



May 23, 2017

Nebraska Senators

Dear Senator:

The Nebraska Investment Finance Authority (“NIFA”), created by the Nebraska Investment Finance Authority Act (the “Act”), continues to serve the needs of Nebraska’s individuals and businesses in the areas of housing, agriculture, health care and industrial and community development. In accordance with §58-270 of the Act, attached is NIFA’s Annual Report for 2016, including a link to NIFA’s audited financial statement for fiscal year 2016. We invite you to peruse our Report and the additional information we have included to bring you up to date on the programs and activities of NIFA.

Safe, decent, and affordable housing is a vital component of Nebraska’s mission. On behalf of the state of Nebraska, NIFA administers the allocation of the Section 42 low-income housing tax credit (LIHTC), the primary federal resource for the construction of affordable rental housing. (See Tab 1 for the statewide distribution of LIHTC units.) Through the federal tax-exempt private activity bond program, NIFA additionally facilitates the development and rehabilitation of affordable housing. These resources have been effectively deployed by NIFA in Nebraska for more than 30 years. In 2016, the Nebraska Legislature authorized the Nebraska state affordable housing tax credit, providing an additional and much needed resource for stimulating the production of affordable housing.

To assist Nebraskans in the purchase of a first-home, NIFA’s principle resource is the federal mortgage revenue bond program, with bond proceeds used to finance below “market-rate” mortgages for low and moderate income Nebraskans. (Tab 2 illustrates the success of this program over the past 22 years.) To better serve Nebraska’s first-time homebuyers, NIFA continues to work for reform of the federal rules applicable to this program as well as innovate ways to increase the number of rural lenders participating in this program to continue to serve all areas of the state.

Since 2002, NIFA has engaged Western Economic Services LLC to publish the *Profile of Nebraska Report*© and the *Nebraska DashBoard*®. The *Report* compiles comprehensive information about multiple factors that influence current housing and economic activity, presented by county, development district region and by Nebraska’s 31 largest communities. The *Report* and *Dashboard* are widely used as the “go to” source for Nebraska statewide, comparative economic information. (See Tab 3 for a sample of the type of information compiled from data in the *2017 Profile of Nebraska Report*©.) The *Dashboard* and *2017 Report* may be found at www.nestats.org.

Housing needs vary from community to community. NIFA’s Housing Study Grant Program provides matching funds to assist Nebraska communities in the assessment of their individual housing needs. (See Tab 4 for a list, by county, of housing study grants awarded by NIFA since 2005.)

Finally, new at NIFA is our transparency website providing information on NIFA expenditures and NIFA contracts. The site may be accessed at <https://spending.nifa.org>.

Thank you for reviewing our 2016 Annual Report and related materials. We look forward to working with you during the interim and in the next legislative session.

Sincerely,

Timothy R. Kenny
Executive Director

cc: NIFA Board of Directors
Governor Pete Ricketts c/o Matt Miltenberger, Chief of Staff

Copy also to be sent to the Clerk of the Legislature electronically



Nebraska Investment Finance Authority

2016 Annual Report

NIFA-FINANCED HOMES

Creekside Village - Lincoln, Nebraska



Affordable Rental Units

Single Family Home - Omaha, Nebraska



First-time Homebuyers

SERVING NEBRASKANS SINCE 1983



Nebraska Investment Finance Authority

2016 Annual Report

The Nebraska Investment Finance Authority (NIFA) continues to serve the needs of Nebraska's individuals and businesses without the use of state tax dollars and remains one of the most productive and cost efficient finance authorities in the nation.

For over 30 years, NIFA has:

- Maximized federal resources through cost efficient and innovative financing
- Financed over 86,676 affordable single family mortgages
- Effected the creation of over 22,698 affordable rental units
- Provided financial resources for beginning farmers and ranchers
- Financed manufacturing, health care and community development endeavors
- Offered technical advice and support to communities, housing organizations and development professionals across the state

NIFA was created in 1983 as a quasi-governmental instrumentality of the State of Nebraska. NIFA receives no state- or federal-sourced administrative funding. Accordingly, NIFA's Board and staff work together to carry out programs which enable NIFA to fund its operations and fulfill its mission while maintaining a strong financial credit rating.

Sincerely,

Courtney Dentlinger
NIFA, Chair-Board of Directors

Tim Kenny
NIFA, Executive Director



Multifamily Housing Program - 2016

Low Income Housing Tax Credits

- Allocated \$44,762,160 in federal tax credits creating 325 affordable rental units in 6 communities
- Financed developments with approximately \$64.3 million in total construction costs
- Construction completed on 9 projects previously awarded tax credits providing 308 affordable units
- Provided compliance monitoring for over 12,401 units in 95 communities

CRANE (Collaborative Resource Allocation for Nebraska)

- Financed 150 units of affordable rental housing in the areas of special needs and historic preservation

Workforce Housing Finance

- Introduced the Workforce Housing Initiative Pilot Program
- Two communities selected from the first round of the pilot program have developments under construction; NIFA will accept proposals for the second round in January of 2017
- Hosted the first Workforce Housing Forum in Kearney

Nebraska Affordable Housing Tax Credit

- Approved by the Legislature in 2016, this program is under development in coordination with Nebraska Department of Revenue for affordable housing projects that will complete construction after January 1, 2018 (LB884)





Nebraska Investment Finance Authority

2016 Annual Report

Single Family Housing Program - 2016

- Financed 1,636 homes totaling \$183.9 million for first-time homebuyers
- Average home purchase price
 - Urban - \$127,410
 - Rural - \$99,000
- Average loan amount
 - Urban - \$122,040
 - Rural - \$95,615
- Loans in 64 counties and 180 communities across the state
- Provided \$3.2 million of down payment and closing cost assistance to 646 borrowers with funds provided by NIFA

Since inception NIFA has financed (through 12/31/16):

- Financed 86,676 home loans for low and moderate income homebuyers in 90 counties
- Aggregate loan amount of approximately \$5.72 billion
- Financed with \$5.6 billion in NIFA housing revenue bonds
- In addition to our low rate mortgages, and without using federal or state tax dollars, over the last 20 years NIFA has provided more than \$52 million dollars of down payment and closing cost assistance to 15,781 Nebraska first time homebuyers.



2016 Annual Report

Outreach Program

- Hosted the 15th Annual Housing Innovation Marketplace conference
- Released the 2016 Profile of Nebraska Demographics, Economics and Housing Study
- Provided matching capacity building grants to 7 partners serving 52 counties through the Outreach Partnership Program (since inception in 2002, the program has collaborated with 20 partners serving 83 counties)
- Hosted six community meetings across the state in partnership with local housing organizations, the Nebraska Department of Economic Development and USDA-Rural Development
- Worked with Habitat for Humanity of Omaha, a NIFA outreach partner since 2009, to facilitate the reinvestment of nearly \$8 million through their Roof & Repair Program, Homeownership Program and Block by Block Initiative, making homes safer and more affordable for over 200 families.
- Collaborated with Nebraska Housing Resources, a NIFA outreach partner since 2015, to develop a new subdivision in Lincoln's Hub Hall Heights area. Fifteen (15) of the 26 new lots were reserved in 2016, with construction scheduled to begin in 2017.
- Prairie Gold Homes, a NIFA outreach partner since 2015 expanded their inmate job training program to the McCook Work Ethic Camp and constructed and sold their first home in McCook. Their Lincoln class finished construction of their first home in Beatrice.



