

**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, MARCH 11, 2011 @ 10:00 A.M.**

**Notice Published:        March 6, 2011 - *Omaha World Herald*  
   March 6, 2011 - *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, Marlin Brabec, Pete Graff, Michael Maroney, Mary Jo McClurg, John Way and Bobbie Wickham

Board Members Absent: Jeff States (arrived at 10:12 a.m.)

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

Guests:                      Rob Woodling, Cindy Koster, Jeff Gertz, Bob Doty, Brian Gaskill, Paula Rhien, Brent Williams, John Wagner and Patti Peterson

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

Chair Richard Baier called the meeting to order at 10:00 a.m. with eight 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, March 6, 2011 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

**2.        Approval of the February 11, 2011 NIFA Board of Directors Meeting Minutes**

Moved by Graff, seconded by Brabec to approve the February 11, 2011 NIFA Board of Directors Meeting Minutes. Motion carried unanimously.

Jeff States arrived at 10:12 a.m.

**3.        Executive Director's Report**

Tim Kenny gave the following Director's Report.

NCSHA Legislative Conference – Tim Kenny, along with John Blazek and Michael Maroney, attended the NCSHA Legislative Conference in Washington, DC on March 7-9, 2011. The group met with Senators Nelson and Johanns and Congressmen Smith, Terry and Fortenberry. Topics discussed were the Mortgage Revenue Bond Program and Low Income Housing Tax Credit Program and how these programs are vital to Nebraskans. All members were interested in housing finance reform.

In-depth Board Sessions – Tim distributed a proposed board presentation schedule for the remainder of the calendar year.

**4. Public Comment related to the March 11, 2011 Agenda Items (comment period limited 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. Danielle Hill, Nebraska Housing Developers Association appeared before the board to thank NIFA for its continued support of the REACH Program, Nebraska's state-wide homebuyer education delivery system. This past year a total of \$38,660 was distributed to fifteen REACH affiliates who provide homebuyer education.

**AGRICULTURAL FINANCE DIVISION**

**5. Consideration and Approval of Resolution No. 1119R Making Necessary Amendments to NIFA's \$169,000 Agricultural Development Revenue Bond (Stacy Klabenes Project) Series 2001 to Permit Transfer of Bond**

Dudley Beyer reported that in 2001 NIFA, through its First-Time Farmer Program, financed an agricultural loan through the sale of a tax-exempt bond to Robert E. and Bertha A. Walz, the original bondholders, on a non-transferable basis. The original bond holders are now deceased and the Personal Representative of the estate of the Robert E. Walz has requested that NIFA consent to a transfer of the bond to the heirs of the estate. This resolution makes necessary amendments to relevant documents to permit the Bond transfer. Moved by Way, seconded by Graff to approve Resolution No. 119R. Motion carried unanimously.

**LOW INCOME HOUSING TAX CREDITS**

**6. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting held Wednesday, February 23, 2011**

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

- Rainbow Center Independent Living Project – Columbus
- Park School/Roseland Theater – Omaha
- The Doctor's on Park Avenue Development – Omaha
- Veterans Village of Omaha – Omaha
- Siena Apartments – Omaha
- South Bend Apartments – Scottsbluff
- Turner Park Lofts – Omaha

**7. Report from the Programs Committee**

Robin Ambroz-Hollman reported the Programs Committee (consisting of Marlin Brabec, Mary Jo McClurg and Bobbie Wickham) met via a webinar on Thursday, March 10, 2011 to discuss the Round One applications in the 2011 Low Income Housing Tax Credit Program. There were a total of fourteen applications received in Round One under the competitive process requesting a total of \$6,839,216 in tax credits. Seven applications were for projects located in rural area and seven applications were for projects located in urban areas. The applications were reviewed by NIFA, NDED and Kutak Rock staff members using scoring methods in accordance with the 2011 LIHTC Allocation Plan which was approved September 17, 2010 by the NIFA Board of Directors and approved by Governor Heineman on September 20, 2010. Robin explained that there is only \$3,926,633 in tax credits available for 2011, of which \$1,000,000 is set aside for CRANE projects.

