

Regular Meeting of the Board of  
Commissioners  
Thursday, December 16, 2021 8:30 AM  
First Floor Boardroom  
1823 Harney Street  
Omaha, NE 68102

1. ANNOUNCEMENT OF OPEN MEETINGS LAW
2. ROLL CALL
3. PUBLIC COMMENTS
4. 2020 AUDIT REPORT-Rich Larsen, Novogradac & Company
5. REPORT OF THE CHIEF EXECUTIVE OFFICER
6. ACTION ITEMS
  - 6.1. CONSENT AGENDA ITEMS FOR CONSIDERATION
    - 6.1.1. Minutes of Previous Regular Board Meeting (11/04/2021)
    - 6.1.2. Approval of Previous Special Board Meeting (11/23/2021)
    - 6.1.3. Finance/Procurement/Operations Committee Resolutions
      - 6.1.3.1. Resolution 2021-87 OHA Past Due Write-Offs
      - 6.1.3.2. Resolution 2021- 88 Amendment to Novogradac Contract
      - 6.1.3.3. Resolution 2021-90 Section 3 Policy
      - 6.1.3.4. Resolution 2021-91 Replacement of HVAC Air Handler at Kay Jay Tower
      - 6.1.3.5. Resolution 2021-92 Revise Authorization of ADP Contract Terms
      - 6.1.3.6. Resolution 2021-93 Relocation Services, Housing Opportunities Unlimited
      - 6.1.3.7. Resolution 2021-94 Renewal of Vehicle Insurance

6.1.3.8. Resolution 2021-95 Renewal of Commercial Liability & Property Insurance Policies

6.1.3.9. Resolution 2021-96 ACOP Revisions

## 6.2. ADDITIONAL ITEMS FOR CONSIDERATION

6.2.1. Finance/Procurement/ Operations Committee Resolutions

6.2.1.1. Resolution 2021-89 Audit 2020

6.2.1.2. Resolution 2021-100 Budget for 2022

6.2.2. Development/External Affairs/Public Relations Committee Resolutions

6.2.2.1. Resolution 2021-97 Project Based Vouchers for HPIV, LLC

6.2.2.2. Resolution 2021-98 Project Based Vouchers for HPIV Market, LLC

6.2.2.3. Resolution 2021-99 CNI Loans for Highlander IV

# Memorandum



To: OHA Board of Commissioners  
From: Brian Hansen, General Counsel  
Date: December 16, 2021  
Re: Highlander Phase IV: A Choice Neighborhoods Development

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## RECOMMENDATION:

Staff of the Housing Authority of the City of Omaha (OHA) recommends that the OHA Board of Commissioners approve three loans to facilitate the construction of Highlander Phase IV, a Choice Neighborhoods development.

## BACKGROUND:

In 2019 OHA was awarded a Choice Neighborhood Implementation (CNI) grant for Spencer Homes in partnership with the City of Omaha, Brinshore Development, LLC (Brinshore), and Seventy Five North Revitalization Corporation (75 North). The CNI grant requires that OHA replace every unit at Spencer Homes that is planned to be demolished. The CNI grant application identified phases of development that would lead to a transformation of the CNI neighborhood. The application identified certain phases that would include replacement housing for Spencer Homes and specified that those developments that include replacement housing units would be financed, in part, with CNI funds.

## DEVELOPMENT SUMMARY:

Highlander Phase IV will consist of a 108 unit mixed income, multi-family residential rental development. For purposes of financing, the development will be divided into two condo structures, including 38 rental units in a market rate condo and 70 rental units within a LIHTC condo. The development will consist of 20 residential buildings including a 49 unit multi-family building and several townhouse structures. Architectural plans are attached as Exhibit A for reference.

The subject property is bounded by Burdette Street to the north, a property boundary line east of 29<sup>th</sup> Street to the east, a property boundary line south of Blondo Street to the south, and 30<sup>th</sup> Street to the west.

Number of Units	AMI Targeting
70	Below 60% AMI owned by HPIV, LLC
33	Unrestricted Market Rate owned by HPIV Market, LCC
5	Project Based Voucher Units owned by HPIV Market, LLC

## OWNERSHIP STRUCTURE:

LIHTC Owner: HPIV, LLC: 98.99% MHEG Fund 54, LLP / 1.0% Affordable Housing Fund Nebraska I, LLC / .01% HPIV Manager, LLC

Managing Member of LIHTC Condo: HPIV Manager, LLC: 60% Brinshore / 40% 75 North

Marker Rate Owner: HPIV Market, LLC: 60% Brinshore / 40% 75 North

## FINANCING:

### LIHTC Financing:

1. Bond Issuance and Construction Loan:

NIFA will issue tax-exempt Series A bonds in the amount of \$6,670,000, maturing May, 2041, to be purchased by Cedar Rapids Bank & Trust (CRBT) as permanent lender under a forward bond purchase agreement, and tax-exempt Series B bonds in the amount of \$6,330,000, maturing May, 2024, to be redeemed at conversion with equity proceeds.

