NIFA™
NEBRASKA INVESTMENT FINANCE AUTHORITY®

LOW-INCOME HOUSING TAX CREDITS

Notice and Record of Public Hearing

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

*** Proof of Publication ***

State of Nebraska)
Lancaster County) SS.

RECEIVED OCT 0 1 2021

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

ORDER NUMBER 1014829

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

One successive times(s) the first insertion having been on

September 26, 20 21 and thereafter on

______________, 20____ and that said newspaper is the legal newspaper under the statues of the State of Nebraska.

Section: Class Legals
Category: 0099 LEGALS
PUBLISHED ON: 09/26/2021

TOTAL AD COST: 31.66
FILED ON: 9/28/2021

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

Sept 28, 20 21

Notary Public

GENERAL NOTARY - State of Nebraska
UVA BOONE
My Comm. Exp. January 31, 2025

NOTICE OF PUBLIC HEARING
Nebraska Investment Finance Authority For the 2022/2023 Qualified Allocation Plan

Notice is hereby given that the Nebraska Investment Finance Authority (the "Authority") will hold a public hearing with respect to the 2022/2023 Qualified Allocation Plan (QAP) on October 8, 2021, at 9:00 a.m. CDT in the NIFA Board Room located at 1230 O Street, Suite 200, Lincoln, NE 68508. 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. Members of the public may access the meeting by videoconference by using the registration link below; however, no public comments can be taken by those attending virtually:
https://us02web.zoom.us/webinar/register/WN_wPiKlp89RgKZMZ0n84DTw

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 2022¼023 Qualified Allocation Plan is available on the Authority's website at www.nifa.org and at NIFA's office at 1230 "O" Street. Public comments may be submitted to NIFA in writing any time prior to the hearing the hearing to be held on October 8, 2021. Written comments should be addressed to Sara Tichota at NIFA at 1230 "O" Street, Suite 200, Lincoln, NE 68508-1402. For additional information, call (402) 434-3916.
1014829 1t Sep 26 ZNEZ

Omaha World-Herald

Date: September 26, 202

Affidavit of Publication

NIFA
1230 'O' ST.
SUITE 200
LINCOLN, NE 68508

RECEIVED OCT 0 1 2021

Date	Category	Description	Ad Size	Total Cost
10/02/2021	Legal Notices	Nebraska Investment Finance Authority Notice of P	1 x 0 L	744.58

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ZNEZ

Publisher of the World Herald

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:**

09/26/2021

The First insertion being given ... 09/26/2021

Newspaper reference: 0000260754

Susan Allen

Billing Representative

Sworn to and subscribed before me this Sunday, September 26, 2021

Kimberly Kay Harris

Notary Public

Kimberly Kay Harris
NOTARY PUBLIC
Commonwealth of Virginia
Reg. No. 356753
Commission Exp. Jan. 31, 2025

State of Virginia
City of Richmond
My Commission expires ____________________

E-mail
Sheila.Gans@nifa.org

THIS IS NOT A BILL. PLEASE PAY FROM INVOICE. THANK YOU

*** Proof of Publication ***

State of Nebraska)
Lancaster County) SS.

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

ORDER NUMBER 1026920

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

One successive times(s) the first insertion having been on November 7, 2021 and thereafter on ________, 20____ and that said newspaper is the legal newspaper under the statues of the State of Nebraska.

Peggy Bonner

Section: Class Legals
Category: 0099 LEGALS
PUBLISHED ON: 11/07/2021

TOTAL AD COST: 31.66
FILED ON: 11/9/2021

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

Nov 9, 2021

U B Boone Notary Public

GENERAL NOTARY - State of Nebraska
UVA BOONE
My Comm. Exp. January 31, 2025

NOTICE OF PUBLIC HEARING
Nebraska Investment Finance Authority For the 2022/2023 Qualified Allocation Plan

Notice is hereby given that the Nebraska Investment Finance Authority (the "Authority") will hold a public hearing with respect to the 2022/2023 Qualified Allocation Plan (QAP) on November 19, 2021, at 9:00 a.m. CDT in the NIFA Board Room located at 1230 O Street, Suite 200, Lincoln, NE 68508. 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. Members of the public may access the meeting by videoconference by using the registration link below; however, no public comments can be taken by those attending virtually:
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1026920 1t Nov 7 ZNEZ

Omaha World-Herald

Date: November 07, 202

Affidavit of Publication

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LINCOLN, NE 68508

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11/07/2021

The First insertion being given ... 11/07/2021

Newspaper reference: 0000270411

Susan Allen

Billing Representative

Sworn to and subscribed before me this Sunday, November 7, 2021

Notary Public

Linh Thuy Le
Notary Public
Commonwealth of Virginia
Reg. No. 7953581
My Comm. Expires Nov 30, 2025

State of Virginia
City of Richmond
My Commission expires

E-mail
Sheila.Gans@nifa.org

THIS IS NOT A BILL. PLEASE PAY FROM INVOICE. THANK YOU

Nebraska Investment Finance Authority
2022/2023 Qualified Allocation Plan Public Hearing
Low Income Housing Tax Credit (LIHTC) &
NE Affordable Housing Tax Credit (AHTC) Program
October 8, 2021

Attendees: **Kathy Mesner, Mesner Development; Chris Lenz and Brent Williams, Excel Development Group; Teresa Kile, White Lotus Group; Chris Schroeder, NEMA; Rob Woodling, Foundations Development; Charlie Wesche and Wayne Mortensen, NeighborWorks Lincoln; Ryan Durant, RMD Group; Jim Posey, Straightline Development; Joseph Shannon, Greater Saint Paul Ministries; Jake Hoppe and Fred Hoppe, Hoppe Development; Matthew Cavanaugh, Name Housing Corporation; Susan Nickerson and Mechele Grimes, Nebraska Department of Economic Development and Lauren Foster, Greater Fremont Development Corporation.**

NIFA Staff in Attendance: Sara Tichota, Robin Ambroz, Pamela Otto, and Shannon Harner.
NIFA Board in Attendance: Susan Bredthauer, Michael Walden-Newman

Meeting called to order at 9:06 a.m. CDT

Summary of Public Comments categorized by topic:

Family Housing:

Kathy Mesner, Mesner Development

Concerned about the emphasis on larger units in QAP. Remove family points and keep senior points. Written comment provided as well as a report regarding housing shortages.

Teresa Kile, White Lotus Group

Teresa Kile read from her written comments which are attached.

NIFA is reducing the required percentage of 4-bedrooms units or larger from 20% to 10% and the number of points available from two (2) points to one (1) point.

Senior Housing:

Chris Lenz, Excel Development Group

Raise the points for a senior project from 2 to 4.5 to allow residents to remain in the neighborhoods they have lived in all their lives.

Brent Williams, Excel Development Group

Reiterate what Kathy Mesner mentioned about the need for senior housing. Seniors don't want to move out of neighborhoods.

NIFA will continue to evaluate this criterion, but no change is proposed regarding senior housing points at this time.

QCT:

Chris Lenz, Excel Development Group

If you are set on leaving Areas of High Opportunity in the application, consider the following: raise the QCT points from 1 to 4.5 to offset the change and allow developments to be funded in neighborhoods that need housing the most.

NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program. In addition, the points available for Areas of High Opportunity have been reduced to a maximum of three 3 points.

Small Community:

Kathy Mesner, Mesner Development

Keep small community points as they still need housing.

Rob Woodling, Foundations Development

Do not remove small community points, You will find in rural areas that people will have to pick between 50 units in Grand Island and 5 units in Alda, people will go to Grand Island. The tax credits will go to the bigger rural cities and not the smaller rural areas.

Jake Hoppe, Hoppe Development

Elimination of small community points is concerning. The ability to serve a small community is important, and otherwise, there is going to be a high concentration of developments in the bigger cities.

NIFA is reinstating the small community points for Non-Metro areas only.

Threshold:

Kathy Mesner, Mesner Development

Does not like the removal of threshold points, as that shows readiness.

Rob Woodling, Foundations Development

Taking away the threshold points, especially zoning, could result in projects that are not ready to proceed. Putting some readiness points back in makes sense.

Chris Lenz, Excel Development Group

I agree that zoning shows readiness; however, in rural areas, it is very difficult to find land that is already zoned for multifamily or allows multifamily. Land in rural areas is mostly agriculture and we would have to then ask the seller to rezone the land before a reservation is made for the development. Harder and harder to find properly zoned properties.

Zoning will now be a tie-breaker item. NIFA will continue to evaluate these criteria, but no change is proposed at this time for threshold.

Efficiency Measures:

Kathy Mesner, Mesner Development-

CDBG-DR requirements will cause significant cost increases to a development. We need to be able to pull out those increases for those applicants applying for CDBG-DR to be competitive in the efficiency points.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead,

NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

<u>Density Configurations:</u>

Jake Hoppe, Hoppe Development

Housing density points, we do continue to believe that is at odds with urban and suburban and it does add costs and leaves out the missing middle.

Wayne Mortensen, NeighborWorks Lincoln

Density bonuses are incentivizing suburbanizing projects, land is the highest it has been in metro areas. Sustainability 12 units per acre, to be consist with transportation, we are essentially telling developers that transit is not important. Density points should be revisited.

Teresa Kile, White Lotus Group

Teresa Kile read from her written comments which are attached.

NIFA is removing the density points and will continue to evaluate density standards.

<u>CROWN and Right of First Refusal:</u>

Rob Woodling, Foundations Development

By removing the CROWN projects from right of first refusal, no one will do CROWN projects, balancing it back out makes sense.

Teresa Kile, White Lotus Group

Teresa Kile read from her written comments which are attached.

NIFA will allow CROWN projects to request points for the Right of First Refusal.

Green Standards:

Kathy Mesner, Mesner Development

The housing industry needs to think about Green standards and how they can be incorporated into a development. If we don't move the dial on renewable energy than many of our tenants are going to be facing utility bills that rival their rents. This is an opportunity to think out of the box and incentivize new programs to partner with LIHTC.

Teresa Kile, White Lotus Group

We really need to weigh the cost of what the green standard will add to the project and the lifespan and what is the cost to sustain long term. Does it add value to the tenant and developer? To keep the green standard continuously, is that really helping the tenant long term, as the higher the debt for a project, the tenant will end up paying. We need green standards that keeps properties affordable.

Wayne Mortensen, NeighborWorks Lincoln

For future QAP, NIFA needs to research best practices from other states regarding their green standards and adopt green standards (Enterprise, etc.) in ways that allow developers to know what is needed for their developments to be sustainable for the environment.

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

High Opportunity:

Chris Lenz, Excel Development Group

Based on the map, most all the North and South Omaha neighborhoods would receive zero (0) points out of a potential four and a half (4.5) points for a proposed housing development, either senior or family. This is also true for locations in the downtown Lincoln neighborhoods which include from 1st Street to 27th Street and from Van Dorn to the north edge of town.

Rob Woodling, Foundations Development

This is for metro only and should be state-wide, as non-metro will get less points and it will be difficult for them to get NDED funds. There is a moral argument against how it is currently set up. Why is the opportunity for rural children less important than urban children? This should cover the entire state if NIFA is going to do it.

Brent Williams, Excel Development Group

With the High Opportunity section, developers will try to chase the points. I have talked to a few of the Lincoln land developers in south and east Lincoln and talked to them about the willingness to sell land to LIHTC developers. I was told that LIHTC developments decrease land values and there is no way they would be willing to sell land for a LIHTC projects (unless it is for an outrageous price) in the high opportunity areas.

Jake Hoppe, Hoppe Development

We are very interested in trying to meet the high opportunity areas section. There has been concern about over concentrating low-income housing in one area. Regarding what Brent Williams brought up, it is good to have some affordable housing next to the newer development areas. It is going to require a bold set of rethinking about how the QAP prioritizes location.

Wayne Mortensen, NeighborWorks Lincoln

Consideration of additional housing in low- and moderate-income areas needs to stay a priority as those neighborhoods need housing as well.

Bishop John Shannon Senior, Greater St. Paul Ministries Pastor North Omaha

I represent the citizens of North Omaha that have lived in North Omaha all their lives. Their property is deteriorating, and by making it difficult to build affordable housing in North Omaha, these citizens are going to keep living in these houses that is not healthy just to stay in their neighborhoods. Most of these citizens do not want to move to west Omaha, as it is not in their social network. Affordable housing is needed in North Omaha.

NIFA is reducing the high opportunity indexes to one (1) point in each index area. The overall category maximum point value will be three (3)

points. NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program.

HOME Funds:

Chris Lenz, Excel Development Group

Could we do a little better job of providing detail for eligible HOME applicants. Eliminating regional non-profits? Who is eligible?

NDED Response: Eligible Developers/Owners for HOME include developers or owners of the rental housing and may be small-scale property owners, for-profit developers, nonprofit housing providers, CHDOs, the local government, redevelopment organizations or public housing agencies. Per 24 CFR 92, the commitment of HOME or HTF funds (written agreement) will be with the project owner.

Amenities:

Fred Hoppe, Hoppe Development

I have a holistic comment, I believe the goal of tax credits is to be integrated into communities and bring affordable housing into market rate neighborhoods. The QAP is not responsive in putting developments into market rate neighborhoods, the Metro only portion kind of goes there but there are no points for putting a development by a park. The developer is required to put the park in themselves. Exclusive parks for the development are not inclusive to neighborhoods. Tailor some of the amenities to proximity not exclusivity, so we can make housing a part of a neighborhood and not secluded.

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

Supportive Services:

Jake Hoppe, Hoppe Development

Supportive Services are challenging for rural areas, with limited access to organizations to provide these services.

NIFA is reducing the maximum number of points from six (6) to four (4) with at least one supportive service being offered 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 points or higher.

4% Qualified Allocation Plan Timeline:

Jake Hoppe, Hoppe Development

The Deadline on the 4% AHTC is so quick, the concern is that you will have projects that won't address the needs of this QAP.

NIFA will move the 4% AHTC application round into 2022, with a 4% LIHTC only round now occurring in late 2021.

Positive Comments:

Kathy Mesner, Mesner Development

I appreciate that metro vs non-metro are going to be scored separately.

Jake Hoppe, Hopper Development

There is a lot to celebrate in this QAP and some interesting and bold choices.

Meeting Adjourned at 9:56 a.m.

Written Comments received – See attached correspondence from:

- **Don Curry**
- **Chris Lenz, Excel Development Group**
- **Jake Hoppe, Hoppe Development**
- **Kathy Mesner, Mesner Development**
- **Neeraj Agarwal, Clarity Development**
- **William Lukash, Omaha Planning Department**
- **Ryan Durant, RMD Group LLC**
- **Ryan Harris, Midwest Housing Equity Group**

- **Teresa Kile, White Lotus Group**
- **Todd Lieberman, Brinshore Development, LLC**

Don Curry

<u>High Opportunity:</u> In my opinion by not incentivizing Affordable Housing Development in North and South Omaha, you are contributing to Gentrification, and you would be placing Tenants of Color in hostile conditions, ex. "You are not welcome here!"; given the current state of race relations.

NIFA is reducing the high opportunity indexes to one (1) point in each index area. The overall category maximum point value will be three (3) points. NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program.

Chris Lenz – Excel Development Group

<u>High Opportunity:</u> Based on the map most all of the North and South Omaha neighborhoods would receive zero (0) points out of a potential four and a half (4.5) points for a proposed housing development, either senior or family. This is also true for locations in the downtown Lincoln neighborhoods which include from 1st Street to 27th Street and from Van Dorn to the north edge of town.

NIFA is reducing the high opportunity indexes to one (1) point in each index area. The overall category maximum point value will be three (3) points. NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program.

QCT: If you are set on leaving this point option in the application (High Opportunity), I would ask you to consider the following: raise the QCT points from 1 to 4.5 to offset the change and allow developments to be funded in neighborhoods that need housing the most.

NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program. In addition, the points available for Areas of High Opportunity have been reduced to a maximum of three 3 points.

Senior Housing: Raise the points for a senior project from 2 to 4.5 to allow residents to remain in the neighborhoods they have lived in all of their lives.

NIFA will continue to evaluate this criterion, but no change is proposed regarding senior housing points at this time.

Jake Hoppe – Hoppe Development

Positive Comments:

- Metro versus Non-Metro: removing the competition from Metro and non-metro ensures clarity in how projects will be scored, distribution of projects in the state, and sets up the opportunity to tailor applications to be most appropriate for the communities they serve.
- Rule regarding a $500,000 financing gap: creating this rule will ensure feasible projects that are executable as well as ensure reasonable request for NDED or other funding.
- Strengthening the oversight of the non-profit for ROFR: this change is a positive step to ensuring that non-profits are independent and represent a housing interest, as opposed to an extension or tool to secure awards.
- Reduction of Emphasis on Preservation and Increase in Time to 20 years: this step helps orient toward new construction of units and removes adverse incentives to resubmit deals for the purposes of supporting development fees.
- Family Development Category: this change will incentivize the development of family-appropriate housing, which we think is laudable.
- Points based on the Children’s Diversity Index: this change will incentivize placement of projects outside of historically high poverty neighborhoods.

- New efficiency point scoring: the change to efficiency points based on total development costs, instead of eligible basis, will encourage mixed use developments and removes incentive stacking as a mechanism to strengthen the appearance of efficient development.

4% Qualified Allocation Plan Timeline: The timing of the 2022 4% applications is insufficient to effectively respond to the priorities outlined in the new QAP.

NIFA will move the 4% AHTC application round into 2022, with a 4% LIHTC only round now occurring in late 2021.

Supportive Services: Supportive services as defined are highly proscriptive and do not adapt to the flexible scenarios that may be encountered, especially in Western Nebraska, where the delivery of on-site services may be challenging, and many off-site delivery methods have become accepted.

NIFA is reducing the maximum number of points from six (6) to four (4) with at least one supportive service being offered 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 points or higher.

Management Experience: Concerned about the certification of experience, as well as the sheer number of points in this category. It does not appear clear that these points will distinguish between two organizations with many projects, one which has managed them well, and one that has managed them poorly. They both seem that they would receive the maximum number of points.

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

Density: The QAPs retain a prioritization for housing typology that reflects a rural or suburban typology and is not reflective of the "missing middle" housing typologies that have frequently been referenced as critical to include in the housing stock. The two story, individual entrance limitations remove significant design creativity. Further, this prioritization within the 4% AHTC it is not responsive to the use and need of 4% bonds with AHTC to build denser multifamily projects.

NIFA is removing the density points and will continue to evaluate density standards.

Small Community: Removal of the small community points will eliminate tax credit projects in communities of <5,000 residents, and virtually eliminate them for all but 10-12 communities state-wide.

NIFA is reinstating the small community points for Non-Metro areas only.

4% Private Activity Bond Cap: The 4% QAP allows one project to have up to $18 million in bonds and if there is only $20 million in bonds, there is only enough for one award.

The 4% Private Activity Bond Cap for AHTC rounds is proposed at approximately $40 million, not $20 million.

4% AHTC QAP: The QAP clarifies that efficient housing production points will only be utilized in the event that multiple applications are received for a single county, it does not specify how they will be utilized. Will they be a tie breaker? Will they be added to the total number of other points?

The Efficient Housing Production points will be added to the total number of points if more than one application is received in a county.

Certification of Experience for Applicant and Management Company: How are these points earned?

The details in the application have been updated to indicate how the categories will be evaluated.

Non-Profit Partner: How can we ensure a non-profit partner was adequate or approved? Will NIFA provide that feedback?

NIFA staff is available to discuss specific questions regarding non-profit partners.

Efficient Housing Production: Could we get confirmation of the exact calculation methodology? Specifically, is it total development cost – land divided by total units, or total LIHTC units?

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis, which is consistent with the practice in previous years.

NDED Funding: Is there a reason a nonprofit needs to be involved for NDED funding? It is now passed directly to the developer.

NDED Response: For HOME/HTF, NDED does not require a non-profit to be involved. The HOME and HTF programs require the written agreement to be with the owner to carry out eligible activities. However, with respect to CDBG-DR, NDED is carefully reviewing the requirements of the federal resource in the context of maximizing the program's impact while minimizing risk to the state and potential subrecipients of CDBG-DR resources. This review includes consideration of alternative program delivery methods that decrease program risk and address administration efficiencies.

Internet Services paid for by the landlord: We believe this should be, "at no cost to the tenant". There are now numerous internet services that are supported for low income tenants, but paid through other programs. As a developer, we would seek to take advantage of these opportunities.

NIFA will continue to evaluate these criteria, but no change is proposed at this time. If such a program is available to tenants, an Owner can submit that information to the NIFA Compliance Department.

Kathy Mesner – Mesner Development

Family Housing: The idea that larger family housing, especially larger units, should be emphasized and prioritized is not only a waste of program resources but a failure to understand what is going on across Nebraska. There are a couple reasons many communities across the state don't have affordable family housing. One reason affordable homes are being occupied by seniors who have no place to downsize. Another reason is that people are buying up everything on the market and renting out family homes to anyone because there are no other rentals on the market. Recommendation is to get rid of the 2 points for family developments and maintain the 2 points for senior developments that are limited to 2-bedroom units because these 2 points help balance the efficiency scoring differential between 2- and 3-bedroom units in the cost/sq ft and tax credits per occupant categories.

NIFA is reducing the required percentage of 4-bedrooms units or larger from 20% to 10% and the number of points available from two (2) points to one (1) point

Small Community: Recommend leaving the points for smaller communities in place, otherwise, all the non-metro projects will end up in Grand Island, Hastings, Kearney, Norfolk, Columbus, etc.

NIFA is reinstating the small community points for Non-Metro areas only.

Threshold Points: Eliminating all points for threshold items is a mistake, as most of the items that relate to readiness like zoning, site control, and funding commitments were previously scored with options for 1, 2, or 3 points. By eliminating these points, you are denying certain projects the ability to distinguish themselves from other projects.

Zoning will now be a tie-breaker item. NIFA will continue to evaluate these criteria, but no change is proposed at this time for threshold .

<u>Counties without projects:</u> Does not believe that “Counties Without Projects” should be a part of CRANE. Most of the counties without projects have a declining population and may not be able to support the 45-year compliance period of the project. The collaborative efforts of CRANE cannot change the fact that some of our counties may not survive long term.

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

<u>Scoring CDBG-DR Applications:</u> In order for developments to be competitive and use CDBG-DR funding, we should be able to ignore the costs added by regulations like Davis-Bacon. Otherwise, these added costs will make the project scores out of line with costs of projects using other gap financing sources and the CDBG-DR funds will go back to Washington.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

<u>Efficiency Housing Production:</u> We need to add some efficiency points back into scoring. While it is important that we have amenities and supportive services, we should not ignore the need to make these projects as efficient as possible. In the last rounds, when we reduced housing efficiency points, we actually funded projects with no efficiency points.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

Neeraj Agarwal – Clarity Development

<u>4% LIHTC/AHTC:</u> Priority should be given based on whether the project would move forward. Priority should be given to projects that are not in a QCT, that are not able to secure gap financing measures. This ensures that AHTCs go to the projects that truly need this resource.

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

Maximum Volume Cap Allocations for AHTC/LIHTC rounds: Either change the $20 million of private activity volume cap per round to $80 million and maintain only one round in January 2022 and January 2023 to facilitate more 4% projects or hold four rounds with $20 million each.

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

Maximum Volume Cap for LIHTC only rounds: Change to holding four rounds with $20 million each.

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

William Lukash – Omaha Planning Department

High Opportunity: The City of Omaha does not believe that driving affordable housing out of North and South Omaha will stop the concentration of affordable housing in those areas. Omaha needs affordable housing wherever it can be built. One preferred approach toward addressing the concentration of affordable housing is to require or prioritize a mix of affordable, workforce, and market rate units in housing projects. Through this model, neighborhoods can be uplifted by the arrival of higher income households who will attract banks, grocery stores, and other services greatly needed in these neighborhoods.

