

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

**LIED LODGE CONFERENCE CENTER
2700 Sylvan Road
Nebraska City, Nebraska**

MINUTES OF THURSDAY AND FRIDAY, MARCH 26 AND 27, 2009

**Notice Published: March 22, 2009 – *Omaha World Herald*
March 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.

Thursday, March 26, 2009

NIFA BOARD MEMBERS PRESENT

Board Members Present: Richard Baier, Marlin Brabec, Carl Brasee, Pete Graff, Ginger Langemeier and Mary Jo McClurg

Board Members Absent: John Blazek, Joseph Jurich (designated representative of Gail Werner-Robertson). and Michael Maroney

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, Treasurer Judy Krasomil, Ag Program Manager Dudley Beyer, LIHTC and CRANE Manager Robin Ambroz and Single Family Program Manager Jacki Young

Guests: Chuck Henderson, Barry Gottfried, John Wagner, Ann Atkinson, Scott Neill, Brian Meade, Steve Likes and Patti Peterson

12:00 noon – 1:30 p.m. Luncheon
Pastor Tom Barber, People's City Mission was the luncheon speaker.

Richard Baier announced that a copy of the Open Meetings Act is located on the table as you enter the room.

The following topics were discussed by the following individuals.

**1:30 p.m. – 2:30 p.m. First-Time Farmer Rancher Bond Program Review – Current and Future;
Interface of Ag Bonds, IDB's and Solid Waste Financing**
Dudley Beyer, Ag Program Manager
Roy Miller, First National Bank Northeast, Lyons, Nebraska.
Steve Likes, Kutak Rock Law Firm

2:30 p.m. – 3:00 p.m. Break

3:10 p.m. – Michael Maroney arrived at the meeting.

3:00 p.m. – 4:00 p.m. Industrial Development Bonds, "HR1" Bonds and New Market Tax Credits
Steve Likes, Kutak Rock Law Firm
Scott Neill, Kutak Rock Law Firm

4:20 p.m. – Richard Baier left the meeting

4:00 p.m. – 5:00 p.m. **Evolving Outreach for the Future**
Ted Simpson, Deputy Director of Programs
Linda Addison, Housing Development Corporation
Dan Kubr, Crown Point Properties
Faith Medina, Crown Point Properties

5:15 p.m. – Joseph Jurich arrived at the reception.

5:15 p.m. – 7:30 p.m. **Reception and Dinner**
Todd Johnson, Gallup was the guest speaker.
Pete Graff was recognized for his commitment and service on the NIFA Board for sixteen years. Kutak Rock Law Firm was presented a “Heavy Lifter” Award for their support and guidance since the market problems in September 2008.

Friday, March 27, 2009

NIFA BOARD MEMBERS PRESENT

Board Members Present: Richard Baier, Marlin Brabec, Carl Brasee, Pete Graff, Joseph Jurich (designated representative of Gail Werner-Robertson), Ginger Langemeier, Michael Maroney and Mary Jo McClurg

Board Members Absent: John Blazek

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, Treasurer Judy Krasomil, Ag Program Manager Dudley Beyer, LIHTC and CRANE Manager Robin Ambroz and Single Family Program Manager Jacki Young

Guests: Chuck Henderson, Barry Gottfried, Jim Rieker, Theresa Bima-Reeves, Thomas Judds, Dan Hoffman, Paula Rhian, Peter Weiss, Jeff Gertz, John Wagner, Brian Meade, Steve Likes and Patti Peterson

Richard Baier announced that a copy of the Open Meetings Act is located as you enter the room.

The following panels made presentations:

8:30 a.m. – 9:15 a.m. **Tax Credits in Today’s Environment**
Robin Ambroz, LIHTC and CRANE Manager
Jim Rieker, Midwest Housing Equity Group
Thomas Judds, Midwest Housing Equity Group
Gregg Yeutter, Kutak Rock Law Firm

9:15 a.m. – 10:00 a.m. **Bond Issues in Today’s Environment**
Judy Krasomil, Treasurer
Jeff Gertz, JP Morgan
Bruce Lefler, Ameritas
Phil Lorenzen, DA Davidson
Barry Gottfried, Barclays

Pete Graff left the Board Meeting at 10:00 a.m.

10:00 a.m. – 10:15 a.m. Break

10:15 a.m. – 12:15 p.m. NIFA Board Meeting

1. Call Meeting to Order and Roll Call

Chair Richard Baier called the meeting to order at 10:25 a.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 stated that notice of the meeting was published on Sunday, March 22, 2009 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

2. Approval of the February 27, 2009 NIFA Board of Directors Meeting Minutes

Moved by McClurg, seconded by Brabec to approve the February 27, 2009 NIFA Board of Directors Meeting Minutes. Motion carried unanimously.

