NEBRASKA INVESTMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING

Friday, September 18, 2020
9:00 a.m.

Embassy Suites – Regents A/B
1040 P Street, Lincoln, Nebraska

Option of Video/Audio Conference for Members of the Public

Notice Published: September 13, 2020 – Omaha World Herald
September 13, 2020 – Lincoln Journal Star

AGENDA

Open Meetings Act – Copies of the Open Meetings Act are located on the table and posted against the wall at the entrance to the room, and also posted on the NIFA website at www.nifa.org/about/history-board.

1. Call Meeting to Order and Roll Call – 5 minutes

2. Public Comment Related to the September 18, 2020 Agenda Items (comment period limited to five minutes) – 5 minutes

3. Consent Agenda – 5 minutes
   a. August 21, 2020 NIFA Board of Director Meeting Minutes
   b. Executive Director’s Report
   c. Report from the Risk Management Committee
   d. Report from the Programs Committee
   e. Private Activity Bond Cap Summary
   f. Status Report on Single Family Program
   g. Outreach Report

Consideration of a Motion to Approve the Minutes and Accept the Reports on the Consent Agenda as presented
Strategic Topic – 20 minutes

4. Overview of the Low Income Housing Tax Credit/Nebraska Affordable Housing Tax Credit Qualified Allocation Plan (QAP) – 20 minutes

Action Items – 35 minutes

Program Committee Action Items – 35 minutes

5. Consideration of Approval of the 2020/2021 Amended and Restated Qualified Allocation Plan, Including for 2021 the Allocation of the 9% Low Income Housing Tax Credit (LIHTC) and Related Nebraska Affordable Housing Tax Credit (AHTC) Programs – 20 minutes

6. Consideration of a Motion to Approve the Continuation of the NIFA Rural Workforce Housing Match Program – 10 minutes

NIFA Highlights

7. Announcements and Discussion of Upcoming Events – 2 minutes

8. Adjournment
NEBRASKA INVESTMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING

Embassy Suites – Regents A/B
1040 P Street, Lincoln, Nebraska
Option of Video/Audio Conference for Members of the Public

MINUTES OF FRIDAY, August 21, 2020 @ 9:00 A.M.

Notice Published: August 16, 2020 - Omaha World Herald [Affidavit attached]
August 17, 2020 - Lincoln Journal Star [Affidavit attached]
Agenda amended at 9:00 a.m. on August 20, 2020

Open Meetings Act – Copies of the Open Meetings Act were posted by the door as you entered Regents A/B and on the NIFA website at www.nifa.org/about/history-board

All votes taken by roll call of the members.

NIFA BOARD MEMBERS PRESENT


Board Members Absent: Herb Freeman (Excused - absent due to concerns about COVID-19), George Achola

NIFA Staff Present: Executive Director and Board Secretary, Shannon Harner; Clerk, Susan Pulec; Chief Operating Officer, Steve Clements; Treasurer, Judy Krasomil; Deputy Director of Programs, Robin Ambroz; Controller, Jody Cook; Chief Homeownership Officer, Jacki Young; Homeownership Operations Manager, Stacy Fotinos; LIHTC Compliance Manager, Kelly Schultze; Assistant LIHTC Compliance Manager, Tammy Burd; LIHTC Allocation Manager, Sara Tichota; Agricultural Program, Manager Dudley Beyer; Communication and Outreach Manager, Elizabeth Fimbres; Assistant Manager for RHA Development & Training, Joe Spitsen; Manager of Community Development & Research, John Turner; Compliance Specialist, Shelley Abraham; Marketing and Relationship Manager, Amanda Wusk; Allocation Specialist, Kirk Benner; Compliance Specialist, Andray Fairley and Eric Matty; Deputy Director Christie Weston

1. **Call Meeting to Order and Roll Call**
Chair Goins called the meeting to order at 9:03 a.m. with seven members present. Goins reported that copies of the Open Meetings Act were posted by the door as you entered Regents A/B, on the NIFA website, as well as in the “Handouts” section of the webinar. The notice of the meeting was published on Sunday, August 16, 2020 in the *Omaha World Herald* and Monday, August 17, 2020 in the *Lincoln Journal Star*. Affidavits of publication are attached. The agenda, a copy of which was continually kept current at the office and on the website of NIFA, was amended at 9:00 a.m. on August 20, 2020.

2. **Approval of Corrections to the June 19, 2020 NIFA Board of Directors Meeting Minutes**
Christie Weston presented amendments to the June 19, 2020 minutes, noting a correction of roll call vote to include Steve Wellman in items 7 and 8, and the inclusion of comments by George Achola in item 14. Moved by Frenzen seconded by Arganbright to approved the corrections to the June 19, 2020 NIFA Board Minutes. Roll call vote – Goins – yes, Zamrzla – yes, Frenzen – yes, Arganbright – yes, Walden-Newman – yes, Wellman – yes, Bredthauer - yes. Motion carried unanimously.

**Approval of the June 19, 2020 NIFA Board of Directors Meeting Minutes, As Amended**

3. **Executive Director’s Report**
Shannon Harner welcomed the new board members, Susan Bredthauer and Colten Zamrzla.

Shannon announced that this week she, Krista Metcher of USDA, Dudley Beyer and Tim Kenny were panelists on Senator Adrian Smith’s 3rd District Agricultural Summit.

Shannon has been meeting with the staff and wanted to make sure the Board knows we have enthusiastic, competent and mission-driven employees. She is looking forward to working with all of them.

Shannon reported that the NIFA Single Family Housing Revenue Bonds, 2020 Series B and 2020 Series C were priced this week and that the Bonds were well-received by the market.

Shannon proposed that the Board consider holding one or more of its meetings each year in locations outside of Lincoln, as well as adding strategic educational topics as part of future agendas. All thoughts are welcome on the format for upcoming board meetings.

Shannon updated the Board on the rise in construction costs due to the pandemic. There is some concern as to how to best address potential gaps in financing that may occur with respect to those projects for which LIHTC reservations have been approved. Shannon has asked the staff for ideas to address the issue, but wanted to bring to the Board’s attention that this is an ongoing issue because of the higher costs and the scarcity of materials as a result of the pandemic.

With respect to activities of the Unicameral, Shannon reported that a transfer of $10 million was authorized from the general fund to the Rural Workforce Housing Fund for the development of affordable workforce housing. Additionally, LB 866 was adopted, creating the Middle Income...
Workforce Housing Investment Fund (with a $10 million appropriation to the Fund over two years) and adopting the Municipal Density and Missing Middle Housing Act, requiring cities of certain classes to report to the Urban Affairs Committee efforts to address the availability of and incentives for affordable housing through zoning codes, ordinances and regulations. LB 1021 amends the Community Development Law to provide expedited review for certain types of redevelopment projects. Finally, LB 424 amends the Municipal Land Bank Act to permit cities other than metropolitan class to create land banks.

4. **Public Comment Related to the September 18, 2020 Agenda Items (comment period limited to five minutes)**
   (a) Chair Goins asked if anyone wished to comment on any of the agenda items and directed that they come forward and state their name for the record. No individuals came forward.

   (b) Chair Goins then invited John Foley to address the Board with respect to St. James Manor, a LIHTC project located in Omaha. Mr. Foley made a presentation to the Board, seeking the release of the land use restriction agreement filed of record for St. James Manor. For the record, Mr. Foley provided a written copy of his remarks to the Secretary.

5. **Consideration of Adoption of a Resolution Recognizing the Service of Tim Kenny as Executive Director**
   Resolution 449, summarizing the accomplishments of Tim Kenny as Executive Director, was read into the record. Moved by Arganbright seconded by Wellman to adopt Resolution 449 Recognizing the Service of Tim Kenny as Executive Director. Roll call vote – Bredthauer – yes, Goins – yes, Zamrila – yes, Frenzen – yes, Arganbright – yes, Walden-Newman – yes, Wellman – yes. Motion carried unanimously.

6. **Welcome and Introduction of Shannon Harner, Executive Director**
   Chair Goins formally introduced and welcomed Shannon Harner to the Board of Directors as NIFA’s new Executive Director.

7. **Update on Status of the Operational Risk Assessment and Current Financial Audit**
   Christie Weston reported that NIFA received BDO’s Service Agreement and Statement of Work for Operational Risk Assessment services. The documents are currently under review by staff and legal counsel. With respect to the current financial audit, KPMG began this year’s financial statement audit earlier this week. Due to the pandemic, this year’s audit will be performed remotely, using a secure site for documents and files to be uploaded, and so far it is going well. Staff anticipates the audit will be complete and financial statements ready for the Audit Committee to review and recommend approval to the Board at the October board meeting.

8. **(a) Consideration and Approval of Resolution No. 447 Adopting the Initial Bylaws of the Nebraska Investment Finance Authority**
   Patti Peterson reported that the Bylaws Committee, consisting of Warren Arganbright, Herb Freeman, Michael Walden-Newman and George Achola, provided the current draft of the Bylaws for review by the Board. In the proposed draft of the Bylaws, many of the provisions reflect the requirements of the NIFA Act. Several of the provisions provide for specific creation of and purpose for the various standing committees: Audit, Governance, Programs and Risk Management. Additionally, the Bylaws provide for the election by the members of a Vice-Chair. Warren Arganbright added that proposed draft of the bylaws presented for approval today is not perpetual; the bylaws may be amended by the board when there are issues that need to be addressed. Mr. Arganbright stated that the Bylaws Committee does recommend approval. Moved by Arganbright seconded by Walden-Newman to adopt the initial Bylaws of the Nebraska Investment Finance Authority. Roll call vote – Frenzen – yes, Arganbright – yes, Walden-

(b) Appointment of Standing Committee Members Pursuant to the Bylaws
Shannon noted that while the Bylaws do create a general overview of each of the committees, the next set of meetings will flesh out in more detail the policies and purview of each committee. A proposed list of committee appointments was presented by Chair Goins. Moved by Zamrzla seconded by Arganbright to approve the appointment of standing committee members as set forth in the assignment list presented by Chair Goins. Roll call vote – Walden-Newman – yes, Bredthauer – yes, Goins – yes, Zamrzla – yes, Frenzen – yes, Arganbright – yes, Wellman – yes. Motion carried unanimously.

9. Private Activity Bond Cap Summary
Judy Krasomil presented the Private Activity Cap Summary, updating the Board on allocations to date for 2020.

AGRICULTURAL FINANCE DIVISION

10. Report on Agricultural Program Regarding Loan Summaries

Borrower: Brock Hinrichs  
Purpose: Purchase 123.45 acres of farm real estate – Adams County, Nebraska  
Proposed NIFA Loan/Bond Amount: $336,750  
Proposed Interest Rate: 3.75% Variable (Bank’s Conventional Interest Rate: 5.10% Variable)  
Proposed Bond Purchaser: Adams County Bank – Kenesaw, NE

Borrower: Kathryn M. Hauxwell  
Purpose: Purchase 1,212.15 acres of farm real estate – Red Willow County, Nebraska  
Proposed NIFA Loan/Bond Amount: $552,500  
Proposed Interest Rate: 4.00% Fixed (Conventional Interest Rate of Banks: 6.50% Fixed)  
Proposed Bond Purchaser: Ashtonfield, LLC – Grand Island, NE

Dudley Beyer reported that the above-listed Agricultural loans are a summary of recently closed loans. Dudley also noted that included in HR 2, the "Moving Forward Act“ is a provision to increase the limit on depreciable agriculture property to match land, which is currently $552,500. HR 2 would also change the definition of previous ownership allowed by a beginning farmer from 30% of mean acreage size to 30% of average acres. This would be consistent with the programs of Farm Services who often participate in providing financing to beginning farmers and ranchers.

LOW INCOME HOUSING TAX CREDITS

The CRANE meeting was held on July 15, 2020. Affidavits of publication are attached. Additionally, Sara Tichota reported that the following projects are in the CRANE process:  
Hanscom Apartments – Omaha  
Angels Share Campus – Blair
South Street Project – Lincoln
Larimore 3483 – Omaha
Siena Francis Cottages – Omaha
Better Together Campus – Omaha
Shadow Lake Apartments – Papillion
Eastside Bungalows – Omaha
Omega Westpoint – West Point

SINGLE FAMILY HOUSING FINANCE DIVISION

12. Status Report on Single Family Program
Jacki Young referred Board members to the Homeownership report in the Board book and reported NIFA has received 1,250 loan reservations to date in 2020, for a total of approximately $173.1 million in loans. The average loan amount is $138,484, with an urban/rural split of 56% urban, 44% rural. Jacki noted that there may be some increase in loan delinquencies because of COVID-19, and at this point some loans in forbearance are in current status so we do not have an accurate picture of what our portfolio may look like at the end of the forbearance period. There has been some discussion with the state about possible funding for persons in forbearance and Shannon asked the Board for further direction on how they would like NIFA staff to proceed. Chair Goins requested a report of single family loan activity divided out for North and South Omaha.

13. Update on Market Developments
Jeff Gertz, J.P. Morgan, provided highlights of the recent pricing and sale of NIFA’s $84.75 million Single Family Housing Revenue Bonds, 2020 Series B and 2020 Series C.

OUTREACH DIVISION

14. Report from the Outreach Department
Elizabeth Fimbres reported on recent ribbon cuttings for affordable housing developments in Holdrege and York for which NIFA provided financial resources. NIFA continues to update the Emergency Response website information to include resources available pursuant to the CARES Act. Since the last board meeting, we have had more than 500 people attend our virtual Networking with NIFA and Conference ConNEction meetings, taking us to over 1,000 attendees so far this year. NIFA hosted the Annual LIHTC Tax Credit Training digitally, which training was attended by over 230 persons. Amanda Wusk reported on the efforts to increase awareness of resources and training available from NIFA across all digital platforms. There is a current focus to increase awareness about the NIFA Ag department and the Housing.NE.gov website. Staff are also pulling data from the Profile of Nebraska to highlight communities across Nebraska and bring awareness of the Profile and Dashboard as a resource for information.

15. Update on the $5M Lincoln Workforce Housing Revolving Account
Robin Ambroz updated the board on the prior Board Resolution No. 435 and the community meetings that have been happening across the city of Lincoln. With the passage of LB 866, there is renewed excitement about initiatives being discussed in Lincoln for the development of affordable workforce housing. Specifics of how this might be addressed by NIFA will be brought to the Board at a future meeting.
16. **Update on TIF Monetization Project in Lexington and Grand Island with Hoppe Homes**
   Tim Kenny updated the board on how this lot by lot Tax Increment Financing project in Lexington and Grand Island provides two benefits: creating reasonable loans with the benefit of the full value of the property going directly to the owner, and ownership subsidy spread over time. The project will begin in Lexington and then scale larger in the Grand Island area.

**OTHER BUSINESS/ANNOUNCEMENTS**

17. **Quarterly Report on NIFA Operations**
   Christie Weston presented the quarterly financial dashboard, including a fiscal year-to-date budget to actual comparison, trends in personnel and benefit costs, a comparison of income between the current and prior fiscal years, and a look at NIFA’s investment and single family debt portfolios. This is unaudited data and will be updated with audited final results at the October board meeting.