NIFA is reducing the high opportunity indexes to one (1) point in each index area. The overall category maximum point value will be three (3) points. NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program.

Ryan Durant – RMD Group LLC

Family Housing: These points could incentivize development of unnecessary units that would cause over housing. Also, if people build 4- or 5-bedroom units then they will score well in the efficient points making these points an unfair competitive advantage.

NIFA is reducing the required percentage of 4-bedrooms units or larger from 20% to 10% and the number of points available from two (2) points to one (1) point

Small Community: It would seem to me that taking away small community points will deter development in small communities.

NIFA is reinstating the small community points for Non-Metro areas only.

CDBG-DR Funding: It would make more sense to shift CDBG-DR funding to 4% LIHTC deals that actually need gap financing, as I think there will be limited participation with 9% rounds because of the onerous requirements of the program. If these funds don't get used, they will be sent back to Washington.

NDED Response: Both 4% and 9% application rounds are contemplated in the HUD-approved CDBG-DR Action Plan. The CDBG-DR funds must be used toward disaster recovery activities, addressing disaster relief, restoration of infrastructure, and housing and economic revitalization, directly related to the 2019.

Disaster (DR-4420). Furthermore, project construction costs funded by CDBG-DR programs must be necessary and reasonable. Applicants should verify cost reasonableness from an independent and qualified third-party architect, civil engineer, or construction manager. Monitoring and compliance are critical to successful implementation of the CDBG-DR program to ensure the program is carried out in accordance with state and federal requirements, this includes a review of subrecipient capacity and performance. Subrecipients will undergo

regular auditing to ensure that the program's policies and procedures are being followed appropriately.

Ryan Harris – Midwest Housing Equity Group

4% Private Activity Bond Cap: On the open call on October 5, 2021, the Private Activity Bond Cap for 4% LIHTCs was $40 million but the draft QAP indicates $20 million.

The Private Activity Bond Cap for 4% LIHTC/AHTC should have been $40 million, not $20 million.

4% Bond Application Deadlines: The application due date for 4% LIHTC with AHTC is due approximately 5 weeks after the QAP would go final. This is a very short amount of time to respond to the needs and goals of the QAP.

NIFA will move the 4% AHTC application round into 2022, with a 4% LIHTC only round now occurring in late 2021.

CROWN: CROWN projects are no longer able to compete with other projects electing to extend their compliance period.

NIFA will allow CROWN projects to request points for the Right of First Refusal.

Supportive Services: Supportive Services are still low impact to score or they are high cost burden to the projects, which forces projects to raise rents on the residents to pay for the services. Suggest a reduction in the maximum points available for supportive services.

NIFA is reducing the maximum number of points from six (6) to four (4) with at least one supportive service being offered 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 points or higher.

Re-syndication: Does the rule about no re-syndication of projects before year 20 of their existing LURA include older projects or just projects going forward?

The changes to re-syndication will be in effect for development applications applying under the 2022-2023 QAP.

Rehab Efficiency Metrics: If there aren't at least 4 rehab applications, prior years will be used to come up with efficiency metrics. Will these metrics affect the maximum eligible credit requests on these projects? We would suggest an inflation factor be included based on CPI or other inflation index to account for increasing costs, or decreasing costs, over the prior years.

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

Small Community: Deals in small communities typically have few units than deals in urban locations and therefore small community deals generally score lower in the efficiency categories compared to the competition. With the implementation of the High Opportunity section for Metro only and removing small community points, this will affect the rural deals and request restoring the small community points.

NIFA is reinstating the small community points for Non-Metro areas only.

9% Rounds: MHEG viewed 2 rounds as beneficial because it gave projects that were not funded in round 1 the opportunity to make improvements to their applications for round 2. There is concern with 1 round, that NIFA will be forced to award deals that either shouldn't be awarded or could be improved before applying a second time.

NIFA will continue to evaluate the application process, but no change is proposed at this time.

<u>Efficiency Housing Production:</u> The proposed change to score efficiency points based on total development costs per unit rather than eligible basis per unit will have unintentional consequences of incentivizing larger deals.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

Teresa Kile – White Lotus Group

<u>General Comments:</u> When modifications are proposed for the Qualified Allocation Process are there measurements in place to monitor the impact of the change? For some of the proposed changes, the impact may not occur for 15, 30 or 45 years. Could developments be held hostage to long term commitments that may cause functional obsolescence?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

<u>Architect and Developer Fees 4%:</u> The cost for professional fees has risen; however, the percentages in the Qualified Allocation Plan have not. Could a study of professional fees across the State of Nebraska be helpful to determine if the percentages for Architect and Developer fees can be increased?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

<u>CRANE Application Process:</u> Competitive submittal and award dates are listed in the Housing Credit Allocation Plans. Could CRANE submittal, review and NIFA's response dates also be listed as part of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC & AHTC?

NIFA accepts CRANE applications monthly, due to the monthly review of CRANE applications the schedule for submittal, review and NIFA's

response dates are all tentative. The tentative dates for 2022 and 2023 will be posted on [www.nifa.org.](http://www.nifa.org)

Architect and Developer Fees 9%: The cost for professional fees has risen; however, the percentages in the Qualified Allocation Plan have not. Could a study of professional fees across the State of Nebraska be helpful to determine if the percentages for Architect and Developer fees can be increased?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

Carryover Allocation and 10% Test: In the Qualified Allocation Plan, it is noted that revocation of credits will occur if deadlines are not met. Would it not be best to avoid revocation of credits if the NIFA deadline for the 10% test could align with the Section 42 deadline which is within one year of an executed Carryover Agreement?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

Compliance and Extended Use Period: If applicants are choosing additional points for longer compliance periods or for waiving the Qualified Contract, should the proforma's of these applications also demonstrated that they are financially feasible for the time periods chosen?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

If the GP of a development is a non-profit organization and the development is transferred out of the LLC and to the GP at the end of 15 years for tax purposes, does that language as written in the application exclude the nonprofit GP from requesting a Qualified Contract in the future?

No, if the GP is exercising a Right of First Refusal, the Qualified Contract option is not waived, unless the development received points to waive

the Qualified Contract or has committed to a longer affordability period, making the Qualified Contract option available at a later date.

Right of First Refusal: If a nonprofit will be the General Partner of an LLC or LP, are they considered affiliated with a for-profit organization and unable to receive points in the Right of First Refusal?

No, the non-profit General Partner may be offered the Right of First Refusal and obtain points for this commitment.

Family Housing: Should there be measurements in place to ensure that 4 or more bedrooms are being utilized by households with 4 or more persons residing in them?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

Density: With the cost of land rising, is density configuration adding unnecessary costs to a development?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

Carryover and 10% Procedures Manual: In the Qualified Allocation Plan, it is noted that revocation of credits will occur if deadlines are not met. Would changing the 10% Test deadline to align with the Section 42 rules and regulations allow developments additional time to meet the requirement?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

Todd Lieberman – Brinshore Development, LLC

Concerted Revitalization Effort: Adding a category for concerted revitalization effort as a point for point compendium to opportunity areas, would help to incentivize projects in cities that are meeting clear public policy objectives.

NIFA is reducing the high opportunity indexes to one (1) point in each index area. The overall category maximum point value will be three (3) points. NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program.

CDBG-DR Funding: Efficient housing production analysis should take into account the increased costs of Davis-Bacon requirements.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in prior applications.

4% LIHTC/AHTC: Adding an explicit preference for public housing transformation in 4%/AHTC would be very helpful for large scale Choice Neighborhoods.

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

CRANE: Add mixed income public housing redevelopment as an eligible CRANE project.

NIFA has added language for Choice Neighborhood programs to be eligible under CRANE.

4% and NDED funding: Can you apply for both 4%/AHTC and 4%/NDED in the same round?

NDED Response: With respect to CDBG-DR, NDED will leverage CDBG-DR funding with Nebraska's other housing programs, including LIHTC, HOME, HTF and NAHTF dollars. As with any application for funding, DED

seeks to ensure the most appropriate resource is paired with the project need and outcome. Technical assistance is expected to facilitate this effort. Furthermore, because the federal regulations associated with CDBG-DR may not be able to assist all flood-impacted households (e.g., unable to meet the income requirements), the 2021 NAHTF application cycle prioritized projects that served flood-impacted areas, addressing unmet housing needs that cannot benefit through the CDBG-DR program because of the more restrictive income requirements.

However, HOME and HTF Programs are only used in conjunction with the 9% LIHTC application.

2022/2023

Housing Credit Allocation Plan for 9% LIHTC and AHTC

Written Public Comments

From:	Outreach
To:	Robin Ambroz; Sara Tichota; Pamela Otto
Subject:	FW: HIGH OPPORTUNITY ZONE POINTS
Date:	Wednesday, October 13, 2021 9:41:25 AM

I'm assuming this comment is in regards to the QAP. If I'm incorrect and it should be for something else, please let me know.

Thank you!

Susan Pulec
Outreach & Community Development Administrator
Nebraska Investment Finance Authority
Main: 402.434.3900
Direct: 402.434.0970
1230 O St. Ste. 200 Lincoln, NE 68508
www.nifa.org

From: Angela Kamau-Watson <Angela.Kamau-Watson@nifa.org>
Sent: Tuesday, October 12, 2021 9:24 AM
To: Outreach <Outreach@nifa.org>
Subject: FW: HIGH OPPORTUNITY ZONE POINTS

From: CURRY BRANDING <currybranding@gmail.com>
Sent: Friday, October 8, 2021 9:53 AM
To: Info <info@nifa.org>
Subject: HIGH OPPORTUNITY ZONE POINTS

In my opinion by not incentivising Affordable Housing Development in North and South Omaha, you are contributing to Gentrification and you would be placing Tenants of Color in hostile conditions, ex. "You are not welcome here!"; given the current state of race relations.

With Appreciation,
DON CURRY

Public comments on the 2022 – 2023
NIFA LIHTC Qualified Action Plan and
Low Income Housing Tax Credit Application
Submitted by Excel Development Group

My name is Chris Lenz and I am the Development Director for Excel Development Group for the State of Nebraska. Excel Development has developed and managed Low Income Housing Tax Credit projects in Nebraska for over 25 years. We currently have 10 projects located in the cities of Lincoln and Omaha with 344 units under management in both communities.

I would like to address the proposed Metro Only Areas of High Opportunity addition to the Tax Credit application for 2022 and 2023. Based on the attached map most all of the North and South Omaha neighborhoods would receive zero (0) points out of a potential four and a half (4.5) points for a proposed housing development, either senior or family. This is also true for locations in the downtown Lincoln neighborhoods which include from 1st Street to 27th Street and from Van Dorn to the north edge of town. The application does retain the ability to obtain one (1) point for a development located in a Qualified Censes tract.

Most all of the developers in this room today have lost out on receiving funding by one point or less. With that being said, this new scoring section is basically driving developers away from areas in our state that need new, safe and affordable housing. I simply cannot leave 4.5 points on the table by submitting an application in a neighborhood that will not receive any High Opportunity points. With this change I am being forced to look to the outlying suburbs for my next development.

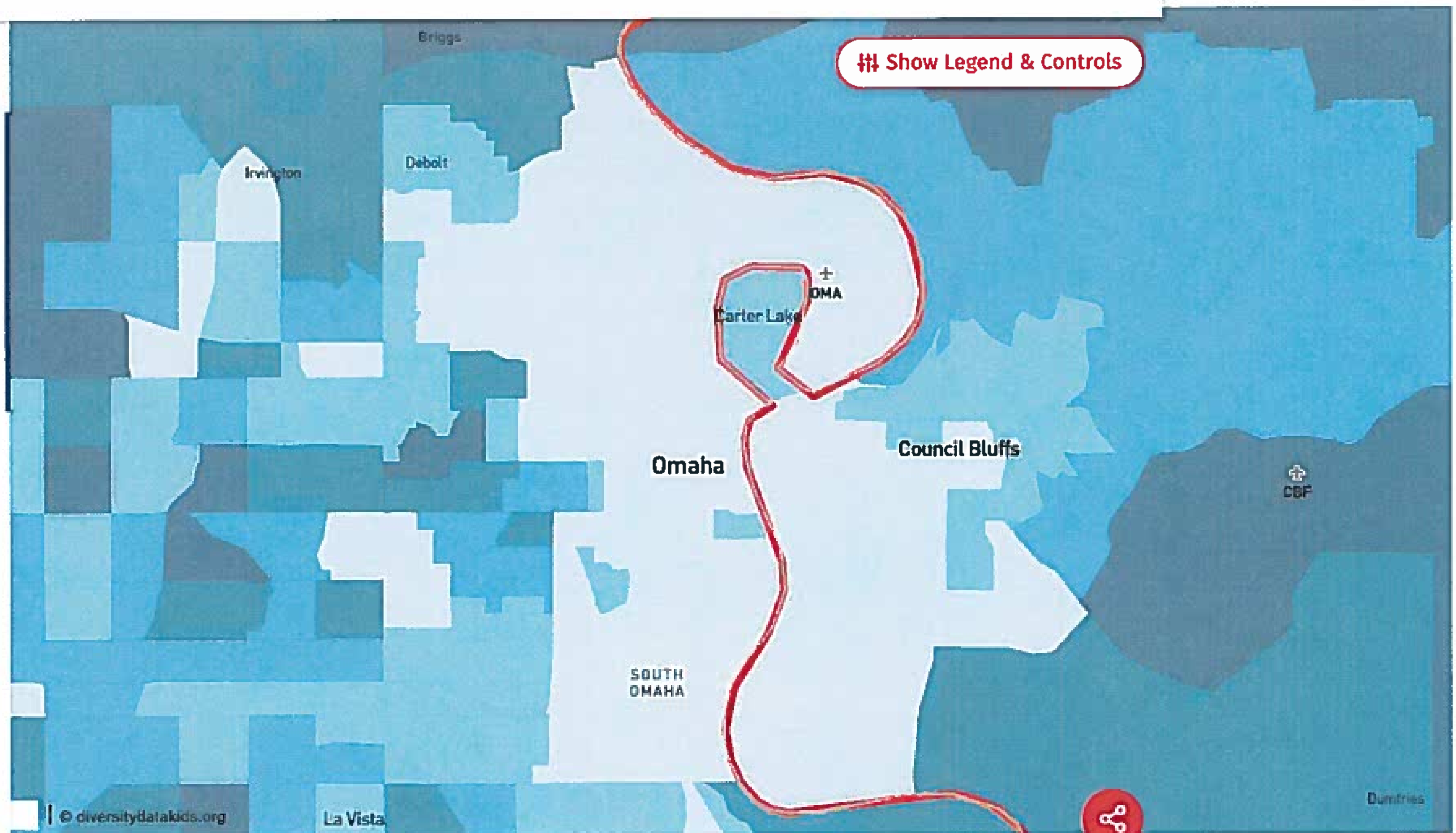
Although I somewhat understand in theory the motivation behind this change, specifically putting affordable housing in neighborhoods with "better schools, better access to jobs, transportation and health care," you are basically saying that for the next two years there will be no new affordable housing built in north and south Omaha and certain parts of Lincoln. Excel Development Group has previously worked with Bishop Joseph Shannon and the Greater St. Paul Church on multiple developments in north Omaha. I am also currently working with Pastor Ralph Lassiter with the Mount Moriah Baptist Church and received a LIHTC award this year for Moriah Manor, a 40-unit senior apartment building located at North 24th Street and Ohio. This project is located in a QCT and is an integral part in the City of Omaha's Forever North Redevelopment plan. The Planning Department of the City of Omaha has done a stellar job in planning the revitalization of these neighborhoods and new affordable housing is an integral part of those plans. The Moriah Manor project was designed with the help of Pastor Lassiter, who specifically wanted to develop a senior project because he knows that seniors want to remain in the neighborhoods that they have called home for the past 50 years. This point change eliminates this opportunity.

The unintended consequences of this point change are numerous. In the "High Opportunity" neighborhoods I will be looking at paying for land at a cost five to ten times greater than I would pay elsewhere. If I need to go through the rezoning process my experience tells me I will undoubtedly face a backlash of NIMBYism and opposition. Residents of north and south Omaha and Lincoln are being told that redeveloping their neighborhoods are less important than building new projects in the suburbs.

If you are set on leaving this point option in the application, I would ask you to consider the following. One, raise the QCT points from 1 to 4.5 to offset the change and allow developments to be funded in neighborhoods that need housing the most. Two, raise the points for a senior project from 2 to 4.5 to allow residents to remain in the neighborhoods they have lived in all of their lives. This option would allow the possibility for seniors to have safe, decent affordable housing while remaining in their own community and still promote family and multi-family development in the "High Opportunity" neighborhoods in our Metro cities. I believe these options still allow NIFA and its Board to achieve the goal of locating affordable housing in high opportunity areas, and at the same time provide housing for all ages and types of families.

Search for a location (address, city, or state) Menu

Location Details



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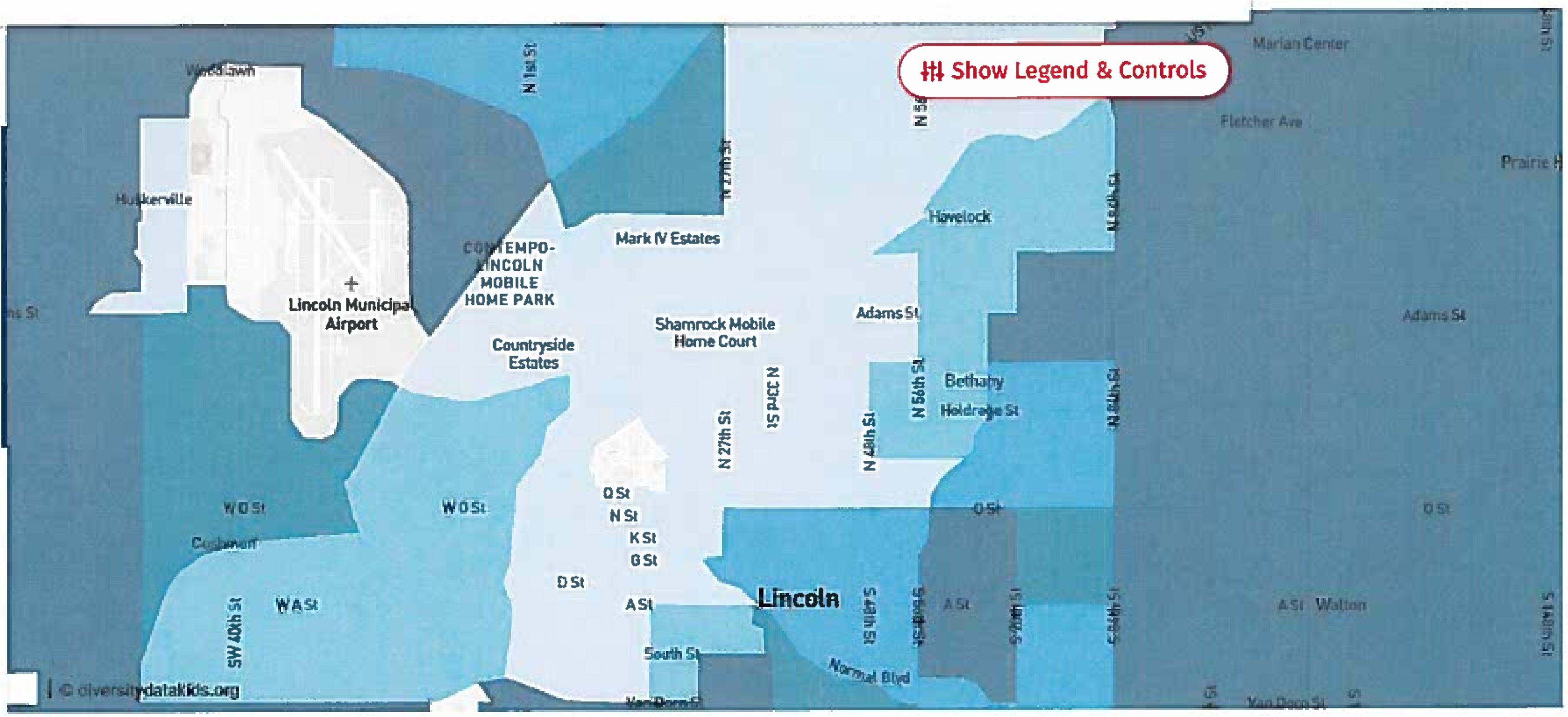

☐ Monthly nutrition education classes **(2 points)**
☐ Onsite licensed childcare with enrollment fee waived for tenants of the development. **(3 points)**
☐ Weekly tutoring services for students **(3 points)**
☐ Weekly after-school enrichment program **(3 points)**
☐ Quarterly financial literacy classes for youth **(2 point)**
☐ Other services offered annually, subject to NIFA's approval. Please list _____ **(1 point)**

Note: The "other" category for supportive service cannot be listed under any other exhibit and receive dual points in two categories. The supportive services must be available to all tenants residing in the development and not targeted to a certain group.

METRO ONLY

AREAS OF HIGH OPPORTUNITY:

NIFA will use data from Diversitydatakids.org to identify areas of high opportunity in three indexes, including 1). Education, 2). Health and Environment, and 3). Social and Economic. Data is available for each census tract with a rating of very high opportunity to very low opportunity in each index. Points will be assigned to each applicant for the respective ratings as outlined in the following table for the categories listed below:

Rating	Score
Very Low	0 points
Low	0 points
Moderate	.5 points
High	1 point
Very High	1.5 points

NIFA will score each index as compared to the State based on the most recent ratings as published above for the census tract of the proposed development:

Education: _____

Health and Environment: _____

Social and Economic: _____

Index ratings can be found at:
https://www.diversitydatakids.org/maps/#/explorer/0/15/10,15//xe/s/1.0.14/41.136/-98.729/7.39/

LIHTC SET-ASIDE CATEGORIES:

Applicant is requesting LIHTC from one of the following categories: ☐For-Profit ☐Non-Profit

Name of Non-Profit: ______________________

*If Non-Profit is selected, please complete **Exhibit 3**.*

NOTE: If a development is requesting an allocation from the non-profit set-aside, the nonprofit organization must have an ownership interest in the low-income housing development throughout the 15-year Compliance Period and materially participate in the development and operation of the development.

Applicant is requesting LIHTC from one of the following categories: ☐Metro (MSA) ☐Non-Metro

Applicant is requesting LIHTC under the CRANE Program? ☐Yes ☐No

(If "Yes", a CRANE application must be submitted and the development will be assigned a CRANE category designation prior to the submittal of the Application.)

Please check the eligible development type:

☐ Special Needs Population: Identify population _____

☐ Native American Housing ☐ Adaptive Reuse ☐ Response to settlement agreement

☐ Housing in a county without a LIHTC development ☐ Reentry Housing

☐ Response to Presidential Disaster Declaration

QUALIFIED CENSUS TRACT/DIFFICULT DEVELOPMENT AREA:

Is the proposed development located in a Qualified Census Tract (QCT) or Difficult Development Area (DDA)? ☐Yes ☐No **(1 point)**

Census Tract Number: _____ Difficult Development Area: _____

NOTE: The Basis Boost for QCT's or DDA's will be included for purposes of calculating LIHTC per occupant in the NIFA scored criteria.

