMILY HOUSING FINANCE DIVISION**

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

Jacki Young reported NIFA's lending rates were lowered on February 8, 2010 to a rate which represents the lowest statewide rate in the history of NIFA's program. NIFA's current lending rates are: First Home Program – 4.45%, First Home Plus Program – 4.20%, and ABC Program – 4.60%. The volume for the month of February to date is \$19.8 million, 204 loans, with a \$1 million daily average. The ABC Program loans represent 21% of the total volume. Sixty percent of the loan volume is coming from urban areas and 40% from rural Nebraska. Last week the Single Family Department offered a training webinar on all of the NIFA single family programs with a total of 335 people participating. Another training webinar is being scheduled for March. Jacki indicated that their entire department is currently paperless and everything is online. Mary Jo McClurg gave an update on the new disclosure requirements for lenders. Judy Krasomil reported that NIFA has approximately \$65 million in the pipeline in various stages from reservations to closing. \$17 million of this amount has been securitized with MBS, and purchased with operating funds. Tim Kenny expressed his appreciation to Judy Krasomil, Steve Clements and the team for their work in reviewing the portfolio which has allowed NIFA to offer such an attractive interest rate. Jeff Gertz, J.P. Morgan, gave an update on the national bond market.

## OUTREACH

### 16. Report from the Outreach Department

Ted Simpson gave the following Outreach Report.

2010 Housing Innovation Marketplace Conference – The conference was January 26 and 27, 2010 in Omaha with 256 attendees and 19 exhibitors. NIFA received \$17,700 in sponsorships from Ameritas Investment Co., D.A. Davidson Co., Federal Reserve Bank of Kansas City, Kutak Rock, Union Bank and Trust, US Bank home Mortgage and Wells Fargo Bank N.A. Eighty-four percent of the evaluation respondents ranked the conference as above average to excellent. This year continuing education credits were offered for real estate agents, accountants and attorneys. The annual award winners were:

Housing Champion – Federal Home Loan Bank of Topeka

Housing Hall of Fame - Marguerite Vey-Miller of HPCDC representing rural Nebraska

Marty Shukert of RDG Planning and Design for urban Nebraska

Outstanding Real Estate Professionals – Jose Correa

Teri Medelman

Outstanding Lenders – Pinnacle Bank

1<sup>st</sup> Mortgage Company

Multifamily Awards – Willa Freeland awarded the 2009 Property Manager of the Year

Salem Village at Miami Heights awarded the NIFA 2009 Innovative Project of the Year

Omaha a.m. Meetings – The Omaha a.m. meeting was held February 10 and attended by 12 people. The next Omaha a.m. meeting will be March 17 at Omaha Economic Development Corporation.

Social Impact Forum – Today the Federal Reserve Bank of Kansas City is hosting a Social Impact Forum in Omaha. Meribah Moore-Christensen is moderating a panel discussion entitled “Creative Housing Solutions.”

### 17. Update on Omaha Small Business Network

This agenda item was tabled until the next board meeting.

## OTHER BUSINESS/ANNOUNCEMENTS

### 18. Report to the Board from the Management Committee

Richard Baier reported the Management Committee (consisting of Richard Baier, John Blazek, Michael Maroney and Mary Jo McClurg) met on Thursday, February 25, 2010 to discuss continued board interaction in terms of long term planning for NIFA. The Management Committee will meet with Tim Kenny in March to continue these discussions.

### 19. Announcements and Discussion of Upcoming Events and Scheduling

#### NIFA Board Meetings

March Meeting – The March meeting will be March 26, 2010 in Omaha at the Hilton Omaha, 1001 Cass Street, Omaha, Nebraska. There will be a bus tour of the Omaha North projects commencing at 10:00 a.m.

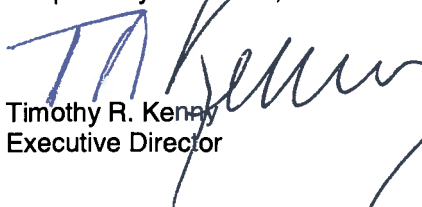
April Meeting - It was determined that the April NIFA Board Meeting would be moved from April 23, 2010 to Thursday, April 29, 2010, at the NIFA Board Room.

May Meeting – The May meeting is going to be in McCook on May 26, 2010. A Board Retreat is being considered for Thursday, March 25. Location for the retreat and board meeting are to be determined.

### 20. Adjournment

Moved by Maroney, seconded by McClurg to adjourn at 2:40 p.m. Motion carried unanimously.

Respectfully submitted,



Timothy R. Kenny  
Executive Director

