Nebraska Affordable Housing Trust Fund (NAHTF) Application and Award Management Guidelines for 2023 Awards

State of Nebraska
Nebraska Department of Economic Development

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This guidance document is advisory in nature and may be amended during application cycle and/or may be supplemented at any time during application cycle with a NAHTF Questions & Answers document and other guidance posted on the NAHTF webpage. Applicants should not rely on a downloaded hard copy of this guidance document, but rather check for most up to date version regularly throughout the application period. This document is directly referring to the 2023 NAHTF application cycle.

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FUNDING CYCLE TIMELINE

2023 NAHTF ANTICIPATED TIMELINE	
Anticipated Date	**Action**
Wednesday, November 16, 2022	NCHH Quarterly Meeting Review Proposed 2023 NAHTF QAP
Wednesday, November 30, 2022	Proposed QAP Posted & Public Comment Period Begins
Wednesday, January 4, 2023	QAP Public Comment Period Ends
Thursday, February 9, 2023	Final QAP Posted
Thursday, February 9, 2023	2023 NAHTF Application Open Date, Guidelines Posted
Friday, February 17, 2023	2023 NAHTF Pre-Application Workshop Available to View
Thursday, February 23, 2023	Open Office Hours for Pre-Application via WebEx *10:00am (CT)*
Thursday, March 9, 2023	2023 NAHTF Pre-Applications Due by 5:00pm (CT)
Friday, March 10, 2023	2023 NAHTF Application Workshop (pre-recorded workshop made available)
Thursdays @ 10:00am; March 23 – April 27 (Central Time)	Open Office Hours for Application via WebEx; *To be held Thursdays from 10:00am to 11:00am (CT)*
Thursday, March 23, 2023	Site Review Forms Due for New Construction, Rental Rehabilitation and Rental Conversion Projects (Where Sites Have Been Identified)
Thursday, April 6, 2023	Rental Project Pro-Formas Due (must be submitted in Excel format)
Thursday, May 11, 2023	2023 NAHTF Applications Due by 5:00pm (CT),

1 Introduction

These application guidelines are designed to provide guidance and written standards for the applicable components of the Nebraska Affordable Housing Trust Fund Program. It is not an exhaustive resource, therefore Applicants and Recipients with open NAHTF projects should rely on their award agreements (contracts) and the Recipient's own program guidelines when administering NAHTF awards. It may also be necessary to review the application guidelines from the year the open project was awarded when determining some non-standard requirements. The following application guidelines pertain to the 2023 NAHTF application cycle. *Section 15 Post Award Management and Implementation* includes additional information on administering NAHTF if awarded. This is not an all-inclusive or exhaustive guide. When further clarification is needed, DED will look to the NAHTF manual and Policy Memos currently published or request management decision on a case-by-case basis. Questions or requests regarding administration of a particular award should be directed to the housing program representative for your region found on the NAHTF webpage (See blue box labeled Contact DED Housing).

Applicants should sign up for the DED mailing lists prior to submitting application in order to ensure they receive any important announcements regarding the application cycle. Follow this link to sign up: Join Our Mailing List. The link is also found in the footer of every DED webpage. As preparation for application, the Department encourages Applicants to review this document thoroughly, as well as the 2023 NAHTF Qualified Allocation Plan (QAP) available on the

Department's NAHTF program page by clicking on Plans & Reports. The *NAHTF Application and Award Management Guidelines* is designed to support the Applicant in successful application completion, complying with funding and program requirements, and to assist with successfully navigating of the award's lifecycle.

The link to the Application Portal, Application Guidelines, Frequently Asked Questions, and other related documents can be found at the Nebraska Affordable Housing Trust Fund web page: https://opportunity.nebraska.gov/programs/housing/nahtf/.

The first point of contact for application and program questions is the Housing Program Representative for your region. To find the region and contact information go to the NAHTF web page and click on blue box titled *Contact DED Housing*.

2 Program Overview

The Nebraska Affordable Housing Trust Fund (NAHTF) was established by the 1996 Nebraska Affordable Housing Act (Neb. Rev. Stat. §58-701 through 58-711). The Act was adopted to address the state's affordable housing needs and called for a portion of the documentary stamp tax from Nebraska real estate transactions to be transferred to NAHTF providing a resource to increase the supply and improve the quality of affordable housing in Nebraska and to encourage economic development and promote the general prosperity of all Nebraskans. On February 8, 2023, the Department published a NAHTF Qualified Allocation Plan detailing the program effective July 1, 2023 – June 30, 2024 (2023 Program Year.)

DED's role in NAHTF projects is as an investor and a partner. As an investor, DED is seeking applications for quality housing projects that will provide the best investments of State resources to promote affordable housing. As a partner, DED is interested in providing input as early as possible in project design and in working closely with Applicants to address any obstacles encountered during project development and implementation. NAHTF awards are conditional in nature meaning that an application selected for award is contingent on fulfilling the conditions outlined in the contract. Furthermore, NAHTF is structured as a reimbursement only award and recipients are expected to submit payment requests for transacted expenditures only, unless specifically approved by the Department on a case-by-case basis. For information on allocation of funds refer to the Department's 2023 NAHTF Qualified Allocation Plan at this link: https://opportunity.nebraska.gov/programs/plans-reports/

3 Eligible Activities and Costs

The activities listed below are found in the Nebraska Affordable Housing Act in **Section §58-706 as** eligible activities for NAHTF.
- New construction, rehabilitation, or acquisition of housing to assist low-income and very low- income families;
- Matching funds for new construction, rehabilitation, or acquisition of housing units to assist

low-income and very low-income families;

- Technical assistance, design and finance services, and consultation for eligible nonprofit community or neighborhood-based organizations involved in the creation of affordable housing;
- Matching funds for operating costs for housing assistance groups or organizations, when such grants or loans will substantially increase the recipient's ability to produce affordable housing;
- Mortgage insurance guarantees for eligible projects;
- Acquisition of housing units for the purpose of preservation of housing to assist low-income or very low-income families;
- Projects making affordable housing more accessible to families with elderly members or members who have disabilities;
- Projects providing housing in areas determined by DED to be of critical importance to the continued economic development and well-being of the community and where, as determined by DED, a shortage of affordable housing exists;
  - *For the 2023 program year, Disaster Recovery Housing Projects (must be included in DR-4420) and projects resulting in new units are determined to be of critical importance and are included in the Housing Projects Funding Cycle.*
- Infrastructure projects necessary for the development of affordable housing (support activity implemented in conjunction with the development of affordable housing only);
- Down payment and closing cost assistance;
- Demolition of existing vacant, condemned, or obsolete housing, industrial buildings or infrastructure (support activity implemented in conjunction with the development of affordable housing only);
- Housing education programs developed in conjunction with affordable housing projects. Education programs must be directed toward:
  - Preparing potential homebuyers to purchase affordable housing and post-purchase homeowner education;
  - Target audiences eligible to utilize the services of housing assistance groups or organizations; and
  - Developers interested in the rehabilitation, acquisition, or construction of affordable housing;
- Support for efforts to improve programs benefiting homeless youth;
- Vocational training in the housing and construction trades industries by nonprofit groups;
- Weatherization and solar or other energy improvements to make utilities for housing more affordable.

3.1 Activity and Budget Categories

Eligible Activities making up a typical Nebraska Affordable Housing Trust Fund budget are divided into three types: **Primary, Support and Administrative Activities**. Every project must include a Primary Activity in order to be eligible and every Support Activity must be conducted in tandem with a Primary Activity. For example, Acquisition is a support activity supporting the purchase of sites for new construction, the Primary Activity.

When building the project budget the summation of NAHTF-funded Primary Activities plus NAHTF-funded Support Activities must remain at or below the maximum of $750,000. Cash Match may be offered to any of the NAHTF-funded Primary or Support activities.

The sum of a NAHTF request for Primary plus Support activities is referred to as Total Project Costs (TPC) for this application. In other words, for the NAHTF application budget the Applicant is defining how much they are requesting from NAHTF, and not necessarily how much total investment is going into the project. Total investment is shown on the Project's Development Pro-Forma.

NAHTF Primary Activities + NAHTF Support Activities = Total Project Costs Total Project Costs (TPC) must be $750,000 or less	
Primary Activities	**Support Activities**
New Construction	Developer Fee
Homebuyer Assistance	Demolition
Purchase/Rehab/Resale	Rental Reserves
Rehabilitation	Acquisition
	Infrastructure Improvements

Note: Eligible Project Costs can only be expended after Release of Funds. If project has a primary or support activity that is not clearly defined on the application, consult DED Housing Program Representative for consultation.