*Developments in a QCT may be eligible for up to 1 point if the development directly contributes to a Community Revitalization Plan. Applicants must submit a letter (dated within one (1) year of the applicable final application deadline) from the highest governmental body stating that the development contributes to a concentrated Community Revitalization Plan, specifying the name of the plan and the name of the development (indicate the page number of the Community Revitalization Plan that pertains to the proposed development)along with a copy of the Plan as **Exhibit 211**.*

QUALIFIED CENSUS TRACTS AND DIFFICULT DEVELOPMENT AREAS BY COUNTY: Following are the Department of Housing and Urban Development statutorily mandated Qualified Census Tracts for IRC Section 42.					
Douglas	3.00	4.00	6.00	7.00	8.00
	11.00	12.00	16.00	19.00	20.00
	21.00	23.00	24.00	26.00	27.00
	27.00	29.00	31.00	32.00	33.00
	38.00	39.00	40.00	42.00	49.00
	50.00	51.00	52.00	53.00	54.00
	58.00	59.01	59.02	60.00	61.01
	61.02	63.01	63.02	63.03	65.06
	66.03	68.06	71.01	73.12	
Lancaster	3.00	4.00	5.00	7.00	8.00
	17.00	18.00	19.00	20.01	20.02
	21.00	27.01	31.03	33.01	
Adams	9661.00				
Buffalo	9695.00	9696.00			
Dakota	101.00				
Dodge	9644.00				
Gage	9651.00				
Jefferson	9638.00				
Madison	9607.00				
Scotts Bluff	9537.00				
Thurston	9401.00	9402.00			
DDA (ZIP Code)	68133				

HOPPE

DEVELOPMENT

October 7, 2021

Nebraska Investment Finance Authority
c/o Sara Tichota
1230 O Street, Suite 200
Lincoln, NE 68508

RE: 2022/2023 QUALIFIED ALLOCATION PLAN COMMENTS & FEEDBACK

Dear Sara –

Our initial critical concern is that the timing of the 2022 4% applications is insufficient to effectively respond to the priorities outlined in the new QAP. Assuming the QAP is adopted, with some adjustments, at the next board meeting, we would essentially have 6 weeks to create a project and assemble a pre-application. Given the large re-prioritization with regard to location and project orientation (e.g. emphasis on family and child welfare), we would request additional time to ensure that projects proposed are able to reflect these new priorities. Pushing the timing back 6 to 8 weeks will enable us to create a comprehensive response that clearly reflects these priorities.

There is much to applaud in this new QAP, which we believe strengthens the affordable housing program. Specifically, we believe the following measures will create a much stronger project portfolio.

- Metro versus Non-Metro: Removing the competition from Metro and non-metro ensures clarity in how projects will be scored, distribution of projects in the state, and sets up the opportunity to tailor applications to be most appropriate for the communities they serve.
- Rule regarding a $500,000 financing gap: Creating this rule will ensure feasible projects that are executable as well as ensure reasonable requests for DED or other funding.
- Strengthening the oversight of the non-profit for ROFR: This change is a positive step to ensuring that non-profits are independent and represent a housing interest, as opposed to an extension or tool to secure awards.
- Reduction of Emphasis on Preservation and Increase in Time to 20 years: This step helps orient toward new construction of units and removes adverse incentives to resubmit deals for the purposes of supporting development fees.
- Family Development Category: This change will incentivize the development of family-appropriate housing which, which we think is laudable.

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- Points based on the Children's Diversity Index: This change will incentivize placement of projects outside of historically high poverty neighborhoods.
- New efficiency point scoring: The change to efficiency points based on total development costs, instead of eligible basis, will encourage mixed use developments and removes incentive stacking as a mechanism to strengthen the appearance of efficient development.

We have the following concerns.

- Supportive Services: The supportive services as defined are highly proscriptive and do not adapt to the flexible scenarios that may be encountered, especially in Western Nebraska, where the delivery of on-site services may be challenging, and many off-site delivery methods have become accepted. Further, there is no suggestion that they support an evidenced-based intervention with any desired result. We believe that the developer should focus on the built environment, and if there truly are services best delivered by the landlord supported by evidence to enhance the target residents, these should be defined and proscribed.
- Management Experience: We are concerned about the certification of experience, as well as the sheer number of points in this category. It does not appear clear that these points will distinguish between two organizations with many projects, one which has managed them well, and one that has managed them poorly. They both seem that they would receive the maximum number of points.
- The QAPs retain a prioritization for housing typology that reflects a rural or suburban typology, and is not reflective of the "missing middle" housing typologies that have frequently been referenced as critical to include in the housing stock. The two story, individual entrance limitations remove significant design creativity. We have seen no evidence that these design constraints produce any particular outcome with regards to housing. Further, this prioritization within the 4% AHTC it is not responsive to the use and need of 4% bonds with AHTC to build denser multifamily projects.
- Small Community Points: We are concerned that the removal of the small community points will eliminate tax credit projects in communities of <5,000 residents, and virtually eliminate them for all but ~10 - 12 communities state-wide.
- The 4% QAP allows one project to have up to $18 million in bonds which effectively consumes all of the allocation. If only $20 million in bonds is given, then there should be a limit in amount so more than one award may be given or, alternatively, change the language to allow more than $20 million at the discretion of NIFA in order to award more than one project. There is sufficient limitation in “one award per county” to keep to manageable AHTC.

Areas for Additional Clarity

- While the 4% AHTC QAP clarifies that efficient housing production points will only be utilized in the event that multiple applications are received for a single county, it does not specify how they will be utilized. Will they be a tie breaker? Will they be added to the total number of other points?
- We are concerned about the certification of experience of the applicant and the management company and how these point are earned.
- How could we ensure a non-profit partner was adequate or approved? Will NIFA provide that feedback?
- Efficient Housing Production: Could we get confirmation of the exact calculation methodology? Specifically, is it total development cost - land divided by total units, or total LIHTC units?

- Is there a reason a nonprofit needs to be involved for DED funding? It is now passed directly to the developer.
- Internet Services paid for by the landlord. We believe this should be, "at no cost to the tenant". There are now numerous internet services that are supported for low income tenants, but paid through other programs. As a developer, we would seek to take advantage of these opportunities.

Thank you for your consideration.

Sincerely,

Hoppe Development

5631 S 48th St, Suite 220 | Lincoln, NE 68516 | (402) 489–1600 | info@hoppedevelopment.com

Testimony for Public Hearing on NIFA's 2022-2023 QAP-October 8, 2021

Delivered by Kathryn Mesner---- Mesner Development Co.

I want to thank you for the chance to speak today and in past forums. I do regret not having the chance to meet directly with the board of NIFA. I am disappointed the direction that has been charted with this QAP because I do not think it represents the true state of housing needs in large parts of the state and it is not going to make the best use of the few tax credits we receive in the state. I realize I am biased toward Rural areas but I think much of what I am going to say pertains to the whole state. Thank you to the board members who attended or listened in.

Emphasis on larger units

The idea that larger family housing, especially larger units, should be emphasized and prioritized is not only a waste of program resources but a failure to understand what is going on across Nebraska. I can't tell you how many times a year I am invited to communities to listen to the presentations of their new housing studies. When I do this, I hear the same story from each community..."our families don't have housing, there are no homes on the market, we need to build affordable family homes". The conclusion that many draw without looking at the data more closely is that the town needs to build conventional family housing, the kind "Ozzy and Harriet" used to have. This is not really what most studies show.

There are a couple of reasons why most communities across the state don't have homes for families available for rent or purchase. The biggest reason is that all the affordable family homes are occupied by seniors who have no place to downsize. The other reason is that we have a lot of people across the state that have learned if they buy up everything on the market, they can make money by renting out the family homes to whoever comes to town because those are the only rentals available. Single teachers or nurses or persons that work at the grocery store or quick shop end up renting 3-bedroom homes instead of one-bedroom apartments because they don't have other options. Seniors don't sell their homes because they don't have another affordable option. To make matters worse the senior group is much larger than any other group of persons within most of our communities. There are too many in the “baby boomer” bubble for the housing options we currently have available in most areas of the state. If you don’t believe what I am saying I am attaching an interesting report from Minnesota that describes this problem in more detailed terms.

This report also points out that, the longer seniors stay in their family home, the less they are able to care for those homes. So, if we want to rescue and salvage these affordable family homes, we better find a way to provide quality affordable housing options for seniors and other small households as soon as possible.

It doesn’t matter if it is Valentine or York, until you build affordable options for seniors and other small households you are never going to free up the affordable family housing available in communities. I understand everyone wants to see new 3-4-5 bedroom homes occupied by families, but using this program for that purpose is bad decision making for a couple reasons. Two wage earner families seldom qualify under tax credit rules because they make too much. One wage earner families seldom can afford even tax credit rents and utilities for larger more expensive family units. Without significantly more rental assistance these larger units are hard to rent. In addition, today’s construction costs clearly make it a bad decision to use our very limited resources on larger units that will drastically reduce the overall number of homes we are able to build statewide. This should be a big red flag to everyone.

The good news is, we can use the LIHTC program to build housing that will benefit the low-income households it is intended to benefit while still helping to address the affordable family home crises our communities are experiencing. If we use LIHTC to build a larger number of less expensive smaller units that give seniors and smaller households the type of downsized housing they need, they will move out of older family homes and we can start to better address multiple housing needs. About 60% of the tenants moving into our LIHTC units moved out of affordable larger family housing units. These are generally seniors.

We do not need to restrict LIHTC to senior housing but under no circumstances should we be de-valuing it in our QAP. Smaller one, two and three-bedroom units are more cost effective to build, easier for tenants to afford, and make the best use of our limited LIHTC resources.

My recommendation is to get rid of the 2 points for family developments. I would maintain the 2 points for senior developments that are limited to 2-bedroom units because these 2 points help balance the efficiency scoring differential between 2 and 3-bedroom units in the cost/sq ft and tax credits per occupant categories.

Points for Small Communities

I also would recommend we leave the points for our smaller communities in place. These points were put in the QAP to give small communities a chance to compete. I would guess that many of you think by adding a non-metro set aside we are evening things out for everyone outside the immediate Lincoln and Omaha areas. This is not true. Smaller towns have fewer material suppliers, contractors, and local resources. They are simply harder to build in. The non-metro set aside may help the fact that we only funded 24 new units west of Lincoln last year, but it isn't going to help Fullerton, Nebraska compete for a project. We need to keep the 2 points for smaller communities. Otherwise, all the non-metro projects will end up in Grand Island, Hastings, Kearney, Norfolk, Columbus, etc.

Eliminating points for Threshold Items

I am concerned about the changes that have taken place to our QAP which squeeze down the total number of points that will be used to determine what is awarded credits. Eliminating all points for threshold items is a mistake. Most of the items that relate to readiness like zoning, site control, and funding commitments were previously scored with options for 1, 2, or 3 points. These have always been distinguishing factors among projects. Eliminating these points assumes all projects are equally likely to proceed. We all know this is not true. When you squeeze point categories where projects are not always equal you are denying certain projects the ability to distinguish themselves from other projects.

Counties Without Projects

I don't believe we should make "Counties Without Projects" a part of CRANE. Most of the counties that do not have projects have declining populations and may very well not be able to support LIHTC projects for the 45-year compliance period that these projects promise. The collaborative efforts of CRANE cannot change the fact that some of our counties may not survive long term.

Scoring CDBG-DR Applications

If we are going to be able to use the CDBG-DR funds for GAP financing we need to be able to use them with tax credits. In order to be competitive for tax credit scoring it seems we should be able to ignore the costs added by regulations like Davis-Bacon. Otherwise, these added costs will make the project scores out of line with costs of projects using other GAP financing sources. The result is that we will expend our other funds and the CDBG-DR funds will go back to Washington.

Efficiency Points

We should add some efficiency points back into our scoring. While it is important that we have amenities and supportive services we should not ignore the need to make these projects as efficient as possible. In the last rounds, when we reduced housing efficiency points, we actually funded projects with no efficiency points.

Stretching our resources as far as possible, making them accessible to all parts of the state, and serving the greatest number of households should always be our priority.

Thank you.

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The workforce housing shortage: Getting to the heart of the issue

April 2018

By Kelly Asche, Research Associate

To read this report online, visit our website at www.ruralmn.org.

Providing housing for a community or region's population is complex and dynamic. A healthy housing market should be able to provide housing for most people and their diverse needs through a combination of natural churn and new construction.

In rural areas, however, economic and demographic forces are at work creating a housing shortage that many communities say is keeping them from attracting much-needed new workers.

But while hundreds of for-profit, non-profit, and government organizations are doing great work around Minnesota to untangle these housing issues, the housing shortage is complex and not well understood by people outside the housing field. This report looks at two major factors as to why the housing market isn't naturally providing the housing needed in many rural communities:

• The considerable increase in construction costs that are pricing younger families out of the market for starter homes and skewing the market in strange ways; and

• The relatively higher percentage of seniors living in rural communities, which, combined with their desire to age in place, the emphasis on helping them do so, and the lack of assisted living facilities in rural communities, is causing not only a bottleneck in houses coming on the market but also increasing the likelihood that the amount of dilapidated housing will increase in the future.

It is important to note as well that not all rural areas are facing housing shortages. This issue is limited to regions where economic activity is growing and where new workers are needed to fill an aging workforce, which is a large segment of Greater Minnesota, but not everywhere. Some rural areas are also facing related housing issues such as vacant housing and/or severe dilapidation of their housing stock, but these are not covered in this report.

Who needs housing?

An increasing number of job vacancies (Figure 1) have employers demanding an in-migration of workers, and they are blaming the lack of appropriate housing as a significant reason for why they can't attract more workers. At the same time, rural development organizations across Greater Minnesota are feeling the pressure to add more housing to attract these new workers and new, "younger" families.

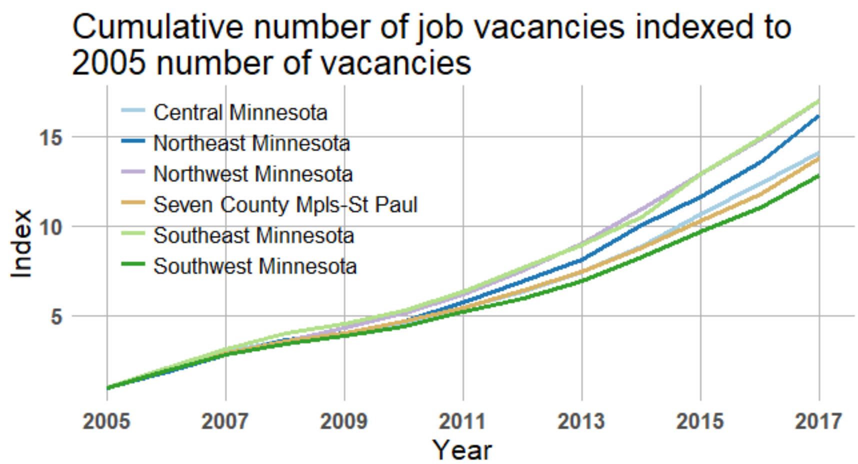

Figure 1: Since 2005, most of the non-metro regions have shown faster growth in job vacancies than the Twin Cities area. The job vacancy index provides a way of measuring growth by dividing the accumulated number of job vacancies by the number of job vacancies in 2005. (Data: MN DEED)

It might be difficult to believe that places with small increases in their population or overall declines would need new housing. However, population and housing are not as closely linked as one might expect. Families are smaller today than they were decades ago, but that doesn't necessarily equate to fewer households. Table 1 shows that for even our most rural counties (for the definitions of these categories, see the appendix titled "Definition of Four County Categories"), there has been an increase in the number of households despite a 21% drop in population since 1970. The table also highlights the growth in the number of households compared to population in other rural county types.

County group	% change in households	% change in population
Entirely rural	9%	-21%
Town/rural mix	50%	12%
Urban/town/rural mix	73%	31%
Entirely urban	106%	62%

Table 1: Percent change in households and population by county group, 1970–2016. (Data: Decennial Census & ACS 5-year)

Adding pressure to this issue is the migration trend of middle-age householders moving to rural areas in search of more affordable housing. Rural areas tend to see an in-migration of households in the 30- to 49-year-old age group, a trend that's typically overshadowed by the larger out-migration of 20- to 29-year-olds. But research by the University of Minnesota Extension's Center for Community Vitality shows that a significant contributing factor in choosing to migrate to rural areas has been to find more affordable housing.[1]

Appropriate housing tied up with older households

A healthy churn in housing is a necessary part of a community's ability to meet the social and economic needs of its members. Not every household moves, of course, but there are life-stages when a move is more likely: beginning employment, career changes, children being born or leaving the house, growing old, and/or due to health concerns. At different stages of life, householders often either choose or are forced to leave behind their current housing, freeing it up for those who need and can afford it (Figure 2).

Age: 20s 30s 40s 50s 60s 70s

Housing Cycle:	Single- or multi-family rent	Single-family own	Upgrade	Downsize	Assisted living
New Units Built:	Multi-family rentals	Starter homes	Larger homes	Townhome units	Assisted living units
Old Units Left Behind:		Multi-family rentals	Starter homes or older, single-family houses	Larger homes and older, single-family houses	Townhome units, larger homes, single-family homes

Figure 2: The housing life stages in an ideal housing market. At each point in a family's life cycle, new units are built to meet their demand while their old units are left behind for the next set of buyers. (Source: U of MN Extension | Center for Community Vitality - Ben Winchester)

In rural areas, however, older households tend to move less (Figure 3), while at the same time they represent a larger percentage of total households (Figure 4).[2] In addition, the longer elderly householders stay in their homes, the more likely it is for their homes to become dilapidated or at least not kept up to code, often because the elderly homeowner is unable because of income or health or both to make the necessary improvements.

[1] http://www.extension.umn.edu/community/brain-gain/
[2] For information on the geographic breakdowns of these charts, read the appendix titled "Definition of Four County Categories".

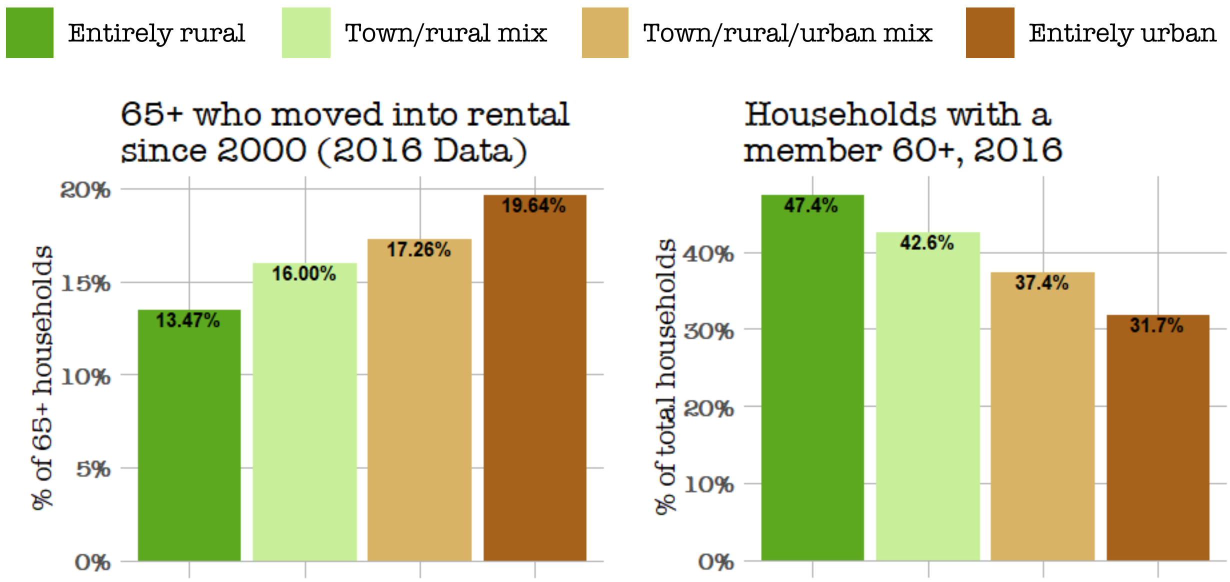

Figure 3: Households 65+ in rural areas are less likely to have moved into a rental unit within the past 15 years compared to urban areas. This can limit the amount of housing available in a community. (Data: ACS 5-year)

Figure 4: The percentage of households that have someone living with them aged 60 years or higher is higher in rural communities. (Data: ACS 5-year)

This lack of movement among older households creates something of a domino effect in the rural housing stock, freeing up fewer single-family homes for the new workforce and resulting in a shortage of housing across the entire life-cycle spectrum (Figure 5).

Age:	20s	30s	40s	50s	60s	70s
Housing Cycle:	Single- or multi-family rent	Single-family own				Assisted living
New Units Built:	Few multi-family rentals	No starter homes built	A few larger homes	Few townhouse units		Few assisted living units
Old Units Left Behind:		A few multi-family rentals	A few older, single-family houses			

Figure 5: The housing life stages as they exist in many rural communities today. (Modified source: U of MN Extension | Center for Community Vitality - Ben Winchester)

The data is beginning to show evidence that this lack of housing churn in rural areas is tightening both the rental (Figure 6) and for-sale home market (Figure 7).

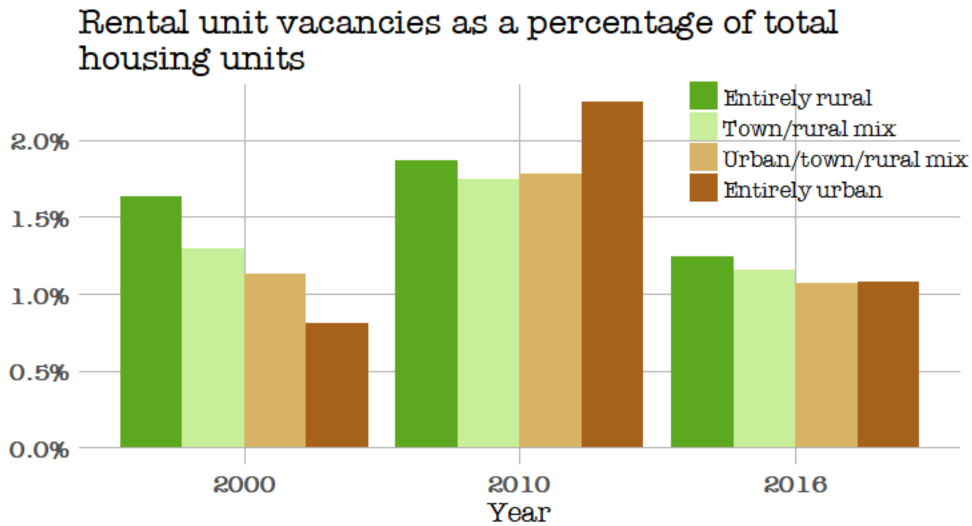

Figure 6: Rental vacancies as a percentage of total households is currently lower than it was in 2000 in rural counties. (Data: Decennial Census & ACS 5-year)

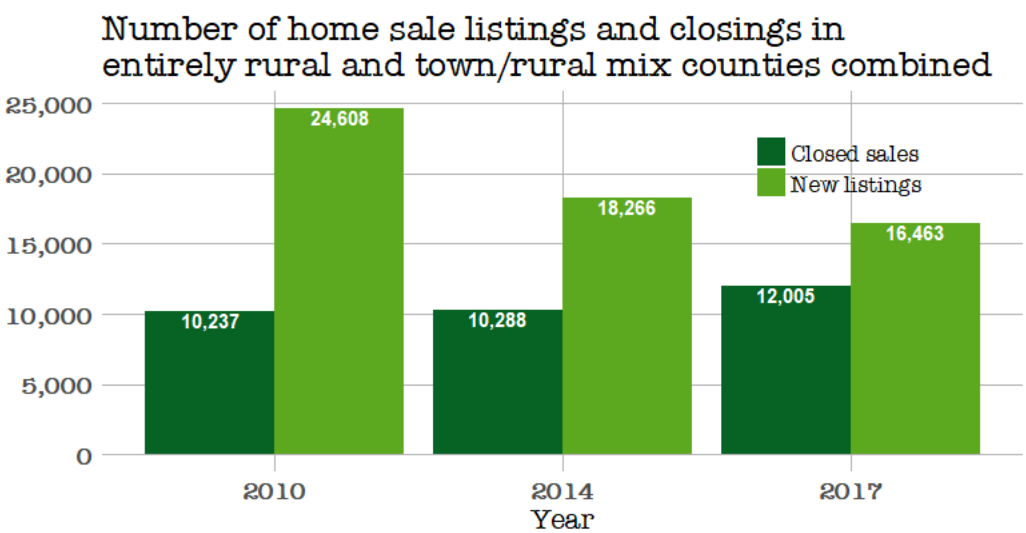

Figure 7: The number of home sale closings in entirely rural and town/rural mix counties have increased since 2010, yet the number of homes listed for sale has decreased. (Data: Minnesota REALTORS)

Increasing costs of construction

Despite growing pressure on community leaders to rehab substandard housing and/or build new units to meet demand, increasing construction costs are making both of these strategies challenging.

