

Rent-Restricted Housing Projects Valuation Committee
Virtual Meeting via WebEx

The November 2, 2022 virtual meeting was called to order at 10:02 a.m. (CST) by chair Bryan Hill.

Committee members present included Bryan Hill, Chair, John Wiechmann, Patricia Sandberg, Lori Johnson, and Jessie Case, PAD Tax Specialist Senior.

Others present included Debra Williams, Attorney for the Property Assessment Division, Barb Oswald, Field Liaison and Jackie Russell, Adams County Assessor.

Bryan referenced the open meetings law provisions found in [Neb. Rev. Stat. §§ 84-1407--1414](#).

Bryan asked if there were any public comment announcements. Jackie was present to discuss a parcel that was a project in the 90's and was an active project. In 2018 the project was purchased by someone and they ceased to file project information. The owner filed an appeal with the Tax Equalization and Review Commission concerning the valuation. Jackie was seeking clarification of duties of the assessor in this situation. Nebraska Revised Statute 77-1333 (9) reads as follows:

(9) If the actual income and actual expense data required to be filed for a rent-restricted housing project under subsection (5) of this section is not filed in a timely manner, the county assessor may use any method for determining actual value for such rent-restricted housing project that is consistent with professionally accepted mass appraisal methods described in section 77-112.

Discussion was held concerning education for the County Assessors on this process and how the committee establishes the cap rates. No other public comments.

The minutes of the October 12, 2022 meeting were read. Patricia Sandberg suggested to correct the minutes and replace the word "sales" with "project" in the first large paragraph referencing the 211 usable projects. Lori Johnson made a motion to accept the minutes with the correction, and Patricia Sandberg seconded the motion. John Wiechmann abstained from voting. Motion carried.

Lori Johnson went through the preliminary income and expense spreadsheets and explained the analysis to determine the cap rates. Discussion was held concerning if the committee established one cap rate for the entire state or broke it down when the study indicates one is sufficient. Final determination of the cap rate will be determined at the next meeting.

Debra Williams discussed that she had contacted the Cheyenne County Assessor and the assessor stated that there were no pending appeals on Rent-Restricted Housing Projects. Bryan is going to research emails and get back to Debra on the question concerning the appeal.

Jessie and Debra have discussed with the Property Tax Administrator, Ruth Sorensen and with Suvarna Ganadal about alterations to the Income and Expense Reporting Form (IERF). The changes that could be made at this time include creating macros to build a fail-safe into the form so that if numbers don't add up, a cell will highlight with a color to let the preparer know there was something wrong. The goal is to have this ready for the next filing deadline.

Debra and Jessie have created a draft FAQ for Section 42 Rent-Restricted Housing and will email to the committee members prior to the next meeting for review and input.

Committee goals for 2023 include revising the IERF, finalize the FAQ information, and develop a webinar for education for the County Assessors.

John had provided Bryan with a summary of fund returns to review, and Bryan will forward to the committee prior to the next meeting.

The next meeting is scheduled for November 16, 2022 at 10:00 a.m. (CST).

Patricia Sandberg made a motion to adjourn the meeting and John Wiechmann seconded the motion. Motion carried. The meeting adjourned at 11:19 a.m. (CST).

Submitted by Barb Oswald

Rent-Restricted Housing Projects Valuation Committee
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The October 12, 2022 virtual meeting was called to order at 10:00 a.m. (CST) by chair Bryan Hill.

Committee members present included Bryan Hill, Chair, Patricia Sandberg, Lori Johnson, and Jessie Case, PAD Tax Specialist Senior. John Wiechmann was absent.

Others present included Debra Williams, Attorney for the Property Assessment Division, and Barb Oswald, Field Liaison.

Bryan referenced the open meetings law provisions found in [Neb. Rev. Stat. §§ 84-1407--1414](#).

Bryan asked if there were any public comment announcements. None reported.

The minutes of the September 28, 2022 meeting were read. Patricia Sandberg made a motion to approve the minutes as read and Jessie Case seconded the motion. Motion carried.