18. **Approval of Staff Authorizations**
   Christie Weston reported that staff authorizations have been updated in accordance with recent changes in the Executive Director and Accounting Manager positions as presented in the board book. Moved by Arganbright seconded by Frenzen to approve Staff Authorizations as set forth in the board book. Roll call vote – Goins – yes, Walden-Newman – yes, Frenzen – yes, Arganbright – yes, Bredthauer – yes, Zamrzla – yes, Wellman – yes. Motion carried unanimously.

19. **Approval of Resolutions Recognizing Service to NIFA**

20. **Announcements and Discussion of Upcoming Events**
   The NCSHA Annual Conference, which will be virtual this year, is scheduled for October 27-29, 2020.

21. **Closed Sessions to Discuss Potential Litigation**
   Moved by Arganbright, seconded by Zamrzla to go into closed session at 11:03 a.m. to discuss litigation, the imminence of which has been evidenced by communication of a threat of litigation against NIFA, which closed session is consistent with the Nebraska Public Meetings law and is necessary to protect the interests of both NIFA and the public. Roll call vote – Bredthauer – yes, Frenzen – yes, Arganbright – yes, Wellman – yes, Zamrzla – yes, Walden-Newman – yes, Goins – yes. Motion carried unanimously.

   Prior to the closed session, the following statement was read by the Chair: “The closed session discussion shall be limited to matters relating to litigation, the imminence of which has been evidenced by communication of a threat of litigation against NIFA. Members shall restrict their consideration of matters during the closed session to the purpose stated in the Motion.”

   **Closed Session**
   Board Members met in closed session from 11:03 a.m. until 11:43 a.m. Michael Walden-Newman left the meeting at 11:27 a.m. Moved by Arganbright, seconded by Wellman to go into open session at 11:43 a.m. Roll Call Vote – Goins – yes, Zamrzla – yes, Wellman – yes, Frenzen – yes, Bredthauer – yes, and Arganbright – yes. Motion carried unanimously.
22. **Adjournment**
   Moved by Frenzen to adjourn at 11:44 a.m.

Respectfully submitted,

[Signature]

Shannon R. Harner
Executive Director
Affidavit of Publication

NEBRASKA INVESTMENT FINANCE AUTHORITY
1230 O ST
SUITE 200
LINCOLN, NE 68508-1402

Date: August 16, 2020

Date of File: AUG 20 2020

Date: 08/22/2020
Category: Legal Notices
Description: NOTICE OF MEETING NEBRASKA INVESTMENT
Ad Size: 2 x 0 L
Total Cost: 1,167.52

NOTICE OF MEETING
NEBRASKA INVESTMENT FINANCE AUTHORITY
[Meeting to be held in person (with the option of Videoconference and Audio-Only Teleconference for the public)]

Notice is hereby given that the Nebraska Investment Finance Authority (the "Authority") will hold a Board of Directors meeting, which is open to participation by the public, on Friday, August 21, 2020 at 9:00 a.m. The Authority’s meeting will be held at the Embassy Suites – Downtown Lincoln, 1940 P St, Lincoln, Nebraska. Persons requiring an accommodation consistent with the Americans with Disabilities Act are urged to contact Sheila Gage at the Authority at (402) 434-3190 at least 48 hours in advance of the meeting.

In addition to the in person meeting, the Authority also will allow members of the public or any other witness (other than a member of the Authority), including the news media, to access the meeting and/or appear before the Authority by videoconference by using the registrant link below:

https://attendee.getonwebinar.com/register/2666569300/947521700

Instructions to access the meeting by audio-only telephone conference will be posted on the Authority’s website at https://www.nifa.org/about/history-board no later than 24 hours prior to the start of the meeting.

The Authority’s website is available for public inspection at the Authority’s website at https://www.nifa.org/about/history-board and posted on the front door of the Authority’s office at Commerce Court, Suite 200, 1230 O Street, Lincoln, Nebraska, during normal business hours. Please note the offices of the Authority are not open to the public at this time.

A current copy of the Open Meetings Act, Neb. Rev. Stat. 84-1497 et. seq., and a copy of the Board book materials, which may be updated, which will be discussed at the meeting will be available at the meeting location the day of the meeting and at the Authority’s website at https://www.nifa.org/about/history-board the day before the meeting. Handouts and other materials presented at the meeting will be available for viewing by all attendees, including those attending the meeting via videoconference. Copies of Board materials, not otherwise made available at the Authority’s website the day before the meeting, will also be posted on the Authority’s website at https://www.nila.org/about/board-meeting-archive and available from NIFA upon request, subsequent to the meeting.

For more information or questions regarding accessing the meeting electronically, please contact Christie Weston, Deputy Director, at (402) 434-3191.

I, (the undersigned) an authorized representative of the World Herald, a daily newspaper published in Omaha, Douglas County, Nebraska; do certify that the annexed notice NOTICE OF MEETING NEBRAS was published in said newspapers on the following dates:

08/16/2020

The First insertion being given...

08/16/2020

Newspaper reference: 0000166213

Billing Representative

Sworn to and subscribed before me this Sunday, August 16, 2020

Notary Public

Kimberly B. Harle
NOTARY PUBLIC
Commonwealth of Virginia
Notary Registration Number 355753
Commission Expires January 31, 2021

This is not a bill. Please pay from invoice. Thank you.
The undersigned, being first duly sworn, deposes and says that she/he is a Clerk of the Lincoln Journal Star, legal newspaper printed, published and having a general circulation in the County of Lancaster and State of Nebraska, and that the attached printed notice was published in said newspaper

successive times(s) the first insertion having been on August 17, 20 20 and thereafter on August 20, 2020 and that said newspaper is the legal newspaper under the statutes of the State of Nebraska.

Section: Class Legals
Category: 0099 LEGALS
PUBLISHED ON: 08/17/2020

The above facts are within my personal knowledge and are further verified by my personal inspection of each notice in each of said issues.

Subscribed in my presence and sworn to before me on August 18, 20 20

Notary Public

TOTAL AD COST: 46.35
FILED ON: 8/17/2020
Affidavit of Publication

NEBRASKA INVESTMENT FINANCE AUTHORITY
1230 O ST
SUITE 200
LINCOLN, NE 68508-1402

Date: July 12, 2020

RECEIVED JUL 17 2020

Date | Category | Description | Ad Size | Total Cost
---|---|---|---|---
07/18/2020 | Legal Notices | Nebraska Investment Finance Authority Notice of P. | 1 x 0 L | 655.54

Nebraska Investment Finance Authority
Notice of Public Meeting
For the Collaborative Resource Allocation for Nebraska (“CRANE”)

Notice is hereby given that the Nebraska Investment Finance Authority (“NIFA”) will hold a public meeting via conference call regarding the CRANE program on Wednesday, July 15, 2020 at 10:30 a.m. Please contact Sara Tichota at (402) 434-3900 for the conference call information. Persons requiring an accommodation consistent with the Americans with Disabilities Act are asked to contact Sheila Gans at the Authority at (402) 434-3900 at least 48 hours in advance of the meeting. The CRANE program includes resources available pursuant to the 2020 Low-Income Housing Tax Credit (LIHTC) program.

The purpose of the meeting is to:
- Review and discuss proposals for July that are eligible for CRANE resources.
- Discuss current status of CRANE Projects.

Copies of the proposed CRANE process are available on NIFA’s web-site, nifa.org (Qualified Allocation Plan) or at the NIFA office (1230 O Street, Suite 200, Lincoln, NE 68508-1402).

All interested persons are invited to present projects at the public meeting or prior to the time of the meeting and submit written comments to NIFA at the address shown above concerning the CRANE process. For additional information, contact Sara Tichota at (402) 434-3900.

I, (the undersigned) an authorized representative of the World Herald, a daily newspaper published in Omaha, Douglas County, Nebraska; do certify that the annexed notice Nebraska Investment Fina was published in said newspapers on the following dates:

07/12/2020

The First insertion being given ...

07/12/2020

Newspaper reference: 0000156611

Billing Representative

Sworn to and subscribed before me this Sunday, July 12, 2020

Notary Public

Sharon R Carsten
NOTARY PUBLIC
Commonwealth of Virginia
Notary Registration Number 229549
Commission Expires July 31 2021

THIS IS NOT A BILL. PLEASE PAY FROM INVOICE. THANK YOU
NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

ORDER NUMBER 926479

The undersigned, being first duly sworn, deposes and says that she/he is a Clerk of the Lincoln Journal Star, legal newspaper printed, published and having a general circulation in the County of Lancaster and State of Nebraska, and that the attached printed notice was published in said newspaper

__________________________ successive times(s) the first insertion having been on _______________ 20  and thereafter on

__________________________ 20 and that said newspaper is the legal newspaper under the statues of the State of Nebraska.

__________________________

Signed

Section: Class Legals
Category: 0099 LEGALS
PUBLISHED ON: 07/12/2020

TOTAL AD COST: 26.00
FILED ON: 7/13/2020

The above facts are within my personal knowledge and are further verified by my personal inspection of each notice in each of said issues.

Subscribed in my presence and sworn to before me on

__________________________

Notary Public
Executive Director’s Report

September 11, 2020

Board Members:

This month you will notice significant changes in the format of the agenda. Our aim is to streamline many “routine items and informational reports” into the consent agenda in order to utilize our meeting time for strategic discussion, education and discussion-based action items, while reducing the overall time of the meetings. The maxim that a meeting will take as long as you have scheduled for it is a truism, so we will plan for meetings that are 1 ½ to 2 hours, unless exceptional circumstances exist.

Utilizing the new committee structure, we intend to have the Board Chair recognize Committee Chairs to bring forth committee action items. Of course, you may defer to or call on staff after your initial recognition, for details or supportive presentation.

We are required to have meetings at least once every three months. Because we have two new board members and a new executive director, it is our plan to continue monthly meetings for the time being. I anticipate backing off this monthly schedule in the spring. It is likely we will skip November’s meeting but a final determination will be made as we approach that month.

Items of Note:

1. Over the last month significant progress had been made in the committee structures and charters.
   a. The Risk Management Committee met and its report is included in the Consent Agenda. The Committee has identified additional information it would like to see during the next meeting and a Risk Management Policy will be created, including an internal Risk Management Group which will be responsible for executing on the Policy and reporting to the committee.
   b. The Program Committee met once and has a corresponding report, which is in the Consent Agenda as well.
2. The annual audit is ongoing and the audit results will be presented in October. We anticipate the Audit Committee will meeting in early October.
3. The finance team has been hard at work looking at the General Ledger, how to add revenues and create some different financial reporting. Once that is firmed-up we will begin working with departments to fine tune the proposed budget. **Please note** we have determined that we will go back to an annual, versus two-year, budget process, since revenue is more accurately projected annually and changing economic circumstances require a bit more agility.
4. NIFA announced the First Home Grant Program on September 10th. The program provides first mortgage financing and grant funds for down payment and/or closing cost assistance. The grant amount is $5,000 per household and the maximum income limit is 50% of the Area Median Income. The total funding goal amount is $200,000 with allocations made on a first-come, first-
serve basis. This program utilizes HUD funds we have been holding which needed to be put into programmatic use.

5. This meeting we will be reviewing and asking for approval of the Restated and Amended 2020/2021 Qualified Allocation Plan (QAP) for 9% Low Income Housing Tax Credits (LIHTC) and related Nebraska Affordable Housing Tax Credit (AHTC). Some small changes have been offered. We expect that immediately following the approval of the 2021 QAP we will begin working on a new two-year QAP. We intend to approach the QAP as a policy document; one that begins with the end in mind by articulating the outcomes desired by NIFA, in consultation with stakeholders. We will then work to structure the QAP to provide measures and incentives that facilitate the housing outcomes that the Board has identified. This work will necessarily include interrelated issues affecting quality of life, including social determinates. We will encourage significant input from communities, neighborhoods, developers and housing groups in this process. We will review sister states’ QAPs and bring forward relevant ideas and best practices. I anticipate this will be a lengthy process.

   a. The 4% QAP has been delayed since suggested changes require an additional public hearing.

Vision, Mission, Values and Goals:

This section is one I will use to update the Board on our ongoing efforts to define and infuse vision, mission and values into our everyday actions and communications. We have begun our process with the leadership team learning about *The Four Disciplines of Execution* (4DX). The team has successfully defined our Wildly Important Goals (WIG) and we will be meeting with individual departments to further identify sub-LAG and corresponding lead measures. Eventually this activity will cascade into individualized goals that support our overall WIG, which is:

“To improve measurable collaboration and communication through effective engagement with the Board, Clients/Partners, and fellow Employees by the end of the Fiscal Year.” To that end NIFA will be conducting baseline surveys over the next month(s), to gauge the starting point for our efforts.

Once our goal setting sessions are complete, we will begin planning for a Board and Employee offsite meeting to review and establish Vision and Mission. We anticipate we will retain an outside facilitator for this purpose. Internally we have begun “values” discussion and will continue to evolve those during Q4.

Board Member Follow Up:

1. At the last meeting Board member Arganbright made an inquiry relating to backup, security and redundancy of NIFA’s data. Please see Attachment A for further detail in this regard. We are actively reviewing our IT infrastructure and setup and will continue to update the Board as decisions and changes are made. I’d like to assure the Board we take our information security very seriously.

2. The Board asked staff to look into ways to address the concerns about increased construction costs as a result of the pandemic.

3. NIFA staff is meeting with all applicants who received a conditional reservation of LIHTC/AHTC in 2020 to discuss the current status of their developments. They are also reviewing options for
granting extensions as allowed under IRS guidance for areas impacted by federally declared natural disasters.

4. CARES Act funding to assist renters and homeowners is still an item of discussion with the staff and Department of Economic Development. Douglas County, Lancaster County, the Nebraska Housing Developer’s Association, and Nebraska’s network of Development Districts have recently received CARES Act funding to assist renters and homeowners. The NIFA Outreach team is providing technical assistance to the Development Districts and also developing informational materials to notify our partners and residents that funds are available.

Engagement Opportunities:


Networking with NIFA – please refer to our website calendar: https://www.nifa.org/about/calendar?year=2020&month=9&name=Networking%20with%20NIFA%20-%20Eviction

Conclusion:

If you have suggested strategic topics or educational items, or comments on our format, etc. please reach out to me; I am happy to have dialogue and to take suggestions. I appreciate your time and efforts on behalf of NIFA. Thank you for prioritizing the good work that we do; I know you all have other important obligations and we appreciate the time and attention you provide to further our mission.