2016 Annual Report

Beginning Farmer/Rancher Program - 2016

Agricultural loan program:

- Financed over \$3.6 million in loans to 13 beginning farmers in 12 counties
- Average loan amount of \$281,320
- Average interest rate was 1.28% below market rate

Other activities:

- Worked with a national ag finance organization on a legislative bill to modernize the program via raising loan limits on depreciable Ag property
- Awarded a total of \$50,000 to 4-H Clubs and FFA Chapters in sponsorship of the Governor's Agricultural Excellence Awards



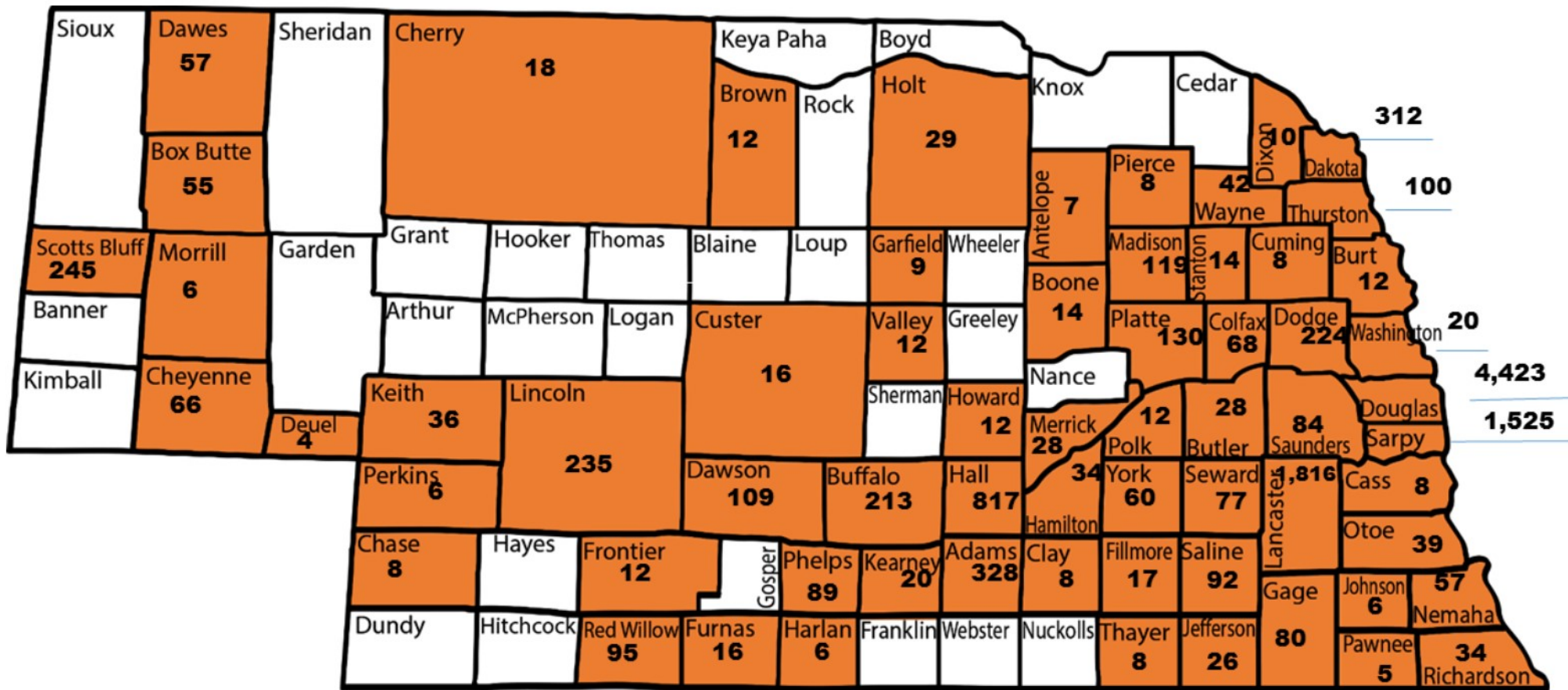
Financial Statements & Transparency

- Audited financial statements for fiscal year 2016 are available on NIFA's website: http://nifa.org/about/bonds_fnci_disclaimer.html
- NIFA's transparency website: <https://spending.nifa.org>

