

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

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

MINUTES OF FRIDAY, FEBRUARY 27, 2009 @ 1:00 P.M.

**Notice Published: February 22, 2009 – *Omaha World Herald*
February 22, 2009 - *Lincoln Journal Star***

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

NIFA BOARD MEMBERS PRESENT

Board Members Present: Richard Baier, David Bomberger, Carl Brasee, Pete Graff, Ginger Langemeier, Michael Maroney and Mary Jo McClurg

Board Members Absent: John Blazek and Marlin Brabec

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Karon Andretti, Deputy Director of Finance Christie Weston, Deputy Director of Programs Ted Simpson, Deputy Director of Community Investment, Chief Operating Officer Steve Clements, Ag Program Manager Dudley Beyer, LIHTC and CRANE Manager Robin Ambroz and Single Family Program Manager Jacki Young

Guests: Jeff Gertz, Cindy Koster, Ashley Scott, Mark O'Brien, W. F. Hoppe, Charles Ziese, Bob Peterson and Patti Peterson

1. Call Meeting to Order and Roll Call

Chair Richard Baier called the meeting to order at 1:03 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 agenda had been amended on Thursday, February 26, 2009 at 11:30 a.m. by adding Agenda Items 16, 16a and 16b. Karon stated that notice of the meeting was published on Sunday, February 22, 2009 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

David Bomberger reported that he has accepted a new position with the Colorado Public Employees Retirement Association effective March 2, 2009. David has served on the NIFA Board for two years and expressed his appreciation to the Board, Tim Kenny and the NIFA staff for their outstanding performance in carrying out the mission of NIFA. David introduced Joseph Jurick who will be serving as Gayle Werner-Robertson's designated representative on the NIFA Board for the Nebraska Investment Council.

2. Approval of the January 26, 2009 NIFA Board of Directors Meeting Minutes

Moved by Graff, seconded by McClurg to approve the January 26, 2009 NIFA Board of Directors Meeting Minutes. Motion carried unanimously.

3. Executive Director's Report

Tim Kenny reported that NIFA will be having a NIFA Board Retreat in Nebraska City on March 26 and 27, 2009.

4. Public Comment related to the February 27, 2009 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.

AGRICULTURAL FINANCE DIVISION

5. **Ratification of the Public Hearing held Thursday, February 26, 2009, at 9:30 a.m. for the following project:**
Moved by Graff, seconded by Bomberger to ratify the Public Hearing held Thursday, February 26, 2009, at 9:30 a.m. for the following project. Karon Andretti reported no one attended the public hearing. Motion carried unanimously.

#1278 – Brian and Kimberly Rust

6. **Adoption of State Bond Allocation**
Moved by Brasee, seconded by Bomberger to adopt the following State Bond Allocation. Motion carried unanimously.

Allocation: 09-30-003 – Brian and Kimberly Rust
Issuer: NIFA
Allocation Amount: \$146,750
Allocation Classification: Industrial Revenue

7. **Adoption of Agricultural Finance Division Bond Resolution**
Moved by Bomberger, seconded by Brasee to adopt the following Agricultural Finance Division Bond Resolution. Motion carried unanimously.

Bond Resolution #1278 – Brian and Kimberly Rust in the amount of \$146,750 for the purchase of 80 acres of farm real estate, located in Phelps County, Nebraska.

DEVELOPMENT FINANCE DIVISION

8. **Adoption of State Bond Allocation**
Steve Clements reported the Lincoln Airport Authority of the City of Lincoln (“Lincoln Airport”) is constructing an addition to and renovation of an existing plastics manufacturing facility owned by Lincoln Airport and leased to Plastics Companies Enterprises (“PCE”). PCE is a Texas for-profit corporation, which has a plastics manufacturing facility (HTI Plastics Division) for injection molding at the Lincoln Airport. The Lincoln Airport will need to receive State Bond Allocation in order to issue small manufacturer tax-exempt bonds in the amount of up to \$4,000,000. The HTI Plastics facility in Lincoln currently employs approximately 80 employees; the addition and expansion is expected to add 26 full time employees over a two year period. Steve introduced April McDaniel with the Lincoln Airport Authority, Wes Reddish with RBC Capital Markets who will be doing the underwriting, and Steve Likes of Kutak Rock Law Firm who will be acting as bond counsel. Moved by Brasee, seconded by Bomberger to adopt the following State Bond Allocation. Motion carried unanimously.