Best Regards,

Shannon R. Harner
In Lincoln NIFA has 2 on premises physical servers and a Storage Area Network (SAN) all running VMWare (for virtual server management). All 3 locations (Lincoln, Data Center, Omaha) are protected by full firewalls. In the Omaha office there is a switch and firewall with a secure VPN tunnel to the backup server setup, which is housed at the data center in Omaha (1623Farnam). All data is backed up hourly at both the Lincoln main office and the Omaha data center, with all traffic occurring through secure VPN tunnels. Additionally, we have a daily replication job sending the backups offsite (Lincoln servers to Data center, Omaha server to Lincoln) nightly as well as a copy to our I.T. provider’s servers in Lincoln/Omaha. In addition to the VPN tunnel, the backup files themselves are encrypted in transit and at rest at both the onsite and offsite locations. One rolling month of backups are retained at all times. NIFA utilizes software that logs devices, provides alerts and reports and analyzes website traffic and login attempts. All employees and NIFA devices are set up with Multi Factor Authentication to secure access to the NIFA network, email or data upon login. All of these measures help to ensure security of our website, servers and data. NIFA continually works with its vendor to update and upgrade its security procedures and protocols as necessary.
Risk Management Committee

Report to the Board of Directors

September 18, 2020

Committee Members:
  George Achola
  Warren Arganbright
  Steve Wellman
  Colten Zamrzla

Others Attending:
  Shannon Harner
  Christie Weston
  Patti Peterson

Meeting Details:
  Tuesday, September 8 at 4:00 PM
  via Video Conference

Summary of Meeting Discussion:

Selection of Committee Chair
The Committee appointed George Achola as Chair of the Risk Management Committee.

Adoption of Committee Charter
The Risk Management Committee Charter was adopted and will be forwarded to the Governance Committee for approval prior to being brought to the Board, pursuant to the newly adopted Bylaws.

Review of NIFA Workplace Harassment Policy
The Committee reviewed a draft of the updated Workplace Harassment Policy, which was revised from the previous version to include additional protected classes (as required by federal law) and establish reporting procedures for employees. A number of modifications to the draft were proposed and discussed. Revisions are in process and the Committee anticipates having a recommendation for adoption of the policy by the Board at the October Board meeting.

Operational Risk Assessment Project Update
Staff reported that BDO has not yet responded to NIFA’s proposed contract revisions.

Committee Resources
Resources for defining a Board’s role in risk management were shared. The Committee requested a NIFA Board training session on the role and duties of a board member. Kutak offered to present this training at a date to be determined.
Committee Members:  
Susan Bredthauer  
Herb Freeman  
Galen Frenzen  
Michael Walden-Newman  

Others Attending:  
Shannon Harner  
Robin Ambroz  
Sara Tichota  

Meeting Details:  
Friday, September 11, 2020 at 10:00 AM  
via Video Conference  

Summary of Meeting Discussion:  

Selection of Committee Chair and Vice-Chair  
The committee reviewed the role and duties of the committee chair. Herb Freeman was unanimously approved to serve as the Program Committee Chair, as moved by Galen Frenzen and seconded by Michael Walden-Newman. Susan Bredthauer was unanimously approved to serve as the Programs Committee Vice-chair, as moved by Michael Walden-Newman and seconded by Galen Frenzen.

Adoption of Committee Charter  
The committee unanimously approved the Programs Committee Charter, as moved by Galen Frenzen and seconded by Michael Walden-Newman. The charter will be forwarded to the Governance Committee.

Review and Recommendation of the 2020/2021 Amended and Restated Qualified Allocation Plan – 9% (“QAP”)  
Sara reviewed the QAP process and presented details regarding revisions to the QAP documents. The Committee discussed the revisions. Herb Freeman moved that the Programs Committee recommend to the NIFA Board the approval of the 2020/2021 Amended and Restated Qualified Allocation Plan as it relates to the 9% Low Income Housing Tax Credit and Affordable Housing Tax Credit Programs. Seconded by Susan Bredthauer. Approved unanimously.

Rural Workforce Housing Match Program  
Robin reviewed the LB 518 Match Program (see attached) and explained the request for continuation of the program with the remaining funds for the Rural Workforce Housing Match program. Motion to recommend to the NIFA Board the approval of the Rural Workforce Housing Match Program by Galen Frenzen seconded by Susan Bredthauer. Approved unanimously.
NIFA LB 518 Match Program 2018 Awards

- Neighborworks Northeast Nebraska
- Schuyler Community Development, Inc.
- Greater Fremont Development Council, Inc.
- York County Development Corporation
- Holdrege Development Corporation
- South Central Economic Development District
- Central Nebraska Economic Development, Inc.
- Southeast Nebraska Development, Inc.
- MAPA Foundation
- Wayne Community Housing Development Corporation
- Economic Development Council of Buffalo County
- Lincoln County Community Development Corporation

Total Amount Awarded: $2,892,510
### 50% 20% 30% 321,775,000

<table>
<thead>
<tr>
<th>Housing Carryforward</th>
<th>Statewide Housing</th>
<th>50% Jan-June</th>
<th>50% July-Dec</th>
<th>Governor's Discretionary</th>
<th>GRAND TOTAL</th>
</tr>
</thead>
</table>

| Beginning Allocation | 611,195,612 | 160,887,500 | 32,177,500 | 32,177,500 | 96,532,500 | 932,970,612 |
| Expired Carryover | 0 | 0 |
| Allocations To date | (174,967,444) | 0 | (2,211,003) | (552,500) | 0 | (177,730,947) |
| 50% Waiver | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 |
| Balance Remaining | 436,228,168 | 160,887,500 | 27,730,000 | 31,625,000 | 96,532,500 | 753,003,168 |

**Housing-CARRYFORWARD DETAIL**

| Originated | 2017 | 2018 | 2019 | TOTAL |
| Expires | 2020 | 2021 | 2022 | |

| Beginning | 30,375,971 | 297,672,744 | 283,146,897 | 611,195,612 |
| Used | (30,375,971) | (144,591,473) | (174,967,444) | |
| Ending | 0 | 153,081,271 | 283,146,897 | 436,228,168 |

**Ag/IDB/Non Statewide Housing-ALLOCATION DETAIL**

<table>
<thead>
<tr>
<th>District</th>
<th>AG</th>
<th>IDB</th>
<th>MF</th>
<th>Total by District</th>
</tr>
</thead>
</table>

| Total by Category | (2,763,503) | 0 | 0 | (2,763,503) |

| Remaining Ag | (2,236,497) |
| Total Ag | (5,000,000) |
YTD 2020 Reservation Activity (As of 9/10/20)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td># Loan Reservations</td>
<td>1,386</td>
</tr>
<tr>
<td>$ Loan Reservations</td>
<td>$193,353,512</td>
</tr>
<tr>
<td>Average 1st Loan Amount</td>
<td>$139,505</td>
</tr>
<tr>
<td>Average 2nd Loan Amount</td>
<td>$6,884</td>
</tr>
<tr>
<td>Urban Areas</td>
<td>57%</td>
</tr>
<tr>
<td>Rural Areas</td>
<td>43%</td>
</tr>
</tbody>
</table>
Beginning in September, NIFA is hosting a special topic series designed to expand the knowledge of property managers about available resources for renters. We will discuss how to access those resources and how they can help tenants be more successful renters.

The series will provide a better understanding of Nebraska’s behavioral health system, community resources, and the challenges tenants may face when making decisions.

Property managers will find this series especially helpful as they balance staying connected to their tenants while keeping their units rented and limiting their loss of revenue.

**Upcoming NIFA Webinars**
- 09/23: Profile of Nebraska: How to Use it
- 09/30: Special Topic - Tenant Behavior
- 10/07: Fair Housing, Civil Rights
- 10/14: Special Topic - Domestic Violence

**NCSHA Conference Oct. 27 - 29**
NIFA has been selected to give a presentation about our award application that was titled *Repurposing Technology* at the 2020 conference.
*Contact Sheila to register for the online event.*

**Housing Study Grants**
The Housing Study Grant team met and scored four applications received for Round One FY 2021 funding. The total requested amount of grants for the studies was $31,410 with matching funds of $32,590. All four applications were for standalone housing studies. All studies were approved for their requested grant funds.

*The communities receiving these funds are:* Arapahoe, Dorchester, Nebraska City, and Washington County.

*Round two applications are due 10/23/2020*

**Community Engagement**
NIFA hosts weekly webinars in place of in-person trainings. The recent webinar topics included:
- Overcoming Reentry Complications
- NeighborWorks in Nebraska
- Nebraska Innovation Campus

**Outreach staff continue to be engaged in organizations focused on a number of issues related to housing including homelessness, reentry initiatives, landlord engagement, and transitional living.**

Team members attend weekly online meetings and events held by our partners to stay up to date on the latest housing topics.
NIFA Board of Directors Meeting

September 18, 2020

Agenda item # 5: Consideration and Approval of the 2020/2021 Amended and Restated Qualified Allocation Plan for the Low Income Housing Tax Credit (LIHTC) Program and the Nebraska Affordable Housing Tax Credit (AHTC) Program

Background:

Annually the NIFA staff performs a review of the Qualified Allocation Plan (“QAP”), and the documents that are used to administer the LIHTC and AHTC programs. This review includes gathering and analyzing input from the public, housing providers and public resource allocators to update the QAP. Generally, as is the case this year, there are proposed changes to the 9% QAP, the joint LIHTC/AHTC/HOME/HTF Funds Application/Exhibit Examples/CRANE Application/Carryover Allocation Procedures Manual and the Final Cost Certification Procedures Manual. Material changes are highlighted for your review on a summary sheet in the Board book. Minor edits, such as dates or grammatical changes, can be found in the redline versions of the documents that were previously emailed to you on June 1, 2020 and available at www.nifa.org. The public hearing was held on June 15, 2020. Comments from the public hearing and the recommended changes resulting from the public hearing are attached and also posted on the NIFA website.

The steps involved in the annual QAP review and approval process include:

1. Meeting with focus groups for input
2. Collaboration with the Department of Economic Development
3. NIFA Board working session
4. Internal development by NIFA staff of revisions
5. Posting of a draft QAP for public review
6. Collecting and addressing comments from the public hearing
7. Discussing final proposed revisions with NIFA Board Programs committee
8. Reviewing and submitting the revised QAP and public comments to the NIFA Board of Directors for approval
9. Submitting NIFA Board approved plan to the Governor for approval

Please note: the approval of the 4% QAP will be recommended to the board at a later date.

Board Action Required:

Motion to approve the 2020/2021 Amended and Restated Qualified Allocation Plan for the 9% Low Income Housing Tax Credit and related Nebraska Affordable Housing Tax Credit Programs.
SUMMARY OF CHANGES TO THE 2020/2021 AMENDED AND 
RESTATED LIHTC ALLOCATION PLAN FOR 9% LIHTCS AND AHTCS* 
September 9, 2020

Section 4.1 ANNUAL COMPETITIVE LIHTC CYCLE; ALLOCATION ROUNDS AND 
APPLICATION PROCESS: 
New Tentative Dates: 
Round One
Threshold Deadline: December 7, 2020
Final Deadline: February 1, 2021
Conditional Reservation Round One: March 19, 2021
Round Two
Threshold Deadline: April 12, 2021
Final Deadline: May 17, 2021
Conditional Reservation Round Two: June 18, 2021

Section 13. REVOCATION:
New language added:
“Applicant fails to promptly notify NIFA of any material adverse changes from the 
original LIHTC Application.”

Section 3. CERTIFICATION OF APPLICANT/OWNER (in the 2020/2021 LIHTC, 
AHTC, HOME, CDBG-DR and National Housing Trust Fund Application): 
New language added:
“I (We) understand and agree that applicant shall, subsequent to submission of the 
original Application, notify NIFA in writing, within three (3) business days of becoming 
aware thereof, of any material adverse change or condition occurring in connection with 
the information submitted in the Application which (i) impairs the development of the 
project; (ii) would make the information contained in the Application no longer true and 
accurate; or (iii) adversely affects the scoring assigned, or to be assigned, to such 
Application. I (We) further understand that failure to notify NIFA may, in NIFA’s sole 
discretion, result in the Application, allocation and/or Reservation to be revoked, 
modified, suspended, or rejected.”

NATURAL DISASTER DESIGNATION (in the 2020/2021 LIHTC, AHTC, HOME, 
CDBG-DR and National Housing Trust Fund Application): 
Two points will be awarded to housing developments, located or to be located in a 
county that at any time during the prior three (3) years, has been designated as natural 
disaster area pursuant to a Presidential Disaster Declaration, and with respect to which 
NIFA has determined (using available information, including information from partner 
organizations (e.g. FEMA)) that there is a significant loss of housing as a result of such 
natural disaster. The list of eligible counties is as follows:

*These changes are proposed to the current drafts posted at www.nifa.org after the Public Hearing that was held on June 15, 2020.
These changes are proposed to the current drafts posted at www.nifa.org after the Public Hearing that was held on June 15, 2020.

Three points will be awarded to housing developments, located or to be located in a community that at any time during the prior three (3) years, has been designated as a natural disaster area pursuant to a Presidential Disaster Declaration, and with respect to which NIFA has determined (using available information, including information from partner organizations (e.g. FEMA)) that there is a significant loss of housing as a result of such natural disaster. The list of eligible communities is as follows:

<table>
<thead>
<tr>
<th>Antelope</th>
<th>Boone</th>
<th>Boyd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buffalo</td>
<td>Burt</td>
<td>Butler</td>
</tr>
<tr>
<td>Cass</td>
<td>Colfax</td>
<td>Cuming</td>
</tr>
<tr>
<td>Custer</td>
<td>Dawson</td>
<td>Dodge</td>
</tr>
<tr>
<td>Douglas</td>
<td>Hall</td>
<td>Holt</td>
</tr>
<tr>
<td>Howard</td>
<td>Knox</td>
<td>Madison</td>
</tr>
<tr>
<td>Nance</td>
<td>Nemaha</td>
<td>Pierce</td>
</tr>
<tr>
<td>Platte</td>
<td>Richardson</td>
<td>Saline</td>
</tr>
<tr>
<td>Santee Reservation</td>
<td>Sarpy</td>
<td>Saunders</td>
</tr>
<tr>
<td>Stanton</td>
<td>Thurston</td>
<td>Washington</td>
</tr>
</tbody>
</table>

Developments will receive points in one of these categories (not both). Amounts requested or allocated from CDBG-DR funds under the program guidelines will be further governed and/or limited by HUD program overlays.

**AMENITIES (in the 2020/2021 LIHTC, AHTC, HOME, CDBG-DR and National Housing Trust Fund Application):**
Change “Community garden….” to “Produce garden or individual garden plots, including a functional equivalent such as a vertical garden”…. and remove “or recreational equivalent” and change “High-speed internet access….” to “Broadband or high-speed internet access….”

**EFFICIENT HOUSING PRODUCTION (in the 2020/2021 LIHTC, AHTC, HOME, CDBG-DR and National Housing Trust Fund Application):**
Reduce from 12 points to 6 points, with the following breakdown: 2 points for adjusted eligible basis cost per unit, 2 points for adjusted eligible basis cost per residential finished square foot, and 2 points for LIHTC per occupant.

**CRANE ELIGIBLE DEVELOPMENTS (in the Collaborative Resources Allocation for Nebraska (CRANE) Program Guidelines & Application):**
New eligible development added: Reentry Housing targeting individuals released from a correctional institution.

