

Board Priorities and Strategic Planning

October 29, 2021



NIFA's Vision

10 Year Vision:

NIFA is an indispensable partner for Nebraska citizens and communities in planning, creating and sustaining affordable housing, advancing agribusiness, and furthering a vibrant Nebraska

NIFA's Mission

Growing Nebraska communities through affordable housing and agribusiness.

Commitment – Integrity – Collaboration – Innovation – Stewardship

NIFA's Vision

3-5 Year Vision:

NIFA leverages its resources, data, knowledge (know-how) and technology, with effective statewide partnerships and collaboration, to promote vibrant Nebraska communities through affordable housing solutions and agribusiness.

NIFA's Mission

Growing Nebraska communities through affordable housing and agribusiness.

Commitment – Integrity – Collaboration – Innovation – Stewardship

Relationship Between Vision, Mission and Strategy



Strategic Planning Process

Helps us better understand whether we are “winning or losing”.

Strategic Planning Process - Refine Long-Term Objectives

- Start with the end in mind
- What are the outcomes we are working toward?



Strategic Planning Process - Create a Framework

- Methodology or plan around each objective, by department
- This framework or methodology will help determine how decisions are made



Strategic Planning Process - Determine Tactics

- Tactics are focused initiatives, projects, or programs that allow organizations to execute a strategic plan
- Programs we create, and support should move us toward achieving our vision and objectives.
- Our approach should embody NIFA's core values.



Objectives & Next Steps

Example Objectives:

- Target NIFA's resources to areas where there is both a clearly articulated need as well as community support and other resources to maximize program impact
- Increase homeownership among minority populations by X%
- Narrow gap in workforce housing need vs availability in [target area] by X.

Framing the QAP, Strategic Planning and Board Policy Objectives

Objectives:

The QAP objectives previously articulated by the Board constitute one aspect of what will be addressed in the NIFA overall strategic plan.

Tactics:

Using the objectives provided by the Board, staff has revised the QAP, including tactics staff propose will achieve the policy objectives desired by the Board.

Discussion:

Today, we want the Board to discuss whether the proposed tactics are sufficient and appropriate. If additional tactics should be added or considered for the next draft, those ideas should be brought forward and discussed today among the Board.

Objectives & Next Steps

Next Steps:

- Ad hoc Strategic Planning Committee appointed by the Chair
- Strategic Planning Committee will meet, beginning in November, to prepare for the December Strategic Planning session.
- December 9, 2021 Strategic Planning Session, 12:00 noon to end of day. Location in Lincoln, offsite – TBD.
- Getting a full plan in place will be an ongoing process over the next year.

Moving to the QAP

Discussion around adding additional items to the QAP, in order to better address Board policies and obtain gubernatorial support.



Board Policy Objective: Equitable Geographic Distribution

Objective:

Distribute tax credit projects more equitably across Nebraska, including rural Nebraska.

General Principal:

Target special or underserved populations.

Core Value:

Commitment

Board Policy Objective: Equitable Geographic Distribution

Distribute tax credit projects more equitably across Nebraska, including rural Nebraska.

Tactics in currently proposed QAP:

- Change in Metro vs. Non-Metro Scoring Process
- Added Areas of High Opportunity
- Small Community Points for Non-Metro only
- QCT- Points for developments in conjunction with a CCR Plan

Tactics for discussion:

- Proposed addition to create incentives for developers and builders to do projects in rural, particularly western, Nebraska
- Change 50/50 Metro and Non-Metro set-aside. Perhaps 40% Metro/60% Non-Metro. (All bond projects are in Metro, as are a majority of the CRANE developments)

Board Policy Objective: Positive Family Outcomes

Objective:

Support long-term, positive outcomes for families.

General Principal:

Provide access to opportunity for tenants, supporting quality of life and dignity.

Core Value:

Commitment

Board Policy Objective: Positive Family Outcomes

Support long-term, positive outcomes for families.

Tactics in currently proposed QAP:

- Areas of High Opportunity
- Family Developments - larger units
- Additional amenities – work/study space
- Additional Supportive services with the focus on maintaining or encouraging self sufficiency
- Homeownership - CROWN program
- Incentivize serving the lowest income for the longest period
- Inclusion of Choice Neighborhood and RAD programs

Tactics for discussion:

- Proposed ways to work with tenants on homeownership - down-payment accounts
- Ideas for additional Supportive Services that create or maintain self-sufficiency

Board Policy Objective: Quality Construction and Stewardship

Objective:

Maximize both quality of construction and number of units created.

General Principal:

Balanced approach between quality and creation of units to increase longevity of units and still create a good number of units each year.