NEBRASKA INVESTMENT FINANCE AUTHORITY

Low Income Housing Tax Credit Program

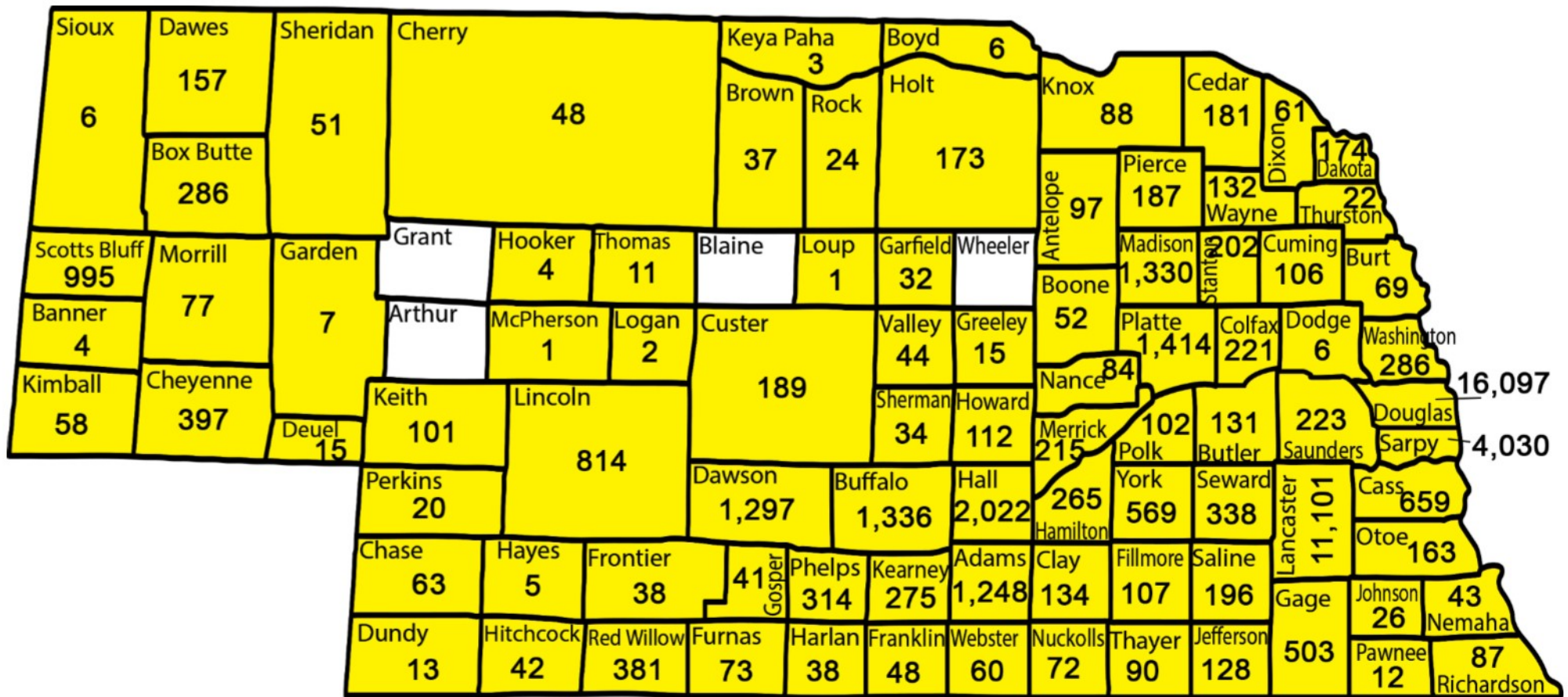
Distribution as of December 2016



■ Active LIHTC Units in 2016 = 12,086
 Total LIHTC Units Since Inception = 17,095
 Total LIHTC & Market Rate Units Since Inception = 23,263

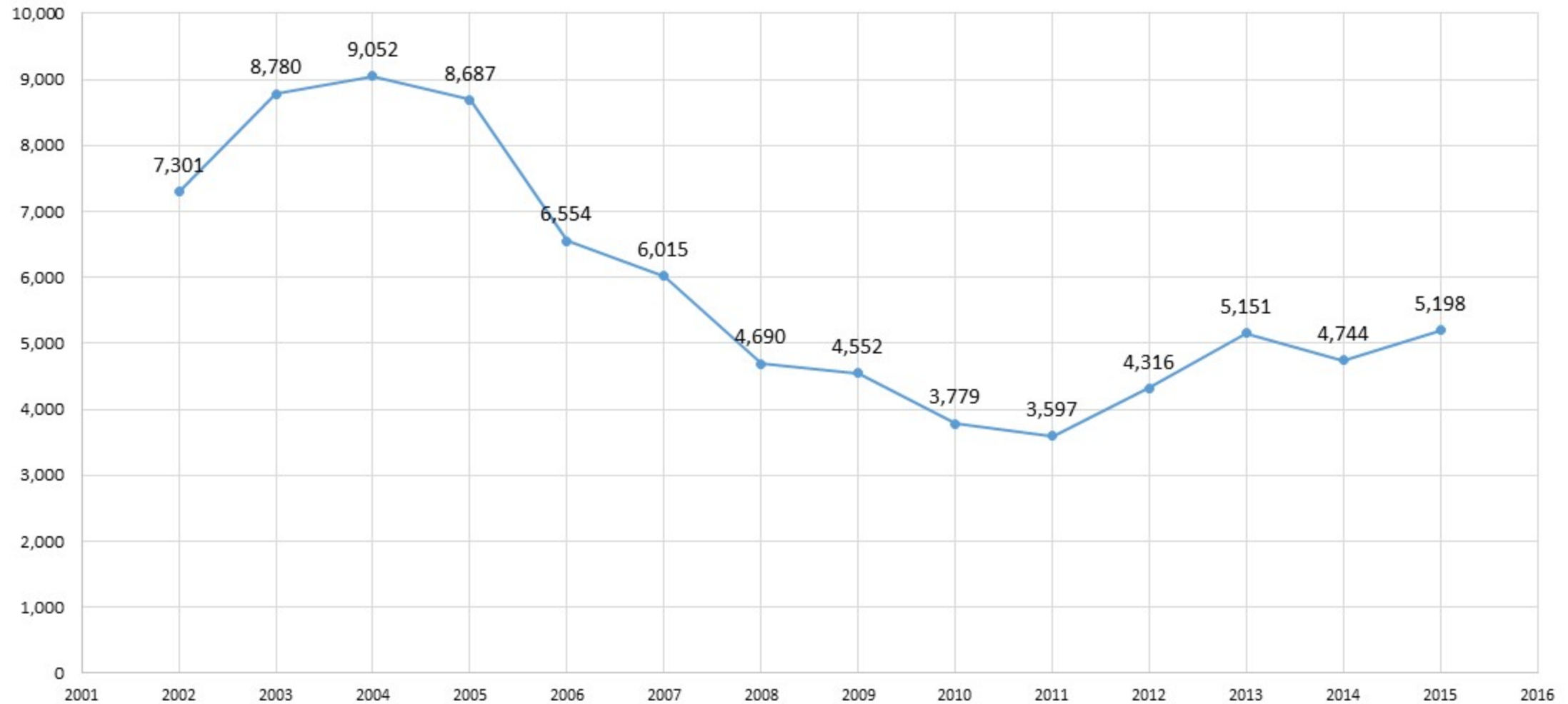
NEBRASKA INVESTMENT FINANCE AUTHORITY Single Family Bond Program

