

Rent-Restricted Housing Projects Valuation Committee
Tax Commissioners Hearing Room-2nd Floor-Nebraska State Office Building
301 Centennial Mall South, Lincoln, NE

The September 17, 2018, meeting called to order at 10:00 a.m. by chair Jim Koch.

Committee members present included Jim Koch, Chair, Lori Johnson, Patricia Sandberg and John Wiechmann.

Others present included Ruth Sorensen, Property Tax Administrator, John Donahue, Patrick Waldron, Barb Oswald, and David Levy. Those attending by phone were Blake Simpson, Andrew Lines and Bryan Hill

Jim Koch read the open meetings law provisions and were also made available in the room.

Jim asked for public comments from others in attendance and nothing was discussed at this time.

The minutes of the last meeting of July 24, 2018 were read. Motion was made by Patricia Sandberg to approve the minutes and Lori Johnson seconded the motion. All members were in favor of the motion.

Lengthy discussion was held concerning if data would support an 80% equity contribution and the 20% debt contribution. Ms. Johnson commented 199 projects out of 319 gave sufficient information to support a 68% equity contribution and a 32% debt contribution. Break down of the information by location of Lincoln/Omaha and the rest of the state is not materially much different so left the rate the same.

Mr. Andrew Lines submitted a letter to the committee outlining five recommendations as to his opinion that the equity to debt ratio and indicated that the capitalization rate is too low. (The letter is available at http://www.revenue.nebraska.gov/PAD/rent-restricted_housing/misc_docs.html.)

Jim Koch challenged that in preparation for the next meeting the market based cap rate will consider if geography makes a difference and also type of project, whether large apartments or duplexes. John Wiechmann will study information on the equity return and delineation for geography, Lori Johnson will run analysis based on location.

The next meeting is set for October 23rd, 10:00 a.m. at the same location.

No further business the meeting was moved to adjourn by Patricia Sandberg and seconded by Lori Johnson, The meeting adjourned at 10:40.

Submitted by Barb Oswald