Housing professionals give several reasons for the sharp increase in construction costs lately:

- The increasing cost of materials;
- The increasing price of land to build on;
- The increasing cost to prep build-sites with water, sewer, and other infrastructure;
- A sluggish recovery in the number of home building companies since the Great Recession, forcing up prices for their services;
- A competitive retail construction market in larger communities that can pay more for projects, forcing up "bids";
- Labor shortages in the trades industries leading to higher wages; and,
- The increasing number and complexity of building codes.

Specific data confirming each of these reasons is limited, but employment and business data confirm a lower number of businesses and employees in the home building industry compared to pre-recession years. (See Appendix: Increasing costs to build new.)

Of course, these reasons for construction and rehab cost increases impact rural and urban areas alike, but what makes this issue uniquely rural is the impact they have on the mismatch between construction costs and home values in rural areas.

New construction "starter homes" are out of reach

Despite a demand for housing and a lack of available older housing, high construction costs are contributing to the fact that the number of housing units being built has not recovered in rural areas since 2010 and are currently about half of what they were in 2000 (Figure 8).

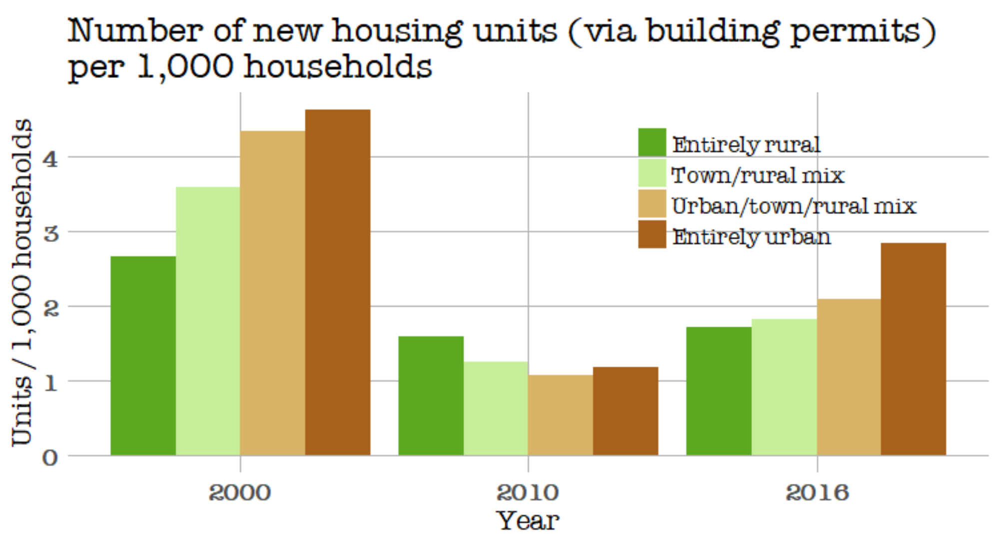

Figure 8: Estimates of new housing units are from the Building Permits Survey. To be able to compare regions, the number of housing units to be built is divided by the number of households in 2000, 2010, and 2016. The building

of new housing units has not recovered since the Great Recession and is currently about half of what it was in 2000. (Data: U.S. Census Building Permits Survey, Decennial Census, ACS 5-year)

The lack of housing development in rural areas is not due to a *decrease* in rural household incomes. In fact, median household incomes, median home sale prices, contract rents, and mortgage and homeowner costs have been *growing,* particularly in counties outside of the entirely urban counties (Table 2).

County group	Median household incomes - % change since 2000	Median home sale price - % change since 2010	Contract rent - % change since 2000	Mortgage and homeowner costs - % change since 2000
Entirely rural	51%	45%	58%	65%
Town/rural mix	42%	40%	57%	57%
Urban/town/rural mix	36%	57%	58%	52%
Entirely urban	35%	42%	52%	52%

Table 2: Percent change of median household incomes, median home sale price, contract rent, and mortgage and homeowner costs reveal that the largest increases have been outside of our most urban counties. (Data: Decennial Census & ACS 5-year, Minnesota REALTORS)

These indicators today are still 60% to 75% that of urban areas, but even though the gap has narrowed, developers are building far fewer homes in rural areas now than they were in the early 2000s, when the disparities in these indicators between rural and urban were much wider (Figure 8).

Many housing professionals have reported building costs increasing 60% to 90% since 2000, a much faster rate than incomes across the state.

Rick Goodeman, CEO of the Southwest Housing Partnership, talks about a time when they administered a program that assisted in the development of new homes in very small towns for households with incomes just above the limits required to access more traditional housing programs. These homes are typically modest in square footage and amenities but help replenish the housing stock for incoming workforce.

“In the late 1990s and early 2000s, we could work with small communities to develop new housing that cost a little over $100,000. Now, you can barely build that same house for $200,000,” Goodeman says.

In the early 2000s, Southwest Housing Partnership worked with the city of St. Peter to develop a new housing division on the edge of town called “Nicollet Meadows.” With the help of various housing finance programs, the city and SWHP were able to keep the project financially sustainable with an average purchase price for these homes of $128,010. A new and very similar development in St. Peter (same number of bedrooms and square footage) is currently priced between $197,250 and $207,500, a 60% increase in the sale price back in 2000.

One owner of a construction company in west central Minnesota says that he receives phone calls frequently from households inquiring about the construction of a new home. When they receive the estimate, they are shocked. They're hoping for something a little over $100 a square foot, but the lowest cost to build is more like $200 per square foot.

"The building of new homes has come to a halt in this area because people are priced out of the market," this builder says.

Unfortunately, the incomes needed to afford these "starter" homes are out of reach for much of the new or younger workforce. As Nick Dalton from United MN Bank in New London explains, "considering the qualifying ratios and down payment requirements for most conventional mortgage products, it is common to see household incomes fall short of what is needed to afford a starter home or a home that isn't in need of repair or improvement."

Lack of market for new construction "starter homes"

Not only are these homes out of reach for the new or younger workers, but the perception exists among households that can afford this price that it "isn't much house" for the price.

At $200,000, a new-built home would cost 50% - 90% more than the median value of existing homes in the area (Figure 9). Even if a family could afford to build a new starter home at this price, it could be difficult to convince them, knowing that they could buy one of the existing homes around them at the same price, and it would probably be larger, have more character and be in a more desirable location. And to add insult to injury, when construction is completed, the new house would likely be appraised at a lower selling price than what it cost to build.

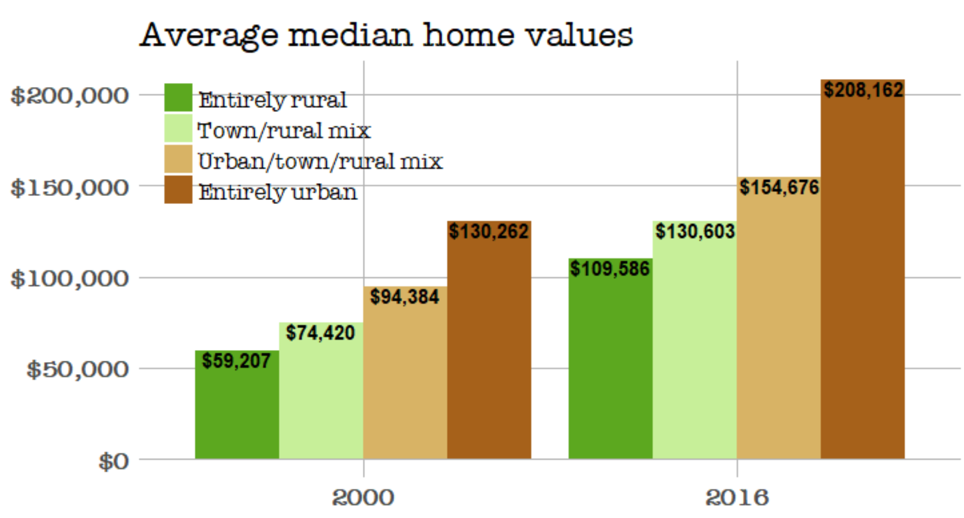

Figure 9: Home values have increased since 2000, but values in non-urban areas lag significantly, while the cost of construction soars. (Data: Decennial Census & ACS 5-year)

This leaves very few households demanding newly built starter homes and makes it challenging for developers to build these projects even in areas where there might be high demand for workforce housing.

Low rents and inability to take risk

If new workforce or younger households can't afford to build new starter homes, there is hope that building rental units, where efficiencies can make the financial model more manageable, can be a solution.

Here the issue is a bit more nuanced. In the right market with high demand where 20 or more units could be built and rented, developers sense some optimism. However, the challenge is overcoming significantly lower rents in rural areas.

Although rents in non-urban areas have increased between 50% and 60% since 2000, they lag significantly behind urban rents (Figure 10). To make these projects financially feasible, rents right now would need to be around $800 per month, which can be 50% to 100% more than current median rents in many non-urban areas.

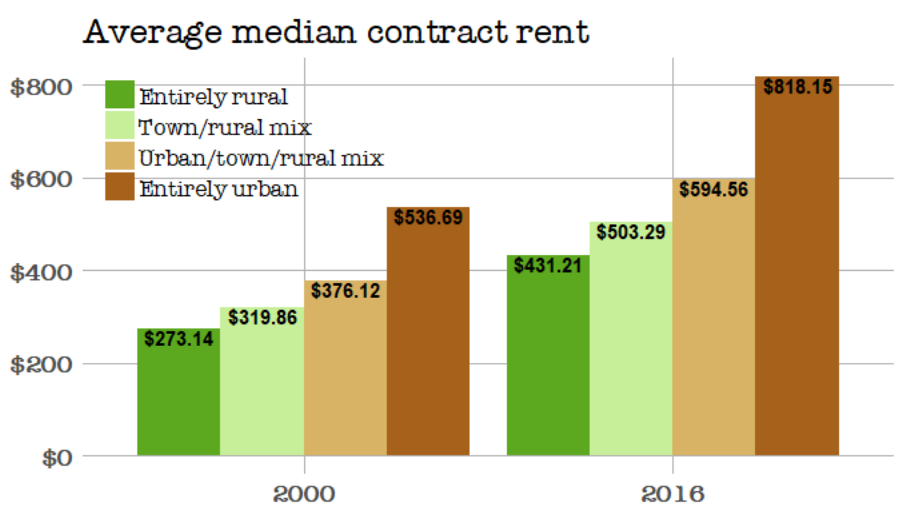

Figure 10: Similar to home values, rent paid in non-urban areas is significantly lower compared to urban rents. (Data: Decennial Census & ACS 5-year)

Some developers believe there is a market for those rent prices, but the data to prove it is mixed. Thirty percent or less of income going toward housing costs is considered the "affordable" threshold, and Figure 11 shows that some 55% of rural households are paying less than 30% of their income toward rent, including around 35% of households paying 20% or less of their income towards rent. However, given the increase in building costs in general, the rule of thumb on affordability may not be enough anymore, indicated by how many households are paying more than 35%.

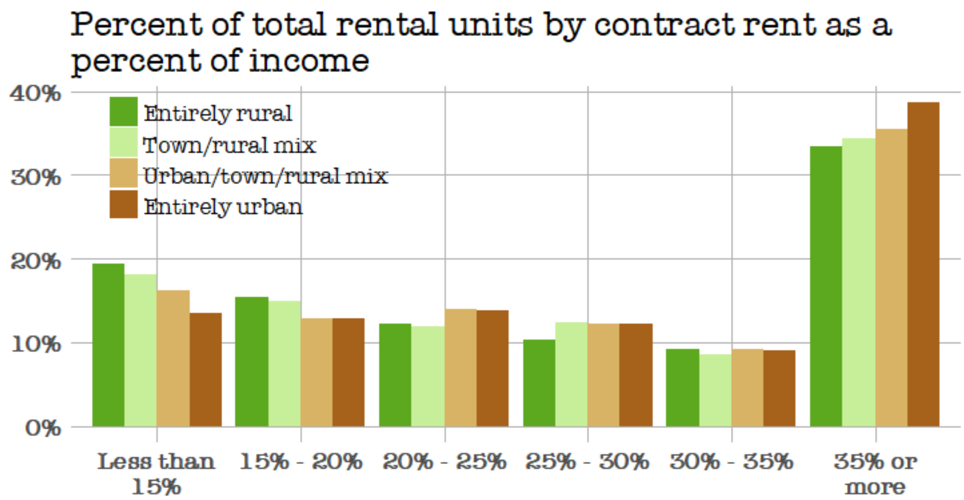

Figure 11: The percentage of households in occupied rental units paying a small percentage of their incomes in non-urban counties. About 20% of rural households are paying less than 15% of their income towards rent, but the high percentage of households paying 35% or more toward contract rent payments is concerning, leaving mixed results on whether rural areas can afford higher rents. (Data: ACS 5-year)

The lack of concrete proof of the ability to pay higher rent leaves median contract rents as the only data point, making it a challenge to convince investors that rental projects are feasible. Lenders also don't have the flexibility to provide resources when data indicate that these projects carry significant risk.

Rising construction costs impact substandard housing investments

On the other side of the coin from unaffordable housing (particularly in regions with lakes) is very inexpensive housing in various states of dilapidation.

Communities trying to attract younger families look at dilapidation as a serious problem. Younger families often don't have the means to make a large investment in fixing up a home. The smaller and more rural the community, the more limited the housing stock, and thus the bigger the problem dilapidation becomes.

Rural leaders in regions with a demand for workforce often lament the condition of existing homes available in their communities. In urban areas with a growing workforce and where home values are higher, this type of older housing can make perfect starter homes for families willing to invest in their rehab and can be great for folks who don't have a lot of extra cash saved for a down payment.

In rural areas, however, increases in construction costs, coupled with lower home values in general mean there is no guarantee that rehab work will increase a home's value, a major barrier for banks offering mortgage products to families that don't have the cash.

As Nick Dalton from United MN Bank in New London explains, "if an applicant wants to purchase a property in need of repair they may incur rehab costs that aren't supported with a market value appraisal. Purchasing a home for $40,000, investing another $40,000 to rehab the home and have the appraisal support a $70,000 value makes the purchase nearly impossible to finance."

There is very little data that highlights how many substandard homes there are in rural Minnesota, but the stage is set for the amount of dilapidated housing to increase significantly over the next 10 to 20 years as the population continues to age. Results from a survey commissioned by the MN Department of Human Services | Aging 2030 showed that baby boomers in rural areas and small towns were most likely to prefer to age in their current homes.[3]

Not only is there a higher preference, but many baby boomers in rural areas may not have a choice. As highlighted in a 2015 report by the Center for Rural Policy and Development, assisted living facilities are being developed at a slower rate in rural areas than in metropolitan areas due to shortages in the healthcare workforce and financial feasibility challenges.

Future Research

Construction costs, low home values and the aging population all combine to create the environment that is fostering the housing shortage in Greater Minnesota today. There is little research on the current state and future impacts of these issues, however, making it difficult to develop long-lasting solutions to these two knotty issues.

A closer look at the causes of the increases in construction costs will hopefully reveal areas where the market breakdown can be fixed, while a careful examination of how we can help our seniors keep their homes in good repair or move to quality assisted living nearby could help find ways to loosen the bottlenecks in the rural housing cycle. Understanding the overall picture better should help policy makers, community leaders and builders maintain a healthy supply of homes for workers in our growing rural businesses.

[3] Aging 2030: 2010 Minnesota Baby Boomer Survey: Findings for Urban, Suburban and Rural Boomers

Appendix: Definition of Four County Categories

The Minnesota State Demographer's four categories uses the U.S. Census ***rural-urban community area (RUCA) codes***. You can find the definition in their report ***"Greater Minnesota: Refined & Revisited."*** The State Demographer's Office analyzes the census tracts in each county to determine the type of "mix." Each county is then categorized.

Urban Definition

1	Census tract is situated at the metropolitan area's core and the primary commuting flow is within an urbanized area of 50,000 residents or more.
2	Census tract is within a metropolitan area and has higher primary commuting (30% or more) to an urbanized area of 50,000 residents or more.
3	Census tract is within a metropolitan area and has lower primary commuting (10-30%) to an urbanized area of 50,000 residents or more.

Large Town Definition

4	Census tract is situated at a micropolitan area's core and the primary commuting flow is within a larger urban cluster of 10,000 to 49,999 residents.
5	Census tract is within a micropolitan area and has higher primary commuting (30% or more) to a larger urban cluster of 10,000 to 49,999 residents.
6	Census tract is within a micropolitan area and has lower primary commuting (10-30%) to a larger urban cluster of 10,000 to 49,999 residents.

Small Town Definition

7	Census tract has a primary commuting flow within a small urban cluster of 2,500 to 9,999 residents.
8	Census tract has higher primary commuting (30% or more) to a small urban cluster of 2,500 to 9,999 residents.
9	Census tract has lower primary commuting (10-30%) to a small urban cluster of 2,500 to 9,999 residents.

Rural Definition

10	Census tract has a primary commuting flow outside of urban areas and urban clusters.

The number of counties within each category are; i) entirely rural: 14; ii) town/rural mix: 35; iii) urban/town/rural mix: 25; and iv) entirely urban: 13.

Appendix: Increasing Costs to Build New

Many developers and housing officials claim that the number of home construction businesses has not recovered since the Great Recession. Figure 12 shows that there are fewer businesses per 100 housing units compared to 2000. It also appears that these businesses are frequently taking projects in larger regional centers where the work is more lucrative.

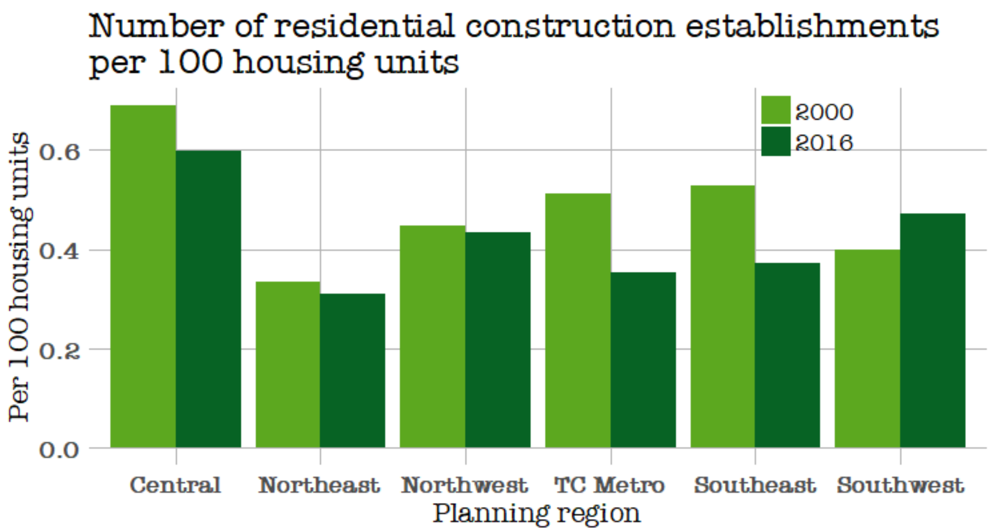

Figure 12: The number of businesses associated with home construction has not increased at the same rate as the number of housing units with the exception of SW Minnesota. (Data: MN DEED)

Developers say that costs of materials have increased, but more importantly, the labor shortage has increased the cost to attract and retain laborers. Quite a few contractors disappeared during the Great Recession, and the number of contractors and employees hasn't recovered as fast as the market is demanding (Figure 13).

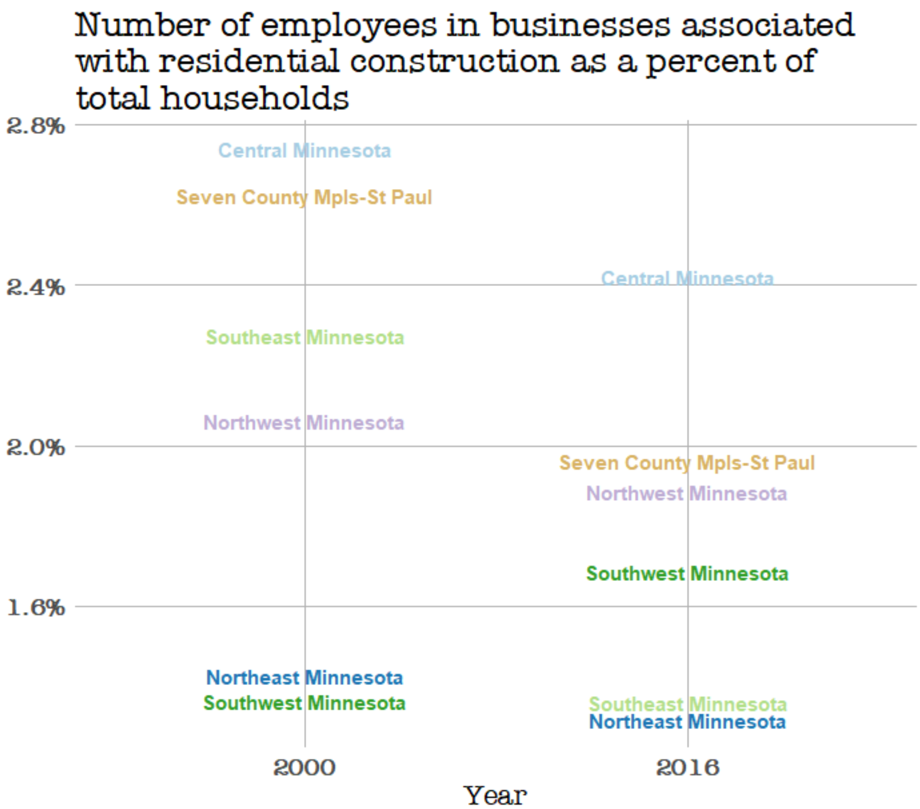

Figure 13: Every region except SW Minnesota has fewer employees working for residential contractors as a percentage of total households. This includes businesses such as plumbers, roofers, framers, and other contractors involved with the building or maintenance of residential homes. (Data: MN DEED)

Wages are increasing in response to this lack of growth in employment (Figure 14). Since 2000, average weekly wages for employees in businesses related to home construction and maintenance has increased 130% to 155%. Although wages in the seven-county metropolitan region are the highest, wages in every other region have grown faster (Table 3).