of Closed Loans 1-1-95 to 4-30-17



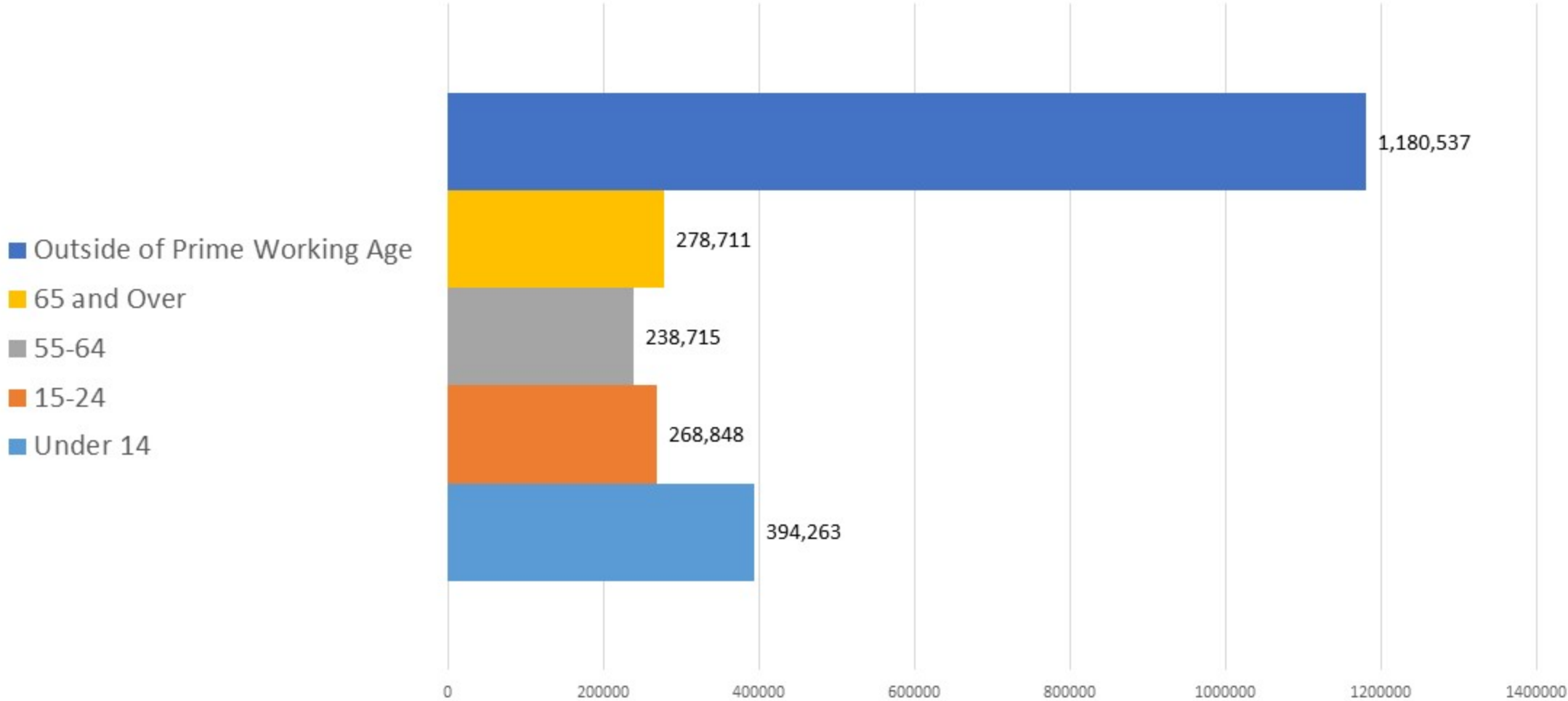
Single Family Permits

2002 - 2015



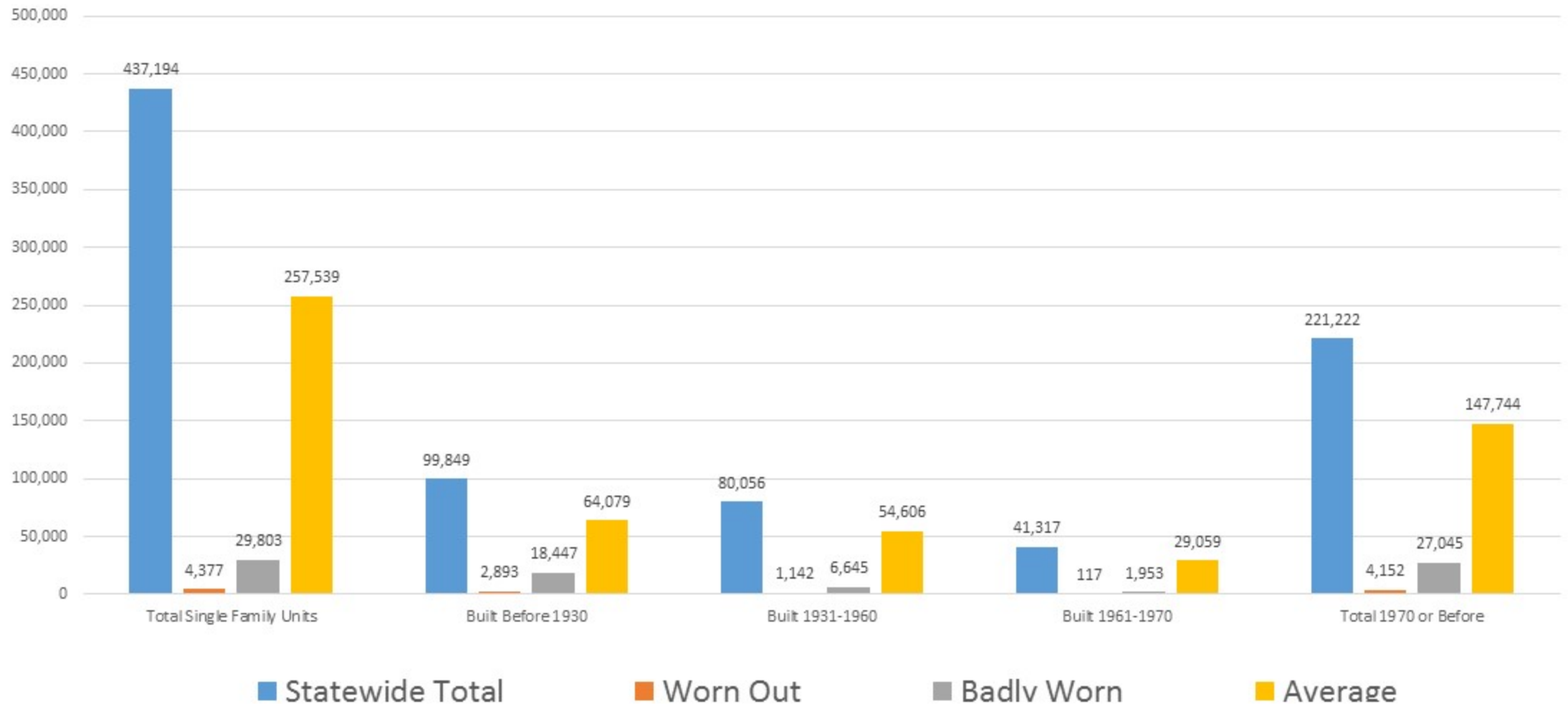
Total Population

July 2015 Est - 1,896,190