Core Value:

Stewardship

Board Policy Objective: Quality Construction and Stewardship

Maximize both quality of construction and number of units created.

Tactics in currently proposed QAP:

- Long-term compliance monitoring – includes physical inspection
- Approach for Design or Green Standards
- Efficient Housing Production
- Property Management
- Removal of Density metric
- Preservation
- Partnerships

Tactics for discussion:

- Balance between quality and units
- Impact of the reduction in efficiency points
- Pro-rata # of units per credit allocation in neighboring states
- Incentive maximizing construction efficiency using factory-built or prefabricated components

Board Policy Objective: Collaborative Projects and Leverage

Objective:

Incentivize cooperation and collaboration within neighborhoods and communities, maximizing leverage of government, non-profits and private sector for LIHTC projects.

General Principal:

Collaborative Partnerships for Strong Neighborhoods and Communities.

Core Value:

Collaboration and Innovation

Board Policy Objective: Collaborative Projects and Leverage

Incentivize cooperation and collaboration within neighborhoods and communities, maximizing leverage of government, non-profits and private sector for LIHTC projects.

Tactics in currently proposed QAP:

- Threshold
- QCT - Points for developments in conjunction with a CCR Plan
- CRANE program
- Choice Neighborhood and RAD
- Supportive Services – at least 1 service community or regional
- Preservation
 - Non-profit set-aside
- Right of First Refusal
 - Amenities

Tactics for discussion:

- Proposed addition to reward and create incentives for partnerships and collaboration
- Incentivize projects whose budgets leverage other resources besides NIFA or DED, would be eligible for points

Thank you!
**Staff encourages the Board and
participants to provide additional input prior
to and at the public meeting**

Policy Objectives and QAP Changes

The 2022/2023 QAP is structured with a goal of addressing the policy objectives of the board. Highlighted in this document are only the changes to the QAP. The QAP already contains countless mechanisms to achieve the board policy objectives. This document illustrates the QAP changes and the corresponding policy objective(s).

Summary of Change	Policy Objective Supported				
	Collaborative Partnerships for Strong Neighborhoods & Communities	Balanced Approach Between Quality and Creation of Units	Access to Opportunity for Tenants, Supporting Quality of Life & Dignity	Targeting Special or Underserved Populations	Transparent & Streamlined Processes and Procedures using Best Practices and Current Data
<u>CRANE</u>					
Choice Neighborhood program has been added as an eligible development in the CRANE process.*	X		X	X	
CRANE projects must commit to a minimum affordability period of 45 years (15-year compliance period + 30-year extended use period).	X	X		X	
CRANE developments are required to have at least four (4) points supportive services and will need to provide a supportive services plan focused on services for the population being served.	X		X	X	
<p><i>Why: The changes above directly support the CRANE program's focus of housing underserved populations through collaboration of resource providers working with communities and neighborhoods, who have joined with for profit and non-profit entities, as well as other public and private resource providers. The Choice Neighborhoods program, by design, leverages significant public and private dollars to address struggling neighborhoods through a comprehensive approach to neighborhood transformation. Supportive services provide opportunities and support to tenants. Affordability period requirements ensure the development will continue to house underserved population for a longer period.</i></p>					

**Changes made after the Public Hearing*

Summary of Change	Policy Objective Supported				
	Collaborative Partnerships for Strong Neighborhoods & Communities	Balanced Approach Between Quality and Creation of Units	Access to Opportunity for Tenants, Supporting Quality of Life & Dignity	Targeting Special or Underserved Populations	Transparent & Streamlined Processes and Procedures using Best Practices and Current Data
Tenant and Family Opportunities					
Added Areas of High Opportunity for Metro only developments. Indexes for the following three categories will be eligible for 1 point per category: Education, Health and Environment, and Social and Economic.*	X		X	X	X
Added Family Development section for one point for developments with 10% of the units being 4-bedroom or larger, and they cannot receive points for senior development.*	X	X	X	X	
The maximum number of points for amenities is now eight (8) points.		X	X		
Added built in designated work or school space provided in each unit to amenities.			X		
Several new supportive services have been added with the focus of family.	X	X	X	X	
<p><i>Why: The above changes directly support the Board's desire to provide adequately sized housing for families but also provide ongoing support and opportunities for growth. Areas of High Opportunity incentivize affordable housing development in areas that offer improved access to jobs, schools, health care, etc. Changes and additions to amenities and supportive service categories will provide opportunities and support for families through services such as tutoring services, parenting classes, built in work/school space and internet service that will be provided at no cost to the tenants.</i></p>					