*These changes are proposed to the current drafts posted at www.nifa.org after the Public Hearing that was held on June 15, 2020.*
## Comparison of 2020 LIHTC Qualified Allocation Plan Package and 2020/2021 Amended and Restated Qualified Allocation Plan

Revised 9/8/2020

*Red text indicates a change was made following the 6/15/2020 Public Hearing Meeting.*

<table>
<thead>
<tr>
<th>QUALIFIED ALLOCATION PLAN for 9% LIHTCs</th>
<th>Page</th>
<th>Points Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive LIHTC Allocation Rounds and Application Process</td>
<td>12</td>
<td>XXXX XXXX</td>
</tr>
<tr>
<td>CRANE Program Application Process</td>
<td>15</td>
<td>XXXX XXXX</td>
</tr>
<tr>
<td>Revocation</td>
<td>22</td>
<td>XXXX XXXX</td>
</tr>
<tr>
<td>Department of Economic Development</td>
<td></td>
<td>XXXX XXXX</td>
</tr>
<tr>
<td>General</td>
<td></td>
<td>XXXX XXXX</td>
</tr>
</tbody>
</table>

| QUALIFIED ALLOCATION PLAN for 4% LIHTCs | |
|----------------------------------------|------|------------------|
| LIHTC Allocation Cycles                | 9    | XXXX XXXX |
| General                                |      | XXXX XXXX |

| APPLICATION | |
|-------------|------|------------------|
| Instructions | 2    | XXXX XXXX |
| Certification of Applicant/Owner       | 4    | XXXX XXXX |
| HOME/CDBG-DR/HTF Applicant Information | 6    | XXXX XXXX |
| Site Information                       | 8    | XXXX XXXX |
| Preservation                            | 13   | XXXX XXXX |
| Exhibit 100                             | 20   | XXXX XXXX |
| Exhibit 104                             | 21   | XXXX XXXX |
| Exhibit 106                             | 22   | XXXX XXXX |
| Exhibit 107                             | 22   | XXXX XXXX |
| Exhibit 111                             | 23   | XXXX XXXX |
| Efficient Housing Production            | 26   | up to 12 up to 6 |
| Natural Disaster                        | 29   | 0 or 2 0,2, or 3 |
| Nebraska Department of Economic Development |      | XXXX XXXX |
| General                                |      | XXXX XXXX |

Continue on next page
# Nebraska Investment Finance Authority

## Comparison of 2020 LIHTC Qualified Allocation Plan Package and 2020/2021 Amended and Restated Qualified Allocation Plan

Revised 9/8/2020

*Red text indicates a change was made following the 6/15/2020 Public Hearing Meeting.*

<table>
<thead>
<tr>
<th>QUALIFIED ALLOCATION PLAN for 9% LIHTCs</th>
<th>Page</th>
<th>Points Available</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXHIBIT EXAMPLES</strong></td>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Exhibit 22</td>
<td>24</td>
<td>XXX</td>
</tr>
<tr>
<td>Added Exhibit 22: HOME/HTF Cost Allocation Tool</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Exhibit 111</td>
<td>30</td>
<td>XXX</td>
</tr>
<tr>
<td>Housing Production Measurements tab. Included an Income Averaging Worksheet and a link to the HOME/HTF Cost Allocation Tool.</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Nebraska Department of Economic Development Exhibits Exhibit 11-19, 22 &amp; 104</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Revised language in forms to include CDBG-DR. Updated contact information. Added and deleted language to clarify terms. Added Exhibit 22: HOME/HTF Cost Allocation Tool.</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>General</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Added and deleted language to clarify and define terms. Updated information for 2021.</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td><strong>CRANE APPLICATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligible Developments</td>
<td>4</td>
<td>XXX</td>
</tr>
<tr>
<td>Revised and added additional CRANE program substantial benefit areas.</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>General</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Added and deleted language to clarify and define terms. Updated information for 2020.</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td><strong>CARRYOVER ALLOCATION PROCEDURES MANUAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Updated information for 2021.</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td><strong>FINAL COST CERTIFICATION PROCEDURES MANUAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Certification Worksheet</td>
<td>1</td>
<td>XXX</td>
</tr>
<tr>
<td>Type of Unit field on Attachment 1.a and 1.b now editable. Current Section 42 rehabilitation requirements updated on Attachment 1.b.</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>General</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Added and deleted language to clarify and define terms. Updated information for 2021.</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td><strong>LURA &amp; CROWN LURA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Updated information for 2021.</td>
<td></td>
<td>XXX</td>
</tr>
</tbody>
</table>
Nebraska Investment Finance Authority
2020/2021 Amended and Restated LIHTC Qualified Allocation Plan
Public Hearing
Low Income Housing Tax Credit (LIHTC) & NE Affordable Housing Tax Credit (AHTC) Program
June 15, 2020

Attendees: Kathleen Bole and Todd Lieberman, Brinshore Development; Andrew Brown, Cris Larson, and Kathryn Mesner, Mesner Development Company; Lawrence Butler, LT Butler Engineering; Matthew Cavanaugh, Nebraska Housing Developers Association; Carly Davis and Fred Hoppe, Hoppe Homes; Ryan Durant, RMD; Mike Gawley, Holy Name Housing; Mechele Grimes, NEDED; Lela Gruebel and Aaron Truax North Star Housing; Burke Harr, Houghton, Bradford, Whitted PC, LLO; Ryan Harris and Cindy Koster, Midwest Housing Equity Group; Chad Householder, Summit Housing Group; Julie Johnson, Perry Reid Properties; Teresa Kile, K Consulting; Christopher Lenz, Excel Development Group; Erika Lynch and Teresa Reeves, Kutak Rock; Kristin Nemmers, PNC Real Estate; Pamela Otto, NEHHS; James Rieker, Advantage Capital; Darin Smith, Arch Icon; Rob Woodling, Foundations Development; and Harleynda Wilcox.

NIFA Staff in Attendance: Sara Tichota, Robin Ambroz, Tammy Burd, Kelly Schultze, Jody Cook, and Kirk Benner.

Meeting called to order at 10:02 a.m. CDT

Summary of Public Comments categorized by topic:

Exhibit 111

Chris Lenz, Excel Development Group

Thank you for making changes to the Exhibit 111 so we can see the calculations for the cost efficiency measurements.

CRANE Eligibility

Todd Lieberman, Brinshore Development

Requests that one of the five criteria outlined in his written comments be included as an eligible CRANE development:

1. A recipient CHOICE Neighborhoods Implementation or Planning Grant,
2. Federal subordinate financing or philanthropic investment in an amount equal to or greater than $1 million,
3. Mixed-income with at least 25% of the units reserved as unrestricted units,
4. At least 30% of the units reserved for households at or below 30% AMI, or
5. Part of a public housing redevelopment project.
NIFA is not proposing these additional eligibility criteria for CRANE at this time. Several of these criteria are incentivized in the competitive process.

Housing Policy

Fred Hoppe, Hoppe Homes

Would like to know if the NIFA Board is going to have a broader housing policy discussion.

Kathryn Mesner, Mesner Development Company

The NIFA Board needs more time to have a broader housing policy discussion.

The NIFA Board has begun discussions regarding housing policy and these discussions will continue as part of the ongoing evaluation and preparation of the 2022/2023 Qualified Allocation Plan.

Qualified Allocation Plan & Application Timing

Fred Hoppe, Hoppe Homes

The Qualified Allocation Plan and application timelines do not allow enough time for the NIFA Board to have meaningful discussion of these public comments, to reflect them in revisions and then approve the Qualified Allocation Plan.

Kathryn Mesner, Mesner Development Company

While it’s appreciated that NIFA is attempting to move the timeline up, the pandemic has made things more challenging so more time is needed.

NIFA has structured the application deadlines to allow sufficient time for applicants to make adjustments to their applications between the Threshold and Final deadlines, as well as between application rounds.

Nebraska Affordable Housing Credits combined with tax-exempt bonds/4% credits

Fred Hoppe, Hoppe Homes

Will the topic of combining the Nebraska Affordable Housing Credits with tax-exempt bond/4% credits be on the NIFA Board agenda?
Mr. Harr attempted to make a public comment regarding his written public comments previously submitted to NIFA staff, however due to technical difficulties on his end he was unable to. NIFA staff used the GoToWebinar messaging system to communicate with Mr. Harr and offered to read Mr. Harr’s written comments aloud during the meeting, however Mr. Harr declined.

This topic will be discussed at the NIFA Board Meeting on June 19th.

Meeting Adjourned at 10:33 a.m.

Written Comments received – See attached correspondence from:
- Teresa Kile, K Consulting
- Burke Harr, Houghton Bradford Whitted PC, LLO
- Othello Meadows, Seventy Five North Revitalization Corp.
- Ward F. Hoppe, Hoppe Homes
- Rob Woodling, Foundations Development
- Mike Gawley, Holy Name Housing Corporation
- Jay Wortmann, Kinetic Valuation Group
- David Fanslau, City of Omaha Planning Department
- Todd Lieberman, Brinshore Development, LLC
- Jim Rieker, Advantage Capital
- Kathy Mesner, Mesner Development Company
- Joanie Poore, Omaha Housing Authority
- Ryan Harris & Cindy Koster, Midwest Housing Equity Group

Summary of Written Comments:

Teresa Kile, K Consulting

Timelines: The timeline seems tight this time around.

NIFA has structured the application deadlines to allow sufficient time for applicants to make adjustments to their applications between the Threshold and Final deadlines, as well as between application rounds.
Affordable Housing Tax Credit \ 4% Qualified Allocation Plan: Requesting that a 4% Affordable Housing Tax Credit match be placed in the 4% QAP.

This topic will be discussed at the NIFA Board Meeting on June 19th.

CRANE Criteria: Requesting that one or all of the following criteria be included as CRANE eligible developments:

1. A recipient CHOICE Neighborhoods Implementation or Planning Grant.
2. Federal subordinate financing in an amount equal to or greater than $1 million.
3. Mixed-income with at least 25% of the units reserved as unrestricted units.
4. At least 30% of the units reserved for households at or below 30% AMI.
5. Part of a public housing redevelopment project.

NIFA is not proposing these additional eligibility criteria for CRANE at this time. Several of these criteria are incentivized in the competitive process.

NIFA requests all known information regarding the Owner at the time of application.
**Preservation:** There should be no points awarded for preservation.

NIFA only award points for preservation if the development is at risk of foreclosure of a federally subsidized loan, preserves project-based rental assistance, or include historic tax credits.

**Senior Development:** Senior developments should not be specially emphasized. Tenant populations of individuals with children should be.

The total of 2 points for a senior development will remain.

**Density Configurations:** This criteria emphasizes sprawl. It basically gives a rural project where land is easy to find and cheap to the detriment of an urban project.

NIFA will continue to evaluate this criteria, but no change is proposed at this time.

**Amenities:** The amenity points emphasize self-contained low income communities. Neighborhood amenities should count as much as (or more than) amenities that are exclusive to low income tenants.

NIFA will continue to evaluate this criteria, but no change is proposed at this time.

**Green Standards:** Should give points for Green Building Program of the National Association of Home Builders or LEED.

NIFA changed from an adopted standard a few years ago after extensive public comments that the standards were difficult to meet and added substantial costs to the development. NIFA reviewed various options with local architects to develop the current list of green standards.

**Management Experience:** Points should be awarded for HCCP designation managers. I’m told that the NIFA training is “the same every year”.

NIFA believes it is important that property managers are trained with specific NIFA LIHTC Compliance practices and procedures.

**Subsidies/Public Funds:** Projects with committed community funds should receive 2 or 3 points.

Developments with all funds committed receive 3 points.
**Disaster Designation:** It seems inappropriate to bonus Douglas and Sarpy County projects for disaster.

Dodge, Douglas and Sarpy counties are prioritized with points in an effort to partner with the Nebraska Department of Economic Development in the deployment of the CDBG-DR funds. 75% of those funds must be spent in those 3 counties.

**Inclusion of County with no LITHC into CRANE:** Strongly oppose the use of CRANE for housing developments located in a county that has never had an occupied LIHTC development. This would put undo priority to projects that may not be feasible.

Since this is a new CRANE category, NIFA will evaluate any challenges as they arise.

**Greater Incentives for Small Community:** Putting an additional incentive for communities a population less than 3,000 would be a better way to address the concern that CRANE is meant to address areas that have never had an occupied LIHTC development.

Points are already included for small communities in the competitive application process.

**Workforce Housing:** Suggest incentivizing projects that have workforce housing that bring additional non-LIHTC units on line.

Points are included for mixed-income developments in the competitive application process.

Rob Woodling, Foundations Development

**Rent and Income Limits:** NIFA should return to publishing annual Rent and Income Limits instead of relying on a third party website.

NIFA will continue to evaluate the use of the Novogradac link and staff is available to answer any questions regarding rent and income limits.

**Re-syndication developments:** Projects that have previously received an award of LIHTC and completed the initial 15 year period should not be eligible for another award of LIHTC in the competitive rounds. These projects should have substantial local support and required to go through CRANE.

NIFA will continue to evaluate this criteria and track how many re-syndication developments are applying again.
**LURA Term of Restrictions:** Add language to address market rate units that may be part of the development in Section 5.

*Market rate units are not bound by the LURA restrictions.*

Mike Gawley, Holy Name Housing Corp.

**Scattered Site Infill Housing:** Requesting that NIFA add points for scattered site infill housing.

*NIFA awards points in the density configuration section that would be obtainable for scattered site infill housing.*

**CROWN:** Requesting that NIFA increase the point awarded for CROWN developments to 4 points.

*Eventual Tenant Homeownership receives 2 points and no change is proposed at this time.*

**Small Community:** Requesting that NIFA include the small communities that are located in the metro areas in the non-metro set aside when making conditional reservations in the competitive application process.

*The metro areas are federally defined based on county, not on specific communities.*

Jay Wortmann, Kinetic Valuation Group

**Timelines:** I would not be able to prepare a market study by 6/19 if you decide to have a threshold due date of June 19th. It typically takes 30 days.

*June 19th is not a proposed threshold due date.*

David Fanslau, City of Omaha Planning Department

**CRANE Criteria:** Requesting that one or all of the following criteria be included as CRANE eligible developments:

1. A recipient CHOICE Neighborhoods Implementation or Planning Grant.
2. Federal subordinate financing in an amount equal to or greater than $1 million.
3. Mixed-income with at least 25% of the units reserved as unrestricted units.
4. At least 30% of the units reserved for households at or below 30% AMI.
5. Part of a public housing redevelopment project.
NIFA is not proposing these additional eligibility criteria for CRANE at this time. Several of these criteria are incentivized in the competitive process.

Todd Lieberman, Brinshore Development, LLC

**CRANE Criteria:** Requesting that one or all of the following criteria be included as CRANE eligible developments:

1. A recipient CHOICE Neighborhoods Implementation or Planning Grant.
2. Federal subordinate financing in an amount equal to or greater than $1 million.
3. Mixed-income with at least 25% of the units reserved as unrestricted units.
4. At least 30% of the units reserved for households at or below 30% AMI.
5. Part of a public housing redevelopment project.

NIFA is not proposing these additional eligibility criteria for CRANE at this time. Several of these criteria are incentivized in the competitive process.

Jim Rieker, Advantage Capital

**Disaster Designation:** Curious why you only name Dodge, Douglas, or Sarpy as 3 point counties.

Dodge, Douglas and Sarpy counties are prioritized with points in an effort to partner with the Nebraska Department of Economic Development in the deployment of the CDBG-DR funds. 90% of those funds must be spent in those 3 counties.

