

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

**HILTON OMAHA – Hill Room
1001 Cass Street
Omaha, NE**

MINUTES OF FRIDAY, MARCH 26, 2010 @ 1:00 P.M.

**Notice Published: March 21, 2010 – *Omaha World Herald*
March 21 2010 - *Lincoln Journal Star***

9:30 a.m. – 11:30 a.m. – Tour of North Omaha Projects

11:30 a.m. – 12:45 p.m. – Board Luncheon – Washington City Room

1:00 p.m. – NIFA Board Meeting – Hill Room

9:30 a.m. – 11:30 a.m. – Tour of North Omaha Projects

NIFA BOARD MEMBERS PRESENT

Board Members Present: Marlin Brabec, Pete Graff, Mike Maroney and Mary Jo McClurg

Board Members Absent: Richard Baier, John Blazek, Ginger Langemeier and Jeff States

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Karon Andretti, Chief Operating Officer Steve Clements, Treasurer Judy Krasomil; Deputy Director of Programs Ted Simpson, Deputy Director Operations Larry Jablonski, Deputy Director Community Investments Steve Peregrine, Outreach Program Administrator Elizabeth Fimbres and Community Development Specialist Meribah Moore-Christensen

Guests: James Thele, Vicki Quaites-Ferris, Willie Barney, Stan Timm, Theresa Hunter, Jeff Gertz, Leo Graff and Patti Peterson

The bus tour commenced at 9:30 a.m. The following guest speakers gave information on each site as it was being toured:

Michael Maroney – Executive Director of Omaha Economic Development Corp. (“OEDC”)
Stan Timm – Executive Director of the Omaha Housing Authority (“OHA”)
Teresa Hunter – Executive Director of Family Housing Advisory Services (“FHAS”)
Willie Barney – President and Facilitator of the Empowerment Network
Vicki Quaites-Ferris – Director of Operations of the Empowerment Network
James Thele – Assistant Director, Housing and Community Development, Omaha Planning Department

The tour included the following North Omaha sites:

Metropolitan Community College Institute for Culinary Arts
New ALDI Food Market
Malcolm X Birth Site
Williams Prepared Place
Adams Park
Salem Village Senior Housing
Miami Height Subdivision – Phase I
Salem Baptist Church
Charles Drew Health Center
Former OHA Pleasant View home sites – redevelopment site
City of Omaha Public Works site
Arts & Entertainment District
Family Housing Advisory Services

Love's Jazz & Art Center
The Omaha Small Business Network Building
Great Plains Black History Museum
Historic "Jewell Building"
Long School Townhomes
North Omaha Business Park
Long School Marketplace
Concord Square Logan Fontenelle Park
Fullwood Square Apartments
The Nathan
Ernie Chambers Court
The Margaret
Interstate Printing
Greenview Estates
Siena Francis House Baright Shelter
TD Ameritrade Ballpark

The tour ended at approximately 11:15 a.m.

11:30 a.m. – 12:45 p.m. – Board Luncheon – Washington City Room

1:00 p.m. – NIFA Board Meeting – Hill Room

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, Mike Maroney, Mary Jo McClurg and Jeff States

Board Members Absent: Ginger Langemeier

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Karon Andretti, Chief Operating Officer Steve Clements, Treasurer Judy Krasomil; Deputy Director of Programs Ted Simpson and Single Family Program Manager Jacki Young

Guests: Phil Lorenzen, Leo Graff, Jeff Gertz, Teresa Hunter, Steve Coon, Curtis Christensen, Josh Meyer, Randy McPhail, Kevin Conway, Christopher Henkenius Vicki Quaites-Ferris, Willie Barney, Steve Likes and Patti Peterson

1. Call Meeting to Order and Roll Call

Chair Richard Baier called the meeting to order at 1:00 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, March 21, 2010 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

2. Approval of the February 26, 2010 NIFA Board of Directors Meeting Minutes

Moved by Graff, seconded by McClurg to approve the February 26, 2010 NIFA Board of Directors Meeting Minutes with the following amendment. Motion carried unanimously.

