



AFFORDABLE HOUSING CONSTRUCTION PROGRAM

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In early 2019, Nebraska suffered record-breaking damage from severe winter weather, straight-line winds, and its worst flooding event in 50 years, leading to a federal major disaster declaration ([DR-4420](#)). To support long-term recovery, the State received a \$108.9 million grant through the United States (US) Department of Housing and Urban Development (HUD) Community Development Block Grant Disaster Recovery (CDBG-DR) Program. The State is using a portion of this grant funding to support housing recovery.

PROGRAM OVERVIEW

In response to the housing damage from Winter Storm Ulmer (DR-4420), the Affordable Housing Construction Program will increase the affordable housing supply in flood-impacted areas. Specifically, **this program provides funding for housing construction and rehabilitation for low- and moderate-income (LMI) households**. Funding will be directed to new construction or rehabilitation costs for LMI households if the activities clearly address affordable housing needs from the impacts of 2019 Winter Storm Ulmer. The Program will be implemented through grants to local governments and eligible non-profit organizations via two different applications:

NEBRASKA INVESTMENT FINANCE AUTHORITY JOINT APPLICATION

The first application will be in partnership with the Nebraska Investment Finance Authority (NIFA), where Low Income Housing Tax Credits (LIHTC)/Nebraska Affordable Housing Tax Credits (AHTC) funding will be leveraged to fund affordable rental housing in disaster-impacted areas.

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT APPLICATION

The second application will be managed independently by the Nebraska Department of Economic Development (DED). This application will provide funding to Subrecipients for eligible activities that support construction of affordable housing, including single-family homes.

Up to \$26,000,000 is available for the Affordable Housing Construction Program across the NIFA and DED applications.

APPLICANT ELIGIBILITY

Eligible applicants for the Affordable Housing Construction Program include units of local government, non-profit 501(c)3 and 501(c)4 organizations that access and use State or Federal housing grants to develop affordable rental housing or affordable homeownership, developers,* and public housing authorities.

*Developer eligibility pending approval of a Substantial Amendment.

PROJECT INFORMATION

Eligible project activities for the Affordable Housing Construction Program include construction of rental housing and owner-occupied housing, new construction of homes for sale to LMI households, rehabilitation of rental housing, and land acquisition for eligible construction activities. Projects must have a tieback to Winter Storm Ulmer. Structures within the one percent annual chance (100-year) floodplain are not eligible.

Applicants are not required to apply for both LIHTC/AHTC and CDBG-DR to be considered eligible for CDBG-DR funding. Applicants will receive technical assistance for housing projects under the two application processes.

The maximum award amount is \$2,000,000 and is not to exceed \$150,000 per housing unit constructed. The \$150,000 award cap for each household includes all hard and soft construction costs.

NEBRASKA INVESTMENT FINANCE AUTHORITY JOINT APPLICATION

- The application for the Affordable Housing Construction Program is incorporated into the LIHTC/AHTC/HOME/National Housing Trust Fund application.
- In accordance with the LIHTC program, this application is for construction of affordable rental housing.
- CDBG-DR funds will be distributed as eligible projects are identified.
- After the allotted CDBG-DR funds are expended, they will not be available for additional LIHTC funding rounds.

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT APPLICATION

- Applicants may utilize the Nebraska Affordable Housing Trust Fund and other resources alongside CDBG-DR funding.
- It is anticipated this application will include a broader range of eligible housing activities (i.e., construction of rental or owner-occupied housing, new construction of homes for sale to LMI households, rehabilitation of rental housing, and land acquisition for eligible construction activities).
- Given the wider reach of the DED managed application, it is expected that funds distributed through this process will have a more targeted focus on reconstruction of affordable single-family homes.

The Affordable Housing Construction Program **Frequently Asked Questions (FAQs)** are available in the project toolbox via the link [here](#). These FAQs will be periodically updated to account for clarified or changed program information. Should you have additional questions, please reach out to the Disaster Recovery Team at Nebraska Department of Economic Development.