3.2 Eligible Primary Activities

Primary Activities are those that are directly tied to either the creation of, or rehabilitation of, housing units and/or that provide direct homebuyer assistance to eligible homebuyers.

Technical Assistance: (Primary activity for Technical Assistance Application) Technical Assistance is the name used for the only activity category identified in a Nonprofit Technical Assistance budget. Technical Assistance Awards are provided to eligible nonprofit's including community or neighborhood-based organizations, housing assistance groups, or organizations involved in the creation of affordable housing whose proposed project will substantially increase the recipient's ability to produce affordable housing. The costs must be directly related to the carrying out of the goals listed in the approved Performance Plan.

The Technical Assistance application will ask Applicant to describe the project's proposed goals and the associated expenses with each goal. These goals serve as the Applicant's proposed Performance Plan being submitted as part of the application. If awarded, DED and Awardee will review and finalize the Performance Plan together prior to contract execution. The Performance Plan is added as "Appendix A" to the Technical Assistance contract.

Examples of Technical Assistance costs might include but are not limited to supporting operating costs associated with new staff or services, consultant fees, strategic planning, training and education for staff, and other costs specific to the attainment of the award's Performance Plan goals. General Administration and Housing Management are not eligible expenses for Nonprofit Technical Assistance applications.

New Construction (Primary Activity for Homebuyer and Rental projects) Costs related to the building of a new structure(s) for single-family or multi-family housing units. Any project that includes the addition of dwelling units outside the existing walls of a structure is considered new construction. Other Eligible Costs that may take place in a new construction project are Reconstruction, Relocation, and Site Improvements described further below.

> **Reconstruction Costs** This refers to rebuilding a structure on the same lot where housing is standing at the time of project commitment, including building a new foundation or repairing an existing foundation. Reconstruction also includes replacing a substandard modular unit with a new modular unit. During reconstruction, the number of rooms per unit may change, but the number of units may not. NOTE: Applicants with this type of project should consult with their Housing Representative to determine whether it will be a Support or a Primary Activity. (*See definition of Modular vs Mobile in Appendix: Terms and Definitions, Section 16.*)

> **Relocation Costs** Both permanent and temporary relocation assistance is an eligible cost. Staff and overhead costs associated with relocation assistance are also eligible. This is also an eligible cost under Rehabilitation projects.

> **Site Improvement Costs** Site improvement costs must be consistent with surrounding properties within the scope of the project. Examples include new, on-site improvements (sidewalks, utility connections, sewer and water lines, etc.) where none are present.

Important Project Note: New construction projects and Rental Conversion projects (where renovation alters an existing building's value by 50% or more) are required to have plans and specifications approved through Nebraska Department of Environment & Energy (NDEE) to ensure compliance with the most recent International Energy Conservation Code. Applicants should submit information as early in the project as possible in order to avoid delay in reaching Release of Funds. Contact NDEE for forms, 402-471-3683; http://dee.ne.gov.

*Site reviews are required for all Homebuyer new construction projects (as well as all Rental projects). Current Site Review form must be downloaded from the NAHTF webpage, completed, and emailed to Housing Program Representative.

Purchase/Rehab/Resale (PRR) (Primary Activity for Homebuyer Projects) The acquisition and rehabilitation of an existing housing unit for sale to eligible homebuyer is a Homebuyer project. The PRR activity category includes costs for acquisition of the housing unit, site-improvements, rehabilitation/construction costs. The maximum amount of NAHTF-funded rehabilitation is $40,000 per unit. The acquired unit must be rehabilitated up to DED minimum rehab standards and sold to an income eligible household. Other funding sources may be used in tandem with the NAHTF rehabilitation funding to complete the unit if necessary. The amount of acquisition and rehabilitation costs is typically recaptured at time of sale to an eligible homebuyer. If NAHTF-funded Homebuyer Assistance (HBA) is also offered in a PRR project, it will be tracked as a separate category in the NAHTF budget.

Rehabilitation (Primary Activity for HBA with Rehab, Homeowner and Rental Projects) These costs include the alteration, improvement, or modification of an existing structure. Owner-Occupied Rehabilitation and Rental Rehabilitation projects have Rehabilitation as a budget line item. This activity category is also used for Homebuyer Assistance projects that include

Rehabilitation. The maximum amount of NAHTF-funded rehabilitation is $40,000 per unit. Applicants should build their NAHTF budget with this cap in mind. This activity category (Rehabilitation) is <u>not</u> used for Purchase/Rehab/Resale NAHTF budgets. Rehabilitation may include adding rooms that are not dwelling units, outside the existing walls of a structure. **Conversion**, is a type of Rehabilitation project. It involves changing the use of an existing structure to one of affordable residential housing. Relocation costs and Rental Project Reserves are also allowable costs for Rental Rehabilitation projects.

Site Review Note: A Site review is required on Rental Rehab and Rental Conversion project types.

Self-Help Note: The Department typically does not allow homebuyers, renters or homeowners to complete rehabilitation work themselves. Licensed contractors should be hired to complete the necessary rehabilitation work to bring each housing unit up to the Department's approved Minimum Rehabilitation Standards. In addition, contractors should be purchasing the supplies and material necessary for the rehabilitation work and directly charging (invoicing) the DED Recipient for reimbursement from the NAHTF award.

Homebuyer Assistance (Primary Activity for Homebuyer Projects) Homebuyer Assistance (HBA) is directly benefiting the eligible homebuyer. These costs are associated with the purchase of a home, including down payment, closing costs, and fees. Homebuyer Assistance funds can be used for homebuyer projects that involve new construction, Purchase/Rehab/Resale, or as a standalone project activity that provides direct Homebuyer Assistance to eligible homebuyers of properties. Existing properties must meet DED Minimum Rehabilitation Standards for Rehabilitation projects. For New Construction projects, the housing unit must meet all local and state building code requirements, including NDEE compliance.

NOTE: New Construction projects funded with NAHTF should provide a minimum of one thousand dollars ($1000) in NAHTF-funded Homebuyer Assistance (HBA). This can be provided as a separate NAHTF-funded budget line item or through sale proceeds. The Closing Cost Statement should identify the NAHTF HBA that was applied. This amount must be secured by a Deed of Trust or other such legal instrument (Recapture Provision). If NAHTF is not funding HBA, but instead is reducing the sale price below the market value in order to make the housing unit affordable to the homebuyer, this is called an "Affordability Subsidy." This amount will be secured until title transfer during the affordability period. (Also a Recapture Provision). If neither HBA nor Affordability Subsidy is applied to the project units, the Applicant will need to protect the NAHTF investment by using the Resale Provision which uses a covenant or other such legal instrument to secure the NAHTF investment. *See Appendix: Terms and Definitions, Section 16.*

3.3 Eligible Support Activities

Support Activities are not stand-alone activities but must be directly related to, or in support of, a project's Primary Activity.

Acquisition (Support Activity) Acquisition of vacant land is an eligible cost. This is tracked as a separate budget category line in both Homebuyer New Construction and Rental New Construction projects. Purchase/Rehab/Resale projects (which include acquiring an existing home to be rehabilitated) do **not** use Acquisition as a separate budget category.

Rental Reserves (Support Activity) Ongoing expenses incurred from the normal day-to-day activity of managing a rental unit. Reserves include replacement, operating and rent-up reserves. Rental Reserves is a separate budget line item for Rental Projects. Rental Reserves are funded by NAHTF reimbursement upon documentation of unit completion and proof that reserve amounts have been placed into a separate bank account dedicated to Rental Project Reserves. These amounts should align with the Special Conditions documentation that Recipient provided on their Pro-Forma and the Governance of Rental Reserves document.

Infrastructure Improvements (Support Activity) These costs are for the building of new, off-site utility connections usually to an adjacent street. For budget creation, this is a separate category line item and must be conducted in combination with a Primary Activity, typically Homebuyer New Construction or Rental New Construction. Infrastructure reimbursement will be made in proportion to the completion of units and upon proof that unit has been sold to an eligible homebuyer or provided to an eligible tenant.

Note: *This is different from utility hook-up costs which are considered New Construction costs. Site Review is needed. See 3.5 Site Review at end of this section.*

Demolition (Support Activity) Demolition is a support activity and must be done in conjunction with another housing activity. It may be funded if the property meets the following definition of a blighted structure. Demolition should be a separate line item in the budget for projects. A blighted structure includes, but is not limited to, any dwelling, garage, outbuilding, warehouse, commercial building, or any other structure or part of a structure, which:
   a) Because of the effects of fire, wind, flood, or other natural disaster;
   b) Because of physical deterioration; or
   c) Because of demolition, or partial demolition, not carried out to completion within a reasonable period of time; is no longer habitable as a dwelling or, in the case of a non-dwelling structure, is no longer useful for the purpose for which the non-dwelling structure was intended, and which has been designated by a NAHTF Applicant, as detrimental to the public health or safety in its present condition and use.