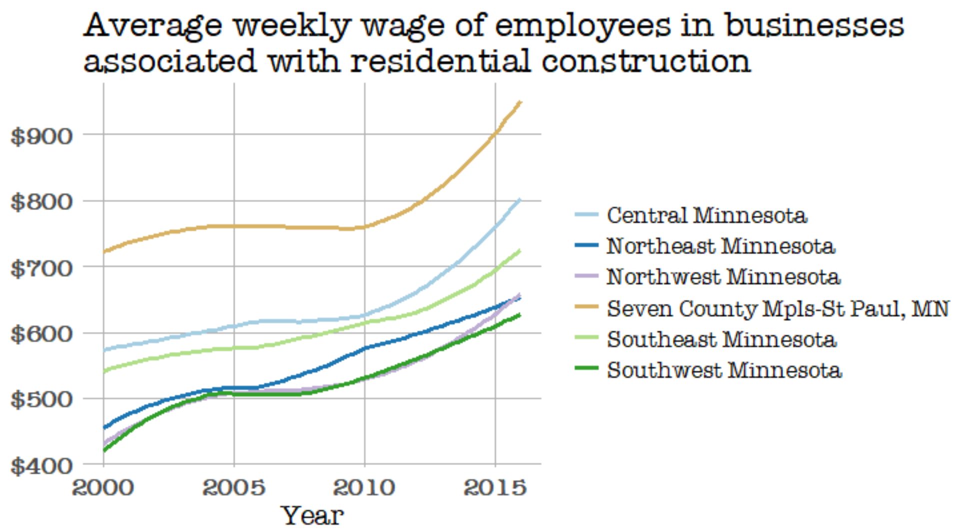

Figure 14: The average weekly wage for employees in businesses associated with residential construction is increasing across the state. This includes businesses such as plumbers, roofers, framers, and other contractors involved with the building or maintenance of residential homes. (Data: MN DEED)

REGION	AVERAGE WEEKLY WAGE INCREASE SINCE 2000
CENTRAL MINNESOTA	140%
NORTHEAST MINNESOTA	145%
NORTHWEST MINNESOTA	155%
SEVEN COUNTY MPLS-ST.PAUL, MN	132%
SOUTHEAST MINNESOTA	138%
SOUTHWEST MINNESOTA	148%

Table 3: Employees in the residential construction trades have experienced the largest wage increases in areas outside of the seven-county Twin Cities region. This includes employees for businesses such as plumbers, roofers, framers, and other contractors involved with the building or maintenance of residential homes. (Data: MN DEED)

Data is limited when analyzing reasons for construction cost increases, but there has been an attempt to get a better understanding. Calculations by the Builders Association of Minnesota estimate that the 2015 changes to the energy codes for single-family homes increased costs to build by $7,000 to $18,000 depending on size. The National Association of Home Builders conducts a national survey every few years to estimate construction costs. A 2015 report showed that the average construction cost per square foot has increased by 29% since 2011. The reasons for this increase provided by construction companies include excavation prices, trusses and framing increases, increasing wages, and subcontractor prices.

From:	Neeraj Agarwal
To:	Sara Tichota; Pamela Otto
Subject:	NIFA: comments to proposed 4% QAP
Date:	Friday, October 8, 2021 9:01:42 AM
Attachments:	Outlook-1503000813.png

Hi Sara/Pam,

The only comments/recommended change to the proposed 4% LIHTC QAP for 2022-2023 are below:

1. **Priority for AHTC + LIHTC combination projects:** Priority should be given based on whether the project would move forward, but for, the award of AHTCs. Specifically, priority should be given to projects that are not in a QCT, that are not able to secure gap financing measures such as Tax Increment Financing, etc. This is to ensure that AHTCs go to the projects that truly need this resource.
2. **Maximum volume cap allocations/allocation cycles/ AHTC + LIHTC:** either (a) change the 20MM of private activity volume cap per round to 80MM and maintain only one round in January 2022 and January 2023 as proposed to facilitate more 4% projects or (b) hold four rounds with 20MM each. This is key to help maximize the amount of affordable housing we develop in Nebraska.
3. **Maximum volume cap allocations/allocation cycles/ LIHTC only:** change to holding four rounds with 20MM each.This is key to help maximize the amount of affordable housing we develop in Nebraska.

Respectfully,

Neeraj

Neeraj Agarwal
Principal
C: 402.981.3735
nagarwal@claritydevco.com
3814 Farnam Street
Omaha, NE 68131

CLARITY
DEVELOPMENT CO

From:	William H. Lukash (Plng)
To:	Sara Tichota
Subject:	Omaha Comments
Date:	Thursday, October 7, 2021 10:27:18 AM
Attachments:	Omaha Comments - 9% LIHTC.pdf

Hi,

First, thanks for taking the time to return my call earlier this week. The information you provided during the call did help me better understand the concerns of NIFA's board of directors.

Over the past few days I have spoken to a number of developers, co-workers, and the Mayor's Office about the 2022/2023 9% LIHTC Application. Attached to this email is our comment.

A hard copy will be placed in the mail today.

Thank you,
Bill

William H Lukash, P.G.
Assistant Director
Omaha Planning Department
1819 Farnam Street, Suite 1111
Omaha, NE 68183
Office 402-444-5150 x 2026
Cell 402-679-3949
william.lukash@cityofomaha.org

City of Omaha
Jean Stothert, Mayor

Planning Department

Omaha/Douglas Civic Center
1819 Farnam Street, Suite 1100
Omaha, Nebraska 68183
(402) 444-5150
Telefax (402) 444-6140

David K. Fanslau
Director

October 6, 2021

NIFA
Attn: Sara Tichota
1230 O Street, Suite 200
Lincoln, NE 68508-1402

RE: Draft 2022/2023 9% LIHTC Application

Dear Ms. Tichota,

The City of Omaha is providing comment on the Draft 2022/2023 9% LIHTC application. Specifically, our comment is directed to the section of the application titled **Metro Only Areas of High Opportunity** which is presented on page 24 of the application.

The City of Omaha appreciates that NIFA is attempting to address the concentration of affordable housing in certain parts of Omaha. While this is also a concern held by the City of Omaha, we do not believe driving affordable housing development away from North and South Omaha is a wise or effective strategy. After all, most people in need of affordable housing live in North and South Omaha. We need affordable housing wherever it can be built.

Our preferred approach toward addressing the concentration of affordable housing is to require or prioritize a mix of affordable, workforce, and market rate units in housing projects. Through this model, neighborhoods can be uplifted by the arrival of higher income households who will attract banks, grocery stores, and other services greatly needed in these neighborhoods. This model also provides an opportunity to support affordable housing development in areas other than North and South Omaha.

Thank you for providing an opportunity to comment on your proposed application.

Sincerely,

William H Lukash, P.G.
Assistant Planning Director
Omaha Planning Department

From: Ryan Durant
To: Sara Tichota; Pamela Otto
Subject: 2022/2023 NIFA QAP COMMENTS
Date: Friday, October 8, 2021 1:48:55 PM

Good Afternoon,

I appreciate NIFA taking the time to discuss the QAP this morning. The QAP is a very important policy document that will ultimately drive future affordable housing development across the state.

My comments to the proposed 2022/2023 QAP/LIHTC Application:

-Family Development points could incentivize development of unnecessary units and that would cause over housing. If people are building 4 or 5 bedroom units then they score well in the efficient points making these points a unfair competitive advantage.

-It would seem to me that taking away small community points removal will deter development in small communities.

-It would make more sense to shift CDBG-DR monies to 4% LIHTC deals that actually need gap financing. I think there will be limited participation with 9% rounds because of the onerous requirements of the program. If we don't get the funds allocated then we will have to return them to HUD.

Please don't hesitate to contact me if you have any questions.

Thanks,
Ryan

--
Ryan M. Durant
President

Office: 402-799-1820
Mobile: 402-981-5822
ryan@rmdgroupllc.com

WWW.RMDGROUPLLC.COM

Click here to report this email as spam.

From:	Ryan Harris
To:	Sara Tichota
Subject:	Draft QAP Comments
Date:	Thursday, October 7, 2021 3:03:57 PM

Hi Sara,

Please find our comments to the draft QAP attached. I know some look long, but felt additional context was useful. Please let me know if you have any questions about them or additional follow up. Again, appreciate the opportunity to provide comments and thank you for all the work you and your team put into the QAP!

1. It was mentioned on the open call on October 5th that the Private Activity Bond Cap with 4% LIHTCs would have a $40M cap but the draft QAP indicates only $20M.
2. The 4% bond application deadline with state LIHTCs is due approximately 5 weeks after the QAP would go final. This is a very short amount of time to respond to the needs and goals of the QAP.
3. It appears CROWN deals are no longer able to compete with other projects electing to extend their compliance period.
4. Services are still either low impact to score or they are high cost burden to the projects, which forces projects to raise rents on the residents to pay for the services. Tenants cannot be forced to use the services, however projects must budget assuming all tenants will use them. To cover the service costs projects must either raise rents or lower permanent financing. Raising rents is burdensome for tenants and lowering permanent debt is typically accomplished by requesting more LIHTC. Neither of these accomplishes the goal of providing the maximum amount of affordable housing possible. We would suggest a reduction in the maximum points available for supportive services.
5. Does the rule about no resyndication of projects before year 20 of their existing LURA include older projects or just projects going forward?
6. If there aren't at least 4 rehab applications, prior years will be used to come up with efficiency metrics. Will these metrics affect the maximum eligible credit requests on these projects? We would suggest an inflation factor be included based on CPI or other inflation index to account for increasing costs, or decreasing costs, over the prior years.
7. In the past, deals in Small Communities were eligible to receive up to 3 points which helped make those deals competitive. Deals in small communities typically have few units than deals in urban locations and therefore small community deals generally score lower in the efficiency categories compared to the competition. In addition, the new Application proposes points for Areas of High Opportunity in Metro Only locations. These are significant changes that will impact the scoring of rural deals and we would request restoring the Small Community points. (See the 2020 Round 1 breakdown of LIHTC awards for an indication of how hard it is for non-metro deals to compete.)
8. The proposed QAP changes from 2 reservation rounds to 1. MHEG viewed 2 rounds as beneficial because it gave projects that were not funded in round 1 the opportunity to make improvements to their applications for round 2. This results in better deals. There is a concern that with only 1 round NIFA will be forced to award deals that either shouldn't be awarded or could be improved before applying a second time.

9. There is a proposed change to score efficiency points based on total development costs per unit rather than eligible basis per unit. The goal should be to efficiently allocate the State's allocation of LIHTC's to projects, which is best measured by the eligible basis per unit not total development costs per unit. Some deals need to be structured with extra reserves, require additional legal fees to complete, or other costs that raise total development costs. These deals can find other funding sources to cover these costs but will be penalized under the new efficiency scoring category. Another example is legal fees to review perm loan docs on small deals (ineligible item). An attorney will charge the same fee for a 10 unit project or a 50 unit project, however using total development cost per unit basis rewards the larger project. There is an unintentional consequence of incentivizing larger deals by looking at total development cost per unit compared to eligible basis per unit.

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

MHEG
Midwest Housing Equity Group

Comments To The 2022/2023 Qualified Allocation Plan

By Teresa Kile

General Comments:
When modifications are proposed for the Qualified Allocation Process are there measurements in place to monitor the impact of the change? For some of the proposed changes, the impact may not occur for 15, 30 or 45 years. Could developments be held hostage to long term commitments that may cause functional obsolescence?

2022/2023 Housing Credit Allocation Plan for 4% LIHTC and Nebraska AHTC

Section 3.4 Maximum Allocation of 4% LIHTCs/AHTCs: The cost for professional fees has risen; however, the percentages in the Qualified Allocation Plan have not. Could a study of professional fees across the State of Nebraska be helpful to determine if the percentages for Architect and Developer fees can be increased?

2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC

Section 7. Crane Program Application Process: Competitive submittal and award dates are listed in the Housing Credit Allocation Plans. Could CRANE submittal, review and NIFA's response dates also be listed as part of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC & AHTC?

Section 9.2 Maximum Fee Limits: The cost for professional fees has risen; however, the percentages in the Qualified Allocation Plan have not. Could a study of professional fees across the State of Nebraska be helpful to determine if the percentages for Architect and Developer fees can be increased?

Section 15 Carryover Allocation and 10% Test: In the Qualified Allocation Plan, it is noted that revocation of credits will occur if deadlines are not met. Would it not be best to avoid revocation of credits if the NIFA deadline for the 10% test could align with the Section 42 deadline which is within one year of an executed Carryover Agreement?

2022/2023 9% NIFA/NDED Application

Compliance and Extended Use Period: If applicants are choosing additional points for longer compliance periods or for waiving the Qualified Contract, should the proforma's of these applications also demonstrated that they are financially feasible for the time periods chosen?

If the GP of a development is a non-profit organization and the development is transferred out of the LLC and to the GP at the end of 15 years for tax purposes, does the language as written in the application exclude the nonprofit GP from requesting a Qualified Contract in the future?

Right of First Refusal: If a nonprofit will be the General Partner of an LLC or LP, are they considered affiliated with a for-profit organization and unable to receive points in the Right of First Refusal?

Family Development: Should there be measurements in place to ensure that 4 or more bedrooms are being utilized by households with 4 or more persons residing in them?

Density Configuration: With the cost of land rising, is density configuration adding unnecessary costs to a development?

2022 Carryover and 10% Procedures Manual

Section 1.1 Qualifying For A Carryover Allocation: In the Qualified Allocation Plan, it is noted that revocation of credits will occur if deadlines are not met. Would changing the 10% Test deadline to align with the Section 42 rules and regulations allow developments additional time to meet the requirement?

From:	Todd Lieberman
To:	Sara Tichota
Cc:	Joanie Poore; William H. Lukash (Plng); Kathleen Bole
Subject:	comments/questions on QAP
Date:	Thursday, October 7, 2021 9:53:27 PM

Sara

I have reviewed the QAP and I have a few questions/comments:

1. Efficient housing production analysis should take into account the increased costs of Davis Bacon requirements.
2. Adding a category for concerted revitalization effort would help to incentivize projects in cities that are meeting clear public policy objectives.
3. Adding an explicit preference for public housing transformation in 4%/AHTC would be very helpful for large scale Choice Neighborhoods work.
4. Can you apply for both 4%/AHTC and 4%/NDED in the same round?

Thanks for your consideration.
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

BRINSHORE

From:	Todd Lieberman
To:	Sara Tichota
Cc:	Kathleen Bole; William Lukash; Joanie Poore
Subject:	QAP comments
Date:	Thursday, October 7, 2021 2:43:29 PM

Sara

I would like to make the following comments to the QAP scoring across the various QAPs.

1) include a point category for concerted urban revitalization effort as a point for point compendium to opportunity areas.

2) include a way to address the significant difference in davis bacon costs in cost efficiency categories.

3) add a way that public housing redevelopment to be prioritized in 4%/AHTC developments. It is a great tool to for larger projects.

4) add mixed income public housing redevelopment as an eligible CRANE project.

Thanks
Todd

Sent from my mobile phone

Nebraska Investment Finance Authority
Second 2022/2023 Qualified Allocation Plan Public Hearing
Low Income Housing Tax Credit (LIHTC) &
NE Affordable Housing Tax Credit (AHTC) Program
November 19, 2021

Attendees: **Thomas Judds, Lincoln Housing Authority/Little Salt Development Co.; Chris Lenz, Excel Development Group; Kathy Mesner, Mesner Development; Rob Woodling, Foundations Development; David Nickloy, Locke Capital, Fred Hoppe, Hoppe Development; Paula Rhian, Midwest Housing Development Fund; Mark Hansen, CDR; Amanda Brewer, Habitat for Humanity of Omaha; César Garcia, Canopy South; Lauren Foster, Greater Fremont Development Corporation; Susan Nickerson, Christina Zink, and Mackenzie Waldron, Nebraska Department of Economic Development**

NIFA Staff in Attendance: Sara Tichota, Robin Ambroz and Pamela Otto

Meeting called to order at 9:08 a.m. CST

Summary of Public Comments categorized by topic:

Developments in Conjunction with Non-LIHTC Housing Opportunities

Rod Woodling, Foundations Development

> This will be very difficult to document, as the city will not have knowledge of this information. Clarify the total number, does it have to be six (6) homeownership or six (6) rentals? Or could it be a combination of both? What is to keep someone from saying one thing and then decide to do another option.

Kathy Mesner, Mesner Development

> For subdivisions, there is no way to get approval without having the LIHTC award. It is important to understand that for communities in rural Nebraska, having a big subdivision is not needed to show collaboration and housing efforts. For example, in a town like Central City, there is two (2) stop lights and to get from one side of town to the other takes only three (3) minutes.

Fred Hoppe, Hoppe Development

Building market rate units in conjunction with LIHTC does not work, especially in Bond deals. Building market rate units in very costly and a risk for companies. To build developments that include market rate takes time and needs to be done in phases.

César Garcia, Canopy South

Mixed income creates opportunities for tenants. Often when talking about mixed income, we forget about the human aspect. Pleased that mixed income is included in the QAP.

Chris Lenz – Excel Development Group

Chris Lenz read from his written comments. The comments and NIFA/NDED responses are included written comment section.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months. NIFA continues to offer points in the application for providing market-rate units in a LIHTC development.

<u>Leverage and Collaboration</u>

Rob Woodling, Foundations Development

Capital is listed as eligible and then any funds are excluded from partners in the development. TIF is listed but loans are not. TIF is collateralized as loans. Partnerships are for-profit and grants will impact the for-profit partners, triggering a tax hit and lowering their initial contribution.

Kathy Mesner, Mesner Development

Collaboration and Leverage was scored in threshold. It appears this has now replaced scoring threshold, should have left threshold scored. Grants reduce basis and TIF is a loan.

Chris Lenz – Excel Development Group

Chris Lenz read from his written comments. The comments and NIFA/NDED responses are included written comment section.

NIFA has clarified the eligible and non-eligible resources.

<u>Development of Housing in Greater Nebraska</u>

Kathy Mesner, Mesner Development

The simplest way to incentivize development in rural Nebraska is to increase the set-aside. Some communities do not need six (6) units, so they are scattered between communities, recommending allowing for that. This should be for two (2) years, as everything is based on two (2) years. Workforce Housing is going into several communities across the state and there is no AMI required for that program as the housing must be affordable, recommend removing the AMI requirement to allow for this program to be included.

Fred Hoppe, Hoppe Development

Affecting neighborhoods for twelve (12) months, but you are getting points for something that happened in the past and that is not right. It should be noted so developers can plan for two years.

Chris Lenz – Excel Development Group

Chris Lenz read from his written comments. The comments and NIFA/NDED responses are included written comment section.

NIFA has expanded the timeline to 24 months and revised references from 150% of AMI to affordable housing. The 10 homes/rental units can be located in different communities as long as each community's population is 15,000 or less.

<u>Applicant/Owner Track Record</u>

Kathy Mesner, Mesner Development

The points being put in for developers that have not requested an increase in credits within the last twenty-four (24) months, is not appropriate in this environment.

Fred Hoppe, Hoppe Development

It is unfair to have bonus points or negative points because of a couple developers who skewed their numbers. Do not penalize us for taking advantage of our pricing in the last couple of years. Also, if you couldn't get a tax credit project in the last couple of years, you now get a benefit and that is not right. Reward those developers in the future for those who hit their numbers.

NIFA has removed this section for the 2022/2023 QAP, however, implementation is planned for the 2024/2025 QAP.

Transit Corridors

César Garcia, Canopy South

We need to think about a holistic approach, especially for transportation. It is very important that we create accessibility to individuals who live in distressed areas.

The Areas of High Opportunity Indices include metrics regarding project location regarding walkability, commute time, etc. NIFA staff will continue to evaluate metrics that should be included to demonstrate an Area of High Opportunity,

CDBG-DR Funding

Amanda Brewer, Habitat for Humanity of Omaha

She has provided input regarding CDBG-DR funding to NDED during the whole process for CDBG-DR funding, so she was very surprised to learn to that $26 million was set-aside for the joint LIHTC/NDED application and any remaining funds after the cycles will be put into homeownership programs. Requesting that half of the funds be held for homeownership, instead of waiting to see what is left over after the LIHTC cycles, as she has 75 individuals' mortgage ready.

Response from NDED: The primary purpose of the CDBG-DR Affordable Housing Construction Program (AHCP) is to increase affordable housing supply in flood-impacted areas, including affordable rental housing and

affordable homeownership for low-and moderate-income households that lost their homes in DR-4420. Housing programs have been designed based on unmet needs and local priorities, as identified through feedback from long-term recovery groups and local outreach.

There are two applications for the AHCP. To maximize the limited funding available for recovery, DED anticipates awarding gap financing to eligible applicants under both applications. The first application will be in partnership with NIFA to leverage CDBG-DR with LIHTC and AHTC to increase the supply of affordable rental housing in impacted areas. Funds in the first application are designed as gap financing for LIHTC/AHTC projects. The second application will be through DED directly, where LIHTC is not a funding source. In this application, non-profits, units of local government, and public housing authorities may apply to DED for technical assistance and funding for affordable rental and affordable homeownership construction/rehabilitation activities, to include new construction for sale to LMI homebuyers, construction of owner-occupied housing, new construction of rental housing, rehabilitation to rental housing, and land acquisition for eligible construction activities.

Additional program materials can be found on the CDBG-DR webpage at opportunity.nebraska.gov/cdbg-dr.

<u>Efficient Housing Production</u>

Kathy Mesner, Mesner Development

If NIFA doesn’t separate out the CDBG-DR funding for efficiency scoring, there will be no applicants for the funding, as it will be too costly to incorporate.

The Efficient Housing Production calculations will use adjusted eligible basis which allows developers to remove CDBG-DR costs from Eligible Basis.

Deferred Developer Fee of 25%

Chris Lenz, Excel Development

There is no other state that requires developers to defer 25% of their fee.

NIFA does not require developers to defer any fees. Points are available for those who choose to defer at least 25% of their developer fee.

Nebraska Affordable Housing Trust Fund (NAHTF) from NDED

Kathy Mesner, Mesner Development

Include the possibility of NAHTF being used in projects under DED criteria.

NDED Response: The 2022 Nebraska Affordable Housing Trust Fund (NAHATF) Qualified Allocation Plan (QAP) is open for public comment November 29, 2021 – December 30, 2021. The proposed 2022 NAHTF QAP identifies that the Nebraska Department of Economic Development (NDED) intends to use up to $1,000,000 in discretionary funds in conjunction with the 2023 joint application with the Nebraska Investment Finance Authority 9% Low-Income Housing Tax Credit program, with a maximum project award of $500,000. These awards will only be invested in projects where federal procedural restrictions are a barrier to providing DED federal funding to an otherwise financially feasible, quality project, determined at the sole discretion of the Department. As NDED continues to develop and finalize the 2022 NAHTF QAP and NIFA develops and finalizes the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC our agencies will make certain that if NAHTF is set-aside for the 9% LIHTC program the application process will be included in the NIFA/NDED joint application.

Financing Gaps Greater than $500,000

Kathy Mesner, Mesner Development

Implementing this will throw out applications applying for Affordable Housing Program (AHP) funding from Federal Home Loan Bank. For those developments applying for these funds, they are now at a disadvantage, as they could possibly cover the gap if they are awarded AHP funding.

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

Annual Meeting with Board

Kathy Mesner, Mesner Development

When the QAP goes before the Board, would really like to see other developers, and interested parties have time to speak in front of the Board. One developer has the ear of the Board and there are other perspectives that could be shares, as we have differing perspectives. The rest of the developers have not had an opportunity to address the Board. Suggested having in the QAP that the developers will have an annual meeting with the Board, so a discussion can occur with all interested parties.

Fred Hoppe, Hoppe Development

Agrees that an annual meeting would be beneficial for the Board and the developers.

All public comment is shared with the NIFA Board. These comments will be considered and evaluated.

QCT

Fred Hoppe, Hoppe Development

In Lincoln, he would not get points because he does not have a Concerted Community Revitalization Plan and is not in a Choice Neighborhood, as those are only in Omaha. Recommends having any type of plan count to receive the points.

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

Proximity to Services

Chris Lenz – Excel Development Group

Chris Lenz read from his written comments. The comments and NIFA/NDED responses are included written comment section.

Please see responses to written comment below.

General Comments

Thomas Judds, Lincoln Housing Authority/Little Salt Development Company

Is concerned about the next generation of tax credit developers, as those currently developing in Nebraska approach retirement. We need to foster and build the younger generation and ensure that affordable housing development continues in Nebraska.

