

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

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

MINUTES OF FRIDAY, September 25, 2009 @ 1:00 P.M.

Notice Published: **September 20, 2009 – *Omaha World Herald*
September 20, 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, Pete Graff, Joseph Jurich, Mike Maroney and Mary Jo McClurg

Board Members Absent: John Blazek
 Marlin Brabec
 Carl Brasee
 Ginger Langemeier

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Susan Pulec, Chief Operating Officer Steve Clements, Treasurer Judy Krasomil, Ag Program Manager Dudley Beyer, LIHTC and CRANE Manager Robin Ambroz, Assistant Single Family Program Manager Cindy Trautman, Deputy Director of Programs Ted Simpson, Deputy Director of Operations Larry Jablonski,

Guests: Jeff Gertz, Danielle Hill, Fred Hoppe, Scott Keene, Pamela Forster, Mark O'Brien, Thomas Judds, Steve Werthmann, Bob Peterson, Mike Fallesen and Patti Peterson

1. Call Meeting to Order and Roll Call

Chair Richard Baier called the meeting to order at 1:38 p.m. with five members present. Richard stated that a copy of the Open Meetings Act was located on the table as persons entered the room. Susan Pulec reported that the notice of the meeting was published on Sunday, September 20, 2009 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

2. Approval of the August 28, 2009 NIFA Board of Directors Meeting Minutes

Moved by Graff, seconded by McClurg to approve the August 28, 2009 NIFA Board of Directors Meeting Minutes. Motion carried unanimously.

3. Executive Director's Report

Tim reported that NIFA recently received notice regarding a potential issue with respect to the standardized terms of FHA single family insured loans and soon to be implemented Regulation Z. NIFA staff is working to get clarification on this technical issue. Further updates will be given to the board as more information is known.

4. Public Comment related to the September 25, 2009 Agenda Items (comment period limit to five minutes)

Fred Hoppe and Mike Fallesen, tax credit developers, offered comments to agenda item 7, reiterating comments made at the 2010 QAP public hearing with respect to the possible extension of the Section 1602 program.

DEVELOPMENT FINANCE DIVISION

5. **Ratification of the Public Hearing held Friday, September 25, 2009 at 9:30 a.m. for the following project:**
Moved by Jurich, seconded by McClurg to ratify the Public Hearing held Friday, September 25, 2009, at 9:30 a.m. for the following project. No one attended the public hearing. Motion carried unanimously.

Catholic Health Initiatives - \$1,500,000,000

LOW INCOME HOUSING TAX CREDITS

6. **Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting held Wednesday, September 9, 2009**
Robin Ambroz-Hollman reported that the Park Avenue project has been removed from the CRANE process at the request of the developer.
7. **Ratification of the Public Hearing held Monday, September 14, 2009 at 10:00 a.m. for the following:**
2010 Low Income Housing Tax Credit Qualified Allocation Plan
Based upon comments from attendees at the public hearing, changes were made to the 2010 Qualified Allocation Plan, including: language addressing the possible extension of the Section 1602 program; the addition of the presidential or state natural disaster declaration eligibility within the CRANE program; and clarification in Exhibit 104 for projects proposed in the city of Omaha. Moved by Graff, seconded by Maroney to ratify the Public Hearing held Monday, September 14, 2009, at 10:00 a.m. for the 2010 Low Income Housing Tax Credit Qualified Allocation Plan. Motion carried unanimously.
8. **Report from the Programs Committee**
Tim Kenny reported the Programs Committee (consisting of Mary Jo McClurg and Pete Graff) met at various times to discuss 2010 LIHTC Qualified Allocation Plan proposed changes and clean up language based upon changes in legislation passed last year.
9. **Consideration and Approval of the 2010 Low Income Housing Tax Credit Qualified Allocation Plan**
The following motion was made by Graff, seconded by McClurg. Motion carried unanimously.

Whereas the Nebraska Investment Finance Authority has completed the review of the 2010 Low Income Housing Tax Credit Qualified Allocation Plan, and; whereas said review was conducted pursuant to Section 42 of the Internal Revenue Code, be it resolved that the NIFA Board of Directors hereby approves the 2010 Low Income Housing Tax Credit Qualified Allocation Plan, and authorizes its submittal to the Governor of Nebraska for final approval.