Developer Fee (Support Activity) Developer Fee is an eligible cost for Homebuyer and Rental New construction projects and Purchase/Rehab/Resale projects. The Developer Fee is a resource provided due to the risk and time required to act as a developer and/or general contractor in charge of a major construction project. The Applicant must identify in the finance portion of the Application how the Developer Fee was determined (i.e., as percent of construction costs, etc.). Projects receiving NAHTF funding should expect Developer Fees listed in the development cost budget of the Pro-Forma to fund any unplanned cost overruns that the construction or rehabilitation contingency budget could not cover. The Developer Fee may be determined as a percentage of the Total Project Cost or dependent on fluctuating factors. Either way, the methodology for arriving at the Developer Fee should be clearly explained in an application.

A separate line item for Developer Fee will be used in the NAHTF budget <u>when the DED Applicant will also be acting as the Developer.</u> When a DED Applicant is also the Developer of a project, the NAHTF-funded Developer Fee allowance should be reasonable and determined by considering how much the Recipient will be requesting in Housing Management allowance so as not to

receive undue enrichment as a result of this dual role. The Developer Fee for NAHTF projects where the DED Recipient is also the Developer will be a Deferred Developer Fee and eligible for reimbursement only after completion of the Primary Activity.

Projects that have a private developer may show the private Developer Fee as part of the overall Development Cost Budget and will not include the Developer Fee as a separate budget line item in the NAHTF budget. Instead, the Developer Fee charged to the project by a private developer will be considered an eligible cost under the New Construction or Rehabilitation NAHTF budget line items.

Developer Fee is not an eligible activity for Homeowner (OOR), Homebuyer Assistance (HBA) and Rental Rehabilitation projects.

Developer Fee does not receive match points.

3.4 Eligible Administrative Activities

This section describes the three types of Administrative Activities associated with administering a NAHTF award. The Department has determined a set maximum allowance available for request to cover the Administrative support necessary to administer a state-funded project. The defined limits are described below. <u>Technical Assistance awards do not include budgets for General Administration, Housing Management activities, or Lead-Based Testing.</u> Therefore, the below guidance is specific to Housing Development Applications only.

General Administration These are costs that are generally associated with activities related to award management. Typical costs include staff time to fulfill Special Conditions, accounting of funds, payment requests, Request for Proposals for services, marketing the program as a whole (not individual addresses), completion of Fair Housing activity, and completion of reports. (*For details see Section 6 Award Amounts and Limitations.*)

Housing Management Housing Management costs are costs that generally tie back to specific addresses assisted by the project funds. Typical costs include finance-related costs; credit reports; title binders and insurance; surety fees; recordation fees; transaction taxes; legal and accounting fees (address-related); requests for bids; appraisals; site review and work write-ups; and related professional services; homebuyer/tenant education/counseling, pre-construction conferences, bid meetings; and staff costs directly related to projects. No hard costs are included. (For details see *Section 6 Award Amounts and Limitations.*)

Lead-Based Paint Testing (LBP) This is a resource that can be requested for lead-based paint assessment and testing. **This is not a required budget category** and Applicants should review the *Lead-Based Paint Q & A* document provided on the NAHTF webpage and included in the Appendix of these Application Guidelines. Any NAHTF Lead-Based Paint Testing funds remaining in the Recipient budget will be recaptured by DED upon closeout. (For details see *Section 6 Award Amounts and Limitations.*)

3.5 Site Review Requirements

All new construction, rental rehabilitation, conversion, infrastructure and acquisition activities

(associated with new construction) funded through NAHTF require a DED site review. If a new construction project will not have site(s) identified by the time of full application submission the Applicant should discuss this aspect of the project with their Housing Program Representative prior to application. If a site is identified prior to application submission, the Applicant must request a site review by March 23, 2023, to assure time for approving prior to Full Application submission. Site review requests after Notice of Award must be submitted 45 days prior to the start of the project to the DED Housing Program Representative unless Housing Representative has agreed to period less than 45 days. (PRR and OOR projects do not require site review.)

NOTE: A NAHTF new construction project may involve sites acquired prior to NAHTF application with funding from the American Rescue Plan Act (ARPA), including but not limited to the Qualified Census Tract Affordable Housing Program (QCT AHP) and or other ARPA Recovery Programs administered by a unit of local government or the State of Nebraska. These programs may provide funding for acquisition and/or site prep for the purpose of development into new affordable housing units. Applicant should discuss this aspect of the project with their Housing Program Representative before proceeding with a NAHTF application. Any income or affordability restrictions will require consultation with your Housing Program Representative to determine compliance with the most restrictive program.

4 Ineligible Activities and Costs

4.1 Ineligible Activities – Housing Development Projects

Activities and the costs associated with them are considered ineligible for reimbursement when they are not directly related to a NAHTF-funded Activity or Administrative Cost listed in the NAHTF budget or if they have been expended prior to receiving a Notice of Release of Funds. The only exception to this is a limited amount of General Administration cost which may be expended after Notice of Award for purpose of completing Special Conditions Requirements. That limited amount is eligible for reimbursement once Release of Funds is achieved.

Important! If awarded, Primary and Support Activities and the costs associated with them must NOT be expended prior to receiving a Notice of Release of Funds or they will be deemed ineligible.

Applications involving units included in previously funded projects that have not completed their affordability period in NAHTF, HOME, CDBG-DR or HTF and other state-administered programs are **ineligible** to apply. Housing units funded through Rural Workforce Housing Funds (RWHF) and Middle Income Workforce Housing Funds (MWHF) cannot be included in a NAHTF project.

If a NAHTF project will be submitting sites acquired by using funds from other state-administered programs, Applicant must contact their Housing Program Representative to discuss and receive guidance on whether these sites would be eligible for NAHTF funding. These decisions will be made on a case-by-case basis and based on the details of the project.

Projects providing NAHTF funded Homebuyer Assistance (HBA) to homebuyers as a standalone program may not share beneficiaries with another NAHTF-Funded Homebuyer project as this

causes a duplication of beneficiaries. Furthermore, NAHTF new construction projects should be providing Homebuyer Assistance as a component of their program, either through NAHTF budget or by withholding a portion of the proceeds from sale of unit, unless project has chosen to invoke the Resale method. See Appendix for more information on Resale vs Recapture method.

Housing Development project development costs shall not include furnishings and personal property that are not an integral structural fixture including the purchase of equipment, and motor vehicles. *Note: primary appliances are eligible for NAHTF funds in new construction and rehabilitation activities, e.g., stove, fridge, washer, dryer, dishwasher, and microwave; one per unit of each.*

Construction or Rehabilitation of Mobile homes are <u>not</u> an eligible cost. Mobile homes, as defined by the Department, are movable or portable dwellings constructed to be towed on its own chassis, connected to utilities, and designed for use with or without a permanent foundation for year-round living. (*Modular homes <u>are</u> eligible for NAHTF funding. They must be connected to permanent utility hook-ups and located on land owned by the housing unit owner or a DED-approved land trust.*)

Properties that will be financed with Low-Income Housing Tax Credits (LIHTC) are <u>not</u> eligible in this NAHTF application cycle, but the allocation set aside for this specific purpose will be done through the NIFA LIHTC 2024 joint application.

Single-family Rental Rehabilitation, also referred to as Investor-owned Rental Rehab, is <u>not</u> a project type eligible for funding in the 2023 NAHTF cycle.

4.2 Ineligible Activities – Nonprofit Technical Assistance Projects

Ineligible activities under a Technical Assistance project award and the costs associated with them include any cost not deemed appropriate by DED staff upon review or not directly related to the Performance Plan goals outlined in the appendix to the Contract. Budgets for Technical Assistance Awards only have one budget line item named *Technical Assistance*.

5 Eligible Applicants

Eligible Applicants for NAHTF awards include local and governmental subdivisions; public housing authorities; community action agencies; and community-based, neighborhood-based, or reservation-based nonprofits with tax-exempt status of 501(c)(3) or 501(c)(4). Applicants may partner with for-profit developers, builders, lenders, human service providers, and state or federal agencies to use NAHTF for eligible activities. The eligible Applicant organization must be the Applicant for the NAHTF funds. Applicants designated as 501(c)(3) or 501(c)(4) will be asked to upload the Federal Tax-exempt letter into the application verifying they are a tax-exempt organization.

DED designates those receiving awards under the NAHTF Program as recipients. A recipient is an entity that receives an award to carry out a project funded by NAHTF in partnership with the

State to create or rehabilitate affordable housing units or in the case of a technical assistance award, carries out an activity that will impact a non-profit's ability to increase affordable housing development. Households (homebuyers, homeowners, tenants) that have the potential to receive the direct benefit of affordable housing funded with NAHTF are not considered recipients but are instead referred to as the potential beneficiaries of projects carried out with NAHTF funds.