Kathryn Mesner, Mesner Development Company

**Timelines:** I think the timeline is too short. It has taken longer to get to this stage of the QAP due to Covid-19 and other factors.

NIFA has structured the application deadlines to allow sufficient time for applicants to make adjustments to their applications between the Threshold and Final deadlines, as well as between application rounds.

**Senior Development:** Should receive more points because the housing efficiencies make them more difficult to get funded.

The total of 2 points for a senior development will remain.
Joanie Poore, Omaha Housing Authority

**CRANE Criteria:** Requesting that one or all of the following criteria be included as CRANE eligible developments:

1. A recipient CHOICE Neighborhoods Implementation or Planning Grant.
2. Federal subordinate financing in an amount equal to or greater than $1 million.
3. Mixed-income with at least 25% of the units reserved as unrestricted units.
4. At least 30% of the units reserved for households at or below 30% AMI.
5. Part of a public housing redevelopment project.

*NIFA is not proposing these additional eligibility criteria for CRANE at this time. Several of these criteria are incentivized in the competitive process.*

Ryan Harris and Cindy Koster, Midwest Housing Equity Group

**Timelines:** The timing for Round One applications feels too quick given the deadline is just two months away.

*NIFA has structured the application deadlines to allow sufficient time for applicants to make adjustments to their applications between the Threshold and Final deadlines, as well as between application rounds.*

**Inclusion of County with no LITHC into CRANE:** LIHTC developments in counties that have never had an LIHTC development will be in rural counties with smaller populations, making it hard to meet the supportive services requirement.

*Since this is a new CRANE category, NIFA will evaluate any challenges as they arise.*

**Senior Development:** Please consider adding additional points for rural senior developments, as they are unable to score well in efficiency points.

*The total of 2 points for a senior development will remain.*

**Supportive Services:** Please consider reducing the frequency of services, allowing less costly services, or reducing the service requirement.

*NIFA adjusted the frequency requirements for many of the supportive services and added numerous services to select from during the last revision to the QAP. NIFA will continue to monitor.*
Memorandum in Support of NIFA policy to match the Affordable Housing Tax Credit ("AHTC") to allocated Federal 4% low income housing tax credits ("LIHTC").

To: The Board of Directors of the Nebraska Investment Finance Authority

From: Ward F. Hoppe

Date: June 1, 2020

Re: 4% Affordable Housing Tax Credit match

NIFA was statutorily created in the early 80’s upon a finding “There exists in the urban and rural areas of this state an inadequate supply of and a pressing need for sanitary, safe, and uncrowded housing at prices at which low-income and moderate-income persons, particularly first time homebuyers, can afford to purchase, construct, or rent and as a result such persons are forced to occupy unsanitary, unsafe, and overcrowded housing.” Nebraska Revised Statutes §58-202 (2) (c). With a purpose to [among others] “Encourage the investment of private capital and stimulate the construction of sanitary, safe, and uncrowded housing for low-income and moderate-income persons, particularly first-time homebuyers, through the use of public financing as provided by the Nebraska Investment Finance Authority Act at reasonable interest rates and by coordinating and cooperating with private industry and local communities which are essential to alleviating the conditions described in section 58-202 and are in the public interest;” and “encourage cooperation with public agencies and the use of entrepreneurial methods and approaches to better access federal, state, and local government resources and to stimulate more private sector initiatives and joint public-private initiatives to carry out the purposes of the Nebraska Investment Finance Authority Act.” Nebraska Revised Statutes §58-203(1) (a) & (h).

NIFA is the “Housing Credit Agency” of Nebraska which is the state agency federally (and state) designated to administer the Low Income Housing Tax Credit under Section 42 of the Internal Revenue Code. The Housing Credit Agency must make a “qualified allocation plan” (“QAP”) which sets forth selection criteria to be used to determine housing priorities. See 26 USC Sec. 42 (m) a copy of which is attached.

Thus, in essence, by virtue of both State and Federal law, the NIFA board is tasked with the responsibility to set affordable housing policy for Nebraska.

Low income housing tax credits come in two varieties: 9% credits and 4% credits. NIFA administers both programs and creates a qualified allocation plan for both types. The creation and following of a QAP for private activity bond projects in effect allocates and issues 4% LIHTC credits for those projects as long as 50% of the project is used for low income housing. The credit is determined on basis dedicated to low income housing. If a project is 100% low income housing than 100% of the basis times the applicable rate (i.e. the 4% credit rate) is the tax credit for the project. The actual issuance of the LIHTC comes through a §42 (m) letter.

In 2016, the legislature passed the Affordable Housing Tax Credit Act which is found at Neb. Rev. Stat. 77-2501 et sec. It provides a state tax credit ("AHTC") to match Federal LIHTC. There is no distinction in the law as to 4% LIHTC credit or 9% LIHTC credit. At Neb. Rev. Stat. 77-2502 (4) “Federal low-income tax credit means the federal tax credit provided in section 42 of the Internal Revenue Code of 1986, as amended.” At (6) a “qualified project means a qualified low income building or buildings, as that term is defined in
section 42 of the internal revenue code.” The IRC generally says a project is one with restricted rents to 60% median average income or below and in the case of bond deals (4% credit) at least 50% of the financing goes to units where the rents are restricted under the same guidelines. See 26 USC §42 (g). “An owner of an affordable housing project seeking a Nebraska affordable housing tax credit shall file an application with the authority [NIFA] on a form prescribed by the authority. A qualified taxpayer shall be allowed a nonrefundable tax credit if the authority determines that the project for which tax credits are sought is a qualified project.” Neb. Rev. Stat. 77-2503 (1). The insert [NIFA] is mine.

If NIFA issues LIHTC to a bond deal that 4% credit should be eligible for the AHTC.

NIFA issues AHTC to 9% LIHTC projects through the 9% QAP. The new proposed 2020/2021 QAP calls the plan “amended and restated LIHTC allocation plan for 9% LIHTC and AHTC”. Italics mine.

The barrier to matching AHTC to 4% LIHTC projects is there is no comparable application for the match for 4% credits or provision in the 4% QAP for the match. Nothing else.

THE NUMBERS:

I analyzed an example project: 100 LIHTC units of 20 studio, 30 1BR, 30 2BR, 10 3BR, and 10 4BR; $240,000 land cost; full 60% rents; 1.2x debt service coverage; 80¢ for the tax credits; $115/foot cost; $800,000 offsites; 30% basis boost; total project cost of $15,661,523. [I can provide the exhibit 11 used for my example] The amount of bonds financed would be appx $8,715,000 or appx 56% of the project cost. Bond fees of this example are ≈$270,000. NIFA fees for issuance of the §42 (m) letter are ≈$50,000.

This project would generate $560,937 in annual LIHTC. Sales tax from the construction would be ≈$225,000. There is a gap (deficit) between the LIHTC equity and bond financing and the project cost of right at $2.5 million. The project would generate right at $2 in AHTC if allowed thus narrowing the gap to $500,000. The project would cost the state $560,937 for 6 years to narrow the gap to produce a $15.7 million dollar project and 100 affordable units. Without the basis boost the gap would be at least a million more.

I direct the Board Members to “Interim Report—Use of Affordable Housing Tax Credits (“AHTC’s”) dated January 17, 2020, a copy is attached. Note at B: a “30,000-50,000 deficit of affordable housing units”. Note at C: “tax credit financed residential rental housing is the preferred tool to address housing for those in the lowest quartile”. Note at C.b: “tax-exempt ‘private activity’ bond allocation is currently an underused resource in the development of affordable rental housing. ... The 40% LIHTC ... available in connection with PAC-TEHBs, by itself is perceived by developers to be insufficient to close the affordability gap ... . Note at E.b: “Extending the state 24% AHTC (6 years x 4%) to the authorized PAC-TEHB capacity would stimulate production with a tax-exempt borrowing rate and matching 4% federal LIHTCs.”

The example project consumes appx $8,715,000 (if I have it right and I think I do) of authorized PAC-TEHB capacity (“bond cap”). If NIFA allocated one fourth of its bond cap ($79.25 million as suggested in the Interim Report) this example project would use approximately 11% of that. In other words, 9 projects could be done within that allowance for 900 units at a cost to the state 9 times $560,000 annually or ≈$50,000,000. [note also that presumes a 30% basis boost]

NIFA has not issued much 4% LIHTC. There have been only 6 bond projects since 2007 (4 in 2016, 1 in 2017 and 1 in 2018) , all in Omaha at an average size of 13,600,000. Developers won’t use PAC-TEHB
because the use creates a huge financing gap. In my example the gap is appx $2.5 million or almost 16%. That requires a huge amount of soft financing. AHTC would close that gap to approximately $500,000 which would stimulate the use of PAC-TEHB. Such amount could often be filled simply by using tax increment financing.

Using bonds is very expensive so projects must be large to justify amortizing the expense across the units. Large projects are only appropriate in major metropolitan areas so I predict that even with AHTC to close the gap, PAC-TEHB will be a mostly metropolitan occurrence and still probably infrequent though it would technically be possible to aggregate several scattered site smaller projects. But with AHTC we could see a significant increase for the metro areas. That having been said the board could limit the amount of bond capacity awarded to projects to limit the amount of AHTC match. To put this in a frame of reference, it should be noted that according to the City of Lincoln Affordable Housing Coordinated Action Plan [draft 2-27-20] Lincoln will need 5000 new affordable units in the next 10 years. The 6 bond projects since 2007 created 878 housing units.

SUMMARY: The role of the NIFA Board is to set housing policy for low and moderate income Nebraskans. Allocating Nebraska Affordable Housing Tax Credit with 4% LIHTC would be a matter of housing policy. NIFA is tasked to distribute the AHTC by virtue of an application on a form prescribed by the authority. Allocation of LIHTC must be pursuant to a “qualified allocation plan” determined by the housing credit agency (NIFA). The allocation of 9% LIHTC credit match with AHTC is by the 9% QAP. The Board should add allocation of 4% LIHTC credit match into the 4% QAP as a policy to increase housing production for low and moderate income Nebraskans even if limiting the amount of AHTC match by limiting the amount of bond cap dedicated to LIHTC projects. Nebraska needs the additional housing this match would facilitate.
From: teresakile@neb.rr.com
Sent: Monday, June 15, 2020 10:16 AM
To: Sara Tichota
Subject: Comments on 2020/2021 QAP

Good Morning,

I understand why we needed the zoom meeting due to the Covid-19; however, I believe that if possible the QAP Public Hearings needs to be in person. The only comment that I have is that the timeline seems tight this time around.

Sincerely,

Teresa Kile
K Consulting, LLC
402.440.1788

Click here to report this email as spam.
June 15, 2020

VIA EMAIL: Sara.Tichota@nifa.org

Nebraska Investment Financial Authority
ATTN: Sara Tichota
1230 O St #200,
Lincoln, NE 68508

Dear Ms. Tichota:

I am writing requesting that a 4% Affordable Housing Tax Credit match be placed in the 4% QAP. As a Nebraska state senator, I introduced LB 951, the Affordable Housing Tax Credit Act (“Act”). LB 951 directs that the Affordable Housing Tax Credit (“AHTC”) be allocated and administered in a process essentially parallel to that applicable to the Federal Section 42 Low Income Housing Tax Credit (“LIHTC”). Federal Section 42 Low Income Housing Tax Credit refers to both 9% and 4% LIHTCs.

LB 951 had a hearing before the Revenue Committee at which both Mr. Tim Kenney (“Kenney”) and Patty Peterson (“Peterson”), counsel to Nebraska Investment Financial Authority (“NIFA”), attended. Kenney testified in a neutral capacity on behalf of NIFA. Kenney did not state any concerns regarding the language, intent, nor fiscal note on the bill. Peterson did not testify.

During the hearing on LB 951, Senator Kate Sullivan asked if the current bill replicated federal low-income housing tax credits. I stated it is similar to federal LIHTC and how the funds should be used.
So the hope is that this would incentivize 4 percent funds and those funds are largely unlimited. We have never come close to using those...The state allotment that we have with the 4 percent, but it could be used for 4 or 9 percent. And I can't remember...there's a project maybe going on in north Omaha right now. Before that it was about mid to late '90s since we've done a 4 percent fund. And so this would incentivize those 4 percent projects as well, which I think we could use more of in the state. And the nice thing about that is you get more bang for the buck. You can build more units with the same amount of money. [Committee Hearing, LB951]

The Revenue Committee amended LB951 into LB 884 and advanced it to the full Legislature. Senator Jim Smith used his personal priority to prioritize the bill. The bill passed the Legislature on final read 43-4-2. Governor J. Peter Ricketts signed the bill into law on April 19, 2016.

It was only after LB 884 passed that NIFA appeared to have any concerns. At no time did anyone from or on behalf of NIFA approach me, the introducer of the bill, or any other senator, to the best of my knowledge, regarding concerns with the language, the intent, or the fiscal note.

Pursuant to Nebraska Revised Statute 77-2503(2), NIFA is charged with the allocation of AHTC. NIFA sets policy regarding AHTC through its board who approves a Qualified Application Plan (“QAP”). The NIFA board, through the QAP process, limited the use of AHTC to 9% LIHTC transactions

When I inquired with NIFA about the limited use of AHTC to 9% program, Peterson sent an email to me on November 12, 2019 that stated:

"Generally, the decision to limit the allocation of the Nebraska Affordable Housing Tax Credit (AHTC) to those projects receiving the federal 9% low-income housing tax credit (LIHTC) was a decision based upon input from the Nebraska Department of Revenue, the Governor’s Office and the Governor’s Policy Research Office. As meetings were held to discuss the administration of the Nebraska AHTC, it became clear that the fiscal note provided for the AHTC legislation was based upon the assumed amount of 9% federal LIHTCs for a single year. (And additionally, for the second year, the amount did not include the compound effect from the first year.) We were unable to find any evidence providing for the allocation of essentially an unlimited amount of Nebraska AHTCs through the 4% tax-exempt bond program. While
there may have been statements early on in the legislative process that the Nebraska AHTC apply to both the 9% and the 4% programs, the accompanying fiscal notes and representations in the legislative history regarding the cost of the Nebraska AHTC do not seem to support that conclusion. Working with the Governor’s Office and the Governor’s Policy Research Office, the state’s qualified allocation plan was drafted to provide that the Nebraska AHTC be allocated, at this time, to the 9% LIHTCs.

(Email from patricia.peterson@kutakrock.com dated November 12, 2019)

Peterson appears to rely on the fiscal notes to interpret the legislation. A fiscal note is a document created by the Legislative fiscal analyst’s office. Each bill is given a fiscal note. The purpose is to give an estimate of fiscal impact to a state agency for a bill. Each fiscal note clearly states the fiscal note is a “legislative fiscal analyst estimate.” All fiscal notes also state “ESTIMATE OF FISCAL IMPACT – STATE AGENCIES.” The fiscal note for LB 884 as it relates to AHTIC states “LB 884, as amended, is estimated to have the following fiscal impact” (emphasis added) (Fiscal Note, LB 884 revision 3 dated April 11, 2016).