NIFA will take your comment under advisement.

Mark Hansen, Retired CDR

Basic observation, NIFA is trying to do a fair and efficient way to provide LIHTC in a scoring system. Need to figure out a way that can be customizable to each community, with more flexibility and less of being told what to do.

NIFA will take your comment under advisement.

Chris Lenz – Excel Development Group

Chris Lenz read from his written comments. The comments and NIFA/NDED responses are included written comment section.

Please see responses to written comment below.

Meeting Adjourned at 10:05 a.m.

Written Comments received – See attached correspondence from:

- **George Achola, Burlington Capital Real Estate**
- **Jamie Berglund, SPARK**
- **Amanda Brewer, Habitat for Humanity of Omaha**
- **Ryan Harris, Midwest Housing Equity Group**
- **Fred and Jake Hoppe, Hoppe Development**
- **Thomas Judds, Lincoln Public Housing Authority**
- **Teresa Kile, White Lotus Group**
- **Chris Lamberty, Lincoln Public Housing Authority**
- **Chris Lenz, Excel Development Group**
- **Todd Lieberman, Brinshore Development, LLC**
- **Kathy Mesner, Mesner Development**

- **Jewel Rodgers, Noddle Companies**
- **Rob Woodling, Foundations Development**

George Achola – Burlington Capital

Efficient Housing Production Points: The efficiency points should be used as a tie breaker not scored as part of the underlying competitive process. If NIFA does not wish to remove the points, then the points should be reduced to 4 points total. Up to 1 point for square footage, up to 1 point for per unit, and up to 2 points for LIHTC per occupant.

NIFA will continue to evaluate this criterion, but no change is proposed at this time. NIFA, based on Board member input, plans to monitor the 2021 reduction in Efficient Housing Production points for the 2022/2023 QAP as well as work with expert consultants to create building and construction standards.

Proximity to Services: The proximity (pg. 35) should be identified by a independent third party-such as the market study. Any questions must be resolved prior to submission. This should be a progressive scale. The closer you are to the identified service the more points from .5 miles out to 1.5 miles. Need to create the measurement methods for distance.

Lose 1 point for certain locations -if you are close to non-desirable locales-train tracks, airports, junk or salvage yards etc.

NIFA has modified the distance requirement from 1.5 miles to 3 miles for all services, except parks which remain .5 of a mile. Methods regarding measurement and points eligibility are included in the Exhibit Examples Document - Exhibit 213.

NIFA will evaluate, for future QAPs, the suggestion regarding non-desirable locations, specifically for Non-Metro areas. The Areas of High Opportunity Indices include a metric for Environment and Health. Those ratings are impacted by location to dump sites, microparticles, and the pollution levels of soil, air, and water. The items listed above would directly impact the rating in each rating area.

Collaboration: Points for a project where a Housing Authority participates in the Development by providing capital funding etc. or participating in the project-especially in non-metro areas.

An application receiving capital funding from a local Housing Authority would be eligible for points in the Leverage and Collaboration section of the application. NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Set Asides: Set aside -Housing Authority non-metro and a set-aside for developments in communities that had not or do not currently have an LIHTC development. To deal with the issue of problematic lack of funding provide the ED with programs committee approval the ability to authorize the set-aside should funding become sufficient.

A development located in a community that has never had a LIHTC development is currently eligible under the CRANE set-aside. NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Jamie Berglund – Spark

Proximity to Services: Promotion of projects that are located within ¼ mile of key transit corridors in Metro areas.

The Areas of High Opportunity Indices include metrics regarding project location regarding walkability, commute time, etc. NIFA staff will continue to evaluate metrics that should be included to demonstrate an Area of High Opportunity,

New and Emerging Developers: Support for projects from and technical assistance resources for new and emerging developers to help build and diversify the pipeline of development talent.

NIFA will explore ways to support new and emerging developers through other programs/resources.

Leverage and Collaboration: Clarity on the expected role and/or compensation of nonprofit partners in projects, when utilized to demonstrate and/or leverage community collaboration.

It is anticipated that the nonprofit partner may be making a capital contribution or a community contribution as outlined in the application. If the applicant is requesting LIHTC from the nonprofit set-aside, the role of the nonprofit organization is outlined in Exhibit 3.

Positive Comments: Excited about the support for mixed-income development projects and promotion of projects that demonstrate community collaboration, involvement, and support.

Amanda Brewer – Habitat for Humanity of Omaha

CDBG-DR: We thought a portion of the CDBG-DR funds would be reserved for the creation and preservation of affordable housing for homebuyers. However, it is our understanding that the strategy now is to allow a round of applications for projects to leverage the LIHTC program and only whatever is left over will be available for homeownership. In the three most impacted Nebraska counties of Douglas, Sarpy and Dodge owner-occupied units were damaged or lost three times more than rental units.

NDED Response: The primary purpose of the CDBG-DR Affordable Housing Construction Program (AHCP) is to increase affordable housing supply in flood-impacted areas, including affordable rental housing and affordable homeownership for low-and moderate-income households that lost their homes in DR-4420. Housing programs have been designed based on unmet needs and local priorities, as identified through feedback from long-term recovery groups and local outreach.

There are two applications for the AHCP. To maximize the limited funding available for recovery, DED anticipates awarding gap financing to eligible applicants under both applications. The first application will be in partnership with NIFA to leverage CDBG-DR with LIHTC and AHTC to increase the supply of affordable rental housing in impacted areas. Funds in the first application are designed as gap financing for

LIHTC/AHTC projects. The second application will be through DED directly, where LIHTC is not a funding source. In this application, non-profits, units of local government, and public housing authorities may apply to DED for technical assistance and funding for affordable rental and affordable homeownership construction/rehabilitation activities, to include new construction for sale to LMI homebuyers, construction of owner-occupied housing, new construction of rental housing, rehabilitation to rental housing, and land acquisition for eligible construction activities.

Additional program materials can be found on the CDBG-DR webpage at opportunity.nebraska.gov/cdbg-dr.

Ryan Harris – Midwest Housing Equity Group

Leverage and Collaboration: This scoring section of the application doesn't work structurally, especially if we're trying to get 20% of the costs as a capital contribution or grant because of the following: 1. Grants can't be used unless there is an income hit or potential reduction of basis; 2. If we have to take the income hit, we reprice the deal to account for it, lowering equity; 3. The for profit general partner would have the income allocated to them, however, they won't have the offsetting funds to pay the taxes on a large grant; and 4. Nonprofit general partner can't have the income allocated to them or else we have tax exempt use property.

Also, projects can't have a capital contribution if according to the section it can't come from an identity of interest.

NIFA has clarified the eligible and non-eligible resources.

Fred and Jake Hoppe – Hoppe Development

Deadlines for 4% and 9%: Would like to see the 4% and 9% deadlines not overlap

NIFA staff has a very limited time frame to in order to ensure Tax Exempt Bond/4% LIHTC projects are approved and can close by no later than December 20th. Unfortunately, due to delays with the QAP, an

overlap of application dates occurs in 2022. The 2023 cycle deadlines are designed to reduce and/or eliminate any overlap.

QCT: NIFA allocates additional points to a development in a QCT that are part of a collaborative effort under terms of art, such as "Concerted Community Revitalization Plan" or "Choice Neighborhoods". However, it does not provide a corollary for a potential plan that encompasses land outside of a QCT. Request that new development, and not just revitalization, could meet the CCRP requirements, such that any development, regardless of location, that is part of a comprehensive community effort could quality for points.

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

Developments in Conjunction with Non-LIHTC Housing Opportunities: The QAP could go further to reinforce this concept, especially with 4% bond projects, as most of those developments are separate entities, such as that the 100% affordable project is financed through LIHTC, but physically integrated with a market rate project financed conventionally. Broadening the definition of a mixed income project to capture this scenario would provide a stronger, and more feasible incentive for mixed income developments.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months.

4% AHTC Bond County Concentration Limit: The QAP only provides for one bond and AHTC project per county. Demonstrated last year, many projects may come forward from a single county and still be within the bond cap. Suggest that NIFA removes the explicit limitation allowing for more flexibility should all applications come from one county or allow NIFA to fund all projects, regardless of the concentration by county.

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

Development of Housing in Greater Nebraska: Would like clarity to better understand how and which development efforts would qualify. Ten units delivered in a single year in a small community is a large development effort, as we deliver housing over a two-to-three-year period, with some being delivered, some in progress, and/or are in the process with developments of rental housing that anticipate deliver greater than ten units. Would these development efforts qualify? If projects are market rate, but price to be accessible to folks with less than 150% median income, would these qualify?

NIFA has expanded the timeline to 24 months and revised references from 150% to affordable housing. The 10 homes/rental units can be located in different communities as long as each community's population is 15,000 or less.

Applicant/Owner Track Record: The past 24 months have experienced unprecedented levels of pricing volatility, combined with long project lead times driven by application cycles, have been challenging. Awarding points to an organization that has not been active in the past 24 months, and has not requested an increase, is rewarding developers who have not participate dint he delivery of affordable housing in this challenging period. If you requested an increase, were denied the increase, but completed the project, should you be penalized? Limit the point to developers who have received an award and on a going-forward basis, ignoring the challenging past 24-month period.

NIFA has removed this section for the 2022/2023 QAP, however, implementation is planned for the 2024/2025 QAP.

Leverage and Collaboration: Believe the percentages and scores significantly exceed what is observed, even when there is meaningful community support and buy-in. The only instance where the contributions from other sources made up any percentage above 10% was the Choice contribution to 75 North. Would there be other ways to demonstrate meaningful community collaboration and buy-in? Could these be scaled more appropriately to what is observed?

Note of Concern: PACE loan can be used to monetize TIF in a way that magnified the appearance of the TIF contribution beyond what could reasonably be considered a community's contribution to the project.

NIFA has clarified the eligible and non-eligible resources.

Design Standards: Believe that Hardy Plank represents a façade upgrade in durability and quality that should be recognized along with stone veneer.

No change will be made at this time. NIFA, based on Board member input, plans to partner with expert consultants to create building and construction standards. A review of Design Standards will also take place.

Amenities: Fiber and internet wiring should be encouraged, whether it ultimately is a tenant paid service or not, especially in an environment with significant resources for low-income internet services whereby a tenant might access these services free of charge.

No change is proposed at this time. The NIFA Board has indicated that the NIFA staff should partner with expert consultants to create building and construction standards. This item will likely be addressed in the review.

Supportive Services: Confused by the requirement for the owner to pay for supportive services, when they may be arranged or provided leveraging existing programs or capabilities.

Supportive services are an additional points category and are not a requirement (except in CRANE). To receive points, the owner must provide or pay for supportive services. If a supportive service can be provided that is not paid for or provided by the owner a replacement

supportive service must be chosen. If it is an existing program that can be provided to the tenant at a reduced rate or at no cost due to the tenant meeting certain income or eligibility requirements, the owner is not providing any additional supportive service and shall not receive points.

Thomas Judds – Lincoln Public Housing Authority

Permanent Sources/Syndication Information: Suggestion to relabel the heading "Syndication Information" to that of "Investor Information." This suggestion would also apply to "Name of Syndicator" for both Federal and State tax credits. This would complement Exhibit 108 titled, "Investor Interest/Commitment Form."

NIFA will take your comment under advisement.

Development Team: In concert with the above, suggest the line items labeled "Federal Syndication Firm" and "State Syndication Firm" be revised to reflect "Federal Investor" and "State Investor."

NIFA will take your comment under advisement.

Applicant/Owner Track Record: Clarify if an applicant and/or owner that has not received an award, or even submitted an application, within the past 24 months are eligible for these points.

NIFA has removed this section for the 2022/2023 QAP, however, implementation is planned for the 2024/2025 QAP.

Leverage and Collaboration: Would like more clarification regarding eligible and non-eligible resources, and for entities of identity of interests.

NIFA has clarified the eligible and non-eligible resources.

Family Development: The voucher program is a fair representation of the demand for low-income housing and vouchers are issued based on the size of their family. In Lincoln, only 5% of all vouchers are for four (4) bedroom units, if you included four (4) bedroom or larger it is only 6%. Question what data would indicate that NIFA should be encouraging more four (4) bedroom units to be build. This seems to be a community specific need, and maybe that need exists in some places.

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

Teresa Kile – White Lotus Group

Private Activity Volume Bond Cap per Development: The Private Activity Bond Cap per development is $18 million and would like this amount to be increased. If the per development cap was increased, utilization of this program would allow more than housing for developments.

The Bond/4% LIHTC/AHTC per development Private Activity Bond Cap maximum will remain at $18 million. The Bond/4% LIHTC Private Activity Bond Cap maximum has been increased to $22 million for 2022. The per development limit could increase annually based up inflation and the Consumer Price Index. In addition, at the discretion of the NIFA Board, the Bond/4% LIHTC Private Activity Bond Cap maximum may be increased on a per project basis.

Maximum Fee Limits: General Requirements is defined as contractor's miscellaneous administrative and procedural activities and expenses that do not fall in a major-function construction category. This line item is not a professional fee and should not be included when calculating the 24% limit for professional fees of the contractor, developer, tax credit consultant, and real estate consultant.

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

CRANE Applications: CRANE projects are required to provide more supportive services while generating less revenue in which to do so. A CRANE development must provide the maximum number of supportive services for the maximum number of points available, and it is expected that the project will provide additional services not listed in the application. Also, the CRANE developments must lower their rents so that 10% of their units targe incomes at 40% of AMI and 40% of their units target incomes at 50% of AMI. It is important to provide supportive services to the tenant; however, to provide these services, the development must be allowed to generate the revenue to do so and remain financially sustainable.

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

Chris Lamberty – Lincoln Public Housing Authority

Family Development: The voucher program is a fair representation of the demand for low-income housing and vouchers are issued based on the size of their family. In Lincoln, only 5% of all vouchers are for four (4) bedroom units, if you included four (4) bedroom or larger it is only 6%. Question what data would indicate that NIFA should be encouraging more four (4) bedroom units to be build. This seems to be a community specific need, and maybe that need exists in some places. In Lincoln, the demand for affordable housing is 1-, 2-, and 3-bedroom units.

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

Chris Lenz – Excel Development Group

General Comments: NIFA is adding point categories that are contradicting and essentially neutralizing existing sections of the application. For example, for the last three years and now the next two years, developers will be pushed to develop projects in Presidential Disaster Declaration areas. Adding points for being close to a senior center or near a new subdivision will not trump these points.

Another section that drives community selection are the two points for ED Certified and Leadership Community. When combined with the Presidential Disaster Declaration points, no developer will leave these points on the table.

Development of Housing in Greater Nebraska: This section and the associated points do not enhance the lives or well-being of the tenants, nor do they add anything of value to a project and have nothing to do with community selection or project location. These points are directed towards individual developers and should be removed from consideration. If not removing, define “materially participating within the last 12 months.” Maybe expand the time frame.

NIFA has expanded the timeline to 24 months and revised references from 150% to affordable housing. The 10 homes/rental units can be located in different communities as long as each community’s population is 15,000 or less.

Leverage and Collaboration: Please clarify the non-eligible resources, specifically from NIFA and NDED funding sources. Are you eliminating any and all programs managed by NDED regardless of the source of funds (Federal and/or State)? Also, please clarify land from an unrelated party as an eligible resource.

NIFA has clarified the eligible and non-eligible resources.

Proximity to Services: This section is not necessary as there have been no issues in the past regarding location to services. By adding these points, NIFA is limiting which rural communities will be considered for an application. In most rural communities the only available land is on the outer edges of town and not within the distance requirements. If being so close to services is important, why is this for non-metro only?

NIFA has modified the distance requirement from 1.5 miles to 3 miles for all services, except parks which remains .5 mile. Methods regarding measurement and points eligibility are included in the Exhibit Examples Document - Exhibit 213.

Development in Conjunction with Non-LIHTC Housing Opportunities: This new category is once again limiting where LIHTC developments will occur and not increasing the number of potential rural communities. This section will drive developments towards the larger rural communities.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months.

Todd Lieberman – Brinshore Development, LLC

Leverage and Collaboration: Please consider including an option for leverage to be evidenced by a subordinate loan with below market interest rate and with debt service payments payable only out of cash flow only or repayment completely deferred to maturity.

Please remove the identity of interest restriction in leverage and collaboration, as many grants and philanthropic investments are funded through a non-profit partner.

NIFA has clarified the eligible and non-eligible resources.

Areas of High Opportunity/Proximity to Services: Doesn't think that the intention is to disadvantage revitalization areas, but developments like Highlander do not score well in Areas of High Opportunity. If you could give areas in revitalization areas a similar proximity to services category.

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

Choice Neighborhoods: Urges NIFA to increase the scoring for Choice Neighborhoods from one point to two points, hoping that HUD would fund future Choice Neighborhood projects.

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

Kathy Mesner – Mesner Development

Development of Housing in Greater Nebraska: If you want more units built in Greater Nebraska make more credits available to Non-Metro areas.

There needs to be some revisions to the metrics for this section. Building ten units in one town is too great a risk, so the development occurs across several towns and communities. Suggest changing this to an accumulated total not a "one town" total.

Propose changing the one-year building time frame to two years. As no one is going to stop building when they go to contract/start building.

Rural Workforce Housing does not require an AMI for the program and it is a fully collaborative program and should be allowed to receive points under this category.

NIFA has expanded the timeline to 24 months and revised references from 150% to affordable housing. The 10 homes/rental units can be located in different communities as long as each community's population is 15,000 or less.

Applicant/Owner Track Record: Adding one point for having not asked for extra credits for a project in the last 24 months is a terrible idea given the challenges of the past two years.

NIFA has removed this section for the 2022/2023 QAP, however, implementation is planned for the 2024/2025 QAP.

Leverage and Collaboration and Threshold: Grants reduce eligible basis and make no sense to emphasize them, and below market loans should be eligible.

Firm commitments for things like TIF are not possible at application time. In most cases the developer will not own the land at the time of application.

Much of the work we do with cities is a collaboration of ideas and activities. While there is discussion prior to the LIHTC application submittal, cities are not included to take things before their regulatory offices and boards until a project is funded. If these things are committed prior to application the project should be rewarded. This is what all the different threshold scoring categories used to do, and not sure why threshold points were removed and then put back in selectively.

NIFA has clarified the eligible and non-eligible resources.

Development in Conjunction with Non-LIHTC Housing Opportunities: The requirements for this section are "putting the cart before the horse". Developers do not get final "approved" subdivision plat until we know what they are building. The amount of TIF will depend on the number of lots that are getting platted and the types of housing you are building. Doing a final subdivision plat is time consuming and expensive to complete and will not occur until the developer is awarded tax credits. Not opposed to promoting this activity, but it is unrealistic to expect an approved plat at the time of application. Also, is this category repetitive of the points already awarded for market rate units.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months.

CDBG-DR: NIFA should separate out the added DR costs for things like Davis-Bacon when calculating efficiencies; otherwise, no on will apply for DR funds.

The Efficient Housing Production calculations will use adjusted eligible basis which allows developers to remove CDBG-DR costs from Eligible Basis.

<u>NDED Gap Funding with Nebraska Affordable Housing Trust Funds (NAHTF):</u> There should be a NDED designed criteria for using NAHTFs with LIHTCs in projects where Federal Gap Financing sources will not work.

NDED Response: The 2022 Nebraska Affordable Housing Trust Fund (NAHATF) Qualified Allocation Plan (QAP) is open for public comment November 29, 2021 – December 30, 2021. The proposed 2022 NAHTF QAP identifies that the Nebraska Department of Economic Development (NDED) intends to use up to $1,000,000 in discretionary funds in conjunction with the 2023 joint application with the Nebraska Investment Finance Authority 9% Low-Income Housing Tax Credit program, with a maximum project award of $500,000. These awards will only be invested in projects where federal procedural restrictions are a barrier to providing DED federal funding to an otherwise financially feasible, quality project, determined at the sole discretion of the Department. As NDED continues to develop and finalize the 2022 NAHTF QAP and NIFA develops and finalizes the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC our agencies will make certain that if NAHTF is set-aside for the 9% LIHTC program the application process will be included in the NIFA/NDED joint application.

<u>Underwriting Criteria - $500,000 funding gap:</u> There needs to be a way to reconcile application dates with AHP. The outcomes from AHP applications are not known at the time of application. An application could be thrown out under this rule and then later an AHP award would make the GAP less than $500,000.

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

<u>General Comments:</u> When the QAP is taken to the Board of NIFA on December 10th, I strongly urge you to allow developers at the meeting to be a part of the discussion. Right now, the Board is only hearing one developer voice during Board meetings and his experience does not include significant work in outstate Nebraska. All developers should be given the chance to speak and respond to the Board during the actual discussion of the QAP, not just during the public comment period.

Also, recommend NIFA adds language to the QAP that allows developers and other interested parties to meet directly with the Board of NIFA on an annual basis to discuss the QAP for future years. This would provide the Board with all perspectives from developers and will better promote the integrity of the QAP process.

All public comment is shared with the NIFA Board. These comments will be considered and evaluated.

Family Development: The idea that larger family housing, especially larger units, should be emphasized and prioritized is not only a waste of program resources but a failure to understand what is going on across Nebraska. There are a couple reasons many communities across the state don't have affordable family housing. One reason affordable homes are being occupied by seniors who have no place to downsize. Another reason is that people are buying up everything on the market and renting out family homes to anyone because there are no other rentals on the market. Recommendation is to get rid of the 2 points for family developments and maintain the 2 points for senior developments that are limited to 2-bedroom units because these 2 points help balance the efficiency scoring differential between 2- and 3-bedroom units in the cost/sq ft and tax credits per occupant categories.

NIFA is reducing the required percentage of 4-bedrooms units or larger from 20% to 10% and the number of points available from two (2) points to one (1) point.

Small Community: Recommend leaving the points for smaller communities in place, otherwise, all the non-metro projects will end up in Grand Island, Hastings, Kearney, Norfolk, Columbus, etc.

NIFA is reinstating the small community points for Non-Metro areas only.

<u>Threshold Points:</u> Eliminating all points for threshold items is a mistake, as most of the items that relate to readiness like zoning, site control, and funding commitments were previously scored with options for 1, 2, or 3 points. By eliminating these points, you are denying certain projects the ability to distinguish themselves from other projects.

Zoning will now be a tie-breaker item. NIFA will continue to evaluate these criteria, but no change is proposed at this time for threshold.

<u>Counties without projects:</u> Does not believe that "Counties Without Projects" should be a part of CRANE. Most of the counties without projects have a declining population and may not be able to support the 45-year compliance period of the project. The collaborative efforts of CRANE cannot change the fact that some of our counties may not survive long term.

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

<u>Scoring CDBG-DR Applications:</u> In order for developments to be competitive and use CDBG-DR funding, we should be able to ignore the costs added by regulations like Davis-Bacon. Otherwise, these added costs will make the project scores out of line with costs of projects using other gap financing sources and the CDBG-DR funds will go back to Washington.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

<u>Efficiency Housing Production:</u> We need to add some efficiency points back into scoring. While it is important that we have amenities and supportive services, we should not ignore the need to make these projects as efficient as possible. In the last rounds, when we reduced housing efficiency points, we actually funded projects with no efficiency points.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

Jewel Rodgers – Noddle Companies

Developments in Conjunction with Non-LIHTC Housing Opportunities: We encourage NIFA to consider extending this prioritization beyond single project-based development and reach to include mixing market rate, workforce, and affordable units across neighborhoods.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months.

Efficient Housing Production: Make necessary adjustments to the Efficient Housing Production tactic to enable the prioritization of high-quality construction.

NIFA will continue to evaluate this criterion, but no change is proposed at this time. NIFA, based on Board member input, plans to monitor the 2021 reduction in Efficient Housing Production points for the 2022/2023 QAP as well as work with expert consultants to create building and construction standards.