Projects that involve properties previously financed with LIHTC, HOME, and/or NAHTF that have successfully completed their required Period of Affordability may apply for NAHTF.

Ineligible Applicants: Whereas otherwise eligible based upon the statutory requirements and thresholds, the following are explicitly ineligible:

o   Applicants with open NAHTF awards that have not met DED Eligibility Threshold Milestones by time of Full Application due date (May 11, 2023) will be **ineligible**. *See Section 12 Application Review and Selection Process.*

6 Award Amounts and Limitations

DED reserves the right to fund or not fund applications, to exceed the maximums, to adjust requested award amounts within budget line items and to adjust allocations, all to allow for flexibility to ensure congressional district distribution requirements, reasonable cost allowance, organizational capacity, meeting urgent housing needs, or other geographic considerations.

Any NAHTF funds remaining from the annual funding cycle or any additional funding cycle may be used, at DED's discretion, to increase any of the above-mentioned activities, to create an additional funding cycle, such as a demonstration program, or be rolled forward to next cycle, whenever and whichever is determined necessary.

In the event that Application Guidelines are updated during the application cycle, a notice will go out to the NAHTF mailing list to alert Applicants of the newest version.

6.1 Nonprofit Technical Assistance Award

The maximum Nonprofit Technical Assistance award is $50,000 over a two-year period. General Administration and Housing Management are not eligible categories for Nonprofit Technical Assistance applications.

Technical Assistance Awards involve projects that increase a non-profit's ability to increase their capacity for housing development activities. Typical projects involve hiring new staff or creating new services specific to housing, consultant fees, strategic planning, training and education for staff, and other costs specific to the attainment of the award's Performance Plan goals.

6.2 Housing Development Award and Administrative Cost Limits

Housing Development project applications for the 2023 NAHTF award cycle may request up to $750,000 for non-administrative project costs for a 3-year contract period. In addition to the project cost maximum above, Applicants of housing development project applications are eligible

to request funds for supporting General Administration, Housing Management and Lead-Based Paint Testing. These Administrative costs can be requested over and above the $750,000 non-administrative project cost maximum.

General Administration Applicants will be eligible to request up to $20,000 for General Administration and request should be reasonable when considering amount and type of award being requested. A one-time payment request of up to 10% of the total General Administration budget will be allowed at time of Release of Funds to assist with expenses related to completing Special Conditions. Following the initial draw, the remaining draws can be made after 25%, 50%, 75% and 100% of project costs have been expended. (In other words, at least 25% additional NAHTF project costs have to be expended prior to each additional request for General Administration reimbursement.) The schedule for reimbursement of General Administration costs will be defined in the contract.

The Department recommends Recipients track their General Administration costs for their own project files to provide their organization with historical data useful for planning/ budgeting for future award applications and for reporting to their own governing authorities.

Note: When completing payment requests for draws on General Administration, support documentation will <u>not</u> be a requirement.

Housing Management Applicants will be eligible to request up to $5,000 in Housing Management per NAHTF-assisted unit, not to exceed $75,000 on projects with a primary activity of New Construction, Purchase/Rehab/Resale, Owner-occupied Rehabilitation, Homebuyer Assistance with Rehabilitation, Rental Rehabilitation, and Rental Rehabilitation by Conversion. Applicants with the only primary activity being Homebuyer Assistance will be eligible to request up to $2,500 per unit in Housing Management, not to exceed $75,000. If a project will be providing Homebuyer Assistance with Rehabilitation, the rehabilitation must be documented in payment requests in order to receive $5,000 per unit for Housing Management. Otherwise, unit completion will be reimbursed at $2,500 per unit.

Housing Management costs will be reimbursed on a per unit basis upon DED receiving proof of unit completion. The Department recommends recipients track their Housing Management costs for each project file to provide them with historical data useful for planning/budgeting for future award applications and for reporting to their own governing authorities.

Note: New Construction projects should NOT be charging the following costs to Housing Management: building permits, portable toilets, demolition waste, roll-off, dumpster fees and other similar fees related to construction sites. The Department considers these costs related to the New Construction budget line item and not Housing Management costs.

Lead-Based Paint Testing Applicants may choose to request up to $1500 per unit in NAHTF funded assistance to be budgeted for lead-based paint assessments and testing. Any unused amount in this budget category for 2023 awards remaining at end of contract <u>shall be recaptured by DED</u> for use in future funding cycles. This category will not be eligible for a budget amendment. Applicants should review the *Lead-Based Paint Q & A* document provided on the NAHTF webpage.

7 Cash Match and Leverage

7.1 Cash Match Requirements and Restrictions

Cash match is <u>not</u> a requirement for NAHTF Housing Development Projects or of Nonprofit Technical Assistance applications. Points will be awarded for cash match committed to NAHTF Housing Development Projects. <u>However, no points are given for match of Technical Assistance projects.</u> Technical Assistance projects with cash match must show cash match was used for costs related to a Performance Goal. Except for a limited cost for fulfillment of Special Conditions, **no project costs** should be incurred until after **Notice of Release of Funds.**

Cash Match for Housing Development Applications may be offered to any of the NAHTF-funded Primary or Support activities in the NAHTF budget. <u>Cash Match is only accepted in activity categories that are requesting NAHTF funds.</u> Applicants offering cash match for a project must complete and upload a signed Cash Match Documentation Form in order for match to be considered during scoring. The form is found on the NAHTF webpage under Application Guidelines section.

Applicants providing match as part of their application are joining DED in the investment of resources and risk, therefore they are awarded points for taking on such. Applicants providing cash match recognize that only project related costs <u>incurred by the DED awardee are eligible</u>. All cash match must be expended <u>by the DED awardee</u> during the contract period. These cash matching funds must be satisfactorily incurred and expended by the Recipient for the Use (Activity) as outlined in the contract and requested in proportion to Trust Fund costs submitted for reimbursement of the same budget line item. *All* cash match must be documented in payment requests and must be supported by documentation as required by the Department including but not limited to source documentation and proof of payment.

Cash match points will not be awarded for general administration, housing management, lead-based paint testing, Developer Fee and/or other project related soft costs. Any cash match shown in application budget for these categories at time of application will <u>not</u> be included in a DED contract if awarded.

Any expenses incurred prior to award are <u>not</u> eligible as match but may demonstrate project readiness and Applicants are encouraged to include details about pre-development or post-development costs within the application questions where appropriate or uploaded to a Specific Applicant Upload field provided in several sections of the application.

For consistency, to determine whether funds used as cash match are eligible and, if awarded, will be documenting payment of eligible costs, the following items must be true:
- The match amount is unrestricted cash at time of application.
- The match funded expense or invoice is for costs <u>incurred</u> by the Applicant during the contract period (after ROF).

- The match funded expense or invoice is <u>expended (paid for)</u> by the Applicant during contract period (after ROF).
- Match is funding an activity that NAHTF funds are being requested in.
- Cash match is not being declared in administrative budget categories.

NAHTF awards <u>cannot be used as match</u> for any DED administered Federal or State-funded applications.) Federal and State programs, including but not limited to, CDBG, HOME, CDBG-DR and any state-administered programs funded with American Rescue Plan Act (ARPA) <u>cannot be used</u> as matching funds for a NAHTF application. This restriction includes any Program Income from state-administered Federal programs.

7.2 Leverage Requirements and Restrictions

NAHTF resources are <u>not</u> intended to fund entire projects. Leveraged funds to be described in the NAHTF Application are other resources used for project financing that are not being submitted as cash match but are additional sources used to finance the specific project's activities <u>during the open contract period</u> for which Applicant is applying. The source, use, and amount of Leveraged Funds to be expended <u>during the open contract period</u> shall be described in the Leveraged Funds Table within the application.

Leveraged funds are <u>not</u> included in the NAHTF contract budget but are considered an important part of the project and are reviewed during project scoring. These resources leveraged for project financing during the open contract period may include owner equity, bank financing, private investment, or other public funds. Homeowner mortgages and rental payments are <u>not</u> considered financing sources, therefore are <u>not</u> to be listed as leveraged funds.

Proceeds from the sale of NAHTF-funded units are expected by contract to be leveraged for use during the open contract period on subsequent units. The Development Pro-Forma for Homebuyer new construction and PRR projects should clearly show the use of proceeds to produce subsequent units during the open contract period.