A fiscal note is not a part of the official record nor legislative history. A fiscal note is intended to estimate the fiscal impact to a state agency. Legislation is not limited nor expanded based on the estimated cost in a fiscal note. Once a bill passes and is signed into law, a fiscal note cannot thwart the intent or purpose of a law nor can it limit future spending.

A fiscal note does not interpret legislation. There is no law, rule, regulation, finding, documentation, nor precedence for this contention. A fiscal note is, at its best, an educated guestimate of the cost of a bill to the state.

In addition, in the very next sentence, Peterson concedes the fiscal note is not accurate to her interpretation of the Act. Based on the fiscal note interpretation of the Act, AHTC could only be distributed once every six years. NIFA does not take this position. NIFA should not rely on a fiscal note, especially an inaccurate fiscal note.

Peterson concedes there may have been statements supporting the 4% program, but it was early in the process. She goes on to state “representations in the legislative history regarding the cost of the Nebraska AHTC do not seem to support” use for funding the 4% program. The timing of when the intent is stated is not relevant. Intent is intent until it is stated otherwise. She again relies on the cost of the bill to lead to the interpretation limiting the AHTC to 9% program. Peterson does not indicate where or when this was stated or by whom. The introducer of the Act clearly stated the intent of how the Act should be used.
June 15, 2020
Page 4

In my original email to NIFA (dated October 24, 2019 to Sara.Tichota@nifa.org) regarding the use of AHTC for the 4% program, I stated I could find no law, rule, or regulation that prohibits the use of AHTC for the 4% program. Paterson does not address the issue of whether any law, rule, or regulation prohibits AHTC for the 4% program, but implies NIFA cannot use AHTC for the 4% program because of the fiscal note and the cost of the 4% program.

For the purposes of argument, assuming there is a limitation on how much AHTC can produce (although nothing in the legislation states this), a limitation does not eliminate nor prohibit funding for the 4% program. On the contrary, NIFA, in a report to the board makes the case NIFA can and should use of AHTC for the 4% program.

On January 17, 2020, NIFA produced an Interim Report - Use of Nebraska Affordable Housing Tax Credit (“Report”) and presented it at the January 2020 Board meeting. The Report finds increasing housing production is a key step in reducing the state’s housing deficit. The Report declares extension of the state’s AHTC to include 4% “would liberate a suspended federal housing subsidy and resources in an amount greater than the cost of the State AHTC to the state.” (Report, page 3) “[A] new program would be a powerful production incentive” (Report, Page 2). The 4% program would “yield a gross of $6.38 investment dollars for every dollar of state AHTC provided for the development of decent, safe, and affordable housing” (Report, page 3).

The Report goes on to educate the reader on how AHTC could use the 4% program at no additional fiscal expense to the state.

For the reasons stated above, I would again request the NIFA amend the 2020/2021 DRAFT QAP to allow the use of AHTC for the 4% program.

Thank you in advance for your consideration.

Sincerely,

Burke J. Harr Esq.
Former State Senator, LD 8

BJH/mm

cc: NIFA Board
Hi Sara-

Attached is a letter without thoughts about CRANE eligibility in the 2020-21 QAP.

Hope you are well!

--
Othello H. Meadows III
President/CEO
Seventy Five North Revitalization Corp.
2112 N. 30th Street, Suite 200, Omaha, NE 68111
P: 402-502-2770

SeventyFiveNorth.org + HighlanderOmaha.com

Click here to report this email as spam.
RE: CRANE ELIGIBILITY IN 2020-2021 QAP AMENDMENT

Dear Mr. Kenny,

Thank you for your partnership in helping us bring high quality mixed-income and affordable housing to some of Omaha’s most underserved communities. NIFA’s support of Seventy Five North has been a critical component in providing the necessary financing (multifamily revenue bonds and 4% LIHTC) at Highlander Phase 1 and 9% LIHTC through the CRANE program to build Nobility Point (Highlander Phase 3).

As you know, 75 North, the City of Omaha and the Omaha Housing Authority were successful at securing the highly competitive $25 million Choice Neighborhoods Implementation grant from HUD in 2019 for the North 30th Choice Neighborhoods Transformation project. This effort brings together the City of Omaha (lead applicant), the Omaha Housing Authority (co-applicant), Seventy Five North Revitalization Corporation (People Lead) and Sherwood Foundation (Anchor philanthropic funder) as part of an innovative team to develop over 400+/- units of mixed-income housing which includes the former public housing at Spencer Homes. In addition, the grant will fund extensive supportive services and economic development activity along the 30th Street corridor in North Omaha.

As part of our implementation strategy several additional phases are planned. From 2020-2024, two (2) phases will be developed through the multifamily revenue bond program, while 1-2 phases will be reliant on 9% LIHTC through the CRANE program. HUD praised the state CRANE program for embracing progressive development and as a tool to support mixed-income public housing transformation.

At the time of our application in 2018, the CRANE program allowed projects that included 30% of their units at or below 30% AMI or mixed-income developments to demonstrate eligibility. Unfortunately, the current proposed criteria exclude the Choice Neighborhoods developments from eligibility. To allow the Choice Neighborhoods implementation grant projects to once again be eligible for the CRANE program, we are respectfully requesting that NIFA include one or all of the following criteria in the criteria for eligible developments:

1. A recipient CHOICE Neighborhoods Implementation or Planning Grant.
2. Federal subordinate financing in an amount equal to or greater than $1 million.
3. Mixed-income with at least 25% of the units reserved as unrestricted units.
4. At least 30% of the units reserved for households at or below 30% AMI.
5. Part of a public housing redevelopment project.

I appreciate your consideration of this request. Please don’t hesitate to reach out if you have any questions or concerns.

Sincerely,

Othello H. Meadows III
President/CEO
Seventy Five North Revitalization Corp.
Good morning Sara –

Please see attached correspondence from Fred. Please include these comments in this morning’s public hearing.

Thank you,

Carly Davis  
Executive Assistant to Ward F. Hoppe  
The Hoppe Law Firm | Hoppe Homes  
5631 S. 48th Street, Ste 220 | Lincoln, NE 68516  
p: (402) 328-8100 | f: (402) 328-8104
June 15, 2020

Sara Tichota
LIHTC Allocation Manager
Nebraska Investment Finance Authority
1230 “O” Street, Suite 200,
Lincoln, NE 68508-1402

Dear Ms. Tichota,

The Hoppe Companies have the following comments on the 2020/2021 Amended and Restated LIHTC Allocation Plans for 9% and 4% and the application which embodies such plans:

In general, the plans should state and represent the affordable housing policy of Nebraska. An overriding policy of both QAPs should be the creation of more housing for the state. Further, they should clearly state and emphasize what types and styles of housing should be stimulated by the LIHTC. The LIHTC program was enacted to stimulate housing production i.e. the creation of housing for persons 60% median income and below. The program was not created to stimulate the maintenance of housing for persons 60% median income and below.

The QAP for 4% deals and the application therefor should include a match of Affordable Housing Tax Credits under the Affordable Housing Tax Credit Act. Such a match would stimulate the creation of additional housing. There have been only six 4% bond deals in the last 13 years mostly because of the high cost of bond deals and the gap between the equity gap in sources of funds on a bond deal. That gap could be narrowed substantially by the AHTC match. With the AHTC match, LIHTC housing could be increased easily by several hundred units a year. A limit could be implemented on the amount of bond cap allocated annually to control the effect of the tax credit to the state tax receipts. I have reviewed the written response to the written comments of Jim Rieker regarding Crane 2021: “Pursuant to the Affordable Housing Tax Credit Act (ACT), AHTCs are not available for 4% bond developments. NIFA will continue to evaluate the language presented in the Act and administer the AHTCs in accordance to the Act.” This is simply not true. The AHTC Act makes no distinction between 4% and 9% LIHTC. The only block to an AHTC match is that it is not in the QAP and NIFA has not created an application for 4% credits on a form prescribed by NIFA. See Neb. Rev. Stat. §77-2503(1). I incorporate herein as public comment
"Interim Report [to the NIFA board]—Use of Nebraska Affordable Housing Tax Credits ("AHTC’s") dated January 17, 2020" insert mine.

As a general comment, the QAP should not confuse “points” meaning a policy emphasis, with “basis” whether or not the cost of the item may be included in basis.

1. The proposed application deadlines are inappropriate. While the space between the deadlines is appropriate, the commencement of the deadlines is too early at August 2021. The commencement should be late September or early October to have a mid-November final Round 1 and a mid-February final Round 2. Rational: the proposed schedule is too aggressive for projects that have not yet been proposed. It is a significant advance of reasonable expectations of the previous deadlines and favors existing projects from 2020 which were not awarded credits. Furthermore, too many communities limit their activities in the summer which would be the planning cycle for the time limits set forth in the amended QAP.

2. The application page 6 Ownership information: Most if not all projects are syndicated to monetize the LIHTC and AHTC. The only known factor at the application stage would be the general partner.

3. Preservation: There should be no points awarded for preservation. Preservation does not stimulate housing production. Preservation rewards with an LIHTC award, projects that are not maintained. The program as intended to be administered by NIFA requires inspections and maintenance. If the administration of compliance monitoring and the maintenance of the units as well as replacement reserves preservation should not be an issue. If I am understanding the preservation provisions a project could get 6 points for preservation.

4. Senior development: Senior Developments should not be specially emphasized. On the contrary, “tenant populations of individuals with children” should be emphasized.

5. Density configurations: This criteria as set forth emphasizes sprawl. It encourages a suburban/ rural housing typology. I am aware of no studies which would even suggest such configurations being tied to any specific outcomes. Affordability and density go together. I refer again to the Interim Report dated January 17, 2020 wherein it notes that “tax credit financed attached residential rental housing is the preferred tool to address housing for those in the lowest income quartile providing durability, affordability, efficient use of density and speed of production.” It was discussing the use of bond cap for apartment projects and AHTC’s. The density incentive basically gives a rural project where land is easily to find and cheap to the detriment of an urban project. In a world that is increasingly converging on infrastructure inefficiency, the point awards for density unnecessarily punish well-designed efficient site plans for no known benefit.

6. Amenities: The amenity points and density points emphasize self contained low income communities. The policy should be to emphasize low income housing as a portion of and contained in neighborhoods of market rate housing. The plan should award with points projects that are part of such neighborhoods. Particularly, if the tenants of a project have access to neighborhood parks or playgrounds that should count as much as (actually should count more than)
projects that amenities exclusively for low income tenants. (i.e. on site furnished community room; designated playground; etc.) A neighborhood amenity may not be eligible for basis but still be an amenity for the low income residents. Particularly think in terms of Home Owner Association provided amenities which could include playground, park or pool yet they are just as available for the residents as exclusive amenities.

7. Green standards: In addition to or in the alternative, NIFA should accept and give points for alternate ways of reaching “green standards” such as the Green Building Program of the National Association of Home Builders or LEED. A “certified green built home” without the specifics set forth in the application should get an award of 6 points without anything further.

8. Management experience: Points should be awarded for HCCP designation managers. Housing Credit Certified Professional is a self-explanatory designation which requires training competency and annual education. I'm told that the NIFA training (mandated for a point) is “the same every year.” Is this intended just to keep the NIFA classes full?

9. Subsidies/Public Funds: Projects which have committed community funds should receive 2 or 3 points because they are perhaps the highest reflection of a community desire, commitment and need for the housing.

10. Disaster Designation: It seems inappropriate to bonus Douglas and Sarpy County projects for disaster as they are already in the pool for Metro. No Lancaster, Seward or Dakota County projects will get allocations. Douglas and Sarpy Counties have an ample supply of general housing notwithstanding the disaster.

11. Inclusion of County with no LIHTC into CRANE: Strongly oppose the use of CRANE for housing developments located in a county that has never had an occupied LIHTC development. If we assume that LIHTC developments have generally followed need and feasibility, the existing point system adequately supports the distribution of LIHTC projects. This would put undo priority to projects that may not be feasible.

12. Greater Incentives for Small Community - currently it is very challenging to secure tax credits for <3,000 population community. If you want to incentivize greater dispersal of credits, putting an additional incentive for <3,000 would be a better way to address the concern that CRANE is meant to address above.

13. We would suggest incentivizing projects mixed as part of neighborhoods with workforce housing to leverage and bring additional non-LIHTC units on line.

Sincerely Yours,

[Signature]

Ward F. Hoppe
Sara Tichota

From: Rob Woodling <woodling@cox.net>
Sent: Sunday, June 14, 2020 9:23 PM
To: Sara Tichota
Subject: 2021 QAP Comments

Sara,

Please find below my comments for the 2021 QAP.

1. Rent and Income Limits- On the NIFA website, the 2020 Rent and Income Limits link to a third party website, https://ric.novoco.com/tenant/rentincome/calculator/z1.jsp. This website, run by Novogradac, was in a “beta” version for multiple months. It is our opinion that NIFA should return to publishing annual Rent and Income Limits as was prior practice. As an owner, relying on a third party, non-governmental website is troubling, especially when that third party listed its website as beta with a “not to be relied upon” disclaimer. We would respectfully request prior practice of producing a NIFA Rent and Income Limit document be reinstated.

2. It is our opinion that project previously receiving an award of Low Income Housing Tax Credits that have gone through the initial 15 year compliance period should not be eligible for another award of Low Income Housing Tax Credits in the competitive rounds. Projects awarded 15 years ago by NIFA have gone through multiple inspections over the years by investors, NIFA and third party vendors. These projects should be in sound physical condition. If they are not, owners should not be rewarded for the lack of upkeep with an award of new credits. There is such a need for new units in our state that to utilize our limited resources on rehabilitation of previously funded projects rather than new construction would not help alleviate the shortfall of affordable units. The 9% credit should be used as a production resource. If a project that was previously awarded credits is in dire need of rehabilitation than those projects should have substantial local support and be required to go through the CRANE process.

3. In section 5 (a) of the LURA it states:

   Section 5. Term of Restrictions.

   (a) The term of the occupancy restriction set forth in Section 4 of this Agreement shall (i) commence on the Occupancy Date and (ii) end on the date, which is the Required Number of Years after the Occupancy Date. During the Required Number of Years, the Owner shall not evict or terminate the tenancy of an existing tenant of any Dwelling Unit other than for good cause and shall not increase the gross rent above the maximum allowed under Section 42 of the Code with respect to such Dwelling Unit.

Dwelling units are defined in section 1 as "Dwelling Units" means the units of multifamily residential rental housing comprising the Project.

If you have market rate units, they would be Dwelling Units and Dwelling Units are stated as not having rents above the maximum affordable rents. This appears to contradict the idea of market rates units charging market rate rents. We would suggest adding in section 5 wording that stated “Other than market rate units the owner shall not increase gross rents....”

Thanks for the opportunity to share comments! Please feel free to contact me with any questions on comments. Thanks!

Rob Woodling
Foundations Development, LLC
1886 S 126th Street
Omaha, NE 68144
402-504-3248 Office
Click here to report this email as spam.
Sara Tichota

From: Mike Gawley <mgawley@holynamehousing.org>
Sent: Friday, June 12, 2020 3:33 PM
To: Sara Tichota
Cc: Mary Anderson
Subject: RE: Reminder: 2020/2021 Amended and Restated LIHTC Qualified Allocation Plan - Public Hearing
Attachments: Comments to 2020+2021 Amended & Restated Qualified Allocation Plan.pdf

Sara,
Here are Holy Name Housing’s Comments. Have an enjoyable weekend!
Mike G.