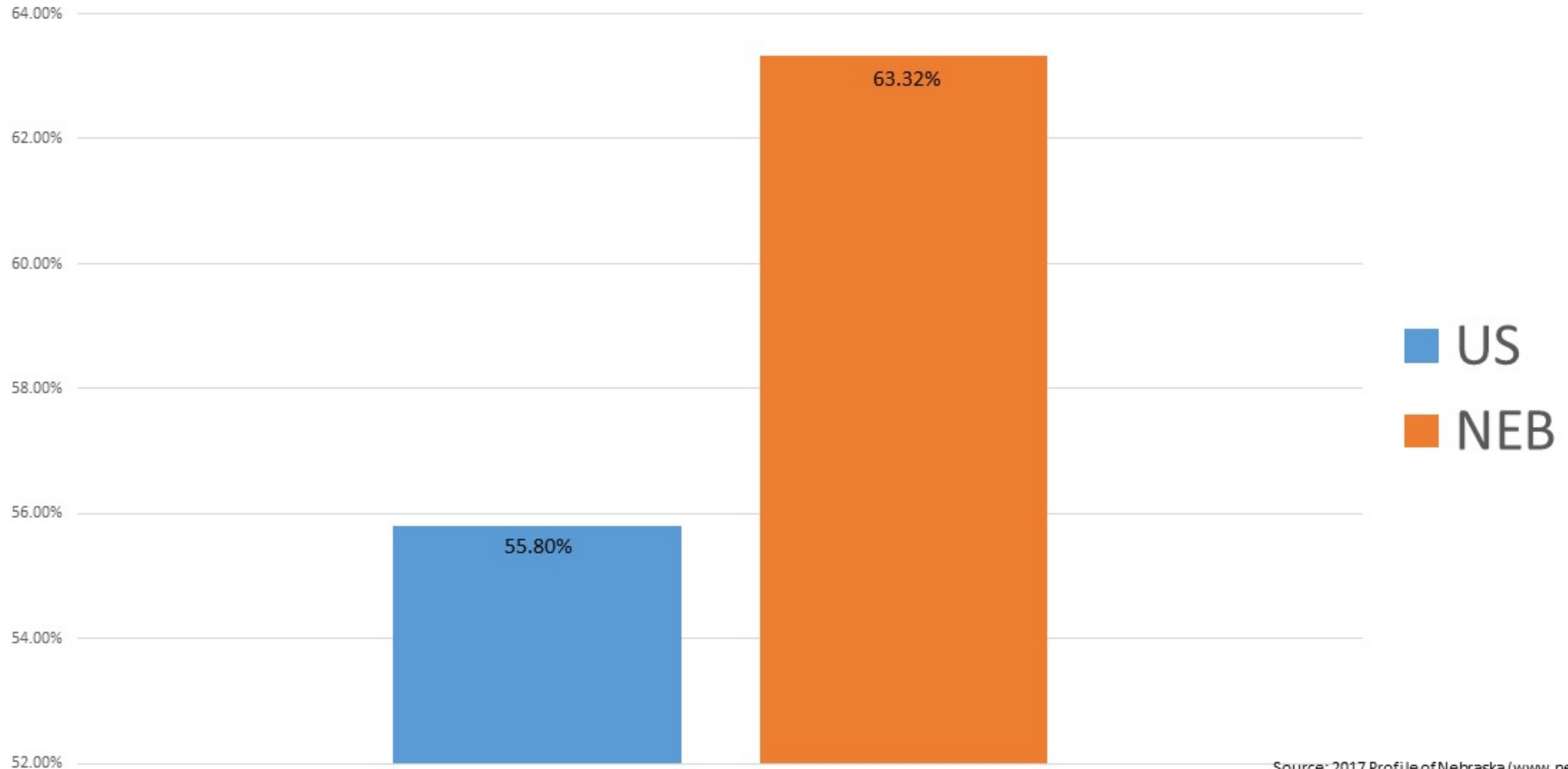
Source: 2017 Profile of Nebraska (www.nestats.org)

Statewide Condition of Housing Statistics as of 2016



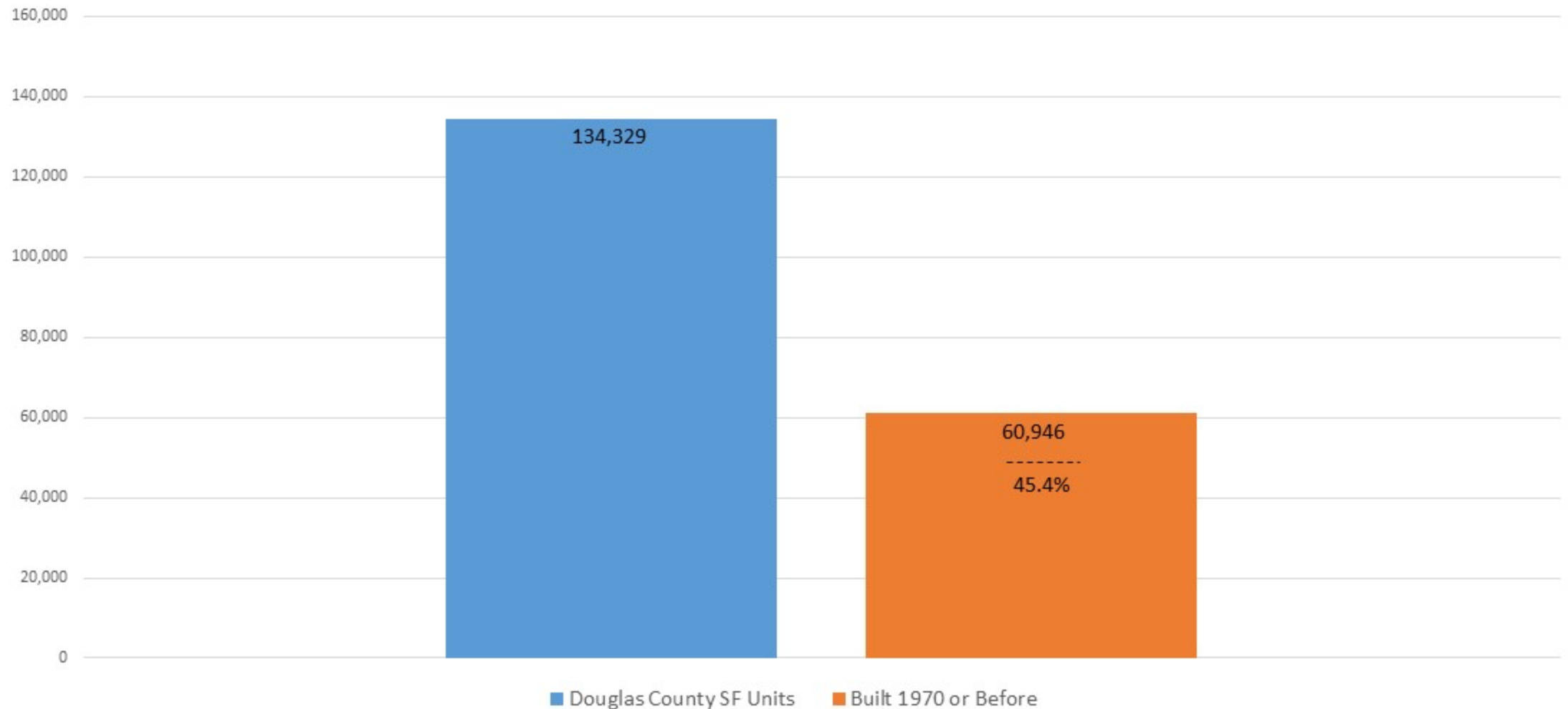
Source: 2017 Profile of Nebraska (www.nestats.org)