Amenities: Ensure that access to amenities also include transit corridors.

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

Design Standards: Extend accessibility to include universal design standards.

No change is proposed at this time. NIFA, based on Board member input, plans to partner with expert consultants to create building and construction standards. This item will likely be addressed in the review.

<u>Multi-Lingual Access:</u> Include multi-lingual access in community engagement activities.

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

<u>Leverage and Collaboration:</u> Expand the definition of collaboration beyond partnerships between developers and nonprofit service providers to also include collaboration across funding sources.

NIFA has clarified the eligible and non-eligible resources.

Rob Woodling – Foundation Development

<u>Developments in Conjunction with Non-LIHTC Housing Opportunities:</u> The rental piece is going to be problematic, as a local jurisdiction will not know the outcome of the construction that is happening.

The split between rental and homeownership is not clear, it is a total number of units, or either six rental or six homeownership units? The LIHTC project will not be able to control what the builder ultimately decides to do with the property and then the LIHTC project will be out of compliance.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months.

<u>Leverage and Collaboration:</u> Under eligible resources, it lists capital contributions as eligible but also states at the beginning of the section that anyone with an identify of interest is an excluded entity for these points. A capital contribution, by definition, makes someone a development partner.

TIF is listed as an eligible resource and loans are listed as a non-eligible resource. This is contradictory, as TIF goes into projects as loans from a bank. Please clarify if TIF and TIF loans are eligible or non-eligible.

Grants are listed as being eligible for points; however, grants to for-profit entities are taxable income. Creating taxable income at the start of an investment will cause pricing for these credits to go down as investors now have to factor in taxable income.

NIFA has clarified the eligible and non-eligible resources.

Habitat for Humanity® of Omaha

Building opportunity throughout Burt, Cass, Douglas, Sarpy and Washington Counties.

November 19, 2021

Sara Tichota, Allocations Manager
Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402

Re: NIFA's 2022-23 Qualified Allocation Plan – Public Comment Submission

Dear Ms. Tichoto,

Nebraska lost more than $1 billion worth of property as a result of the flood disaster of 2019. Habitat for Humanity of Omaha has been involved in the relief and recovery related to that disaster from the beginning. In the days immediately after, we mobilized more than 400 volunteers who served nearly 3,100 hours to assist in clean up and taking calls through the Crisis Cleanup Hotline. In King Lake, we removed 588 tons of debris, aided in restoring electricity to houses, and completed dozens of repair projects to help affected residents return safely to their homes. In Sarpy County, we are working with flood impacted families interested in pursuing Habitat homeownership. This work continues even today, more than two years later.

We were hopeful that, of the $26 million of CDBG-DR funds allocated to affordable housing construction in Nebraska, a portion would be reserved for the creation and preservation of affordable housing for homebuyers. However, it is our understanding that the strategy now is to allow a round of applications for projects to leverage the LIHTIC program—and only whatever is left over will be available for homeownership.

While we recognize that affordable rental housing is sorely needed in our state, a crisis of affordable homeownership also exists in Nebraska and was exacerbated by the floods. In Sarpy County alone, 400 owner-occupied units were completely lost. In the three most impacted Nebraska counties—Douglas, Sarpy, and Dodge—**three times more owner-occupied units were damaged or lost than rental units.** Allowing the majority of the CDBG-DR funds to provide tax credits for the development of affordable rental units does not address those losses.

Habitat for Humanity of Omaha

Building opportunity throughout Burt, Cass, Douglas, Sarpy and Washington Counties.

Habitat for Humanity of Omaha urges that a portion of the Affordable Housing Construction Program funds be reserved for the creation and preservation of affordable owner-occupied homes.

Sincerely,

Amanda Brewer

Amanda Brewer
CEO, Habitat for Humanity of Omaha

1701 N. 24 St, Omaha, NE 68110 402.457.5657 *office* 402.457.4012 *fax* habitatomaha.org

From: Sara Tichota
To: Pamela Otto
Subject: FW: QAP comment
Date: Friday, November 19, 2021 11:04:13 AM
Attachments: image002.png
image003.png
image004.png
image005.png
image006.png

Sara J. Tichota
LIHTC Allocation Manager
Nebraska Investment Finance Authority
Main: 402.434.3900
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1230 O St. Ste. 200 Lincoln, NE 68508
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QAP PUBLIC HEARING!
<<REGISTER>>

From: Chris Lamberty <chris@l-housing.com>
Sent: Friday, November 19, 2021 6:37 AM
To: Sara Tichota <Sara.Tichota@nifa.org>
Subject: QAP comment

Sara -

I am unable to attend the public hearing today. Thomas Judds from our office will attend and provide additional written comments. I would like to address one item - giving preference to 4-bedroom units. I am curious if this is based on data indicating a stronger need for 4-bedroom units statewide?

I think the Housing Choice Voucher program is a fair representation of the demand for low-income housing. Families are issued vouchers based on the size of their household. In Lincoln, only 5% of all vouchers qualify for 4 Bedroom units. Ninety-four percent of all voucher holders require a 0-, 1-, 2- or 3-bedroom unit. In that context I question what data would indicate that NIFA should be encouraging more 4-bedroom units to be built over other sizes. There may be communities where the need for 4-bedroom units outweighs the need for others, but that is community specific. As a property manager, 4-bedroom units are the hardest for us to lease. There is a tremendous need for additional affordable housing in Lincoln, and primarily that should be 1-, 2- and 3-bedroom units.

Thank you for the opportunity to comment.

Chris Lamberty
Executive Director
Lincoln Housing Authority

Public comments on the 2022 – 2023
NIFA LIHTC Qualified Action Plan and
Low Income Housing Tax Credit Application
Submitted by Excel Development Group
11/19/2021

My name is Chris Lenz and I am the Development Director for Excel Development Group for the State of Nebraska. Excel Development has developed and managed Low Income Housing Tax Credit projects in Nebraska for over 25 years.

I will make a general observation on the most recent additions to the application and then will direct my comments towards more specific point categories.

In the almost 20 years that I have been working with NIFA I have never heard a NIFA Executive Director, Board Member, Program Manager or a member of the public ask the question, "Why did we fund a tax credit project in a rural community with no hospital, grocery store, school, day care center or pharmacy within a mile and a half of this development?" Nor have I heard the question, "Why is this project being built in an area of town with no recently constructed homes in the neighborhood?"

I understand and appreciate the need to develop projects in rural communities, however, you are adding point categories that are contradicting and essentially neutralizing existing sections of the application and you are overlooking other categories already in place that drive site selection. For example, for the last 3 years and for the next 2 years we have been and will be directed to develop projects in Presidential Disaster Declaration areas. In all honesty this is where developers typically begin the process to select communities because these are the broadest points available. If a community, regardless of population, is not located in these specific counties or cities they have been and will be passed over again for a project. Adding points for being near a new subdivision or close to the senior center will not trump these points.

The next broadest point section that drives community selection are the two ED Certified and Leadership Community Points. These points are directing developers to communities that have earned this designation and when combined with the Disaster Points narrows down the list of viable communities for a developer. These four to five points will never be left on the table by a developer.

My comments regarding specific "new" point categories are as follows:

Development of Housing in Greater Nebraska: This section and the associated two points do not enhance the lives or well-being of the tenants nor do they add anything of value to a project and have nothing to do with community selection or project location. These points are directed towards individual developers only and should be removed from consideration. If you are not going to remove them then please be more specific as to the definition of "materially participating within the last 12 months." Does participation mean securing financing, providing guarantees, managing construction and property management? Does the clock start ticking on receipt of a building permit, Construction Start Date, Certificate of Occupancy, the Placed In-Service date, an award date, the date of the first of the ten units being occupied or the last unit? Why arbitrarily twelve months? Maybe expand this time frame to 24 or 36 months given the current construction and development environment.

Leverage and Collaboration: Please clarify the Non-Eligible Resources specifically from NIFA and DED funding sources. Are you eliminating any and all programs managed by DED regardless of the source of funds (Federal and/or State?) Also, please clarify land from an unrelated party as an eligible resource. Is this distinction between the landowner and developer and/or applicant no matter the corporate structure and members of that entity?

Proximity to Services: As I previously mentioned I have never heard of an issue with projects being funded in rural communities without basic amenities and services within a reasonable distance. By adding these points, you are again limiting which rural communities will be considered for an application. In most rural communities the only available land is on the outer edges of town and not within your distance requirements. Why the arbitrary distance of 1.5 miles? What is determining how far is too far? In the rural town of 3,000 that I live in I can drive 3 miles in 3 minutes and in contrast it takes me 15 minutes to drive 3 miles in Omaha and Lincoln. If proximity to services is so important to residents of LIHTC properties, why is this requirement non-metro only? Is 1 mile too far to go to the library or a park? Is 2 miles too far for someone to drive for groceries, take their kids to school or daycare or go play cards at the senior center? Would it make more sense to just make sure these rural communities have the necessary services available with no distance requirements or continue to rely on developers to make the best decisions? This section is not necessary as there have been no issues in the past regarding location to services.

Development in Conjunction with Non-LIHTC Housing Opportunities: This new category is once again limiting where LIHTC developments will occur and NOT increasing the number of potential rural communities. By incentivizing developers to build LIHTC projects in the same neighborhoods as new market rate units then you are eliminating a vast majority of the rural communities who have not built a new subdivision in the last 12 months. This point option will drive developments towards the larger rural communities. In essence you are making the comparison of development location between Omaha and Lincoln to say Ord or Minden. It is not reasonable to assume that new market rate housing development is occurring at the same pace in Ord or St. Paul as it is in Grand Island, Kearney or Fremont. You can encourage development near newly constructed market rate properties but the reality is you are directing where rural projects will be built in the future.

In summary, NIFA's attempt to add additional points to incentivize non-metro developments using a high opportunity scoring concept similar to the matrix for metro locations is great in theory but unrealistic in practice. Non-metro site locations are being driven by multiple scoring opportunities that already exist. If we follow the proposed new scoring additions the list of fundable communities is reduced even further. We are now going to see most all of the non-metro awards going to communities with populations between 5,000 and 15,000. There are a handful of communities between 3,000 and 5,000 that will score well enough to be funded, however this list will be almost identical to the communities that have been funded over the last five years.

From:	Sara Tichota
To:	Shannon Harner; Robin Ambroz; Pamela Otto
Subject:	FW: QAP comments
Date:	Friday, November 19, 2021 3:16:30 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png

Sara J. Tichota
LIHTC Allocation Manager
Nebraska Investment Finance Authority
Main: 402.434.3900
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1230 O St. Ste. 200 Lincoln, NE 68508
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From: George Achola <gachola@burlingtoncapital.com>
Sent: Friday, November 19, 2021 3:15 PM
To: Sara Tichota <Sara.Tichota@nifa.org>
Subject: QAP comments

Please accept the below as my comments.

NIFA QAP Comments-

- Efficiency Points-the efficiency points should be used as a tie breaker not scored as part of the underlying competitive process. If NIFA does not wish to remove these then the points should be reduced 4 total points as follows in highlights-

> The development represents an efficient production of housing. Up to six (6)(4) points will be awarded when comparing current applicants, in a measure of the quality of effort made to minimize development costs, and leverage funding sources in the production of affordable housing. Applications will be separated by development type (new construction vs rehabilitation) within each set-aside. If there are not at least four applications proposing rehabilitation developments, the measurements from the previous year(s) shall be used. Adjusted eligible basis cost per unit (up to two (2) (1)points) (; adjusted eligible basis cost per residential finished square foot (not including garages, unfinished basements and storage areas) (up to two (1) points) and LIHTC per occupant (up to two (2) points) are within reasonable limits as compared to local and national standards (NOTE: If requesting a basis boost, the basis boost for QCT's, DDA's, and non QCT's will have an impact on the scoring of LIHTC per occupant in this category.) [SH83][PO84]

- The proximity (pg. 35) should be identified by a independent third party-such as the market study. Any questions must be resolved prior to submission. This should be a progressive scale. The closer you are to the identified service the more points from .5 miles out to 1.5 miles . Need to create the measurement methods for distance.

- Lose 1 point for certain locations -if you are close to non-desirable locales-train tracks, airports, junk or salvage yards etc.,

- A project where a Housing Authority participates in the Development by providing capital funding etc or participating in the project-especially in non-metro areas

- Set aside -Housing Authority non-metro and a set-aside for developments in communities that had not or do not currently have an LIHTC development. To deal with the issue of problematic lack of funding provide the ED with programs committee approval the ability to authorize the set-aside should funding become sufficient.

George Achola, Vice President and Counsel
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ph: 402.930.3090
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HOPPE

DEVELOPMENT

November 18, 2021

Sara Tichota
Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508

RE:

Thank you for the opportunity to comment on both the 9% and 4% QAPs.

We appreciate your consideration of our earlier comments resulting in the revised proposals. Particularly we appreciated the attempt of the QAP to emphasize or prioritize developments in response to a community need and in a community/Developer collaborative.

We also appreciated NIFA's recognition of the difficulty in putting together an application under the previous time line by moving back the time line. We would like to see the 9% and 4% deadlines not overlap.

High Opportunity Locations: We strongly support the changes in the QAP that incentivize housing in high opportunity locations. We firmly believe that without significant intervention from NIFA, the inherent LIHTC programmatic structure, combined with other realities of urban development, will continue to concentrate affordable housing in high poverty neighborhoods, limiting a family's ability to choose neighborhoods appropriate for that family. NIFA allocates additional points to a development in a QCT that are part of a collaborative effort under terms of art, such as "Concerted Community Revitalization Plan" or "Choice Neighborhoods". However, it does not provide a corollary for a potential plan that encompasses land outside of a QCT. We would request that new development, and not just revitalization, could meet the CCRP requirements, such that any development, regardless of location, that is part of a comprehensive community effort could qualify for points.

Integrated Developments: We strongly support the changes in the QAP that promote integrating projects in broader market rate developments. We believe the QAP could go further to reinforce this concept, especially with 4% bond projects, where it is challenging to consider a "mixed income" single project. Instead, what is often seen is projects adjacent to and / or integrated with market rate housing, but technically separate entities within a development, such that the 100% affordable project is financed through LIHTC, but physically integrated with a market rate project financed conventionally. Broadening the definition of a mixed income project to capture this scenario would provide a stronger, and more feasible incentive for mixed income developments.

Bond County Concentration Limit for 4% AHTC Match: The QAP provides for only one Bond + AHTC project per county. As demonstrated last year, multiple meritorious projects may come forward from a single county, and with a $35mm bond cap, be within the bond cap. We believe removing explicit limitation would provide NIFA more flexibility if an application cycle presented either a) only applications from one county or b) a scenario in which NIFA could fund all applications, regardless of the concentration by county, without violating the $35mm cap.

Development of Housing in Greater Nebraska: We strongly support incentives to develop and meet the needs of rural communities throughout the state. We would like clarity to better understand how and which development efforts would qualify. Ten units delivered in a single year in a small community is a large development effort. As a developer who is active in meeting the needs of rural communities, in our experience we have had 10+ units of for sale housing delivered over a 2 to 3 year period, and at any given time some are delivered, and some in progress, or are in process with developments of rental housing that anticipate delivering >10 units. Would these development efforts qualify? If projects are market rate, but price to be accessible to folks with <150% median income, would these qualify?

Track Record of Applicant – No Credit Increase: We support the priority placed on estimation accuracy and the fundamental concerns that this category is meant to address. However, we also recognize that the past 24 months have experienced unprecedented levels of pricing volatility which, combined with long project lead times driven by application cycles, have been challenging. We believe awarding points to an organization that has not been active in the past 24 months, and has not requested an increase, is rewarding developers who have not participated in the delivery of affordable housing in this challenging period.

- Should you reward a developer who did not participate or receive an award, and who would have faced the same challenging market, with an additional point?
- If you requested an increase, were denied the increase, but completed the project, should you be penalized?

We believe that this extra point, if at all given, should be limited to developers who had received an award within the last twenty-four months, and not requested an increase. Developers who had no awards or who returned credits or were unable / unwilling to complete a development that was awarded should not get the credit. But in all fairness to our times, we think this concept should apply on a go-forward basis, ignoring the challenging past 24-month period.

Leverage and Collaboration: We support incentives for collaboration and projects that are the result of coalition investments. However, we believe the percentages and scores significantly exceed what is observed, even when there is meaningful community support and buy-in, and could be more reasonably flattened to reflect likely reality. In the past 2 years, in the 9% program, three projects listed TIF as a source of capital, and in only one instance was the TIF note more than 5% of the capital stack. In the case of the Bond transactions, while TIF was utilized, it was between 5% and 8% of the capital stack. The only instance where the contributions from other sources made up any percentage above 10% was the Choice contribution to 75 North. It is extremely rare for a community or non-profit to be able to contribute even 5% of the capital stack using the tools and funds generally available. Would there be other ways to demonstrate meaningful community collaboration and buy-in? Could these be scaled more appropriately to what is observed?

Finally, a note of concern: a PACE loan can be used to monetize TIF in a way that magnified the appearance of the TIF contribution beyond what could reasonably be considered a community's contribution to the project.

Additional Notes and Observations

Design Considerations: We believe that Hardy Plank represents a façade upgrade in durability and quality that should be recognized along with stone veneer.

Fiber and internet wiring should be encouraged, whether it ultimately is a tenant paid service or not, especially in an environment with significant resources for low-income internet services whereby a tenant might access these services free of charge.

We are confused by the requirement for the owner to pay for supportive services, when they may be arranged or provided leveraging existing programs or capabilities.

We appreciate your consideration.

Sincerely Yours,

Hoppe Development

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NODDLE™
COMPANIES

November 17, 2021

Sara Tichota, Allocations Manager
Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402

Dear Ms. Tichota:

We appreciate the opportunity to comment on the current draft of NIFA's 2022-23 Qualified Allocation Plan (QAP). Noddle Companies has 50 years of commercial, retail, and residential, for-profit development experience and we are actively exploring mixed-income housing. While researching the prospect of creating quality housing accessible to a wider range of incomes, we've found that NIFA and Noddle Companies have a shared interest in expanding mixed-income developments within Nebraska.

As we continue to learn more about this market, we applaud the prioritization of mixed-income housing in the current draft of the QAP. Mixed income housing is essential in distressed areas and areas of high opportunity equally across our state. We encourage NIFA to consider extending this prioritization beyond single project-based development and reach to include mixing market rate, workforce, and affordable units across neighborhoods.

Additional areas the 2022-2023 QAP should address include:

- Make necessary adjustments to the Efficient Housing Production tactic to enable the prioritization of high-quality construction;
- Ensure that access to amenities also include transit corridors;
- Extend accessibility to include universal design standards;
- Include multi-lingual access in community engagement activities;
- Expand the definition of collaboration beyond partnerships between developers and nonprofit service providers to also include collaboration across funding sources.

As Noddle Companies continues to support the mindful growth of Omaha's Urban Core, we understand that true community prosperity cannot exist without diversity in the housing ecosystem as well as the developer ecosystem. We favor collaboration and encourage NIFA to provide vital support, such as technical and legal assistance, to beginning and experienced developers alike who are newly entering the affordable housing space.

In addition to expanding the pool of developers, it is critical that we expand the available workforce. Any prioritization of projects that include workforce training and apprenticeship will help increase both workforce capacity and reduce brain drain in Nebraska.

We look forward to working with NIFA in prioritizing the development of long-lasting, quality affordable housing.

Sincerely,

Jewel Rodgers
Development Manager

Testimony for Public Hearing on NIFA's 2022-2023 QAP-October 8, 2021

Delivered by Kathryn Mesner---- Mesner Development Co.

I want to thank you for the chance to speak today and in past forums. I do regret not having the chance to meet directly with the board of NIFA. I am disappointed the direction that has been charted with this QAP because I do not think it represents the true state of housing needs in large parts of the state and it is not going to make the best use of the few tax credits we receive in the state. I realize I am biased toward Rural areas but I think much of what I am going to say pertains to the whole state. Thank you to the board members who attended or listened in.

Emphasis on larger units

The idea that larger family housing, especially larger units, should be emphasized and prioritized is not only a waste of program resources but a failure to understand what is going on across Nebraska. I can't tell you how many times a year I am invited to communities to listen to the presentations of their new housing studies. When I do this, I hear the same story from each community..."our families don't have housing, there are no homes on the market, we need to build affordable family homes". The conclusion that many draw without looking at the data more closely is that the town needs to build conventional family housing, the kind "Ozzy and Harriet" used to have. This is not really what most studies show.

There are a couple of reasons why most communities across the state don't have homes for families available for rent or purchase. The biggest reason is that all the affordable family homes are occupied by seniors who have no place to downsize. The other reason is that we have a lot of people across the state that have learned if they buy up everything on the market, they can make money by renting out the family homes to whoever comes to town because those are the only rentals available. Single teachers or nurses or persons that work at the grocery store or quick shop end up renting 3-bedroom homes instead of one-bedroom apartments because they don't have other options. Seniors don't sell their homes because they don't have another affordable option. To make matters worse the senior group is much larger than any other group of persons within most of our communities. There are too many in the “baby boomer” bubble for the housing options we currently have available in most areas of the state. If you don’t believe what I am saying I am attaching an interesting report from Minnesota that describes this problem in more detailed terms.

This report also points out that, the longer seniors stay in their family home, the less they are able to care for those homes. So, if we want to rescue and salvage these affordable family homes, we better find a way to provide quality affordable housing options for seniors and other small households as soon as possible.

It doesn’t matter if it is Valentine or York, until you build affordable options for seniors and other small households you are never going to free up the affordable family housing available in communities. I understand everyone wants to see new 3-4-5 bedroom homes occupied by families, but using this program for that purpose is bad decision making for a couple reasons. Two wage earner families seldom qualify under tax credit rules because they make too much. One wage earner families seldom can afford even tax credit rents and utilities for larger more expensive family units. Without significantly more rental assistance these larger units are hard to rent. In addition, today’s construction costs clearly make it a bad decision to use our very limited resources on larger units that will drastically reduce the overall number of homes we are able to build statewide. This should be a big red flag to everyone.

The good news is, we can use the LIHTC program to build housing that will benefit the low-income households it is intended to benefit while still helping to address the affordable family home crises our communities are experiencing. If we use LIHTC to build a larger number of less expensive smaller units that give seniors and smaller households the type of downsized housing they need, they will move out of older family homes and we can start to better address multiple housing needs. About 60% of the tenants moving into our LIHTC units moved out of affordable larger family housing units. These are generally seniors.

We do not need to restrict LIHTC to senior housing but under no circumstances should we be de-valuing it in our QAP. Smaller one, two and three-bedroom units are more cost effective to build, easier for tenants to afford, and make the best use of our limited LIHTC resources.

My recommendation is to get rid of the 2 points for family developments. I would maintain the 2 points for senior developments that are limited to 2-bedroom units because these 2 points help balance the efficiency scoring differential between 2 and 3-bedroom units in the cost/sq ft and tax credits per occupant categories.

Points for Small Communities

I also would recommend we leave the points for our smaller communities in place. These points were put in the QAP to give small communities a chance to compete. I would guess that many of you think by adding a non-metro set aside we are evening things out for everyone outside the immediate Lincoln and Omaha areas. This is not true. Smaller towns have fewer material suppliers, contractors, and local resources. They are simply harder to build in. The non-metro set aside may help the fact that we only funded 24 new units west of Lincoln last year, but it isn't going to help Fullerton, Nebraska compete for a project. We need to keep the 2 points for smaller communities. Otherwise, all the non-metro projects will end up in Grand Island, Hastings, Kearney, Norfolk, Columbus, etc.