From: Sara Tichota <Sara.Tichota@nifa.org>
Sent: Friday, June 12, 2020 1:05 PM
Subject: Reminder: 2020/2021 Amended and Restated LIHTC Qualified Allocation Plan - Public Hearing

Hello! This email is a reminder regarding the 2020/2021 Amended and Restated LIHTC Qualified Allocation Plan Public Notice that was published on 5/31/20. Please remember public comment can be shared at the meeting or emailed to my attention any time prior to the end of the public meeting. Thank you!

Nebraska Investment Finance Authority
Notice of Public Hearing
For the 2020/2021 Amended and Restated LIHTC Qualified Allocation Plan

Notice is hereby given that the Nebraska Investment Finance Authority (the “Authority”) will hold a public hearing with respect to the 2020/2021 Amended and Restated Low-Income Housing Tax Credit (LIHTC) Qualified Allocation Plan (QAP) on June 15, 2020, at 10:00 a.m. CDT. In accordance with Executive Order No. 20-03 issued by Pete Ricketts, the hearing will be held by means of electronic communication (by both video conference and telephone). Members of the public may access the meeting by videoconference by using the registration link below:

https://attendee.gotowebinar.com/register/959193460546291983

Instructions to access the meeting by audio-only telephone conference will be posted on the Authority’s website at https://www.nifa.org/res-dev/news no later than 24 hours prior to the start of the meeting.

Because the meeting will be held electronically, and no quorum of the Authority will be physically present together, there will be no option for public in-person attendance. Persons requiring an accommodation consistent with the Americans with Disabilities Act with respect to access to the hearing or access to the information on the Authority’s website are asked to contact Sheila Gans at NIFA at (402) 434-3900 at least 48 hours in advance of the hearing.

The Authority will consider the information obtained at the public hearing and will take appropriate action that it may deem warranted including submission of the transcript of the public hearing to the Governor of the State, the
A designated elected official who must approve or disapprove the LIHTC Qualified Allocation Plan pursuant to Section 42 of the Internal Revenue Code of 1986.

A draft of the proposed 2020/2021 Amended and Restated LIHTC Qualified Allocation Plan is available on the Authority’s web-site at www.nifa.org. Please note: the offices of the Authority are not open to the public at this time. Public comments may be submitted to NIFA in writing any time prior to the hearing or during the hearing to be held on June 15, 2020. Written comments should be addressed to Sara Tichota at NIFA at 1230 “O” Street, Suite 200, Lincoln, NE 68508-1402. For more information or questions regarding accessing the meeting electronically, please contact Sara Tichota, LIHTC Allocation Manager, at (402) 434-3916.

Sara Tichota
LIHTC Allocation Manager
Nebraska Investment Finance Authority
sara.tichota@nifa.org
402-434-3916

This email message is confidential, is intended only for the named recipients above. If you have received this message in error, please notify the sender at 402-434-3900 and delete this email message. Thank you.

This message has been scanned for malware by SurfControl plc. www.surfcontrol.com

Click here to report this email as spam.
In response to the Request for Public Comments for NIFA’s 2020/2021 Amended and Restated Qualified Allocation Plan, Holy Name Housing Corporation (HNHC), as a well-established developer and affordable housing provider in Douglas County, Omaha, Nebraska requests that the need for affordable SINGLE-FAMILY housing be thoughtfully considered.

Since 1982, HNHC has provided quality affordable housing primarily in the form of single-family Crown (Credit to Own) housing projects in Northeast Omaha. Most of the funding for these housing efforts has been derived from Low Income Housing Tax Credits (LIHTC).

Infill housing fills gaps and strengthens the fabric of neighborhoods by making it fuller and more active. Once you build on or improve blighted sites, it goes back on the tax rolls and is good for the City. Infill development can raise property values in the surrounding neighborhoods; help stabilize a community by attracting a greater diversity of household income levels; and bring new resources to neighborhoods reducing concentrated poverty and blighted structures.

In its own North Omaha Village Plan, the City of Omaha and NIFA recognized the need for creating a “new neighborhood framework of public amenities and infrastructure.... ensuring that North Omaha is not merely stabilized but will grow with sustained prosperity into the twenty first century.” Without new housing, Northeast Omaha will not be able to attract or maintain these public amenities and infrastructure (e.g. grocery stores, medical clinics, retail outlets, etc.) in the area. Without new housing children cannot thrive. Children need strong relationships with loving adults, a stable environment, and consistent access to food, housing, education, and health care to thrive.

Securing LIHTC for single family housing without changes to NIFA’s QAP will almost be impossible to accomplish for the following reasons:

1) The current QAP and IRS law prohibit building scattered site homes being in a mixed income development unless lots are contiguous. Infill housing to replace demolished homes in the area are most often not contiguous.
2) Building on infill sites where a home once stood, and a foundation left behind is more cost prohibitive. (It would be more affordable to build in a corn field, but that would not help the North Omaha community).
3) Single family homes are more expensive to build than apartments consequently not scoring any efficiency points for cost per unit and very few efficiency points for cost per square feet. On average, single family, infill housing, loses 4-6 efficiency points with the QAP as it stands today.

Currently the QAP provides 3 points for mixed income developments that are contiguous. HNHC is requesting NIFA to consider changing the QAP to award more points for scattered site infill housing that does not concentrate LIHTC to one block.

The current QAP disincentivizes building homes using the Credit to Own (CROWN) program (homes to be sold to the in-place tenant after year 15). Currently CROWN projects are given the points same as projects choosing a 30-year land use restriction. CROWN projects commit to providing at least $50 per month in homeownership incentives for each Crown tenant. This $50 per month / per tenant on a 30-unit development amounts to $18,000 of annual expense on the project. The increased debt reduces the amount of the conventional loan, increasing the amount of requested LIHTC. With this 30-unit development example, $250,000 of LIHTC is needed. The increased LIHTC reduces the efficiency scoring. HNHC is requesting NIFA to consider changing the QAP to four point being awarded to CROWN projects.

Lastly, HNHC is requesting NIFA revise the QAP to have developments receiving points for building in small communities be included in the rural LIHTC allocation. Having projects receive points for being in the small communities but being in metro allocation seems contradictory.

Respectfully Submitted, Michael Gawley, Executive Director, Holy Name Housing Corporation
From: Sara Tichota <Sara.Tichota@nifa.org> On Behalf Of TXCR Multifamily  
Sent: Thursday, February 27, 2020 5:19 PM  
To: Robin Ambroz <robin.ambroz@nifa.org>  
Subject: Focus Group Meeting for the 2021 LHTC/AHTC Qualified Allocation Plan

**This email originated outside of MHEG, do not open suspicious attachments or links from known or unknown senders.**

Focus Group Meeting for the 2021 Low Income Housing Tax Credit and Nebraska Affordable Housing Tax Credit Qualified Allocation Plan

Location:  
NIFA Board Room

Date and Time:  
March 12, 2020 10:00 AM to 11:30 AM

The Nebraska Investment Finance Authority ("NIFA") will hold a Focus Group Meeting to gather comments in preparation of creating the 2021 Low Income Housing Tax Credit (LIHTC) and Nebraska Affordable Housing Tax Credit (AHTC) package. The meeting will be held on Thursday, March 12, 2020, from 10:00 a.m. to 11:30 a.m. CDT in the NIFA Board Room located at 1230 "O" Street, 2nd Floor, Lincoln, NE.
If you would like to join the meeting by phone, please email Sara Tichota at sara.tichota@nifa.org.

Please contact Sara Tichota with any questions at 402-434-3916.

**For More Information:**
Sara Tichota  
Phone: 402-434-3916  
E-mail: sara.tichota@nifa.org

This email message is confidential, is intended only for the named recipients above. If you have received this message in error, please notify the sender at 402-434-3900 and delete this email message. Thank you.

This message has been scanned for malware by SurfControl plc. www.surfcontrol.com

"This email is intended solely for the person or entity to which it is addressed and may contain confidential and/or privileged information. Any review, dissemination, copying, printing or other use of this email by persons or entities other than the addressee is prohibited. If you have received this email in error, please contact the sender immediately, and delete the material from your computer."

Click [here](#) to report this email as spam.
Good afternoon,

Thank you for the opportunity to provide comments on the Qualified Application Plan. Please find attached a letter regarding CRANE eligibility.

Thank you,

Kellie Johnston Dorsey, AICP
Choice Neighborhood Manager

City of Omaha Planning Department
1819 Farnam Street, Suite 1100
Omaha, NE 68183

Office: 402.444.5150 x2008
Cell: 402.312.2563

kjohntondorsey@cityofomaha.org

Click here to report this email as spam.
June 10, 2020

Tim Kenney, Executive Director
Nebraska Investment Finance Authority
1230 “O” Street, Suite 200
Lincoln, NE 68508-1402

RE: CRANE ELIGIBILITY IN 2020-2021 QAP AMENDMENT

Dear Mr. Kenney,

Thank you for the Nebraska Investment Finance Authority’s (NIFA) commitment to producing high quality mixed-income and affordable housing. NIFA has been a critical partner in providing the financing (multifamily revenue bonds and 4% LIHTC) at Highlander Phase 1 and 9% LIHTC through the CRANE program to build Nobility Point (Highlander Phase 3).

As you know, the City of Omaha and the Omaha Housing Authority were successful at securing highly competitive $25 million, 5-year Choice Neighborhoods Implementation grant from HUD in 2019 (FY2018 award) for the North 30th Choice Neighborhoods Transformation project. This effort brings together the City of Omaha (lead applicant), the Omaha Housing Authority (co-applicant), Seventy Five North Revitalization Corporation (People Lead) and Sherwood Foundation (anchor philanthropic funder) as part of an innovative team to develop at completion over 400 units of mixed-income housing which includes the former public housing at Spencer Homes. In addition, the grant will fund extensive supportive services and economic development activity along the 30th Street corridor in North Omaha.

Everyone involved is providing significant support and resources to this transformational project. In addition to serving as grant manager, the City is bringing resources. The City has committed over $2.5 million in CDBG alone. A majority of that funding supports affordable owner occupied housing. This will allow persons transitioning out of rental housing to stay in the neighborhood and grow their wealth with home ownership.

As part of our implementation strategy, which has been submitted and approved by HUD, we intend to build several additional phases. From 2020-2024, two (2) phases will be developed through the multifamily revenue bond program, while 1-2 phases were reliant on 9% LIHTC through the CRANE program. During an initial site visit, HUD praised the state CRANE program
for embracing progressive development and as a tool to support mixed-income public housing transformation.

At the time of our Choice Neighborhoods application in 2018, the CRANE program allowed projects that included 30% of their units at or below 30% AMI or mixed-income developments to demonstrate eligibility. Unfortunately, the current proposed criteria excludes the Choice Neighborhoods developments from eligibility.

To allow the Choice Neighborhoods implementation grant projects to once again be eligible for the CRANE program, we are respectfully requesting that NIFA include one or all of the following criteria in the criteria for eligible developments:

1. A recipient of a CHOICE Neighborhoods Implementation or Planning Grant.
2. Federal subordinate financing in an amount equal to or greater than $1 million.
3. Mixed-income with at least 25% of the units reserved as unrestricted units.
4. At least 30% of the units reserved for households at or below 30% AMI.
5. Part of a public housing redevelopment project.

Thank you for your consideration of this request. Should you have any questions, please feel free to contact me.

Sincerely,

[Signature]

David K. Fanslau
Planning Director
Hi Sara-

I hope that you are doing well.

See attached letter regarding CRANE eligibility in the 2020-21 QAP.

Thanks
Todd

Todd Lieberman | Executive Vice President

Brinshore Development, LLC | www.brinshore.com
222 W. Gregory Blvd, Suite 323 Kansas City, MO 64114

Direct: (224) 927-5061 | Mobile: (224) 532-8911
Email: ToddL@brinshore.com | Fax: (847) 562-9401

Click here to report this email as spam.
June 10, 2020

Tim Kenny
Executive Director
Nebraska Investment Finance Authority
1230 "O" Street, Suite 200
Lincoln, NE 68508

RE: CRANE ELIGIBILITY IN 2020-2021 QAP AMENDMENT

Dear Mr. Kenny,

We appreciate the Nebraska Investment Finance Authority's (NIFA) commitment to producing high quality mixed-income and affordable housing. Over the last four years, NIFA has been a critical partner in providing the critical financing (multifamily revenue bonds and 4% LIHTC) at Highlander Phase 1 and 9% LIHTC through the CRANE program to build Nobility Point (Highlander Phase 3).

In 2019, the City of Omaha and the Omaha Housing Authority were successful at securing highly competitive $25 million Choice Neighborhoods Implementation grant from HUD in 2019 for the North 30th North 30th Choice Neighborhoods Transformation project. This effort brings together the City of Omaha (lead applicant), the Omaha Housing Authority (co-applicant), Seventy Five North Revitalization Corporation (People Lead) and Sherwood Foundation (anchor philanthropic funder) as part of an innovative team to develop at completion over 400+/- units of mixed-income housing which includes the former public housing at Spencer Homes. In addition, the grant will fund extensive supportive services and economic development activity along the 30th Street corridor in North Omaha.

As part of our implementation strategy we intend to build several additional phases. From 2020-2024, two (2) phases will be developed through the multifamily revenue bond program, while 1-2 phases were reliant on 9% LIHTC through the CRANE program from NIFA. To implement multi-phased Choice neighborhoods implementation grants, many states had explicit set asides for eligible projects. However, in the case of our application, HUD was very impressed with NIFA’s CRANE program as a route to complete the 9% LIHTC component of our multi-phased mixed-income work.

At the time of our application in 2018, the CRANE program allowed projects that included 30% of their units at or below 30% AMI or mixed-income developments to demonstrate eligibility. Unfortunately, the current proposed criteria excludes the Choice Neighborhoods developments from eligibility.

To allow the Choice Neighborhoods implementation grant projects to once again be eligible for the CRANE program, we are respectfully requesting that NIFA include one or all of the following criteria in the criteria for eligible developments:

1. A recipient CHOICE Neighborhoods Implementation or Planning Grant.
2. Federal subordinate financing or philanthropic investment in an amount equal to or greater than $1 million.
3. Mixed-income with at least 25% of the units reserved as unrestricted units.
4. At least 30% of the units reserved for households at or below 30% AMI.
5. Part of a public housing redevelopment project.

Thank you for your consideration of this request.

Should you have any questions, please feel free to contact me.

Sincerely,

[Signature]

Todd Lieberman
Brinshore Development, LLC
Sara Tichota

From: Jim Rieker <jrieker@advantagecap.com>
Sent: Friday, June 12, 2020 1:21 PM
To: Sara Tichota
Cc: Robin Ambroz
Subject: RE: Reminder: 2020/2021 Amended and Restated LIHTC Qualified Allocation Plan - Public Hearing

Sara,

Happy Friday. Thanks for the email reminder. I plan on being on the call next week but I only have one comment so I’ll just write it here:

On the Natural Disaster Designation, I’m curious why you only name Dodge, Douglas or Sarpy as 3 point counties? Looking at the report of damaged properties from FEMA, it looks like Hall, Saline and maybe Thurston were just as hard hit, especially if you look at it per capita. I am actually surprised that Douglas makes the list because the majority of the damage was deemed minor so there weren’t the losses that a Sarpy, Cass or Dodge Counties had. Not a big deal, just more of a question of why you chose those 3 counties (definitely get Sarpy and Dodge).