3. Executive Director's Report

Tim Kenny challenged the board to plan for two years and envision for five years throughout the retreat portion of the meeting. The retreat objectives were visionary planning in a complicated economic environment by adding value to public resources.

4. Public Comment related to the March 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.

LOW INCOME HOUSING TAX CREDITS

5. Ratification of the Public Hearing held Tuesday, March 10, 2009, at 10:00 a.m. for the following:

Moved by McClurg, seconded by Brasee to ratify the Public Hearing held Tuesday, March 10, 2009, at 10:00 a.m. for the following. Motion carried unanimously.

2009 Low Income Housing Tax Credit Qualified Allocation Plan

6. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting held Wednesday, March 11, 2009

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

Creekside Village – Lincoln

The Margaret – Omaha

Park Avenue – Omaha

Prime-Fallesen Development – Norfolk and Columbus

Chair Richard Baier recommended that Agenda Item #9 be moved forward ahead of Agenda Items #7 and #8 to allow time for Pete Graff to return to the meeting.

Pete Graff returned to the Board Meeting at 10:34 a.m. during the discussion of Agenda Item #9.

PUBLIC INVESTMENT PROJECTS

9. Consideration of adoption of Board Resolution No. 315 with respect to the Establishment of Program Guidelines for the Provision of Funds for Technical Assistance in Connection with Community and/or Economic Development and Approval of a Grant to Invest Nebraska (Nebraska Venture Capital Forum Corporation) for Technical Assistance in Connection with Encouraging Economic Development by Creating a Framework to Facilitate the Financial Investment in New and High Growth Businesses in Nebraska Communities

Patti Peterson reported that pursuant to the NIFA Act, NIFA may use NIFA funds to provide technical assistance to local public bodies and to for-profit and nonprofit entities in the areas of housing for low-income and moderate-income persons, agricultural enterprises, and community or economic development, to distribute data and information concerning the needs of the state in these areas. Richard Baier introduced Dan Hoffman of Invest Nebraska. Dan reported that Invest Nebraska is requesting a grant in the amount of \$165,000, the proceeds of which would be used by Invest Nebraska to provide technical assistance over the next two years in connection with their economic development efforts. Specifically, Invest Nebraska will use the funds to provide technical assistance to establish a framework to facilitate the financial investment in new and high-growth business enterprises in the State. Invest Nebraska has identified that many communities in the State lack readily available capital for new start-up ventures in their respective local areas. Invest Nebraska will provide

operational and technical assistance as well as mentoring, to individuals and communities in the State in connection with identifying and using capital for new start-up ventures in their respective communities. The funds to be approved by NIFA for the technical assistance shall be matched by Invest Nebraska 2 to 1. Invest Nebraska has entered into a contract for services with the Nebraska Department of Economic Development (in the amount of \$500,000) for implementation of the Nebraska Operational Assistance Act to create a state-wide program to assist business enterprises in Nebraska in achieving the thresholds necessary for private equity investments. Moved by Graff, seconded by McClurg to adopt Board Resolution No. 315. Motion carried with Brasee voting yes, Graff voting yes, Jurich voting yes, Langemeier voting yes, Maroney voting yes, McClurg voting yes, Baier abstaining due to the Nebraska Department of Economic Development contractual agreement with Invest Nebraska, and Brabec voting yes.

LOW INCOME HOUSING TAX CREDITS

7. Report from the Programs Committee

Robin Ambroz-Hollman reported the Programs Committee (consisting of Marlin Brabec, Pete Graff and Mary Jo McClurg) met prior to the board meeting to discuss the proposed CRANE application.

8. Consideration and Approval of Conditional Reservation for CRANE Application in the 2009 Low Income Housing Tax Credit (LIHTC) Program

Robin Ambroz-Hollman reported the CRANE application had been reviewed by NIFA, NDED and Kutak Rock staff and the scoring methods and results are in accordance with the Amended 2009 LIHTC Allocation Plan which was approved November 21, 2008 by the NIFA Board of Directors, and approved by Governor Dave Heineman on November 26, 2008. The following motion was made by McClurg and seconded by Brabec. Motion passed with Baier voting no, Brabec voting yes, Brasee abstaining due to his inability to visit the site, Graff voting yes, Jurich voting yes, Langemeier 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 2009 LIHTC Program - 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:

CRANE Program:

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

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.