SINGLE FAMILY HOUSING FINANCE DIVISION

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

Cindy Trautman reported the following:

August activity: 93 loans for a total of \$8.8 million
94% of loan activity is par mortgage programs
55% is ABC program and 39% is First Home Plus
68% Urban loans and 32% Rural

September activity: 89 loans to date for a total of \$8 million
94% of loan activity is par mortgage programs
49% is ABC program
43.8% is First Home Plus
89% Urban and 11% Rural

ABC Program: 162 loans reserved for a total of \$16.9 million
(year-to-date) 54% total loan volume
83% Urban and 17% Rural
28 lenders participating in the program
2 ABC 2nd mortgage loans have been paid in full

Cindy also reported that rates were lowered on September 9th. As of today, NIFA's interest rates are: First Home Plus, 5.25%; First Home, 5.00%; First Home Focused (target areas), 5.25%; and the ABC loan program, 5.75% reducing to 5.25% if the 2nd mortgage is paid within 120 days. Judy Krasomil stated there is currently \$30 million in reserved loans in the pipeline and to avoid negative carry we anticipate waiting until sometime in mid to late October to issue bonds. Jeff Gertz gave an update on the national bond market.

HOUSING INITIATIVES

- 11. Discussion Regarding Issuance of Community Development Loan Notes for the Community Development Program (City of Lincoln-2009) together in an amount not to exceed \$2,000,000 and Approval of a Notice to the Governor and Clerk of the Legislature and the filing thereof**
- Judy Krasomil explained NIFA has been assisting with this subsidized home improvement program operated by the City of Lincoln since 1992. Under the program, NIFA issues tax exempt notes which are sold on a private placement basis to participating banks and they in turn make the loans to the borrowers. The City of Lincoln provides community development block grant funds to buy the interest rate down to 0% for the borrowers. The City supervises the qualification of the buyers and the inspection of the properties; and the banks provide credit underwriting. There are six banks currently participating in the program. The last notes were originated in 2006 and the origination period expires October 4, 2009. The Board is being asked to approve the Notice to the Governor and Clerk of the Legislature, which is required before a bond resolution can be approved. Moved by Graff, seconded by Maroney to approve the Notice. Motion carried unanimously.

OUTREACH

- 12. Report from the Outreach Department**
- Ted Simpson gave the following Outreach Report.
- NCSHA Annual Conference and Tradeshow – San Antonio, Texas, October 3-6, 2009. Attending are Mike, Maroney, Pete Graff, Tim Kenny, Steve Clements, Jody Cook, Meribah Moore-Christensen, Susan Pulec, Steve Peregrine, Cindy Trautman, Shelley Abraham and Ted Simpson. Tim has been asked to present NIFA's award entry in the Management Innovation category "Protecting NIFA's Assets Under a Team Umbrella" at the Best of HFA's Management Innovation session on Monday morning.
- Omaha a.m. – Wednesday, October 21st, NIFA will host an inaugural breakfast networking session at the Omaha Marriott Regency from 7:30 a.m. to 8:30 a.m. This new, hopefully, monthly networking breakfast will provide an opportunity for Omaha's affordable housing professionals and stakeholders to share news, ideas and opportunities. A concept survey indicated that potential attendees felt this event would be extremely valuable as an informal networking roundtable.
- First Fridays – Forty-nine community leaders and members attended a First Friday luncheon in Kearney on September 11th. NIFA and partners, NDED and USDA-RD, made presentations about their programs to the group followed by a luncheon.
- Low Income Housing Tax Credit Department – Robin Ambroz-Hollman presented an LIHTC 101 session at the NAHRO conference in Scottsbluff on September 15, 2009.
- NCSHA Executive Development Seminar – This week long seminar, conducted by the Executive Education Department of the Mendoza College of Business on the University of Notre Dame campus, features a course curriculum designed to provide the highest quality of professional development for HFA executive directors and senior staff. Christie Weston and Jacki Young attended the seminar this week.
- Outreach Partnership Program – The second year of Board of Director Training, a program requirement, was conducted for Central Nebraska Housing Developers in Ord by NIFA's consultant and NIFA staff, Ted Simpson and Elizabeth Fimbres, on September 16, 2009. Initial training for our partner Three Rivers Housing Development Corporation is scheduled for October in Tekamah.
- Nebraska Bankers Association/Nebraska Mortgage Bankers Conference – NIFA participated as a sponsor in this year's combined conference, which was held in Omaha on September 10th. Approximately 121 lenders were in attendance. Jacki Young was a speaker at the event again this year.
- 15 Year Anniversary – NIFA celebrated Judy Krasomil's 15th year of service with a luncheon on August 24, 2009.
- 2010 Housing Innovation Marketplace – NIFA's annual housing conference will be held January 26-27, 2010 at the Omaha Regency Marriott.

OTHER BUSINESS/ANNOUNCEMENTS

- 13. Announcements and Discussion of Upcoming Events and Scheduling**
NCSHA Annual Conference – Tim Kenny reported that the NCSHA Annual Conference will be in San Antonio, Texas on October 3-6, 2009.
2010 Housing Innovation Marketplace – The annual NIFA conference will be held January 26-27, 2010 in Omaha, Nebraska.
- 20. Adjournment**
Moved by Maroney, seconded by McClurg to adjourn at 2:44 p.m. Motion carried unanimously.

Respectfully submitted,


Timothy R. Kenny
Executive Director