May Meeting – The May meeting is going to be in McCook on May 21, 2010. A Board Retreat is being considered for Thursday, May 20. Location for the retreat and board meeting are to be determined.

3. Executive Director's Report

Tim Kenny reported that his comments would be included in the agenda items as presented.

4. Public Comment related to the March 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.

DEVELOPMENT FINANCE DIVISION

5. Adoption of State Bond Allocation

Steve Clements reported the City of Hastings has passed an intent resolution for the sale of up to \$10,000,000 in revenue bonds the proceeds of which would be loaned to Bubba Foods, LLC, a Delaware limited liability company ("Company") to acquire and renovate an existing food processing plant located in Hastings which has previously been closed (The Armour-Eckrich plant). The City of Hastings has requested the allocation of \$10,000,000 in Unified Volume Cap Allocation. The company indicates that it processes, packages, distributes and markets premium frozen hamburgers under the "Bubba burger®" brand and that the products are sold to retail grocery stores and food service distributors throughout the U.S. and to the military commissary network throughout the world. The Company states that the initial employment at the plant is anticipated to be 45 to 50 people increasing to a total of 200 positions once full production levels are achieved. Steve indicated that Curt Christensen, Kutak Rock and Stan Coon, Chief Operating Officer of Bubba Foods, were present to answer any questions. Moved by Maroney, seconded by States to adopt the following State Bond Allocation. Motion carried with Blazek voting yes, Brabec voting yes, Graff voting yes, Maroney voting yes, McClurg voting yes, States voting yes and Baier abstaining due to a potential conflict of interest as DED was involved in meeting with numerous companies looking at the facility that this project bought and anticipate they will be applying for Nebraska Advantage and Job Training Grants through DED.

Allocation: 10-30-004 – Bubba Foods, LLC
Issuer: City of Hastings
Allocation Amount: \$10,000,000
Allocation Classification: Industrial Revenue

6. Approval and Adoption of Resolution No. 328 Authorizing NIFA to Commit and Provide Matching Funds in an Aggregate Amount not to Exceed \$1,000,000 in Connection with Applications by Eligible Nebraska Entities for Awards from the Capital Magnet Fund Administered by the U.S. Treasury Department

Tim Kenny reported the U.S. Treasury Department has invited eligible nonprofit organizations and certified community development financial institutions ("CDFIs") to apply for grants from Treasury's Capital Magnet Fund ("CMF"). CMF awards will be made to organizations and agencies whose principal purposes include development of affordable housing. Awards must be used to support affordable housing activities, though recipients may use up to 30% of their awards to finance community service facilities and economic development activities. Permissible activities include providing loan loss reserves, capitalizing a revolving loan fund, funding economic development activities or community service facilities, providing loan guarantees and supporting operations. Applicants will be scored, in part, on their ability to "leverage" CMF award funding. Applicants will be expected to have sources of matching funds equal to at least 10 times the amount of any CFM award. Staff is aware of certain eligible Nebraska CDFIs and nonprofit organizations that are considering applying for CMF awards and proposes that the Authority assist such applications by providing matching funds in connection with specific applications and projects. Resolution No. 328 would authorize the Authority to commit an aggregate amount up to \$1,000,000 as matching funds in connection with applications by Nebraska applicants for CMF awards. Matching funds would be committed to and available for small and/or rural projects within Nebraska, and only to provide loan reserves, guarantees and technical assistance in connection with permissible activities. Moved by Graff, seconded by Maroney to adopt Resolution No. 328. Motion carried unanimously.