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Coordination with Local Efforts					
Increased point value of Qualified Census Tract to two points and added one point for those developments in a QCT that are also part of a neighborhood redevelopment plan or that leverage significant public and private dollars to support locally driven strategies that address struggling neighborhoods with distressed public or HUD-assisted housing, i.e. Choice Neighborhood program.*	X		X	X	
Added Rental Assistance Demonstration (RAD) developments to Project-based rental assistance section for points.*	X	X	X	X	
Supportive Services maximum points has been changed to four (4) points with at least one (1) service being provided in partnership with a community based or regional service provider. In addition, at least one of the selected services must have a point value of at least two (2) points.*	X		X	X	
<p><i>Why: These changes ensure that NIFA is supporting and working in coordination with locally developed strategies. Working in tandem with the local planning department, housing authority, and other community-based organizations will result in positive outcomes for communities and residents.</i></p>					

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Opportunities for Eventual Homeownership					
CROWN developments must elect the 30-year (15-year compliance + 15-year extended use period) affordability period.	X	X	X	X	
CROWN developments are eligible for Right of First Refusal points.	X				
CROWN developments must waive any right to a Qualified Contract.			X		
<i>Why: The CROWN program provides homeownership opportunities for underserved populations. The changes are programmatic in nature or will encourage program participation.</i>					
Equitable Distribution and Preservation of Housing					
Reduced the point value from 4 to 3 points for developments involving preservation of existing affordable housing with an existing project-based rental assistance agreement (i.e. USDA or HUD).	X	X	X	X	
Small Community points will be for Non-Metro only.		X		X	
Removed points for Density*		X	X		
Resyndication developments must wait until 20 years after the date of the last building was placed in service before applying for LIHTC again.		X			
Metro and Non-Metro developments will be scored separately.		X			X

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Efficient Housing Production: Applications will be separated by development type (new construction, rehabilitation) within each set-aside.		X			X
<i>Why: Changes to Preservation points and re-syndication requirements will assist in providing an improved balance between the preservation of existing units and construction of new units. An equitable distribution of developments throughout Nebraska will be the goal through new scoring processes and a focus on community needs.</i>					
<u>Green Standards/Sustainable Development</u>					
Developments will have to submit specifications of their development to the Nebraska Department of Environment and Energy for 10% test.*		X			X
CDBG -DR requirements for Green Standards are higher, so for developments seeking funding for CDBG-DR, they will receive 6 points in Green Standards.	X	X	X		
Increased point values of Green Standards and Amenities to reflect the cost of each item.		X	X		
<i>Why: Green building and sustainable design increases efficiency, impacts long-term durability, and can improve health outcomes and reduce energy costs for tenants.</i>					
<u>Long-Term Viability and Quality Operation of Developments</u>					
Added two points for management companies that attend the NIFA LIHTC Compliance Training.	X				X

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Added one point for management companies that can provide documentation of a Housing Credit Certified Professional designation.	X				X
<i>Why: Incentivizing the HCCP certification and NIFA training ensures knowledge of LIHTC requirements and Nebraska specific policies and procedures. Knowledgeable and well-trained Property Management staff is key to the long-term viability of a development.</i>					
Stewardship of the Resource & Integrity of the Program					
Maximum allocation will be reduce based on efficiency measures.		X			X
Restructure of 4% LIHTC\AHTC\Bond application rounds and processes, i.e. optional Threshold review & separate application.*	X				X
One application round, with alternates selected.		X			X
Zoning will be considered the number two tiebreaker, after consideration given to meeting the established set-asides, as zoning shows readiness to proceed.*		X			X
Added points for developments that waive the right to request Qualified Contract.		X	X		X
Right of First Refusal: Non-profit entity may not be affiliated with or controlled by a for-profit organization and will need to be acceptable to NIFA.	X				X
Changes to Threshold review and structure. No points will be awarded for turning in threshold for review.					X

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Added NIFA's Mission, Visions, Values and a chart of strategic objectives*					X
All funding sources need to be solidified by conditional reservation deadline.					X
Applications that fail to meet threshold will not be fully scored and will not be included in the efficiency calculations.					X
Any development that has a financing gap, due to the non-award of another source of funding that is greater than \$500,000 will not be eligible for a Conditional Reservation.					X
Implementing maximum number of days allowed for extensions for the following: Conditional Reservation; Carryover Agreement; 10% Test; and Cost Certification.					X
Formatting changes in QAP, Applications, and forms.					X
Subsequent owners of development will not be allowed to enter the Qualified Contract Process.					X
<i>Why: Restructuring the QAP and application to highlight NIFA's Mission, Vision, Values, and policies is achieved through these changes. NIFA staff is committed to improving processes, increasing transparency and continued stewardship through solidifying NIFA policies in the QAP and application. Many of the changes above incentivize developments that are ready to proceed.</i>					

**Changes made after the Public Hearing*