Allocation: 09-30-004 – Plastic Companies Enterprises Expansion Project
Issuer: Lincoln Airport Authority
Allocation Amount: \$4,000,000
Allocation Classification: Industrial Revenue

LOW INCOME HOUSING TAX CREDITS

9. **Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting held Wednesday, February 11, 2009**

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

Creekside Village – Lincoln
The Margaret - Omaha
Park Avenue – Omaha
Prime-Fallesen Development – Norfolk & Columbus

10. Report from the Programs Committee

Robin Ambroz-Hollman reported the Programs Committee (consisting of Mary Jo McClurg, John Blazek and Pete Graff) met prior to the board meeting to review Round One Applications in the 2009 Low Income Housing Tax Credit Program. A total of seven applications were received by NIFA for consideration in Round One under the competitive process. One application was located in a rural area and six applications were located in urban areas. Five of the applications were located in counties designated as Midwestern Disaster Areas. Robin indicated that four applications are in the CRANE process. One application is located in a rural area and three applications are located in urban areas. All applications are analyzed in detail by NDED staff, NIFA staff, and Kutak Rock staff.

11. Consideration and Approval of Conditional Reservations for Round One Applications in the 2009 Low Income Housing Tax Credit (LIHTC) Program

Tim Kenny reported that some board members would need to abstain due to a potential conflict on the CRANE Project, Creekside Village, so that project would be voted on separately. The following motion was made by Graff, seconded by Bomberger. Motion carried with Maroney abstaining due to being a developer and submitting projects from time to time for consideration of tax credits, McClurg voting yes, Baier voting no, Bomberger voting yes, Brasee voting yes, Graff voting yes and Langemeier 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 2009 LIHTC Program – Round One and CRANE, and;

Whereas said review was conducted pursuant to the plan and procedures for the Amended 2009 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 projects:

ROUND ONE:

<u>Applicant</u>	<u>County</u>	<u>City</u>	<u>Amount</u>
Cherry Ridge Limited Partnership	Dakota	South Sioux City	\$ 812,781
Rebuilding Lives, LLC	Douglas	Omaha	\$ 871,054
Logan Housing Partners, LP	Douglas	Omaha	\$ 1,227,128
Omaha Good Samaritan Housing, Limited Partnership	Douglas	Omaha	\$ 579,380
Notre Dame Apartments, LLC	Douglas	Omaha	\$ 655,124
Fountain Springs Apartments, L.L.C.	Dodge	Fremont	\$ 785,496
Salem Village II Limited Partnership	Douglas	Omaha	\$ 512,848
		Total:	\$5,443,810

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.

Moved by Bomberger, seconded by Brasee to approve the following CRANE project. Fred Hoppe, Developer, was present to answer questions from the board regarding the project. David Landis, Lincoln Urban Development, spoke in favor of the project. Motion failed with McClurg abstaining due to potential conflict with respect to financing, Baier voting no, Bomberger voting yes, Brasee voting yes, Graff voting yes, Langemeier voting yes and Maroney abstaining due to being a developer and submitting projects from time to time for consideration of tax credits.

CRANE:

<u>Applicant</u>	<u>County</u>	<u>City</u>	<u>Amount</u>
Creekside Village Ltd.	Lancaster	Lincoln	\$ 1,101,555

12. **Discussion Regarding NIFA's Allocation of "HOME" Funds in Conjunction with the 2009 Stimulus Act**
Tim Kenny reported that NIFA received an email on February 26, 2009 that NIFA would be receiving \$11.3 million of funds that can be used in conjunction with the Low Income Housing Tax Credit Program. Additionally, Tim indicated that 40% of the 2009 tax credits and unused or returned 2008 tax credits can be exchanged for cash and used for tax credit eligible projects. Consideration for the allocation of these resources will begin upon further direction from Treasury and/or HUD with respect to rules or regulations. Once the rules and regulations have been clarified, staff will begin establishing guidelines for utilizing these funds.

SINGLE FAMILY HOUSING FINANCE DIVISION

13. **Status Report on Single Family Program and Market Developments**
Tim Kenny reported that NIFA currently has no loans in the pipeline. NIFA has not purchased a mortgage loan since October 2008. NIFA is realigning its resources within the limits of the market to replenish the pipeline for the public as quickly as possible. Staff has been looking at the Home Ownership Tax Credit which has been changed from a homeownership loan to a tax credit which is available to first-time homebuyers and can be used in conjunction with loans funded by mortgage revenue bonds. Jacki Young reported that interest rates in the conventional market are currently around 5½%. Jeff Gertz gave an overview of the national bond market.