John will complete the preliminary review of the information and will share with Lori and compare data. Lori questioned if the process would remain the same and delineate 10 different ways or be something different. It was decided to delineate as needed. Lori plans to have her information completed by October 19th. The information will be shared with the group before the next meeting. The data gets better each year. Discussion was held on the 211 usable projects and why some were not usable. There are 17 duplicate applications, 45 that are missing development cost or equity and debt information and 46 where the capital stack does not equal 100. Discussion was held concerning having a form filling instruction class, or possibly changing the form so that if information is not filled in the form correctly, it would not save. Jessie will work on the form and work with Suvarna. Bryan would like to see a website to enter the data on the form and automatically save the project. Discussion on duplicate applications and possible ways to avoid included naming conventions, project numbers or assigning project identification numbers.

In response to the questions concerning projects that are partially completed halfway through the year and includes less than a full year information, it was determined, a short FAQ be developed to assist in the reporting of necessary information. Jessie will help draft a document. Please send any questions or comments to Jessie and Debra concerning the FAQ. Discussion was also held on properties that file late. Is it possible to have a provision that extends the filing date? If not, the numbers are there, even though filed late, what is the assessor's responsibility, and could they use the numbers? There were several properties filing late in Lancaster County and they may have filed on to the Tax Equalization and Review Commission (TERC), but unknown if they did at this time. Debra is also going to check into a Cheyenne County appeal where a negative income or partial completion was filed and what the status is of the filing.

The next meeting is scheduled for November 2, 2022 at 10:00 a.m. (CST).

Patricia Sandberg made a motion to adjourn the meeting and Lori Johnson seconded the motion. Motion carried. The meeting adjourned at 10:55 a.m. (CST).

Submitted by Barb Oswald

Rent-Restricted Housing Projects Valuation Committee
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The September 28, 2022 virtual meeting was called to order at 10:03 a.m. (CST) by chair Bryan Hill.

Committee members present included Bryan Hill, Chair, Patricia Sandberg, John Wiechmann, and Jessie Case, PAD Tax Specialist Senior.

Others present included Debra Williams, Attorney for the Property Assessment Division, and Allison Rauch, PAD Tax Specialist Senior

Bryan referenced the open meetings law provisions found in [Neb. Rev. Stat. §§ 84-1407--1414](#).

Bryan asked if there were any public comment announcements. None reported.

The minutes of the November 17, 2021 meeting were read. Patricia Sandberg commented that a correction needed to be made to the minutes so that the column marked cap rate was called “unloaded cap rate” and included this in her motion to approve the minutes. John Wiechmann seconded the motion. Motion carried.

Preliminary review of income and expense information for 2022 was discussed by Bryan Hill. A total of 321 applications were filed this year which was 40 more than last year. 38 had a negative income reported, which left 274 usable reports. Bryan discussed the fact that thru the years we are getting more data to be able to work with.

Neb. Rev. Stat. §77-1333 and income/data filing requirements were discussed by Debra Williams. Debra has received questions from new projects regarding whether or not they need to file. The discussion led to an examination of Section 5 of the statute. The main question is how they should report details of actual income and actual expense data for the prior year if the project was not completed and showing any occupancy income. Since the form is last year’s amounts, the properties will be showing a zero value. Should a guidance be written and/or would revising statute be necessary. Debra will investigate for next meeting. Bryan Hill and Patricia Sandberg explained the cost approach used to partially value these projects until completion and the use of the Marshall & Swift Cost Manual. John Wiechmann discussed that during the construction phase it works to use market value, but questioned a project completed one month prior to January 1st. Building may still not have occupancy or not be fully occupied which will still not show a true income/expense record for a standard year. A suggestion for further discussion was to annualize the data for partial years.

Bryan Hill asked if any further changes/ improvements needed to be made to the form. Per Patricia Sandberg and Jessie Case, they have not received any feedback or concerns that needed to be addressed.

The next meeting is scheduled for October 12, 2022 at 10:00 a.m. (CST).

John Wiechmann made a motion to adjourn the meeting and Patricia Sandberg seconded the motion. Motion carried. The meeting adjourned at 11:04 a.m. (CST).

Submitted by Allison Rauch