OTHER BUSINESS/ANNOUNCEMENTS

10. Report from the Audit Committee

Christie Weston reported that the Audit Committee (consisting of John Blazek, Carl Brasee, Pete Graff and Joseph Jurich) met with staff on Friday, March 20, to discuss the engagement letter received from KPMG regarding NIFA's annual financial statement audit for the year ending June 30, 2009. The proposed audit fee is reasonable in comparison to other HFA's in the region and given the scope of the audit. The committee recommends that the Board approve KPMG as NIFA's independent auditor for the year ending June 30, 2009, and direct management to enter into an agreement with KPMG for the completion of the audit.

11. Consideration and Approval of the Engagement of KPMG as NIFA's Auditors for fiscal year ending June 20, 2009

Moved by Graff, seconded by Brasee to approve KPMG as NIFA's independent auditor for the year ending June 30, 2009 and direct management to enter into an agreement with KPMG for the completion of the audit. Motion carried unanimously.

12. Board Retreat Sessions

(a) Strategic Plan Report

Tim Kenny gave the following summary of NIFA's Strategic Plan

- I. Operating Philosophy
 - A. Act with fiscal responsibility and without duplication
 - B. Further Nebraska's social goals
 - C. Emulate best practices in private sector efficiency, flexibility and speed
 - D. Partner with other organizations and with government
 - E. Achieve measurable long-term results
 - F. Attract and develop new resources for Nebraska
- II. Management Principals
 - A. Be responsive, customer-centric
 - B. Develop and care for employees
 - C. Use financial resources to achieve goals
 - D. Concentrate on multi-year objectives.
- III. Strategic Objectives (and Rationale)
 - A. Improve resources to finance low/moderate housing
 - B. Broaden financing options for economic, community and Ag opportunities
 - C. Seek to increase funding and information for mission related development
 - D. Elevate public awareness of mission, capabilities, and willingness to help
- IV. Implementation Plan
 - A. Continue to develop and improve housing resources
 - B. Broaden options for economic, community, infrastructure and Ag Finance
 - C. Try to increase funding for housing, community and economic development
 - D. Elevate awareness of mission, capabilities, and willingness to help

NIFA staff reported on their department initiatives which are aligned to the Strategic Plan.

Jacki Young and Cindy Trautman – Single Family Department
Robin Ambroz-Hollman and Teresa Kile – Multifamily and LIHTC Department
Ted Simpson – Outreach Department
Dudley Beyer – Ag Department
Judy Krasomil – Finance Department
Christie Weston – Human Resources
Christie Weston and Jody Cook – Information Technology

(b) Financial Statement Review

Christie Weston gave an overview of certain aspects of NIFA's financials.

(c) Rating Agencies

Judy Krasomil reported NIFA is in constant communication with the rating agencies and explained their role in rating NIFA's bonds.

(d) Statewide Investment Programs

Tim Kenny distributed a copy of Limited Purpose Intent Resolution 290 passed by the NIFA Board June 22, 2007 which authorizes NIFA to invest \$30 million in an investment program. The Investment, Production and Preservation Fund would provide resources and technical expertise to communities within the state essential for basic economic development, including, but not limited to, activities designed to address the housing, economic, community and health care development needs in Nebraska communities. NIFA desires to develop programs that will encourage local investment and participation in community investments meeting the specific needs of the communities. Any financial investment by NIFA in this fund will be matched on at least a 2-to-1 basis by private and/or public funds on a project-by-project or program-by-program basis, which, together with the monies of the fund, would be used to carry out the public purposes of basic economic development, which public purposes

with respect to funds allocated by NIFA would be in accordance with the Nebraska Investment Finance Authority Act. Tim reported staff would prepare an outline to prescribe the general parameters of the fund, which may include the issuance of limited obligation bonds (secured by assets on deposit and pledged to the trust indenture) from time to time for the purposes of the investment fund. These documents will be presented to the board at a future board meeting for their consideration.

(e) Board Round Table

Tim Kenny and the Board reflected on NIFA's strategic plan and the initiatives being proposed as well as discussions regarding new programs to further NIFA's mission.


13. Announcements and Discussion of Upcoming Events and Scheduling

NIFA Board Meeting – The next NIFA Board Meeting is scheduled for April 17, 2009 at the NIFA Board Room.
Mountain Plains Housing Summit – The Mountain Plains Housing Summit will be in Cody, Wyoming on May 4-6, 2009. Any board members interested in attending should contact Karon Andretti so she can make the necessary registrations and travel arrangements.

14. Adjourn

Moved by Brasee, seconded by Maroney to adjourn at 12:03 p.m. Motion carried unanimously.

Respectfully submitted,


Timothy R. Kenny
Executive Director