Any project resources that have been expended prior to or will be committed after the open contract period has ended, are understood to also have a valuable impact on the NAHTF project and may even speak to the commitment and "readiness" of a proposed project. Pre-Development costs such as planning, engineering, and site acquisition are costs that an Applicant may have already expended prior to applying.

NAHTF does not track or reimburse for pre-development costs. However, these costs are often a critical component to success of a project and Applicant is encouraged to provide information within the application and the Pro-Forma about any pre-development costs. Pre-Development costs are <u>not</u> to be included in the application's Leverage Table. Instead, Applicants may use the Pre-Development Cost section of the application and/or upload sections for including any informative data describing these additional resources and their impact on the proposed project.

8 Application Submission Information

8.1 Due Dates for Pre-Application and Full Application

Pre-Application is due by 5:00pm (Central), March 9, 2023.
> *Pre-Applications are a Requirement.*

Full Application is due by 5:00pm (Central), May 11, 2023.

DED recommends submitting at least 2 days ahead of deadline to leave room for any possible technical issues that may arise. Electronic submission will not allow applications to be submitted past the deadline. A success message will appear on your screen and the **Primary Contact** Email Address (entered on the Project Information section) will receive an email notifying of the date and time of the submission, 'Application Submit Success Notification'. The Primary Contact must be on staff with the Applicant Organization. An Application Preparer may check the Application Status by logging into the Applicant Portal.

8.2 Submission Process

Applications are submitted electronically through DED's Grant Management System (GMS), AmpliFund, at any time after the application open date and on or before the application deadline. Applicants can access links to the applications on the NAHTF webpage. Follow the Application links provided on the webpage, create a user profile in the GMS application portal, and complete the application forms. For assistance with using AmpliFund refer to *Section 15: User Guides and Customer Support.*

All Pre-Applications and Full Applications are prepared at the Applicant's expense. Applicants should follow the instructions within the application itself and refer often to these Application Guidelines for additional detail. If an Applicant has issues with access to or using AmpliFund they should contact AmpliFund Support through one of the methods listed in *Section 15* of these guidelines.

Pre-Application is a requirement. Submission of Pre-Application is due March 9, 2023, by 5:00pm (Central). The information provided through the Pre-Application process is critical for DED Housing staff to provide technical assistance to potential Applicants and to assist DED for planning sufficient staff time for application review and scoring. No hardcopy submissions will be accepted.

There are two types of applications, and each type requires a pre-application. The two types of applications are the **Housing Development Application** and **Technical Assistance Application**. Applicants may submit more than one application providing there is a distinct difference between either the application type, the project type, the service area, target beneficiaries or other distinctly separate qualities setting the application apart from other applications the Applicant may be submitting. Every application submission requires a pre-application regardless if the same entity is submitting more than one application.

Work on Full Applications may begin at any time after the posting of these Application Guidelines. The user profile allows for saving of partially completed applications until the Applicant is ready to submit their form. For consideration of an award, an application must be finalized and submitted by the Applicant (or their preparer) on or prior to the due date. **Instructions for completing and submitting the application <u>must be carefully followed to ensure accuracy</u> and avoid unnecessary corrections in post-award.**

A review committee issues a recommendation of top scoring applications to the DED Director, or their designee, for final approval. In addition to scoring, when making award decisions DED must also consider fiscal responsibilities, Legislative requirements and reserves the right to establish the maximum awarded amount of funds in any given year. DED sends formal notification to all Applicants, both select and non-select following action by the Director.

The Applicant's ability to follow application instructions and articulate the project's impact on housing supply will reflect favorably during the application evaluation phase. Other favorable items considered during evaluation may include the Applicant's ability to show capacity for effective and efficient fund management and project management experience which demonstrates the Applicant will be a reliable Recipient who will use awarded funds in a manner consistent with the law and requirements of NAHTF.

Applicants who desire additional space to demonstrate their capacity, experience or other relevant qualities useful for evaluating the application may utilize the Specific Applicant Upload fields found within most sections of the application.

Important Reminders!
- Early preparation is essential to a quality application. You can SAVE your work and return to edit Applications throughout the process.
- Use the [DED Grants Help Center](#) for guidance on "How to Apply."
- External Users who will be acting as <u>Application Preparers</u> **must be added as an external user to the Applicant's own AmpliFund Account**. Applicant Preparers should **not** use their own AmpliFund account to prepare applications on behalf of another organization.
  *Tip: On the *AmpliFund* Resources page, search "External User Guide" and "How to Add Users" to assure the proper account is being set up for the application submission.*
- <u>**Do not select "Submit" until the Application is complete and has been reviewed by your project team or Authorizing Individual.**</u>
- Applicant must fill in all required questions (marked with an asterisk).
- When a section is completed, select "**Mark as Complete**" and select "**Save & Continue"** to be automatically forwarded to the next section. You may still return to any section prior to submission to make changes.
- **SAVE OFTEN** as you work on application within AmpliFund to avoid unexpected loss of input due to platform timing out.
- Questions with an asterisk are required, but in some cases may need Applicant to input "NA" (not applicable) in order to move forward.

- Applicant should follow the directions provided within the application itself or consult these Application Guidelines. Contact a Housing Program Representative for assistance as needed.
- Applicant will not be able to Review and Submit until all sections have a checkmark.
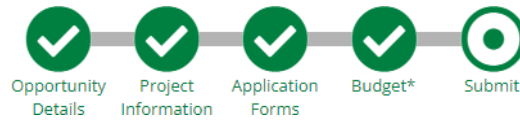
8.3 Naming Application

Applications will be identified by the name given in the Project Information Section of application. Follow the instructions below for how to name the application. Be sure to use the appropriate abbreviations for Type and Activity that the Applicant is requesting NAHTF funds to support. The GMS system (AmpliFund) will not allow the same name to be used for both Applications. Therefore, "Pre-App" is added at the beginning of name for the Pre-App and should be dropped when naming the Full Application, leaving the rest of the name the same.

Important!! Do **NOT** use name of the Preparer Organization when creating the Application name unless Applicant organization and Preparer Organization are the same entity.

Format: (PreApp) 2023NAHTF (Applicant Name) (Type) (Activity)
Example: PreApp_23NAHTF_ Applicant Name_ HB_ NC_HBA
Example: 23NAHTF_Applicant Name_ HB_NC_HBA

Type abbreviations	Activity abbreviations
HB=Homebuyer	NC=New Construction
HO=Homeowner	Rehab = Rental Rehab or Rehab Conversion
RH=Rental	PRR= Purchase/Rehab/Resale
	OOR=Owner Occupied Rehab
	HBA= Homebuyer Assistance (DPA/Closing Costs)

8.4 Timely Receipt and Completeness Requirements

Applications must be submitted by the Application Deadlines. Applications must be completed via DED's GMS and must fully comply with all requirements within the time period specified. Applications that are found incomplete or missing required attachments may be denied scoring and review.

9 Housing Development Application

The Housing Development Application is for projects involving the creation of new units, or rehabilitation of existing housing units, and/or projects providing direct homebuyer assistance to eligible homebuyers. **Pre-Application Submission is a requirement** in order to be considered for full application. Applicants needing assistance with the Pre-application form can watch the pre-recorded Pre-Application workshop, submit a question using the NAHTF Question & Answer link (found with Application link on NAHTF webpage), contact AmpliFund support, or a Housing Program Representative.

The Housing Development Application has the following sections:
Opportunity Details
Project Information [Important! Name the application correctly! *See Section 8.3 Naming Application*.]
Application Forms (7)
        Part 01: Applicant, Preparer, and Local Contact Information
        Part 02: Housing Project Information
        Part 03: Housing Project Design
        Part 04: Housing Project Need and Impact
        Part 05: Housing Project Financing
        Part 06: Housing Project Capacity and Collaboration
        Part 07: Terms of Acceptance
Budget
Submit

Important Notes:
- If a field or question does not pertain to the project type being applied for, Applicant will need to select "Not Applicable" or enter "NA" into the short answer narrative field.
- If an Applicant is unsure whether a question pertains to the project type the Applicant may ask for assistance from the Housing Program Representative for their region.
- All fields with an asterisk need to have an answer before the application will allow the Applicant to "Mark Complete" and/or "Save and Continue" and move on to the next section.
- At the end of each section the Applicant has an option to upload supplemental material to support their application in the "Specific Applicant Upload" fields.

9.1 Service Area; Zone & Blighted Information (Part 01)

Part 01 under Application Forms the Applicant will identify the service area and whether project units will be located in an Enterprise Zone, Opportunity Zone, or Extremely Blighted Area.

Service Area - Choose box for Selecting Counties when every community in that county will be served. If only certain communities will be served, fill in the Communities box instead to select all communities to be served by the project.

