
Attendees (via telephone): Chris Lenz & Brent Williams with Excel Development Group, Mary Anderson with Holy Name Housing, Jim Rieker with Advantage Capital, Kathy Mesner with Mesner Development, Sheryl Hiatt with Nebraska Department of Economic Development, Thomas Judds with Lincoln Housing Authority, Elizabeth Heistand & Darin Smith with Arch Icon, George Achola with Burlington Capital, Jake Hoppe with Hoppe Homes, Ryan Durant with RMD Group, Galen Frenzen with NIFA Board of Directors, Cindy Koster & Ryan Harris with Midwest Housing Equity Group, Will Mihill with Twain Financial Partners, Aaron Truax with North Star Housing, and Bryan Shumway with Wishrock Housing Partners.

NIFA Staff in attendance: Sara Tichota, Kelly Schultze, Tim Kenny, John Turner, Kirk Benner, and Joe Spitsen.

Comments:

Teresa Kile –

- Does the Transfer/Assumption fee in Section 2.10 of the QAP apply when the Right of First refusal is exercised? Please clarify when this fee is accessed.

- CRANE application program should have specific deadlines.

- Final syndicator and lender commitment letters should be moved to the 10% test deadline instead of conditional reservation deadline. Development status reports should be due at important dates only instead of quarterly.

- Make Exhibit 8 in the application a requirement of the market study.

Rob Woodling –

- In the Land Use Restriction Agreement, should dwelling unit be changed to occupied or qualified unit?
Fred Hoppe –

- In my opinion, the QAP does express housing policy as it relates to the distribution of the tax credits in Nebraska. The policy should be delineated on an annual basis before the QAP is put in place.

- The QAP should be promoting the addition of housing to Nebraska and not rehabs of existing housing. NIFA’s job is to make sure that the housing is kept up through the compliance process. Renovation of existing housing should not get additional points. Points should only be awarded to conversions or new construction. Project-based Section 8 should be its own project and not using LIHTCs.

- The Nebraska Affordable Housing Tax Credit should be used in tax-exempt bond deals with 4% credits. NIFA could cap the amount of bond allocation to $45-$50 million. In my opinion, the take from the state till is minimal for that amount of housing. It’s hard to do these types of deals without closing a major gap.

- If you look at the QAP, the fees are a main focus.

Jim Rieker –

- One idea may be to look at the NAHB economic impact formula.

Bryan Shumway –

- The state of Maine has structured different features with their state tax credit. It pays out in one year and is refundable. This allows the yield to be .98 cents on the dollar. There is a fixed cap that limits the amount.

Brent Williams –

- I agree with using the state tax credit with 4% deals. In the rural areas, bring 10-15 projects in to have a large enough bond to make it work.

Fred Hoppe –

- Why can’t we use the NIFA profile instead of market study? I have yet to have a market study say they aren’t needed.

Bryan Shumway –

- One of our neighboring states requires a specific market study company. I appreciate Nebraska’s process.
Kathy Mesner –

- Back up to the larger question of housing policy. There seems to have been a lot of conversation in board meeting about scoring. The board needs to take up some basic housing policy, such as rehab vs. production. In my opinion, the tax credit is intended to be a production program and not a rehab program. It is bad policy to use tax credits for rehab. Another policy question is using the tax credit program for senior developments rather than non-senior developments. These are the policy discussions that should be taken up. The other thing is if the NIFA board would set a direction for the use of the state tax credit with the 4% tax-exempt bond deals.

Chris Lenz –

- There are a lot of communities in metro and urban that are stuck competing with Omaha and Lincoln that shouldn’t be.

- The fees are expensive. Compliance fees are higher than any other state.

- The option to provide 25% of the deferred developer fee is excessive. Reduce that to a smaller percentage.

- Regarding the application dates, it would be best to coincide with AHP and other funding sources. Where KHRC works closer with Federal Home Loan bank—Work better with them.

Brent Williams –

- I sit on the advisory council for Federal Home Loan Bank and this year they are adding a little bit of flexibility. The timing of the reservations should be so coincides with the most efficient time to start construction.

- Not changing the application much for 2021 is a great idea so we can move up the award dates.

Chris Lenz –

- If an application didn’t meet threshold, it shouldn’t be included in the efficient housing categories for scoring.

Teresa Kile –

- Are lower rents resulting in lower permanent debt resulting in more credits being requested?
Brent Williams –

- The AMI was only 42.6% and I was surprised it didn't go up more. The small amount it has gone up makes for a more stable project.

- If we can get some guidance from NIFA really quick about annual inspections and audits in light of the pandemic, that would be great.

Meeting adjourned at 11:46 a.m.