OUTREACH

14. **Report from the Outreach Department**
Steve Peregrine gave the following Outreach Report.
2009 Housing Innovation Marketplace Conference – Steve reported this was NIFA's 7th annual conference with 260 attendees. NIFA received a lot of positive feedback about the speakers and the content of the sessions. \$18,500 in sponsorships were raised from D.A. Davidson Companies, US Bank Home Mortgage, J.P. Morgan, Kutak Rock, FHLB-Topeka, Ameritas Investment and MGIC. Annual awards winners were:
- | | |
|--|--|
| Housing Hall of Fame: | Linda Kastning of NEHI
Charles Peters, Sr. of Cap Investments |
| Outstanding Real Estate Professionals: | Jose Corea
Ron Pfeifer
Steve Osborn
Teri Medelman |
| Outstanding Lenders: | First National Bank of Omaha
First Mortgage Company
Wells Fargo Bank
Charter West National Bank
HomeServices Lending |
| 2009 Housing Champion: | Cynthia Swoopes |
- Attendees were able to receive continuing education credits for both realtors and accountants.
January's Housing and Homeless Commission Meeting – Several staff joined Robin-Ambroz as she chaired the Housing and Homeless Commission Meeting. At the meeting, the Nebraska Assistive Technology Project provided an update on their free rental housing search and listing website. Today, 15,915 units are listed and searchable on this site.
Nebraska Rural Development Commission Listen and Learn Sessions – Ted and Steve attended sessions in Bridgeport and Chadron. Linda Fettig, RDC's Director, invited service providers from DEQ, DED, USDA, RD, PADD, Rural Enterprise Assistance Project, NBDC, state and federal Forest Service, Job Corp, MEAN, NPPPD and Nebraska Arts Council to participate in the sessions.
DED/NIFA Meeting on State's Current Housing Community Needs – The directors and senior staff from DED and NIFA met for a two-hour discussion focused on problems and needs communities face and how the two entities can be proactive in helping the communities resolve their issues. Additional sessions are planned.
Outreach Partnership Program – NIFA has entered into a new two-year advanced agreement with McCook Economic Development Corp. Three other agreements have been extended with Dawson Area Development in Dawson County, High Plains CDC in Chadron, and Southwest Nebraska Community Betterment in Grant.

Foreclosure Mitigation Counseling Efforts – The next round of reports from NIFA's NFMC sub-grantees which include the new sub-grantee, Credit Advisors Foundation, is due April 15. Of the 111 clients reported at the end of 2008, only 1 had seen their home foreclosed upon and three had undergone a pre-foreclosure sale. Of these 111 clients, seven had withdrawn from counseling, 22 were still in counseling/workout, and nearly 40% of the remainder had realized a positive outcome through a loan modification, forbearance agreement, or refinancing which allowed them to remain in their home. In the NWA January 15th report to Congress, nationwide, 375,067 homeowners have been counseled under the NFMC program with 20% still in counseling and 19% having had an outcome which allowed them to continue to live in their home. NIFA will continue to monitor the state's foreclosure issues, keep up to date in understanding foreclosure mitigation counseling efforts and programs, seek out appropriate training opportunities for designated staff, and support the nonprofit counseling agencies doing the counseling.

15. Board Retreat Discussion

Tim Kenny reported the NIFA Board Retreat and Meeting will be March 26 and 27, 2009 at the Lied Lodge Conference Center in Nebraska City. Tim asked the board members for topics of interest to be included on the agenda.

OTHER BUSINESS/ANNOUNCEMENTS

16. Management Committee

Richard Baier reported the Management Committee (consisting of Richard Baier, John Blazek, Michael Maroney and Mary Jo McClurg) had met prior to the board meeting to discuss the Executive Directors evaluations submitted by the board members.

16a. Executive Session to Discuss Executive Director's Performance Review

Moved by McClurg, seconded by Langemeier to go into Executive Session at 2:31 p.m. to discuss the Executive Director's performance review. Motion carried unanimously.

Richard Baier, immediately prior to the closed session, restated that the closed session would be limited to discussion of the Executive Director's performance review.

Moved by Bomberger, seconded by Brasee to go into Open Session at 3:20 p.m. Motion carried unanimously

Agenda Items 16b and 17 were discussed as one item.

16b. Report to the Board from the Management Committee

17. Review and Approval of Report and Recommendation from Management Committee Regarding Executive Director's Performance Review

Richard Baier reported the board discussed the Executive Director's evaluations and comments submitted by the board members. Moved by McClurg, seconded by Maroney to recommend that the Executive Director be given his performance bonus per the terms of the contract. Motion carried unanimously.

18. Announcements and Discussion of Upcoming Events and Scheduling

NCSHB – The next National Council of State Housing Boards Conference will be August 23-25, 2009 in Rockport, Maine.

19. Adjournment

Moved by Bomberger, seconded by Maroney to adjourn at 3:23 p.m. Motion carried unanimously.

Respectfully submitted,

Timothy R. Kenny
Executive Director