If unsure, an Applicant may follow the links below for information to assist with a determination:
Enterprise Zone: https://opportunity.nebraska.gov/programs/community/enterprise-zones/
Opportunity Zones: https://opportunity.nebraska.gov/programs/business/opportunity-zones/
Designated Blighted Area: https://nebraskalegislature.gov/laws/statutes.php?statute=58-504

9.2 Housing Project Types and Selecting Activities (Part 02)

Part 02 of Application Forms will ask Applicant to choose which Housing Project Type is being applied for. **<u>Only one Type can be chosen per application.</u>** There are three housing development project types: **Homebuyer, Rental, and Homeowner.** The Applicant is expected to answer all fields and short answer questions that pertain to <u>one specific project type</u> throughout

the application.

The three types are described below. For additional information on eligible activities and costs for each housing type consult *Section 3 Eligible Activities and Costs.*

Housing Project Type Selection
Homebuyer Projects
Homebuyer projects are designed to finance either New Construction (creation of new units for sale to eligible homebuyers), or Purchase, Rehab, Resale (PRR) (the purchase of existing units for rehabilitation and resale to eligible homebuyers) and/or providing direct Homebuyer Assistance (HBA) in tandem with another Homebuyer Activity or as a standalone Primary Activity. Projects must serve eligible homebuyers that make at or below 120% area median income.

Rental Projects
Rental Housing projects are designed to finance either New Construction or the Acquisition and/or Rehabilitation of <u>multi-family</u> rental units. Projects must ensure a portion of, or all units, are affordable to tenants making at or below 120% of area median income. *(Single-Family Rental Rehabilitation, also known as Investor-owned Rehabilitation projects are <u>not</u> eligible in the 2023 cycle.)*

Homeowner Projects (also known as Owner-Occupied Rehabilitation) are expressly for the Rehabilitation of existing units <u>under private ownership occupying the unit as their primary place of residence.</u>

Project Description Summary
The Applicant is asked to provide a brief summary of the project. Include whether project is Homebuyer, Rental, or Homeowner project; the number of units, target beneficiaries, and which activities will NAHTF funding be requested for. The Applicant should also list key partners and any significant details. This is meant to be a high-level, brief and concise summary of the project. The remainder of the Application will provide opportunity for recording significant details.

Selecting Project Activity Description
The Activity section is divided up by Project type (Homebuyer, Rental, Homeowner).
Homebuyer Project Type is the first to appear on the Application. If the project is <u>not</u> a Homebuyer project, the last bullet in the list should be selected that says *"Not Applicable; This project is NOT a Homebuyer Project*." By selecting the last bullet in the list (Not Applicable), the next Project Type (Rental) and the corresponding activity descriptions will pop up. If Project Type is Homeowner, simply select the last bullet point under Rental indicating "Not Applicable" and the Homeowner NAHTF-Funded Primary Activity choice will appear.

Within the appropriate Project Type, the Applicant is asked to select the Primary Activity description that best describes the activities <u>NAHTF funds are being requested to support</u>. For example, if the project is a Homebuyer project and NAHTF will be funding both New Construction and Homebuyer Assistance, the Applicant should select the description that says "New Construction and Homebuyer Assistance (HBA)".

After selecting the Primary Activity description for the project, the Applicant will move on to select any Support Activities requesting NAHTF funding. Requesting NAHTF funding for a Support Activity is optional. The Applicant should <u>only select activities that will use NAHTF funds if awarded</u>. For example, a project may be using other funding sources to acquire sites for new construction and is not requesting NAHTF for Acquisition. Therefore, the Applicant should **not** select Acquisition as a support activity in this project and the NAHTF budget will <u>not</u> show an acquisition line item.

The Administrative Activities Selection is also optional. Select any that apply or leave them all unselected if the Applicant will not be seeking NAHTF funding to support the administrative costs of the project. Do NOT select any activities that will NOT be using NAHTF funds if awarded.

When selecting Activities in Part 02 remember the following:
- Every application must select one Primary Activity.
- Support Activities and Administrative Activities are optional categories for requesting NAHTF funding.
- Review *Section 3 Eligible Activities and Costs* for details on each activity type.

9.3 Program Guidelines and Project Design (Part 03)

Program Guidelines need to be created and uploaded to the application. The Program Guidelines must be specific to this award application. A checklist is provided by project type on the NAHTF webpage for use by the Applicant to be sure all requirements are covered in a project's Program Guidelines. The Applicant's governing body does not have to approve the guidelines prior to application submission. However, it is a sign of project readiness if they have been reviewed by the Governing body prior to submission. If awarded, Program Guidelines will be reviewed by the Department, and changes could be required before final approval.

Project Design Questions will demonstrate an Applicant's ability to articulate key elements found in the Program Guidelines regarding design, administration, and beneficiary eligibility verification. In most cases, the number of characters allowed in the answer field will be excessive to the actual need. If there is additional information an Applicant would like to provide they may upload information in one of the *Eligible Applicant Upload* fields found at the end of most application sections. Applicant should note the upload name in the question's answer field that is being supported by the uploaded document.

Additional Information by Project Type
Applicant will choose "yes" next to the project type they are applying for and answer the questions that appear as a result of clicking "yes".

It is very important to read all instructions provided in the application and review all answers to be sure Applicant has not misread or skipped a section relating to their specific project type. Several questions in Part 03 of the application are conditional questions based on specific project types. This means an Applicant will need to select either "Yes" or "No" to a question before the next questions will appear. If a question field has an asterisk (*), it means

that it is a required answer field. However, if the question does not apply to the project type, the Applicant may answer by entering "N/A" for "not applicable" to allow Applicant to "Mark as Complete" when ready to move to next part of application.

9.4 Need and Impact (Part 04)

Part 04 gives Applicants an opportunity to explain the need for their particular project in the area it will serve as well as the ways the project will impact the community or service area. Applicants who can articulate the impact the number of proposed units/beneficiaries will have, i.e. percent of change compared to existing units in an area, or implementation of a new program where none had been previously are ways to help define need and impact. This section will also give Applicant's a chance to share data on potential beneficiaries and to discuss any past successful NAHTF projects or other Community projects that will demonstrate capacity or local enthusiasm for addressing housing needs.

9.5 Housing Project Financing (Part 05)

Part 05 requires Applicant demonstrate the unmet need by filling out a Table for "**Uses of NAHTF Funds**". Follow the instructions provided in the application for filling out the table.

To fill out the First Column of the table refer to the below list of **Budget Category Names**. Identify the activities you are requesting NAHTF funding for. **Only enter Primary and Support activities into the table that will be using NAHTF if awarded.**

Column 3 (*Amount Available from Other Sources Prior to NAHTF assistance*) will include **amount of match, if any,** as well as any other funding sources supporting each activity. Do **not** enter General Administration, Housing Management, or Lead-Based Paint Testing amounts in this table.

Expense Budget

Category	Grant Funded	Non-Grant Funded	Total Budgeted
✚ 01. New Construction	$0.00	$0.00	$0.00
✚ 02. Homebuyer Assistance	$0.00	$0.00	$0.00
✚ 03. Purchase Rehab Resale	$0.00	$0.00	$0.00
✚ 04. Rehabilitation	$0.00	$0.00	$0.00
✚ 05. Developer Fee	$0.00	$0.00	$0.00
✚ 06. Demolition	$0.00	$0.00	$0.00
✚ 07. Acquisition	$0.00	$0.00	$0.00
✚ 08. Infrastructure Improvements	$0.00	$0.00	$0.00
✚ 09. Rental Project Reserves	$0.00	$0.00	$0.00
✚ 10. Housing Management	$0.00	$0.00	$0.00
✚ 11. General Administration	$0.00	$0.00	$0.00
✚ 12. Lead Based Paint Testing	$0.00	$0.00	$0.00
✚ 13. Additional Eligible NAHTF Activities	$0.00	$0.00	$0.00
Total Expense Budget Cost	**$0.00**	**$0.00**	**$0.00**

Use table found in *Section 3.1 (Primary and Support Activities)* to determine which activities are Primary and which are Support Activities. Application will ask you to add together the amount of

NAHTF being requested for Primary activities and the amount being requested for Support Activities. These two amounts when added together may not exceed the maximum limit of $750,000.   The total of amounts entered in the last column should equal the amount of NAHTF being requested in Primary and Support activities (not including administrative costs).

Applicant will also be asked to enter the average amount of NAHTF requested per unit in the project. Calculate by using Total Unmet Need divided by # of units to be completed during open contract.

Applicant should answer remaining questions in this section. Based on an Applicant's answers, additional questions may appear and need to be answered.

9.6 Pro-Forma (Part 05)

A Development Pro-Forma is a required upload for project types listed below. Pro-Formas must be uploaded in **Excel** format.

