

# M E M O R A N D U M

## MEMORANDUM

TO: NIFA BOARD MEMBERS  
FROM: TIM KENNY *TK*  
DATE: OCTOBER 21, 2016  
RE: UPDATE-NEBRASKA AFFORDABLE HOUSING TAX CREDIT (LB 884)



Board members, the following is intended to provide you with a brief update on the process staff is following in connection with implementing the Nebraska Affordable Housing Tax Credit (the "AHTC") for the benefit of developing affordable rental housing in the Nebraska.

As you will remember, during the most recent legislative session the Unicameral passed LB 884 (the "Affordable Housing Tax Credit Act" or the "Act"), creating the AHTC. The Act provides that the AHTC be allocated and administered in a process essentially parallel to that followed for the application of the Federal Section 42 Low Income Housing Tax Credit ("LIHTC"). Pursuant to the Act, the Nebraska Investment Finance Authority ("NIFA") is charged with the allocation of the AHTC. NIFA, by law, is directed to deploy the AHTC resource in coordination with the Nebraska Department of Revenue (the "Department of Revenue") and the Governor's Policy Research Office (the "Policy Research Office").

NIFA staff has been in conversation and in several meetings with representatives of the Governor's office and the Department of Revenue regarding the implementation of the AHTC. We have several more meetings planned with the Department of Revenue to clarify certain aspects of the AHTC, to implement the process of coordination of our two offices and to develop various on-line forms. At this time, NIFA is not recommending the introduction of legislation in 2017 with respect to the AHTC, but will work to implement clarifications and resolve uncertainties in the allocation of the AHTC through our normal qualified allocation plan process (e.g., stakeholder meeting and public hearing). An amendment to the Qualified Allocation Plan for 2017, once developed through this process, will provide for the application and allocation of the AHTC, integrating the allocation of the AHTC into a combined Federal/State Low Income Housing Tax Credit allocation process. The amended QAP, as approved by the Board, will then be submitted to the Governor for his approval.

As provided in the Act, the AHTC is available for projects placed in service after January 1, 2018. The AHTC may first be claimed for taxable years beginning on or after January 1, 2019. To allow for the timely discussion and consideration of the AHTC program by all interested parties, NIFA staff will propose moving the first 2017 LIHTC and AHTC round into the 2017 March-April time frame.

As always, we appreciate your comments and suggestions.

Tim