Percentage of Housing Built before 1979 US & Nebraska



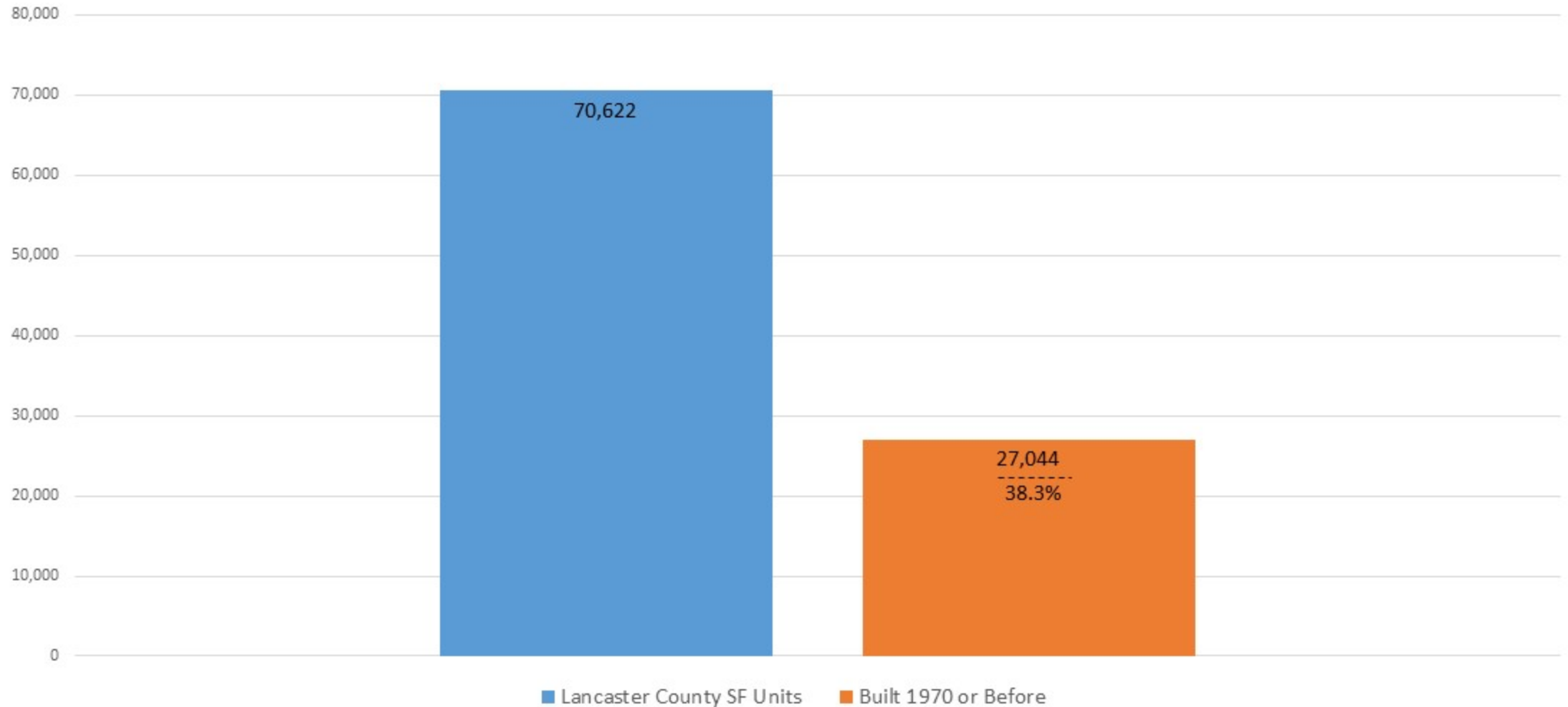
Douglas County

Single Family Housing Conditions



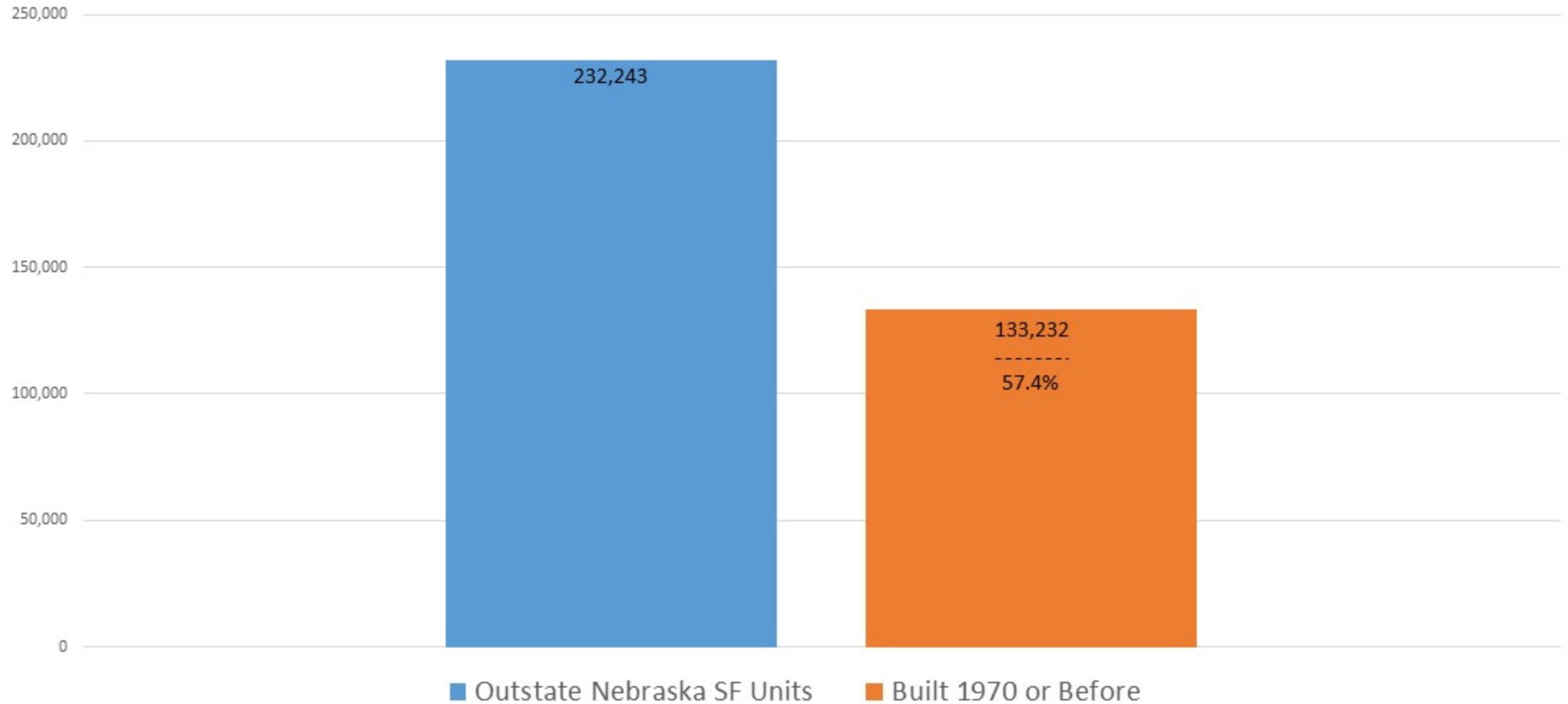
Lancaster County

Single Family Housing Conditions



Outstate Nebraska – Single Family Conditions

Excludes Douglas & Lancaster Counties



NIFA Housing Study Grants 2005-2016

Year	APPLICANT	AREA \ COMMUNITY	County	Congr. District	REQUESTED AMOUNT	MATCHING FUNDS	FUNDS AWARDED
2005	Housing Development Corporation	Hastings	Adams	3	\$ 9,000	\$ 9,000	\$ 9,000
2005	Good Samaritan Village	Southeast Area of Hastings	Adams	3	\$ 15,000	\$ 15,000	\$ 15,000
2016	Hastings Community Development Authority	Hastings	Adams	3	\$ 10,290	\$ 10,710	\$ 10,290
2014	Neligh Planning and Zoning Commission	Neligh	Antelope	3	\$ 21,000	\$ 22,000	\$ 21,000
2009	Albion Economic Development Corp.	Albion	Boone	3	\$ 10,000	\$ 10,000	\$ 10,000
2014	Box Butte Development Corporation	Alliance	Box Butte	3	\$ 15,000	\$ 15,000	\$ 15,000
2009	North Central Development Center, Inc.	Brown, Rock and Keya Paha Cos.	Brown / Rock / Keya Paha	3	\$ 8,000	\$ 8,000	\$ 8,000
2007	Buffalo County Community Partners	Buffalo County	Buffalo	3	\$ 26,465	\$ 27,000	\$ 26,465
2006	Burt County Economic Development Corporation	Burt County	Burt	1	\$ 8,000	\$ 8,000	\$ 8,000
2014	Burt County Economic Development Corp	Burt County	Burt	1	\$ 8,000	\$ 8,000	\$ 8,000
2012	Louisville Planning Commission	Louisville	Cass	1	\$ 12,374	\$ 12,376	\$ 12,374
2007	Wauneta Development Corp.	Wauneta, NE	Chase	3	\$ 3,000	\$ 3,000	\$ 3,000
2009	Imperial Community Foundation	Chase County	Chase	3	\$ 6,000	\$ 6,000	\$ 6,000
2013	City of Imperial Planning Commission	Imperial	Chase	3	\$ 13,426	\$ 13,974	\$ 13,426
2013	City of Valentine Planning Commission	Valentine	Cherry	3	\$ 25,000	\$ 27,400	\$ 25,000
2016	Sutton Planning & Zoning Committee	Sutton	Clay	3	\$ 7,924	\$ 7,926	\$ 7,924
2005	Schuyler Development Company	Schuyler	Colfax	3	\$ 3,950	\$ 4,000	\$ 3,950
2016	Schuyler Planning Commission	Schuyler	Colfax	3	\$ 13,500	\$ 31,500	\$ 13,500
2011	City of West Point Planning Commission	West Point	Cuming	1	\$ 10,000	\$ 12,000	\$ 10,000
2013	Cuming County Economic Development Corp.	Cuming County	Cuming	1	\$ 25,000	\$ 25,000	\$ 25,000
2009	Central Nebraska Economic Development, Inc.	Custer County	Custer	3	\$ 9,400	\$ 18,800	\$ 9,400
2016	Broken Bow Planning Commission	Broken Bow	Custer	3	\$ 13,400	\$ 31,450	\$ 13,400
2010	Housing Agency of the City of South Sioux City	South Sioux City	Dakota	3	\$ 6,000	\$ 6,000	\$ 6,000
2016	South Sioux City Planning Commission	South Sioux City	Dakota	3	\$ 22,050	\$ 51,700	\$ 22,050
2006	Dawson Area Development	Dawson County	Dawson	3	\$ 9,000	\$ 9,000	\$ 9,000
2014	Dawson Area Development	Dawson County	Dawson	3	\$ 8,000	\$ 8,000	\$ 8,000