HEALTH FINANCE DIVISION

7. Discussion and Review of Request for Short Term Financing from the Nebraska Health Information Initiative (NeHII)

Tim Kenny reported that he wanted to brief the board on the Nebraska Health Information Initiative (NeHII) and its mission and NIFA staff and legal counsel review whether NIFA might play a role in connection with the financing. Steve Likes, Kutak Rock, reported that under the NIFA Act, NIFA is authorized to issue bonds and provide financial assistance to private non-profit hospitals, public hospitals and cooperative health care non-profits. The types of financings that are eligible pursuant to the Act are bricks and mortar, capital construction and equipment. Bonds can be issued on a tax or tax-exempt basis. Tim Kenny introduced Blaine Spady with Smith Hayes. Blaine reported Smith Hayes has been actively working with the Governor's Office and the Nebraska Health Information Initiative (NeHII), the entity directing and executing the State Health Information Exchange Cooperative Agreement program in Nebraska. In order to get an operational system into Nebraska, there are going to be financing needs to bring in equipment to put this system into place. Tim introduced Chris Henkenius, Nebraska Health Information Initiative (NeHII), who gave an overview of NeHII. NeHII is a statewide, web-based health information exchange which is sponsored by Nebraska physicians, hospitals/clinic and health insurance companies that utilize information for treatment and payment. NeHII provides electronic medical record (EMR) solutions to physicians and also provides ePrescribing functionality to meet Medicare requirements. This system connects hospitals, physicians, health plans as well as radiology centers, pharmacies and labs on the same system so wherever a patient goes their complete medical history is available to the treating entity. Chris introduced Kevin Conway, a board member of NeHII. Tim indicated no action was required at this time but NeHII may be coming back to the Board requesting some form of financial assistance.

LOW INCOME HOUSING TAX CREDITS

8. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting held Wednesday, March 10, 2010

Ted Simpson reported that the Mosaic and Liberty Place developments had been approved for a Category 1 designation and awarded a conditional reservation of LIHTC at the NIFA Board meeting in February. The following projects are currently in the CRANE process.

- Columbus SMI Housing
- Southern Valley – Omaha
- Park School – Omaha
- One World Omaha – Omaha
- Omaha Economic Development Corporation – Omaha

SINGLE FAMILY HOUSING FINANCE DIVISION

9. Status Report on Single Family Program and Market Developments

Jacki Young reported that the single family department has been extremely busy this past month due to NIFA's competitive interest rates. The loan volume to date for the month of March is \$54.6 million with a \$3 million daily average. There were a total of 526 loans; 19% were ABC loans and 81% were First Home Program loans. NIFA raised interest rates on March 23 to the following: First Home Program - 4.75%, First Home Plus Program - 4.5% and ABC Program - 4.90%. Year to date activity represents \$80 million in loans for a total of 790 loans with an average loan amount of \$101,000. Sixty-one percent of the loans were in urban areas and 39% were in rural areas. Seventy-five percent of the loans were FHA, 22% were RD and 3% were VA. Judy Krasomil reported that NIFA has approximately \$106 million in the pipeline in various stages from reservations to closing. Approximately, \$22 million of that amount has been securitized and is being funded by NIFA's operating fund. Jeff Gertz, J.P. Morgan, gave an update on the national bond market.

10. Approval and Adoption of a Resolution No. 329 Authorizing NIFA to Obtain Interim Warehouse Financing for Single Family Mortgage Loans to be Financed with the proceeds of NIFA's Revenue Bonds or General Obligation Bonds.