- Homebuyer New Construction
- Homebuyer New Construction with Homebuyer Assistance
- Homebuyer Purchase/Rehab/Resale
- Homebuyer Purchase/Rehab/Resale with Homebuyer Assistance
- Rental New Construction (Early Submission)
- Rental Conversion (Early Submission)
- Rental Rehabilitation (Early Submission)
- Projects involving Infrastructure or Acquisition combined with a Primary Activity

Homebuyer Project Pro-Forma

DED does not have a required Pro-Forma Template for Homebuyer projects.   However, Applicants may request a SAMPLE Homebuyer Template from their Housing Program Representative to consider for use. Applicants using a Homebuyer Pro-Forma Template provided by DED staff are responsible for customizing the template to fit their project and verify that all formulas are correctly working. Applicants applying for Homebuyer projects are encouraged to work with their project partners to prepare a Pro-Forma for the Full Application that includes at a minimum Unit Information, Sources and Uses, and Cash Flow. The Development Pro-Forma should show how proceeds are leveraged from the sale of newly constructed or rehabbed units for use in completing subsequent units during the open contract period.

Rental Project Pro-Forma (See Due Date!)

Applicants with Rental projects must submit the completed DED Rental Pro-Forma to the Housing Program Representative by date shown on the Funding Timeline, page 4. **Rental Projects must use the required DED Rental Pro-Forma downloaded from the NAHTF webpage.** A cost allocation analysis will be performed on the Rental Pro-Forma to be sure Applicant is claiming minimum number of units to remain affordable for the Affordability Period as prescribed by the NAHTF program. Applicants should review Page 3 of the *Rental Program Guidelines Checklist* (downloaded from NAHTF webpage) for details about completing the Rental Pro-Forma. The Rental Program Guidelines Checklist is found on the NAHTF webpage under Application

Guidelines Section. Applicant will be notified when review of the Pro-Forma is complete.

Note: All Pro-Formas must be uploaded as an Excel when submitting with the application.

9.7 Capacity and Collaboration (Part 06)

Part 06 Capacity Narrative will allow Applicant to demonstrate their capacity for administering a NAHTF award. Question fields will request a list of Project Team members, their respective roles, and experience in housing development and/or project management. If any key roles have not been filled, i.e., developer, project manager, etc., Applicant should explain the plan for filling these prior to receiving Release of Funds.

Part 06 Collaboration Narrative will provide opportunity for Applicant to share ways in which the project was reviewed and supported by the community or has received support of other partners, boards, housing agencies, etc., throughout the process of planning or will be supportive in the future, i.e., marketing and outreach of the program.

9.8 Terms of Acceptance (Part 07)

Part 07 Terms of Acceptance is location for entering an electronic signature from an individual attesting to being duly authorized to submit the NAHTF application. There is a reminder to download the application for Applicant files. If a third-party Preparer is submitting on behalf of the Applicant, DED has the expectation that Applicants will review the application prior to submission as they will be the entity responsible for compliance if awarded.

9.9 Creating the NAHTF Budget

Upon entering the Budget section (green circle labeled "Budget") Applicant will need to click the green "+" next to an Activity Category that is requesting NAHTF funding. A pop-up will appear. Instructions for filling out the Budget lines will be included in the pop-up. Follow the instructions for entering the amount of NAHTF and the amount of Match, if any to each activity. This will be repeated for each activity that Applicant is requesting NAHTF funding to support. For more details go to the [Budget User Guide](#) or the [NAHTF Application User](#) guide found in AmpliFund DED Grants Help Center.

Tips for Creating the NAHTF Budget
- **Only select activities that NAHTF will be supporting.** The budget activities should match activities listed in the Table that identified the Unmet Need for each budget category in **Part 05** of the application.
- **Item Type –** This may remain as Non-Personnel for all activities
- **Name** – Enter the Category Name. (Category and Activity Name are the same.)
- **Direct Cost** – Enter sum of NAHTF Request **plus** Match, if any.
- **Non-Grant Funded –** Answer "yes" if match will be applied to the activity.
- **Grant Funded –** Amount of NAHTF being requested for that activity. It will Auto-calculate to subtract amount of match (if any) from Direct Cost.
- **Cash Match –** Enter amount, if applicable.
- **Total Budgeted** is auto-calculated to equal Grant Funded plus Cash match.

10 Nonprofit Technical Assistance Application

A Nonprofit Technical Assistance application is meant to support eligible nonprofit, community, or neighborhood-based organizations by providing financial resources to increase an organization's capacity for creating affordable housing. A successful Technical Assistance project should be able to substantially increase the Awardee's ability to impact affordable housing development in their service area. Pre-Application Submission is a requirement in order to be considered for full application. Applicants needing assistance with the Pre-application form can watch the pre-recorded Pre-Application workshop, submit a question using the NAHTF Question & Answer link (found with Application link on NAHTF webpage), contact AmpliFund support, or a Housing Program Representative.

Project Information

Important: **Name your application correctly in Project Information Section!** Refer to *Section 8.3 Naming Application*. Enter Award request, Cash Match, if any, and Primary Contact Information. The Primary Contact must be on staff with the applicant. This individual will receive the notification that application has been submitted. The application preparer may check the status of the application submission status by logging into the Applicant Portal.

Applicant, Preparer, and Local Contact Information (Part 01)

Follow instructions within the application and answer all applicable fields. When choosing service area, please determine if project will serve an entire county.

Service Area- Choose box for Selecting Counties when every community in that county will be served. If only certain communities will be served, fill in the Communities box instead to select all communities to be served by the project.

Project Activities (Part 02)

The five activities listed as options in the application are as follows:
* Improve Current Services and Activities;
* Planning for a New Program, Service or Project;
* Expand Service Area;
* Build capacity to undertake new Activities; and
* Staff training/education

Project Design (Part 02)

The Applicant will give a short summary of the proposed technical assistance project, its overall objectives, and a general timeline for each. The Applicant may be requesting NAHTF to fund the entire project or there may be other sources of funding as well. Applicant will describe all funding sources to be used in this project including the NAHTF amount being requested. Funding sources can include the organization's operating funds, special project funds, non-DED administered grants, etc. Not all sources will fit the definition required for matching funds. See Section 7 for Match details.

Performance Plan (Part 02)

The Performance Plan is a key component to the NAHTF Nonprofit Technical Assistance Award. Goals should be specific, measurable, and easily associated with corresponding costs.

The Applicant is asked to complete the number of goals necessary to adequately describe how objective(s) will be met for the proposed project. Each goal consists of a name, estimated cost, description of activity and a list of all funding sources supporting completion of that particular goal. Always list NAHTF as a source if NAHTF award is being requested to fund the goal. Lastly, Recipient will describe the typical expenses related to the goal. Typical expenses may be, but are not limited to, staff time, registration fees, supplies, consultant fees, mileage, etc.

Following the entry of goals, the Applicant will enter the *Total Project Cost*. This is the sum of the *estimated costs* entered for each goal. If only NAHTF is being used as a funding source then these costs will equal the NAHTF Requested Amount.

Applicant will also enter the *Total of Other Sources* (including Match, if any) that will be used to support any or all of the goals entered. **Total Project Cost Less Total Other Sources should equal the amount of NAHTF award being requested for this application.**

If awarded, the Awardee and the Housing Program Representative will review the goals together. DED may choose to award some goals and not others and may need to suggest additional goals for attaining the objectives. **Performance Plan goals will be included in the DED contract as Appendix A.**

Impact on Housing (Part 02)

The Applicant will describe how successful completion of this project will assist the organization in having a greater impact on creating new housing units and/or improving existing housing stock in the future. The Applicant will also describe why NAHTF funding is needed in order to achieve the objectives of the Performance Plan.

Sustainability (Part 02)

Applicants are asked to describe how a NAHTF award will set them up for future success and how the proposed project objectives will be sustainable after the end of the contract period.

Organization & Financial Management (Part 02)

The Applicant will provide answers to questions regarding the organization's structure, public and private financial resources available for general operation, and policies for internal controls and financial management.

Cash Match & Leverage Documentation (Part 02)

Match and Leverage are not scoring criteria, nor are they a requirement for receiving an award. However both may be taken into consideration as one factor out of many in the Organizational and Financial Management Section. Applicants providing match will download the Match Documentation Form from the NAHTF webpage and complete it on the Applicant's organization

letterhead. The document must be signed by the authorized individual names in the application and uploaded to the application. If the Applicant has leverage funds to be used on the project, (other funding sources to be used during contract period) the Leverage Fund table will need to be completed. *For Details see Section 7 Cash Match and Leverage Details.*

Budget Creation

There is only one Budget Line Activity for the Technical Assistance Award. The Budget Line is named Technical Assistance. The one budget line should include only the NAHTF requested amount and the amount of match, if any. See *Section 9.9 Creating the NAHTF Budget*. For additional assistance go to the [Budget User Guide](#) in AmpliFund DED Grants Help Center or consult the [Application User Guide](#).