2013	City of Chappell Planning Commission	Chappell	Deuel	3	\$ 9,000	\$ 9,000	\$ 9,000
2012	Wakefield Residential Development Group, Inc.	Wakefield	Dixon / Wayne	3	\$ 6,000	\$ 6,000	\$ 6,000
2005	Omaha By Design	Benson Neighborhood Alliance Area	Douglas	2	\$ 60,000	\$ 80,000	\$ 60,000
2006	Destination Midtown	Omaha	Douglas	2	\$ 30,000	\$ 30,000	\$ 30,000
2006	The Real Estate Center, Univ. of Nebraska -Omaha	S. Omaha/Midtown/Benson-Ames/N. Omaha	Douglas	2	\$ 35,000	\$ 35,005	\$ 35,000
2007	Omaha Community Foundation	Benson/ Maple St corridor	Douglas	2	\$ 32,500	\$ 65,000	\$ 32,500
2012	Omaha NuStyle Development Corp.	Omaha	Douglas	2	\$ 59,000	\$ 61,000	\$ 59,000
2016	Fillmore County Development Corporation	Fillmore County	Fillmore	3	\$ 7,840	\$ 8,160	\$ 7,840
2014	Medicine Valley Economic Development Corp	Curtis	Frontier	3	\$ 6,600	\$ 6,900	\$ 6,600
2007	Arapahoe Housing Authority	Arapahoe, NE	Furnas	3	\$ 4,000	\$ 4,000	\$ 4,000
2012	Cambridge Economic Development Board	Cambridge	Furnas	3	\$ 12,691	\$ 13,209	\$ 12,691
2016	Gage Area Growth Enterprise	Gage County	Gage	3	\$ 14,700	\$ 15,300	\$ 14,700
2014	Greeley County Planning Commission	Greeley County	Greeley	3	\$ 9,000	\$ 9,000	\$ 9,000
2014	Grand Island Area Economic Development Corp	Grand Island	Hall	3	\$ 16,000	\$ 16,000	\$ 16,000
2015	Wood River Area Economic & Housing Dev. Corp.	Wood River	Hall	3	\$ 18,620	\$ 19,380	\$ 18,620
2012	Central Nebraska Housing Developers Corp.	Aurora	Hamilton	3	\$ 3,750	\$ 3,750	\$ 3,750
2016	Hayes County Board of Economic Development	Hayes County	Hayes	3	\$ 4,640	\$ 11,360	\$ 4,640
2010	Central Nebraska Economic Development District	Holt County	Holt	3	\$ 7,500	\$ 7,500	\$ 7,500
2015	Atkinson Planning & Zoning commission	Atkinson	Holt	3	\$ 25,100	\$ 26,150	\$ 25,100
2016	CORE Development Inc.	Holt, Antelope Counties	Holt / Antelope	3	\$ 20,000	\$ 20,000	\$ 20,000
2009	St. Paul Development Corp.	Howard County	Howard	3	\$ 7,000	\$ 7,000	\$ 7,000
2014	Planning and Zoning Commission	St. Paul	Howard	3	\$ 22,500	\$ 22,600	\$ 22,500
2007	Keith County Housing Development Corp.	Keith County	Keith	3	\$ 7,000	\$ 7,000	\$ 7,000
2015	Kimball Planning Commission	Kimball	Kimball	3	\$ 17,640	\$ 18,360	\$ 17,640
2013	Knox County Development Agency	Knox County	Knox	3	\$ 9,000	\$ 9,000	\$ 9,000
2012	Waverly Planning Commission	Waverly	Lancaster	1	\$ 30,000	\$ 50,000	\$ 30,000
2015	NeighborWorks@ Lincoln	Clinton & Hartley Neighborhoods	Lancaster	1	\$ 14,700	\$ 15,300	\$ 14,700
2016	Hickman Planning Commission	Hickman	Lancaster	1	\$ 13,300	\$ 31,200	\$ 13,300
2016	Roca Planning Commission	Roca	Lancaster	1	\$ 10,100	\$ 23,850	\$ 10,100
2005	Development Corporation of North Platte	Lincoln County	Lincoln	3	\$ 7,000	\$ 7,000	\$ 7,000
2009	Lincoln County CDC	North Platte	Lincoln	3	\$ 20,000	\$ 23,500	\$ 20,000