Have a great weekend. We’ll at least hear and see you on Monday (I don’t think you see us which is totally fine with me).

Jim

Jim Rieker · Vice President
Advantage Capital
Office: 314.480.3190
Cell: 402.681.7958
www.advantagecap.com

From: Sara Tichota <Sara.Tichota@nifa.org>
Sent: Friday, June 12, 2020 1:05 PM
Subject: Reminder: 2020/2021 Amended and Restated LIHTC Qualified Allocation Plan - Public Hearing

Hello! This email is a reminder regarding the 2020/2021 Amended and Restated LIHTC Qualified Allocation Plan Public Notice that was published on 5/31/20. Please remember public comment can be shared at the meeting or emailed to my attention any time prior to the end of the public meeting. Thank you!

Nebraska Investment Finance Authority
Notice of Public Hearing
For the 2020/2021 Amended and Restated LIHTC Qualified Allocation Plan

Notice is hereby given that the Nebraska Investment Finance Authority (the “Authority”) will hold a public hearing with respect to the 2020/2021 Amended and Restated Low-Income Housing Tax Credit (LIHTC)
Qualified Allocation Plan (QAP) on June 15, 2020, at 10:00 a.m. CDT. In accordance with Executive Order No. 20-03 issued by Pete Ricketts, the hearing will be held by means of electronic communication (by both video conference and telephone). Members of the public may access the meeting by videoconference by using the registration link below:

https://attendee.gotowebinar.com/register/959193460546291983

Instructions to access the meeting by audio-only telephone conference will be posted on the Authority’s website at https://www.nifa.org/res-dev/news no later than 24 hours prior to the start of the meeting.

Because the meeting will be held electronically, and no quorum of the Authority will be physically present together, there will be no option for public in-person attendance. Persons requiring an accommodation consistent with the Americans with Disabilities Act with respect to access to the hearing or access to the information on the Authority’s website are asked to contact Sheila Gans at NIFA at (402) 434-3900 at least 48 hours in advance of the hearing.

The Authority will consider the information obtained at the public hearing and will take appropriate action that it may deem warranted including submission of the transcript of the public hearing to the Governor of the State, the designated elected official who must approve or disapprove the LIHTC Qualified Allocation Plan pursuant to Section 42 of the Internal Revenue Code of 1986.

A draft of the proposed 2020/2021 Amended and Restated LIHTC Qualified Allocation Plan is available on the Authority’s web-site at www.nifa.org. Please note: the offices of the Authority are not open to the public at this time. Public comments may be submitted to NIFA in writing any time prior to the hearing or during the hearing to be held on June 15, 2020. Written comments should be addressed to Sara Tichota at NIFA at 1230 “O” Street, Suite 200, Lincoln, NE 68508-1402. For more information or questions regarding accessing the meeting electronically, please contact Sara Tichota, LIHTC Allocation Manager, at (402) 434-3916.

Sara Tichota
LIHTC Allocation Manager
Nebraska Investment Finance Authority
sara.tichota@nifa.org
402-434-3916

This email message is confidential, is intended only for the named recipients above. If you have received this message in error, please notify the sender at 402-434-3900 and delete this email message. Thank you.
From: Kathy Mesner <kathy@mesnerlaw.com>
Sent: Friday, June 12, 2020 11:42 AM
To: Sara Tichota
Subject: 2 comments for the Public Hearing on QAP for Monday

1. I think the timeline is too short. It has taken longer to get to this stage of QAP than anticipated due to Covid 19 and other factors.
2. Senior projects should receive more points because the housing efficiencies make them more difficult to get funded.

Kathryn L. Mesner
Mesner Development Co.
Mesner Law Office
1415 16th Street
P O Box 335
Central City, NE 68826
Ph: 308-946-3826
Cell: 308-940-0544
www.mesnerdevelopment.com

Click here to report this email as spam.
Good morning!

Please see the attached letter. Thank you for the opportunity to provide recommendations associated with the Qualified Application Plan.

-Joanie

Joanie Poore | Chief Executive Officer
Omaha Housing Authority | 1823 Harney Street | Omaha, NE 68102
(o) 402-444-6900 ext. 2247 | (f) 402-444-4887
jpoore@ohauthority.org | www.ohauthority.org

The content of this message is confidential. If you have received it by mistake, please inform us by an email reply and then delete the message. It is forbidden to copy, forward, or in any way reveal the contents of this message to anyone. The integrity and security of this email cannot be guaranteed over the internet. Therefore, the sender will not be held liable for any damage caused by the message.

Click here to report this email as spam.
June 11, 2020

Nebraska Investment Finance Authority
ATTN: Tim Kenny, Executive Director
1230 ‘O’ Street, Suite 200
Lincoln, NE 68508-1402

RE: CRANE ELIGIBILITY IN 2020-2021 QAP AMENDMENT

Dear Mr. Kenny,

The Omaha Housing Authority’s (OHA) mission is to provide quality affordable housing to the low and moderate income residents of Omaha. Currently, OHA serves the affordable housing needs of the community through approximately 4,600 Section 8 vouchers and 2,700 public housing units. In the coming months and years, OHA is committed to transforming certain distressed public housing sites that present challenging conditions for the neighborhood and residents.

In partnership with the City of Omaha, OHA was awarded a prestigious $25 million Choice Neighborhoods Implementation grant from HUD in 2019. This Choice Neighborhoods grant will be used to transform the designated North 30th Choice Neighborhood, including the Spencer Homes public housing site. For 30-plus years the residents of Spencer Homes and the larger historically African-American North Omaha neighborhoods have suffered through economic disenfranchisement, social isolation, and the indignity of a federal highway (75 North) splitting their community in half. In fact, Spencer Homes was split in two with 11 of the original 34 buildings demolished to make way for the highway. The remaining 23 buildings contain 111 units and the place and people still bear the scars of this dislocation.

OHA and the City are partnering with Seventy Five North Revitalization Corporation and the Sherwood Foundation (Anchor philanthropic funder) to demolish the Spencer Homes site and develop approximately 400 units of replacement mixed-income housing in the North 30th Choice Neighborhood. The grant will also fund extensive supportive services and economic development activity along the 30th Street corridor in North Omaha.

The Nebraska Investment Finance Authority (NIFA) has been instrumental in the early stages of the North 30th Choice Neighborhood by providing multifamily revenue bonds and 4% LIHTC at Highlander Phase 1 and 9% LIHTC through the CRANE program at Highlander Phase 3.

OHA and its partners intend to build several additional phases as part of a larger implementation strategy. From 2020-2024, two (2) phases will be developed through the multifamily revenue bond program, while 1-2 phases were reliant on 9% LIHTC through the CRANE program. HUD praised the
state CRANE program for embracing progressive development and as a tool to support mixed-income public housing transformation.

At the time of our HUD grant application in 2018, the CRANE program allowed projects that included 30% of their units at or below 30% AMI or mixed-income developments to demonstrate eligibility. Unfortunately, the current proposed criteria excludes the Choice Neighborhoods developments from eligibility.

To allow the Choice Neighborhoods implementation grant projects to once again be eligible for the CRANE program, OHA is requesting that NIFA include one or all of the following criteria in the criteria for eligible developments:

1. A recipient CHOICE Neighborhoods Implementation or Planning Grant.
2. Federal subordinate financing in an amount equal to or greater than $1 million.
3. Mixed-income with at least 25% of the units reserved as unrestricted units.
4. At least 30% of the units reserved for households at or below 30% AMI.
5. Part of a public housing redevelopment project.

Thank you for your consideration of this request. Should you have any questions, please feel free to contact me.

Sincerely,

Joanie Poore
CEO
Omaha Housing Authority

CC: Sara Tichota, LIHTC Allocation Manager
Hi Sara,

We appreciate you giving us the opportunity to provide feedback on the draft QAP and Application. Please find our comments attached for your consideration. Also, do you know if there will be an updated Exhibit 111 available for review and testing prior to the webinar on Monday?

Thank you!

Ryan Harris

Acquisitions Manager | MHEG | www.mheginc.com
P 402.334.8899 | D 402.715.5353 | F 402.334.5599 | rharris@mheginc.com
515 N. 162nd Avenue, Suite 202, Omaha, NE 68118

"This email is intended solely for the person or entity to which it is addressed and may contain confidential and/or privileged information. Any review, dissemination, copying, printing or other use of this email by persons or entities other than the addressee is prohibited. If you have received this email in error, please contact the sender immediately, and delete the material from your computer."

Click here to report this email as spam.
Re: NIFA QAP/Application comments for 2020/2021.

Prepared by: Cindy Koster and Ryan Harris, Midwest Housing Equity Group, Inc.

QAP:
Section 4, Page 12. Timing for Round 1 applications feel too quick given the deadline is just two months away, leaving little to no time for developers to put a good project application together. Since COVID pushed Round 2 out to mid-June, we would suggest considering some additional time for developers to submit Round 1 applications later this year.

Section 6, Page 15. The addition of the counties without ever receiving LIHTC deals will inevitably be rural counties with smaller populations. Because they would be required to have 5 services under the CRANE requirements, we feel these smaller projects will have problems providing these extra services to the residents, due to both cost and access of services or replacement providers should the need arise.

Application:
Senior Development, Page 14. Due to senior developments being unable to score well in efficiency points when they are in a rural setting, please consider adding additional points for rural senior projects.

Supportive Services, Page 18. As we know, construction costs are increasing, and on top of that some services are too costly. The only way to pay for these costly services is to increase rents. Given that not all of the residents need or want these services, they still have to pay for them through the increased rent. We prefer to keep rents lower and let them decide what to spend their money on for services. Please consider reducing the frequency of services, allowing less costly services, or reducing the service requirement.
NEBRASKA INVESTMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING
Friday, September 18, 2020

PROPOSED MOTION
For Agenda Item No. 5

Whereas, the Nebraska Investment Finance Authority (NIFA) has completed the review of the 2020/2021 Amended and Restated Qualified Allocation Plan, which includes for 2021 the provision for allocation of the 9% Low Income Housing Tax Credit (LIHTC) and related Nebraska Affordable Housing Tax Credit (AHTC) Programs;

Whereas, said review was conducted pursuant to Section 42 of the Internal Revenue Code;

Whereas, as part of said review, the Board determined that the interests of the tax credit program and its stakeholders were best served by amending and restating the existing 2020 Qualified Allocation Plan and expand its provisions to include provision for allocations of the 9% LIHTC and related Nebraska AHTC for 2021;

Whereas, accordingly the 2020/2021 Amended and Restated Qualified Allocation Plan has been prepared after taking into consideration public comments received during focus groups and a public hearing held on June 15, 2020, as well as recommendations from the NIFA Programs Committee and NIFA staff; and

Whereas, the 2020/2021 Amended and Restated Qualified Allocation Plan includes the following documents:

a. 2020/2021 Amended and Restated LIHTC Allocation Plan for 9% LIHTCs and related Nebraska AHTCs
b. the 2020/2021 LIHTC, AHTC, HOME, CDBG-DR and National Housing Trust Fund Application
c. the 2020/2021 LIHTC, AHTC, HOME, CDBG-DR and National Housing Trust Fund Exhibit Examples
d. the 2020/2021 LIHTC Forms and Documents
e. the 2020 CRANE Guidelines and Application
f. the 2020 Carryover Allocation Procedures Manual
g. the 2020 10% Test Certification
h. the 2020 Cost Certification Procedures Manual
i. the 2020/2021 Land Use Restriction Agreement (LURA)
j. the 2020/2021 LIHTC CROWN Land Use Restriction Agreement (CROWN LURA)
k. the 2021 CRANE Guidelines and Application
l. the 2021 Carryover Allocation Procedures Manual
m. the 2021 10% Test Certification
n. the 2021 Cost Certification Procedures Manual

Be it resolved that, the NIFA Board of Directors hereby approves the 2020/2021 Amended and Restated Qualified Allocation Plan, as described above, and authorizes its submittal to the Governor of Nebraska for approval in accordance with Section 42 of the Internal Revenue Code.
AGENDA ITEM NO. 6

MOTION TO APPROVE THE USE OF FUNDS REMAINING IN THE NIFA RURAL WORKFORCE HOUSING MATCH ACCOUNT (PREVIOUSLY NAMED THE 518 MATCH PROGRAM ACCOUNT) WITHIN THE NEBRASKA OPPORTUNITY FUND TO PROVIDE MATCH FUNDS TO NEW APPLICANTS MAKING APPLICATIONS TO THE RURAL WORKFORCE HOUSING FUND (RWHF) ADMINISTERED BY THE NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT

Background: Pursuant to Resolution No. 392, NIFA authorized the establishment of the Nebraska Opportunity Fund (the “Opportunity Fund”) in the amount of $30,000,000 in order to provide resources for complex community needs, to address the “gap” that exists from time to time in the development, financing and securing of projects and programs identified in the NIFA Act and to further the investment of private and public capital in the state for the purposes of the NIFA Act, including, but not limited to, basic economic and community development.

In 2017, the Nebraska Unicameral enacted LB 518, creating the Rural Workforce Housing Fund (“RWHF”) to be administered by the Nebraska Department of Economic Development (“DED”) to provide matching grants to non-profit development organizations to reduce the cost of workforce housing in Nebraska’s communities. The RWHF grants were required to be matched by non-RWHF dollars on a 1-to-1 basis.

In December of 2017, the NIFA Board adopted Resolution No. 423, authorizing $5,000,000 for a match program (as an account within the Nebraska Opportunity Fund) to be deployed in connection with the RWHF administered by DED. In 2018, NIFA match funds in the amount of $2,892,510 were allocated to 12 applicants in conjunction with the RWHF.

During the 2020 Nebraska legislative session, a general appropriation of $10 million was approved to enable DED to continue to provide grants in connection with the RWHF. NIFA staff proposes that NIFA consider further assisting in the effort to address the need for workforce housing in rural Nebraska by authorizing the use of the remaining NIFA funds ($2,107,490) in the NIFA “Rural Workforce Housing Match Account” (previously, the “LB 518 Match Account”) for applicants applying for the DED-administered RWHF resource who did not receive a previous award of match funds from NIFA pursuant to NIFA’s Rural Workforce Housing Match Program (previously, the “LB 518 Match Program”).

Staff Recommendation: Approval of a Motion to approve the use of $2,107,490 of funds remaining in the NIFA Rural Workforce Housing Match Account for the purposes of the NIFA Rural Workforce Housing Match Program, such funds to be used in accordance with Board Resolution #423, except that the remaining funds in the NIFA Rural Workforce Housing Match Account shall be made available by NIFA for applicants applying for the RWHF resource administered by DED who have not previously received matching funds from the NIFA Rural Workforce Housing Match Account.