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; 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.
**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.

**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.

**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?

Burke Harr, Houghton Bradford Whitted PC, LLO

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.

**Meeting Adjourned at 10:33 a.m.**
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.” Nebraska 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 const cost; $800,000 offsites; 30% basis boost; total project cost of $15,661,523. I can provide the exhibit 111 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 under-used 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.
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
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 Statue 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.
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

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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
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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,

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@holynamahousing.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
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

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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

[Signature]
Sara and Robin

Just letting you know, I would not be able to prepare a market study by 6/19 if you decide to have a round 2 threshold due date of June 19th. It typically takes 30 days. If it’s at all possible to move that date to later in July to give the applicants time to prepare, I think that would be appreciated.

Thanks for hearing me out. I appreciate all you do for the industry. Take care and have a great weekend.

---

Sara Tichota

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

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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

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Click [here](mailto:reportthisemailasspam) 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

kjohnstondorsey@cityofomaha.org

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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,

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

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 68508-1402

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,

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:

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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

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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

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Good morning!

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

-Joanie

Sara Tichota

From: Joanie Poore <JPoore@ohauthority.org>
Sent: Friday, June 12, 2020 10:31 AM
To: Sara Tichota
Subject: CRANE Program
Attachments: Ltr NIFA RE CN Development.pdf

Follow Up Flag: Follow up
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Sara Tichota

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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

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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.