**8. Consideration and Approval of Conditional Reservations for Round One in the 2011 Low Income Housing Tax Credit (LIHTC) Program**

The following motion was made by McClurg and seconded by Brabec. Motion carried with Brabec voting yes, Graff 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, Way voting yes, Wickham voting yes, Baier voting yes and Blazek 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 2011 LIHTC Program – Round One, and;

Whereas said review was conducted pursuant to the plan and procedures for the 2011 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>
St. Paul Cottages, LLC	Howard	St. Paul	\$ 194,360
Stonewood Townhomes, LLC	Hall	Grand Island	\$ 373,337
Pedcor Investments-2011-CXXXIII, L.P.	Sarpy	LaVista	\$ 508,080
Clove Hill Estates, L.P.	Saunders	Ashland	\$ 168,442
Wilderness Falls, LLC	Richardson	Falls Cit y	\$ 303,761
<b>Total:</b>			<b>\$1,547,980</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.
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.

**SINGLE FAMILY HOUSING FINANCE DIVISION**

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

Judy Krasomil reported that NIFA has approximately \$50 million loans in the pipeline and half of that will be pooled into MBSs by the end of the month. Jeff Gertz gave an update on the national bond market.

**10. Presentation by NIFA Staff - NIFA's Single Family Mortgage Program Between 1<sup>st</sup> and 2<sup>nd</sup> Decades**

Jacki Young introduced and thanked the Single Family Department staff for their outstanding work. The department has a total of 65 years of service at NIFA. Jacki gave a presentation on the past 10 years of NIFA's Single Family Mortgage Program for the past ten years. NIFA has closed 24,924 loans for \$2,147,096,449 of which 42% were FHA loans, 38% were conventional loans, 17% were RD loans and 3% were VA loans. NIFA has offered several loan products and programs to its borrowers to include First Home Plus, HBA, First Home, First Home Super, First Home Focused and ABC. Seventy-six percent of NIFA's borrowers are in the age range of 18-35 of which 39% are married households and 61% are single households. NIFA's success can be contributed to its competitive interest rate, the variety of programs and projects and to the great partnerships NIFA has developed. NIFA works with ninety-two participating lenders and numerous real estate professionals as well as non-profit organizations. US Bank Home Mortgage has been NIFA's Master Servicer since June of 2005. John Wagner, Kutak Rock, and Jeff Gertz, J.P. Morgan, gave an overview of the proposed changes outlined in the Dodd Frank Wall Street Reform and Consumer Protection Act and how it will affect NIFA.

**BUSINESS AND INDUSTRIAL FINANCE DIVISION**

**11. Update of Nebraska Modernization Fund Concept**

Tim Kenny distributed information on the Asset Modernization Program and indicated that a meeting has been scheduled with Governor Heineman's Policy Research Office on March 15, 2011 to further discuss the program.

**OTHER BUSINESS/ANNOUNCEMENTS**

**12. Reports from Board Committees**

Management Committee - Richard Baier indicated there would be a Management Committee Meeting scheduled sometime prior to the next board meeting.

Audit Committee - Tim Kenny reported there would be a telephonic Audit Committee Meeting scheduled before the next board meeting.

**13. Announcements and Discussion of Upcoming Events and Scheduling**

Tim Kenny reported the following upcoming events.

Mountain Plains Conference – This is a conference held annually with Midwestern states to discuss issues impacting our industry and learn about and share exciting ideas and programs. NIFA is the host HFA for this event which will be held at the Magnolia Hotel in Omaha on May 2-4, 2011. Tim invited board members to attend.

NCSHB Conference – This conference is scheduled for August 14-16, 2011 in Santa Fe, New Mexico. Tim indicated this is a good conference and an opportunity for board members to interact with other HFA board members.

**14. Closed Session to Discuss Mediation and Litigation Matters**

Moved by Graff, seconded by Blazek to go into closed session at 11:42 a.m. to discuss NIFA's claim against Lehman Brothers Financial Products Inc. (LBFP), mediation, litigation and developments in connection therewith and strategies with respect to such claims, mediation and litigation, which closed session is necessary to protect the interests of NIFA and the public. Motion carried unanimously.

Chair Baier stated immediately prior to commencement of closed session the closed session discussion shall be limited to matters related to NIFA's claim against LBFP, mediation, litigation and developments in connection therewith and strategies with respect to such claim, mediation, and litigation. Members shall restrict their consideration of matters during the closed session to those purposes stated in the Motion.

Moved by Way, seconded by Blazek to go into open session at 11:58 a.m. Motion carried unanimously.

**15. Adjournment**

Moved by McClurg, seconded by Maroney to adjourn at 12:00 noon. Motion carried unanimously.

Respectfully submitted,

  
Timothy R. Kenny  
Executive Director