Steve Clements reported that the Authority operates its Single Family Mortgage Revenue Bond Program (the "Program") for the purpose of financing mortgage loans ("Mortgage Loans") and providing down payment and homebuyer assistance to low- and moderate-income persons in the State to purchase owner-occupied residences. To finance the Program, the Authority has traditionally issued its revenue and general obligation bonds, notes and other obligations (collectively, the "Bonds") and used the proceeds thereof to finance Mortgage Loans and Mortgage-Backed Securities represented by such Mortgage Loans ("Mortgage-Backed Securities"). Due to market developments since the fall of 2008, the Authority has not issued any Bonds (other than one series of Bonds issued pursuant to the Treasury New Issue Bond Program, the proceeds of which were deposited into an escrow account) which have provided proceeds available to purchase Mortgage Loans and/or Mortgage-Backed Securities in connection with the Program. Despite the unavailability of Bond proceeds, the Authority continues to operate the Program and finance Mortgage Loans made by its participating lenders and/or Mortgage-Backed Securities. To finance such Mortgage loans and Mortgage-Backed Securities, the Authority has used its general and operating funds to "warehouse" such loans and securities, with the expectation that it will be reimbursed out of the proceeds of its Bonds upon their issuance. In light of current investment rates and the need to preserve resources, staff has determined it is in the best interests of the Authority to obtain alternative sources of interim financing, including but not limited to, issuing revenue and general obligations of the Authority, entering into loan agreements, purchase agreements or repurchase agreements, and selling, pledging or securitizing Mortgage Loans, Mortgage-Backed Securities or other collateral (each a "Warehouse Financing"), to purchase Mortgage Loans and/or Mortgage-Backed Securities until such time as such Mortgage Loans or Mortgage-Backed Securities can be financed with proceeds of the Authority's Bonds. Staff has received a proposal from J.P. Morgan Securities Inc., the current senior manager with respect to the Authority's Bonds, regarding one such arrangement. Staff anticipates other providers will present proposals, as well. Resolution No. 329 authorizes the Authority to enter into one or more Warehouse Financing arrangements with one or more providers of such arrangements in a principal amount not to exceed \$100,000,000 at any one time and with maturities of no later than December 31, 2015, at the times and upon the terms and conditions as determined by the Executive Director to be in the best interests of the Authority, subject to parameters set forth in the Resolution and the Act. Moved by Blazek, seconded by Graff to adopt Resolution No. 329. Motion carried unanimously.

OUTREACH

11. Report from the Outreach Department

Ted Simpson gave the following Outreach Report.

Home Builders Association of Lincoln Luncheon – Jacki Young and Steve Peregrine hosted the new NeighborWorks Lincoln Director, Mike Renken, at the Home Builders Association luncheon on March 16.

Nebraska State Home Builders Legislative Banquet – Steve Peregrine attended the banquet in early March followed by their quarterly Board of Directors Meeting in which Steve is a member.

Leadership Council of the Lincoln Community Learning Centers – Steve Peregrine represented NIFA in a brainstorming session and review of their draft strategic plan as a member of the Leadership Council.

Schuyler Community Housing Progress Assessment – On March 11, Steve Peregrine and Ted joined other housing consultants/partners from DED, Department of Labor, USDA RD, Aquila, Loup Power, NeighborWorks Northeast NE, NENEDD and RDG Planning to participate in their Community Housing Progress Assessment process.

Omaha a.m. breakfast – On March 17, Michael Maroney, Omaha Economic Development Corporation, hosted the breakfast. The next meeting will be held on April 14 at the Omaha Chamber.

Housing Study Grant Program – Four applications were received on March 15 for the second and final round of FY 2010 Housing Study Grants. Applications were received from: Holt County (by CNHD) \$7,500, South Sioux City \$6,000, Village of Ceresco \$6,000 and Village of Utica \$8,250. Each application was reviewed independently by the scoring team and recommended to NIFA's Executive Director for funding, which was approved.

First Friday – The next First Friday will be a luncheon in Columbus on April 9 at Dusters beginning at 11:00 a.m.

12. Update on Omaha Small Business Network by Vicki Wilson Tederman

Tim Kenny reported that in August 2008, the NIFA Board of Directors adopted a resolution approving program eligibility guidelines for the establishment of loan loss reserve funds for loans to microenterprises. Pursuant to this program, in September 2008, NIFA funded a loan loss reserve in the amount of \$125,000 for the Omaha Small Business Network, Inc. (OSBN). Tim introduced Vicki Wilson Tederman who has been the Executive Director of the Omaha Small Business Network for six years. Vicki reported OSBN administers a micro lending program in the City of Omaha, specifically making loans to businesses located east of 72nd Street. Funding for the micro lending program is in the form of a loan of \$750,000 from the U.S. Small Business Administration (SBA) and \$125,000 in loans from three Omaha banks. To date, OSBN has closed 15 loans for a total of \$465,000. Vicki thanked Tim and the NIFA Board for their support of OSBN.