Horizon Bank will purchase Tax Exempt Bonds issued by the Nebraska Investment Finance Authority, which will use the bond proceeds to provide a construction loan to the Owner in the approximate amount of \$13,000,000, with monthly interest-only payments during the term. This loan will have a term of 30 months and, bear interest at 3.33%, and be secured by a 1st lien mortgage during the construction period.

2. Equity Bridge Construction Loan

Horizon Bank will provide an equity bridge loan in the amount of \$3,800,000. The loan will bear interest at 3.75%, with monthly-interest only payments during the term. The loan will have a term of 30 months.

3. Permanent 1<sup>st</sup> Mortgage Loan:

CRBT will provide a first lien permanent mortgage loan in the approximate amount of \$6,670,000. This loan will bear interest at fixed rate based on a swap and a 30-month forward rate lock. The loan will have a 17-year maturity and a 40-year amortization. The underlying interest rate will be 79% of LIBOR plus 2.00%. The CRBT loan amount accounts for anticipated cash flow from semi-annual TIF payments from the City of Omaha pursuant to a TIF Redevelopment Agreement.

4. Permanent 2<sup>nd</sup> Mortgage Loan (CHOICE funds):

HUD, via OHA, will provide a second lien permanent mortgage loan in the amount of **\$4,400,000**. This loan will bear interest at 0.0%. The loan will have a 40-year maturity and a balloon at maturity.

5. Permanent 3<sup>rd</sup> Mortgage Loan (City of Omaha HOME funds):

The City of Omaha will provide a \$368,739 HOME loan. This loan will bear interest at 0.0%. The loan will have a 20-year term and a balloon at maturity. This loan will be entered into post-closing, and will be bridged by a deferral of a portion of the Completion installment of developer fee.

6. Permanent 4<sup>th</sup> Mortgage Loan (75 North):

Seventy-Five North Revitalization Corporation will provide a \$300,000 subordinate loan. This loan will bear interest at 0.0%. The loan will have a 40-year term and a balloon at maturity.

7. Equity:

Midwest Housing Equity Group, or an affiliate, will provide federal tax credit equity in the approximate amount of \$10,291,692 as follows:

10% - at closing  
75% - at construction completion  
13% - at conversion  
2% - at 8609

Sugar Creek Capital, or an affiliate, will provide state tax credit equity in the approximate amount of \$4,591,029, as follows:

15% - at closing  
70% - at construction completion  
20% - at conversion  
2% - at 8609

8. Project Based Vouchers:

Omaha Housing Authority will provide 32 PBVs for the LIHTC project and 5 PBVs for the Market-rate project.

Market Rate Financing:

9. Construction Loan:

Horizon Bank will provide a direct construction taxable loan in the approximate amount of \$3,810,000, with monthly interest-only payments during the term. This loan will have a term of 24 months and, bear interest at 3.75%, and be secured by a 1st lien mortgage during the construction period. The loan will convert to a first lien permanent loan in the amount of \$3,810,000. The permanent loan will bear interest at 4.90% for the remaining 16 years of the 18 year loan, with amortization of 35 years. The permanent loan amount accounts for anticipated cash flow from semi-annual TIF payments from the City of Omaha pursuant to a TIF Redevelopment Agreement.

10. Permanent 2<sup>nd</sup> Mortgage Loan (CHOICE funds):

HUD, via OHA, will provide a second lien permanent mortgage loan in the amount of **\$1,600,000**. This loan will bear interest at 0.0%. The loan will have a 40-year maturity and a balloon at maturity.

11. Permanent 3<sup>rd</sup> Mortgage Loan (75 North):

Seventy-Five North Revitalization Corporation will provide a \$8,700,000 permanent loan. This loan will bear interest at 0.0%. The loan will have a 40-year term and balloon at maturity.

12. Permanent 4<sup>th</sup> Mortgage Loan (CCI (Critical Community Improvements) Loan).

HUD, via **OHA**, will loan **\$350,000 to Market Owner**. The interest will be 0%. The term of the loan will be 40 years, with a balloon at maturity. The proceeds will be used for ground floor commercial retail improvements.

**FUNDING SOURCES:** Choice Neighborhood Implementation Grant

**SPONSORS:** Brian Hansen, General Counsel

**RECOMMENDED BY:** Joanie Poore, CEO

7. DEPARTMENT REPORTS AND DISCUSSION ITEMS
  - 7.1. Housing Choice Voucher Program
  - 7.2. Asset Management (Public Housing)
  - 7.3. Housing in Omaha, Inc.
  - 7.4. Compliance
  - 7.5. Financials
  - 7.6. Development
  - 7.7. Procurement/Contracting/Capital Budgets
  - 7.8. Human Resources
  - 7.9. Family and Community Services
  - 7.10. Legal
8. NEW BUSINESS
9. EXECUTIVE SESSION
10. ADJOURNMENT