NIFA Housing Study Grants 2005-2016

Year	APPLICANT	AREA \ COMMUNITY	County	Congr. District	REQUESTED AMOUNT	MATCHING FUNDS	FUNDS AWARDED
2009	Northeast Economic Development, Inc	Norfolk	Madison	1	\$ 9,500	\$ 9,500	\$ 9,500
2016	Norfolk Housing Agency	Norfolk	Madison	1	\$ 10,000	\$ 15,000	\$ 10,000
2016	Palmer Economic Development Corporation	Palmer	Merrick	3	\$ 10,290	\$ 10,710	\$ 10,290
2011	NeighborWorks@Northeast Nebraska	Multiple counties	Multiple counties		\$ 10,650	\$ 10,650	\$ 10,650
2011	Nance County Planning Commission	Nance County	Nance	3	\$ 10,500	\$ 10,500	\$ 10,500
2015	City of Superior Planning Commission	Superior	Nuckolls	3	\$ 7,300	\$ 7,700	\$ 7,300
2013	Nebraska City Housing Authority	Nebraska City	Otoe	1	\$ 10,000	\$ 10,000	\$ 10,000
2016	Pawnee City Planning Commission	Pawnee City	Pawnee	3	\$ 6,960	\$ 17,040	\$ 6,960
2009	Southwest Nebraska Community Betterment Corp.	Grant	Perkins	3	\$ 6,000	\$ 6,000	\$ 6,000
2005	Holdrege Housing Authority	Holdrege	Phelps	3	\$ 7,500	\$ 7,500	\$ 7,500
2012	Holdrege Development Corp.	Holdrege	Phelps	3	\$ 7,000	\$ 7,000	\$ 7,000
2016	Bertrand Housing Authority	Bertrand	Phelps	3	\$ 6,600	\$ 6,800	\$ 6,600
2007	Northeast Economic Development, Inc.	Columbus	Platte	1	\$ 11,000	\$ 11,000	\$ 11,000
2013	City of Osceola Planning Commission	Osceola	Polk	1	\$ 11,564	\$ 12,036	\$ 11,564
2013	City of Stromsburg Planning Commission	Stromsburg	Polk	1	\$ 13,720	\$ 14,280	\$ 13,720
2006	McCook Economic Development Corporation	McCook	Red Willow	3	\$ 6,000	\$ 6,000	\$ 6,000
2012	McCook Economic Development Corp.	McCook	Red Willow	3	\$ 35,000	\$ 35,000	\$ 35,000
2016	Indianola Planning Commission	Indianola	Red Willow	3	\$ 9,164	\$ 22,436	\$ 9,164
2009	Falls City EDGE	Falls City	Richardson	3	\$ 12,000	\$ 12,000	\$ 12,000
2014	City of Crete Planning Commission	Crete	Saline	3	\$ 25,000	\$ 57,500	\$ 25,000
2015	Wilber Planning & Zoning Commission	Wilber	Saline	3	\$ 29,000	\$ 30,200	\$ 29,000
2010	Village of Ceresco Planning Commission	Ceresco	Saunders	1	\$ 6,000	\$ 6,000	\$ 6,000
2016	Wahoo Planning Commission	Wahoo	Saunders	1	\$ 11,850	\$ 27,650	\$ 11,850
2016	Western Nebraska Economic Development Group	Scotts Bluff, Morrill, Kimball Counties	Scotts Bluff / Morrill / Kimball	3	\$ 28,420	\$ 29,580	\$ 28,420
2010	Village of Utica Planning Commission	Utica	Seward	1	\$ 8,250	\$ 8,250	\$ 8,250
2013	Seward Economic Development Corp., Inc.	Seward	Seward	1	\$ 11,000	\$ 11,000	\$ 11,000
2009	Sherman County Economic Development Board	Sherman County	Sherman	3	\$ 3,000	\$ 5,000	\$ 3,000
2015	City of Loup City Planning Commission	Loup City	Sherman	3	\$ 11,750	\$ 12,250	\$ 11,750
2010	Pender Economic Development, Inc.	Pender	Thurston	1	\$ 7,000	\$ 7,000	\$ 7,000
2006	Valley County Economic Development Board	Valley County	Valley	3	\$ 10,000	\$ 10,000	\$ 10,000
2015	Blair Planning Commission	Blair	Washington	1	\$ 21,525	\$ 40,125	\$ 21,525
2016	Fort Calhoun Planning Commission	Fort Calhoun	Washington	1	\$ 9,500	\$ 22,500	\$ 9,500
2012	Wayne Community Housing Development Corp	Wayne	Wayne	3	\$ 15,000	\$ 15,000	\$ 15,000
2016	City of Wayne Planning Commission	Wayne	Wayne	3	\$ 12,180	\$ 29,820	\$ 12,180

Program Totals Since Inception: \$ 1,269,183 \$ 1,605,387 \$ 1,269,183