Eliminating points for Threshold Items

I am concerned about the changes that have taken place to our QAP which squeeze down the total number of points that will be used to determine what is awarded credits. Eliminating all points for threshold items is a mistake. Most of the items that relate to readiness like zoning, site control, and funding commitments were previously scored with options for 1, 2, or 3 points. These have always been distinguishing factors among projects. Eliminating these points assumes all projects are equally likely to proceed. We all know this is not true. When you squeeze point categories where projects are not always equal you are denying certain projects the ability to distinguish themselves from other projects.

Counties Without Projects

I don't believe we should make "Counties Without Projects" a part of CRANE. Most of the counties that do not have projects have declining populations and may very well not be able to support LIHTC projects for the 45-year compliance period that these projects promise. The collaborative efforts of CRANE cannot change the fact that some of our counties may not survive long term.

Scoring CDBG-DR Applications

If we are going to be able to use the CDBG-DR funds for GAP financing we need to be able to use them with tax credits. In order to be competitive for tax credit scoring it seems we should be able to ignore the costs added by regulations like Davis-Bacon. Otherwise, these added costs will make the project scores out of line with costs of projects using other GAP financing sources. The result is that we will expend our other funds and the CDBG-DR funds will go back to Washington.

Efficiency Points

We should add some efficiency points back into our scoring. While it is important that we have amenities and supportive services we should not ignore the need to make these projects as efficient as possible. In the last rounds, when we reduced housing efficiency points, we actually funded projects with no efficiency points.

Stretching our resources as far as possible, making them accessible to all parts of the state, and serving the greatest number of households should always be our priority.

Thank you.

Comments for Public Hearing on Proposed QAP---November19, 2021

From : Kathryn Mesner, Mesner Development Co.

I can see you want to promote housing in out-state Nebraska. If you want more units built in Greater Nebraska make more credits available to Non-Metro areas. Even though set asides for Metro and Non-Metro in the QAP are equal they are not. Most of the CRANE projects go to Metro areas so there is an imbalance. Just put more credits in Non-Metro areas and you will get more homes out there.

Development of Housing in Greater Nebraska

This provision is supposed to incentivize the Development of Housing in Greater Nebraska particularly towns of under 15,000, but the metrics you have applied don't make sense. Our company is currently building workforce housing in 4 communities under 15,000. We have almost 30 units under construction. We are not building 10 units in any one town. The risk is too great in small towns. Does that mean we should not be eligible for points in this category? Shouldn't this be an accumulated total not a "one town" total?

What is magical about the 1 year building time frame for these points? I would propose a 2 year "look back and look forward" timeframe. If the buildings are started or under contract they should be counted toward the total. No one is going to contract/start building and then quit.

On this same issue does housing development under the Rural Workforce Housing Program qualify under the 150% of AMI designation? This is the main program getting affordable homes built in Non-Metro areas and it is a fully collaborative program. This state program does not have an AMI regulation, but it targets affordability for the general workforce of a community by limiting the cost of housing for both sales and rentals. It should be included under this section of the QAP.

Track Record of Applicant

Adding one point for having not asked for extra credits for a project in the last 24 months is a terrible idea given the challenges of the past 2 years. This is "adding insult to injury"!

Leverage and Collaboration and Threshold Scoring

Grants reduce eligible basis, so it makes no sense to emphasize grants. Below market loans should be eligible.

Firm commitments for things like TIF are not possible at application time. Why would a developer process a TIF application prior to award? In most cases the developer won't own the land at time of application.

In many ways this section is a poor replacement for what has always been in place with threshold points. Much of the work we do with cities is a collaboration of ideas and activities. Zoning, subdivision work, variances, paving and infrastructure contributions, TIF, LB 840, etc. all fall under the category of collaboration. While there is discussion prior to the LIHTC application submittal cities are not inclined to take things before their regulatory offices and boards until a project is funded. If these things are nailed down prior to application the project should be rewarded because they really do make a difference in whether a project is likely to proceed. This is what all the different threshold scoring categories used to do. I really don't see why we got rid of threshold points and then put them back in selectively.

Non-Metro Development in Conjunction w/ Non-LIHTC Housing

Our company builds mixed income subdivisions all the time but the requirements for getting points in this category are "putting the cart before the horse". We do not do a final "approved" subdivision plat until we know what we are building. Not all buildings require the same size lots. How much TIF you can get depends on the number of lots you are platting and the types of housing you are building. Infrastructure development depends on the number of lots and types of structures. Doing a final subdivision plat is time consuming and expensive to complete. The decisions you make in completing a plat are dependent on knowing whether your LIHTC project is awarded. I am not opposed to promoting this activity, but it is unrealistic to expect an approved plat at the time of application.

I also wonder if this category is repetitive of the points you are giving for market rate units in an LIHTC project?

Scoring CDBG-DR Applications

NIFA should separate out the added DR costs for things like Davis-Bacon when calculating efficiencies. Otherwise, no one will apply for DR funds.

DED GAP Funding with Nebraska Affordable Housing Trust Funds

There should be a DED designed Criteria for using NAHTFs with LIHTCs in projects where Federal Gap Financing sources will not work.

Underwriting Criteria----$500,000 funding Gap

There needs to be a way to reconcile application dates with AHP. We usually don't know the outcome of AHP applications at the time NIFA/DED make awards. An application could be thrown out under this rule and then later an AHP award would make the GAP less than $500,000.

General Comments

When this QAP is taken to the Board of NIFA on December 10^{th} I strongly urge you to allow Developers at the meeting to be a part of the discussion. Right now, the Board is only hearing one developer voice during board meetings and his experience does not include significant work in outstate Nebraska. All developers should be given the chance to speak and respond to the Board during the actual discussion of the QAP not just during the public comment period.

I also recommend we add language to the QAP that allows developers and other interested parties to meet directly with the Board of NIFA on an annual basis to discuss the QAP for future years. By doing this the Board will hear all perspectives, and we will better promote the integrity of the QAP process.

Thank you.

Foundations
Development

1886 South 126th Street
Omaha, Ne 68144

Ms. Sara Tichota
Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508

Dear Sara:

Thank you for the opportunity to comment on the proposed 2022/2023 Qualified Allocation Plan. Please find below my comments for your consideration.

1. Developments in Conjunction with Non-LIHTC Housing Opportunities- We feel the rental piece will be problematic to document. How is a local jurisdiction going to know if a single family house under construction is going to be rented or owned when completed? They will not know what the future holds so how can they confirm either way? Many communities do not have rental permit requirements.
2. Developments in Conjunction with Non-LIHTC Housing Opportunities- The split between rental and homeownership is not clear. Is it 6 total units or is it 6 homeownership units and 6 rental units? Please clarify the totals necessary. Also, what is to keep a third party from saying units will be rental then turning around and selling the units? The LIHTC project will not be able to control that and could be out of compliance due to actions outside of their control.
3. Leverage and Collaboration- Under eligible resources, capital contribution is listed as an eligible resources for these points. At the beginning of this section it states anyone with an identity of interest is an excluded entity for these points. How can an entity make a capital contribution, become part of the ownership and not be excluded? These contradict each other. A capital contribution by definition makes someone a development partner.
4. Leverage and Collaboration- Under eligible resources, TIF is listed as an eligible resource and loans are listed as a non-eligible resource. This is contradictory. The TIF gets collateralized by a loan. TIF goes into projects as loans from a bank. Please clarify if TIF and TIF loans are eligible or non-eligible.

Email: woodling@foundationsdevelopment.com | Phone: 402-504-3248 | Fax: 866-789-9875 | Cell: 402-578-1505
FoundationsDevelopment.com

5. Leverage and Collaboration- Under eligible resources, grants are listed as being eligible for the points. LIHTC projects must be owned by for-profit entities to allow the tax credits to flow to it's for profit partners. For-profit entities are who can utilize these tax credits. Grants to for-profit entities are taxable income. Creating taxable income at the start of an investment will cause pricing for these credits to go down as investors now have to factor in taxable income. Also, with grant funds coming in before the construction completion and before the tax credits start flowing, this will cause lower pricing due to the time value of money.

Thank you for your consideration of the above in finalizing NIFA's 2022/2023 Qualified Allocation Plan and application.

Sincerely,

Rob Woodling

From:	Ryan Harris
To:	Sara Tichota
Cc:	Pamela Otto
Subject:	QAP Comment
Date:	Friday, November 19, 2021 10:04:09 AM

Hi Sara,

Thank you for hosting a great meeting today, and I apologize I misunderstood about my ability to comment over zoom. Rob sort of touched on the leverage section but I just wanted to provide MHEG's thought on this section:

In regards to the "Leverage and Collaboration" scoring section of the application, unfortunately this section probably doesn't work structurally, especially if we're trying to get 20% of the costs as a capital contribution or grant because of the following:

1. We can't take grants unless there's an income hit or potential reduction of basis.
2. If we have to take the income hit, we reprice the deal to account for it, lowering equity.
3. If it's a for profit general partner, we could specially allocate that income to them, however they won't have the offsetting funds to pay the taxes on a large grant.
4. If it's a nonprofit general partner, we can't specially allocate to them or else we have tax exempt use property.

Additional, how would the project have a capital contribution for these points if according to requirements can't come from an identity of interest? This would disallow any pass-through funds through the developer or general partner, requiring us to structure in one of the ways above, which won't work currently.

We do like everyone having skin in the game and collaboration and leveraging the resource as a concept, however from a tax structure standpoint it's hard to make it work under the current language of this section.

Thank you and appreciate your efforts!

Ryan Harris

Acquisitions Manager | MHEG | www.mheginc.com

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515 N. 162nd Avenue, Suite 202, Omaha, NE 68118

MHEG
Midwest Housing Equity Group

SPARK

November 18, 2021

Nebraska Investment Finance Authority
c/o Sara Tichota
1230 O Street, Suite 200
Lincoln, NE 68508

RE: 2022/2023 QUALIFIED ALLOCATION PLAN COMMENTS & FEEDBACK

Dear Sara,

Thank you for the opportunity to provide feedback to the 2022/2023 QAP. As a nonprofit organization that supports new and emerging real estate developers in the Omaha metro, we applaud many of the changes made to the QAP this year. Specifically, we are excited about the following revisions:

- Support for mixed-income development projects
- Promotion of projects that demonstrate community collaboration, involvement, and support

We would like to recommend the following additional changes/revisions to this or future iterations of the QAP:

- Promotion of projects that are located within ¼-mile of key transit corridors in Metro areas
- Support for projects from and technical assistance resources for new and emerging developers to help build and diversify the pipeline of development talent
- Clarity on the expected role and/or compensation of nonprofit partners in projects, when utilized to demonstrate and/or leverage community collaboration

Thank you for the opportunity to comment!

Sincerely,

Jamie Berglund
EXECUTIVE DIRECTOR

1111 N 13th Street, Suite 311
Omaha, NE 68102
402.819.4885

sparkcdi.org

Comments To The 2022/2023 Qualified Allocation Plan

By Teresa Kile

General Comments:
Changes must be measured to ensure that they meet the objectives they were intended for.

2022/2023 Housing Credit Allocation Plan for 4% LIHTC and Nebraska AHTC

Private Activity Volume Bond Cap per Development: The Private Activity Bond Cap per development is $18 million. This amount should be increased. In a development that is providing more than housing, a project is handicapped by the 50% rule of the project's aggregate basis that must be financed by tax exempt bonds. Economy of scale is important in these deals. The tax-exempt bond projects with LIHTC and/or AHTC must have at least 100 units to be financially viable. And if the development includes a community service facility, commercial space and/or other amenities to enhance the lives of the tenants, the cap of $18 million is easily exceeded. If the per development cap was increased, utilization of this program would allow more than housing for developments.

2022/2023 Housing Credit Allocation Plan for 4% or 9% LIHTC and AHTC

Section 9.2 Maximum Fee Limits: General Requirements is defined as contractor's miscellaneous administrative and procedural activities and expenses that do not fall in a major-function construction category and are Project-specific and there for not part of the contractor's general overhead. This line item is not a professional fee but rather costs associated with the development and should not be included when calculating the 24% limit for professional fees of the contractor, developer, tax credit consultant and real estate consultant.

CRANE Applications

In the proposed application, CRANE projects are required to provide more supportive services while generating less revenue in which to do so. A CRANE development must provide the maximum number of supportive services for the maximum number of points available, and it is expected that the project will provide additional services not listed in the application. In the proposed application these developments must lower their rents so that 10% of their units target incomes at 40% of AMI and 40% of their units target incomes at 50% of AMI. It is important to provide supportive services to the tenant; however, to provide these services, the development must be allowed to generate the revenue to do so and remain financially sustainable.

From:	Thomas Judds
To:	Sara Tichota; Pamela Otto
Cc:	Thomas Judds
Subject:	Public Comments to the Proposed QAP/Application for 2022 & 2023
Date:	Thursday, November 18, 2021 2:18:44 PM

Dear Sara and Pam,

It is only appropriate to begin this message by conveying my **heartfelt gratitude to you both and the rest of the NIFA staff that have devoted significant time and effort during this reevaluation process of the QAP. This can't be underscored enough**.

On behalf of the Lincoln Housing Authority, please accept the following items for public comment. Please know the extent of the matters are more so suggestions and questions for clarity. I appreciate the opportunity to share them with you. It should be noted, the comments are in reference to the *2022/2023 9% NIFA/NDED Application updated 11/9/2021.*

1. Permanent Sources/Syndication Information - For your consideration, I offer the suggestion to relabel the heading "Syndication Information" to that of "Investor Information." This suggestion would also apply to "Name of Syndicator." It would also be applicable to the Syndication Information for Nebraska Affordable Housing Tax Credits section. The suggestion is based on those applicants that may choose to sale the credits through a direct placement structure rather than through a syndication firm. Such change would complement Exhibit 108 titled, "Investor Interest/Commitment Form."
2. Development Team - in concert with the above, it is suggested the line items labeled "Federal Syndication Firm" and "State Syndication Firm" be revised to reflect "Federal Investor" and "State Investor."
3. Track Record of Applicant and/or Owner - It appears the proposed application offers 1 point for an Applicant and/or Owner that has not requested an increase of LIHTC for a previous previously awarded development within the past 24 months. Could you please provide comment to whether an Applicant and/or Owner that has not received an award, or even submitted an application, within the past 24 months be eligible for these points?
4. Leveraging and Collaboration - I would just like to obtain more information regarding the specifics for eligible and non-eligible resources, and for entities of identity of interests. Thank you.
5. Family Development - In the event Chris Lamberty, executive director of the Lincoln Housing Authority, has not submitted this comment...I think the Voucher program is a fair representation of the demand for low income housing. Families are issued vouchers based on the size of their family. In Lincoln, only 5% of all vouchers are for 4 Bedroom units. If you included 4 bedroom and larger, it is only 6%. Ninety-four percent of all vouchers holders require a 0, 1, 2 or 3

bedroom unit. In that context I question what data would indicate that NIFA should be encouraging more 4 bedroom units to be built. It seems like a community specific need, and maybe that need exists in some places. I question whether that exists in Lincoln.

Please let me know if you should have any questions.

In highest respect,

Thomas Judds
Lincoln Housing Authority
402-434-5557

From:	Sara Tichota
To:	Pamela Otto
Subject:	FW: QAP / Application comments
Date:	Thursday, November 18, 2021 8:40:21 AM

Sara J. Tichota
LIHTC Allocation Manager
Nebraska Investment Finance Authority
Main: 402.434.3900
Direct: 402.434.3916
1230 O St. Ste. 200 Lincoln, NE 68508
www.nifa.org

-----Original Message-----
From: Todd Lieberman <toddl@brinshore.com>
Sent: Wednesday, November 17, 2021 10:07 PM
To: Sara Tichota <Sara.Tichota@nifa.org>
Cc: Joanie Poore <JPoore@ohauthority.org>; Cydney Franklin <cydney@seventyfivenorth.org>; kljohnstondorsey <kljohnstondorsey@cityofomaha.org>; William H. Lukash (Plng) <William.Lukash@cityofomaha.org>; Brian Hansen <BHansen@ohauthority.org>; Kathleen Bole <kbole@brinshore.com>
Subject: QAP / Application comments

Sara

I applaud your efforts to update the QAP. The revised QAP supports concerted revitalization and mixed-income developments. I have two fairly urgent comments (i) to make the leverage and collaboration points more practical and (ii) to explore the micro level scoring disadvantages with the areas of high opportunities mapping that have clear amenities in close proximity.

1. Under the "Leverage and Collaboration" points category, please consider including an option for the leverage to be evidenced by a subordinate loan with below market interest rate and with debt service payments payable only out of cash flow only or repayment completely deferred to maturity. By structuring gap financing as a subordinate loan like this, you do not reduce basis and you also do not reduce your ability to maximize amortizing debt. If a grant comes into a project, it reduced basis. Even if a charitable organization or Federal Home Loan Bank grants funds to a project, it is generally through a non-profit who in turn lends the funds as a subordinate loan to the project. This is the structure Choice Neighborhoods, HOME funds and Philanthropic funds typically come into our mixed-income public housing redevelopment deals.

2. don't think that the intention is to disadvantage revitalization areas, but areas like Highlander do not score well on the Areas of High Opportunity index simply because they are in a revitalizing location. If you could give areas in revitalization areas / Choice Neighborhoods areas an opportunity to show proximity to various categories, it would not so harshly underscore these areas. For example even though Highlander sits next to one of the largest Federally Qualified Health Centers in the City (Charles Drew) and are two blocks from a pharmacy, we score 0 points in health. Likewise, even though we have Creighton University satellite, Metro Community Colleges on-site and are down the street from an elementary school and a new early childhood center that just opened, we would receive 0 points on the website. This index is unfair to revitalization areas because it does not take into account these clear adjacent amenities. Instead broad swaths of North and South Omaha would score zero points based on the maps. The same is true of health and environment with numerous City parks that don't even seem to register on this system. In short, even though many sites are adjacent to amenities, this mapping system and the corresponding scoring awards zero points. One way to rectify this apparent disconnect would be to provide an applicant the option of proving that services in urban areas are within a certain radius of projects like in the Non-Metro category for proximity to services. This would seem to be appropriate for a site like Highlander of some of the other revitalizing areas in Omaha.

3. I would also urge you to increase the scoring for Choice Neighborhoods by 1-2 points so that HUD be encouraged to fund future Choice Neighborhoods projects to help redevelop Nebraska's public housing.

Thanks
Todd

From: [Sara Tichota](#)
To: [Pamela Otto](#)
Subject: FW: QAP / Application comments
Date: Friday, November 19, 2021 11:02:02 AM
Attachments: image002.png
image003.png
image004.png
image005.png
image006.png

Sara J. Tichota
LIHTC Allocation Manager
Nebraska Investment Finance Authority
Main: 402.434.3900
Direct: 402.434.3916
1230 O St. Ste. 200 Lincoln, NE 68508
www.nifa.org

From: Todd Lieberman <toddl@brinshore.com>
Sent: Friday, November 19, 2021 9:27 AM
To: Sara Tichota <Sara.Tichota@nifa.org>
Cc: Joanie Poore <JPoore@ohauthority.org>; Cydney Franklin <cydney@seventyfivenorth.org>; kljohnstondorsey <kljohnstondorsey@cityofomaha.org>; William H. Lukash (Plng) <William.Lukash@cityofomaha.org>; Brian Hansen <BHansen@ohauthority.org>; Kathleen Bole <kbole@brinshore.com>; Whitney Ellis <whitneye@brinshore.com>
Subject: RE: QAP / Application comments

Sara

I have one other comment. In order for philanthropic funders and the FHLB to provide funding, they generally want to provide their funding through an eligible non-profit **partner** in a development. By removing development partners as eligible conduits for philanthropic investment or FHLB, you are making those funds ineligible. Likewise, HUD funding generally flows through the housing authority who is in turn a partner in many mixed-income public housing redevelopments. HUD, a charitable organization or FHLB will grant funds to a non-profit who then loans the funds into the project. Respectfully, please remove the identity of interest restriction in leverage and collaboration section.

I LEVERAGE AND COLLABORATION
Applicants who demonstrate efforts to collaborate and leverage the housing credit and NDED

funding
sources will be eligible for up to 4 additional points. Signed, firm commitments from local government, private partners, non-profit and charitable organizations, excluding entities with an identity of interest (i.e. contractors, accountants, architects, consultants, engineers, development partner, syndicator, etc.) will be calculated in relation to total development costs

Thanks
Todd

-----Original Message-----
From: Todd Lieberman
Sent: Wednesday, November 17, 2021 10:07 PM
To: Sara Tichota <Sara.Tichota@nifa.org>
Cc: Joanie Poore <JPoore@ohauthority.org>; Cydney Franklin <cydney@seventyfivenorth.org>; kljohnstondorsey <kljohnstondorsey@cityofomaha.org>; William H. Lukash (Plng) <William.Lukash@cityofomaha.org>; Brian Hansen <BHansen@ohauthority.org>; Kathleen Bole <kbole@brinshore.com>
Subject: QAP / Application comments

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Thanks
Todd

LOW-INCOME HOUSING TAX CREDITS

Policy Objectives and QAP Changes Matrix

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

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**
CRANE					
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) and meet targeting gross rent requirements.**	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	
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 and rent targeting requirements will ensure the development will continue to house underserved population for a longer period of time and at affordable rents.					

**Changes made after the 1st Public Hearing*

***Changes made after October Board Meeting*

**** Changes made after the 2nd Public Hearing*

Revised 12/2/2021

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. An additional point is available if all three categories have a "Very High" rating.**	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	
Added Proximity to Services (Non-Metro only). Developments can score up to 2 points-based proximity to grocery stores, medical clinics, day cares, school, parks, etc. **	X		X	X	

**Changes made after the 1st Public Hearing*

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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 and Proximity to Services incentivize affordable housing development in areas that offer improved access to jobs, schools, health care, parks, 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.					
Coordination with Local Efforts & Incentivize Development Across Rural Nebraska					
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 cased 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	

**Changes made after October Board Meeting*

**Changes made after the 1st Public Hearing*

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Revised 12/2/2021

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	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
Added Community Housing Initiatives (Non-Metro only). Communities that demonstrate active housing activities (new construction, lot preparation, purchase rehab resale, etc.) within the last 24 months are eligible for one (1) point.***	X		X	X	
Added Development of Housing in Greater Nebraska. Two (2) points are available for an applicant or developer that has participated in a development of at least 10 units of owner occupied or rental housing in communities of less than 15,000 within the last 24 months.***	X		X	X	
Added Leverage and Collaboration. Applicants who demonstrate efforts to collaborate and leverage the housing credit and NDED funding sources will be eligible for up to four (4) additional points.***	X				X
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, specially incentivizing developments in rural Nebraska.					
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	

**Changes made after the 1st Public Hearing*

***Changes made after October Board Meeting*

**** Changes made after the 2nd Public Hearing*

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CROWN developments are eligible for Right of First Refusal points.	X				
CROWN developments must waive any right to a Qualified Contract.			X		
Added a down payment savings plan as a supportive service.	X		X	X	
Why: The CROWN program provides homeownership opportunities for underserved populations. The changes are programmatic in nature or will encourage program participation. Added supportive services will provide a mechanism to encourage homeownership.					
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

**Changes made after the 1st Public Hearing*

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Efficient Housing Production: Applications will be separated by development type (new construction, rehabilitation) within each set-aside.		X			X
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.					
Green Standards/Sustainable Development					
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		
Why: Green building and sustainable design increases efficiency, impacts long-term durability, and can improve health outcomes and reduce energy costs for tenants.					
Long-Term Viability and Quality Operation of Developments					
Added two points for management companies that attend the NIFA LIHTC Compliance Training.	X				X

**Changes made after the 1st Public Hearing*

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Added one point for management companies that can provide documentation of a Housing Credit Certified Professional designation or equivalent.	X				X
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.					
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

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Changes to Threshold review and structure. No points will be awarded for turning in threshold for review.					X
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
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.					

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**** Changes made after the 2nd Public Hearing*

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Revised 12/2/2021