13. Report on Empowerment Network by Willie Barney

Tim Kenny introduced Willie Barney, President of the Empowerment Network. Barney reported that the Empowerment Network based in Omaha, Nebraska, has emerged over the past three years as a catalyst for bringing together individuals and organizations to accomplish visionary and strategic objectives. The group has been successful in connecting groups and individuals from diverse backgrounds and rallying them around a common vision and mission. Significant milestones have been accomplished and the foundation is set for unprecedented collaboration and results. The Empowerment Network is a collaboration of over 500 organizations, businesses, and a diverse group of individuals including elected and appointed officials, business executives, non-profit leaders, pastors and ministers, educators, violence prevention specialists, neighborhood leaders, community development experts, and residents. The organization's focus is on improving the quality of life and economic position of African-Americans, residents of North Omaha and citizens of the Greater Omaha area. Strategies and plans have been developed in a number of areas including: community engagement; job development and training; education and youth development; business development and entrepreneurship; housing and neighborhood development; violence intervention and prevention; voter registration and participation; arts, culture, and history revitalization; and, communications and media expansion and enhancement. The purpose of the Network is to empower the Greater Omaha area by developing and implementing a covenant and strategic plan that accelerates the economic well being and quality of life progress of African-Americans, North Omaha and the City of Omaha. Our goal is to transform Omaha into a model city for all of its citizens. Their vision of the future is that African-Americans throughout the city, residents of North Omaha and citizens of the Greater Omaha area will be measurably successful and prosperous.

OTHER BUSINESS/ANNOUNCEMENTS

14. Update on QECB's (Qualified Energy Conservation Bonds)

Tim Kenny reported that the Energy Improvement and Extension Act of 2008, enacted in October 2008, authorized the issuance of Qualified Energy Conservation Bonds (QECBs) that may be used by state, local and tribal governments to finance certain types of energy projects. Steve Likes, Kutak Rock, stated that QECBs are qualified tax credit bonds. Qualified tax credit bonds provide the purchaser thereof with a tax credit instead of scheduled payments of interest. The borrower pays back only the principal of the bond, and the bondholder receives federal tax credits in lieu of the traditional bond interest. QECB bond volume is allocated to each state based on the state's percentage of the U.S. population as of July 1, 2008. Each state is then required to allocate a portion of its allocation to large local governments within the state based on the local government's percentage of the state's population. The definition of qualified energy conservation projects is fairly broad and contains elements relating to energy efficiency in public buildings, renewal energy production, various research and development applications; mass commuting facilities that reduce energy consumption; several types of energy related demonstration projects; and public energy efficiency education campaigns. It was the consensus of the board to have NIFA staff work with the Nebraska Department of Energy to explore what role NIFA could play in utilizing QECBs in the State of Nebraska and bring back a proposal for consideration at a later meeting.

15. Report to the Board from the Management Committee – [May Require An Executive Session](#)

Richard Baier reported the Management Committee (consisting of John Blazek, Michael Maroney and Mary Jo McClurg – Richard Baier was absent due to illness) met on March 25 to discuss proposed goals and objectives for the Executive Director and NIFA for the upcoming year and beyond. The Management Committee is proposing to meet quarterly.

- 16. Announcements and Discussion of Upcoming Events and Scheduling**
April NIFA Board Meeting - scheduled for **Thursday**, April 29, 2010 at the NIFA Board Room
NCSHB – scheduled for August 22-24, 2010 in Portland, Oregon
- 17. Adjournment**
Moved by Blazek, seconded by Maroney to adjourn at 3:07 p.m. Motion carried unanimously.

Respectfully submitted,

Timothy R. Kenny
Executive Director