11 Application Resources

The Department will be providing pre-recorded workshops for both the Pre-Application and Full Application as well as regularly scheduled Open Office Hours. Dates and times are found on the Funding Cycle Timeline, page 4 of this document. Terms and Definitions useful to the Applicant are provided in the Appendix of these Application Guidelines. Applicants may also contact their DED Regional Housing Program Representative and are encouraged to do so early in the application planning process if they have project specific questions. Staff coverage areas and contact information is found on the NAHTF webpage in box titled Contact DED Housing. Webpage Link: https://opportunity.nebraska.gov/programs/housing/nahtf/.

11.1 Pre-Recorded Application Workshops

Links will be provided to the pre-recorded workshops on the NAHTF webpage and found under 2023 NAHTF Recorded Workshops. Applicants should view the recordings before submitting questions to their Housing Representatives and prior to joining any Open Office Hours. Refer to the 2023 NAHTF Timeline on page 4 for dates and times.

11.2 Open Office Hours for NAHTF Applicants

Applicants and Application Preparers are invited to attend Open Office Hours (dates and times found on Timeline, page 4). Participants should have viewed the workshops prior to joining an Open Office Hour session. These sessions provide an opportunity for Applicants to ask questions and obtain additional clarification regarding the application process and Application Guidelines. Registration links for Open Office Hours will be posted at this link: https://opportunity.nebraska.gov/training/.

Questions for Open Office Hours should pertain to the application itself; Application Guidelines, clarifying questions, etc. For assistance with using AmpliFund see *Section 15* of these guidelines to join weekly Open Office Hours specific to use of AmpliFund.

11.3 NAHTF Question and Answer Link

Applicants will be able to submit Application questions by accessing a link on the NAHTF webpage. This link is found just below the links to the Applications. Staff will post the Questions

and Answers to a dedicated page periodically throughout the application period. Applicants may access the page through the same link by scrolling down to see posted Q & A. Applicants are also encouraged to contact a Housing Program Representative for assistance.

11.4 Application Uploads

All required documents must be uploaded into the application in order for the application to be considered complete. Pro-Formas must be uploaded in Excel format. Forms with an asterisk (*) can be downloaded from the NAHTF webpage section titled Application Guidelines. https://opportunity.nebraska.gov/programs/housing/nahtf/.

Technical Assistance Application Uploads
    Housing Milestone Plan, if applicable (*upload to Pre-Application only*)
    Federal Tax-exempt letter for 501(c)(3) or 501(c)(4) non-profit applicants
    Annual Income and Expense Statement *(Approved by Authorized Individual or Governing Board)*
    Balance Sheet *(Approved by Authorized Individual or Governing Board)*
    Match Documentation Form, *if applicable (Signed in Blue Ink)**

Housing Development Application Uploads
    Housing Milestone Plan, *if applicable (upload to Pre-Application only)*
    Federal Tax-exempt letter for 501(c)(3) or 501(c)(4) non-profit applicants
    Development Pro-Forma, *if applicable (Rental projects have a required form for use)**
    Match Documentation Form, *if applicable (Signed in Blue Ink)**
    Program Guidelines Checklist (*Completed)**
    Program Guidelines *(Created for this Project)*
    Site Review Form, *if applicable and signed by Program Representative**

12 Application Review and Selection Process

The State's main objective for distributing NAHTF resources is to invest funds in quality projects and programs that help eligible Applicants leverage private financing to create permanent, energy efficient, and affordable housing that addresses local needs. State resources are limited and there is an increasing demand for NAHTF award distribution, therefore cash match, leveraging other funds, and demonstrating repayment and/or efficient and timely use of NAHTF resources are priority objectives.

At the conclusion of the application period, Applications will be evaluated to determine if they meet minimum qualifications based on Threshold Review Questions and can be considered for review and scoring. Clarifying information may be requested of Applicants. When providing clarifying information, applications themselves may not be changed and/or altered. Failure of the Application to meet all of the threshold requirements (Threshold Questions) may result in the Application not being scored or funded. Applications that fail Threshold Review will be encouraged to address deficiencies and apply in a subsequent cycle.

Threshold Review Questions*

Did the Applicant submit a Pre-Application by the required due date?	☐ Yes	☐ No	
Is the Applicant an eligible Applicant?	☐ Yes	☐ No	
Are activities described in the project eligible NAHTF activities?	☐ Yes	☐ No	
Are all NAHTF-funded activities within maximum limits?	☐ Yes	☐ No	
Did Applicant upload all required documents?	☐ Yes	☐ No	
Has required milestones identified in QAP for current DED Housing awards in the NAHTF program been met?	☐ Yes	☐ No	☐ NA

Once Applicants pass the Threshold Review, applications will be scored by a committee based on the scoring criteria below. The applications will be scored and ranked statewide, with the highest scoring projects being recommended in the order that they are ranked, with best efforts to allocate not less than 30% of the NAHTF allocation to Congressional Districts 1, 2, and 3. Applicants must score the minimum of points needed for fundability under their Application Type in order to be considered for an Award (See Scoring Criteria tables for Fundability minimums). However, meeting Fundability score does not guarantee an award.

All Applicants will be emailed a notice of award or a notice of non-select. Non-select applicants are encouraged to re-submit in a subsequent cycle. Due to the competitive nature of the program and the limited amount of funds available in state aid each program year, some projects may not be selected for award. To assist Applicants in improving their applications in future funding cycles, non-select Applicants may request a follow up meeting with a Housing Representative to discuss opportunities for improvements to their project and/or application for future funding cycles. NAHTF applications will be reviewed and competitively scored using the following scoring methodology. The points awarded may be within the range stated and based on a variety of factors, including, but not limited to quality of answer, alignment with NAHTF priorities, etc.

12.1 Housing Development Scoring Criteria

HOUSING DEVELOPMENT PROJECT SELECTION CRITERIA	
CRITERIA	**POINTS POSSIBLE**
Project Design (100 Available)	
Described project type, units, and significant details of the project	40
Described Target Beneficiaries AMI & Affordability Period	20
Described project readiness factors of the project	20
Described visitability and/or accessibility features of the project for people with disabilities	20
Need and Impact (100 Available)	
Described how need is proven through housing study and/or other data	50
Described potential impact of Project on the service area	50

Project Financing (50 Available)	
Described sound financing plan and aligned with Pro-Forma, when applicable	30
Described Other Sources used to finance project including any Pre-Development funding	20
Capacity and Collaboration (50 Available) Applicant demonstrated capacity for administering project. Applicant demonstrated collaboration with community, project team or funding partners?	 40 10
Project First Priorities (maximum 10 points) All Project units are in an Enterprise Zone (2 points) All Project units are in an Opportunity Zone (2 points) All Project units are currently in an officially Blighted Area (2 points) Project will serve Households at or Below 80% of AMI: • 25%-49% of units will serve households at or below 80% AMI = 1 point • 50%-74% of units will serve households at or below 80% AMI = 2 points • 75%-99% of units will serve households at or below 80% AMI = 3 points • 100% of units will serve households at or below 80% AMI = 4 points	10
Disaster Recovery DR-4420 (design, beneficiaries, narratives)	5
Affordability Period 5 years = 0 points 8 years = 6 points 6 years = 2 points 9 years = 8 points 7 years = 4 points 10 years =10 points	10
New Units Created (1 NAHTF unit = 2 points, not to exceed 30 points) *Newly constructed, based on total # of NAHTF units constructed during open contract.	30
Preservation of Units (1 unit = 1 point, not to exceed 50 points) * Only Applicable to Owner-Occupied Rehabilitation, Rental Rehabilitation and Purchase/Rehabilitation/Resale Projects. *Not Applicable to Homebuyer Assistance Only and Homebuyer Assistance with Rehabilitation Projects.*	50
Matching Funds [Match ÷ Total NAHTF Project Costs] x 100 x .5 (Project Costs do NOT include Administrative Costs) *(Department will round up to nearest whole number for Matching Funds Points)	50
Total Possible Points	**455**
Note: Points threshold for fundability is **300** points. Fundability does not guarantee an award.	

12.2 Nonprofit Technical Assistance Scoring Criteria

SELECTION CRITERIA FOR NON-PROFIT TECHNICAL ASSISTANCE	
Criteria	**Points Possible**
Project Design (200 available)	
Project Description with objectives Measurable goals to meet objectives	50 150
Impact on Housing Production (100 available)	
Project goals will impact the capacity for housing development activity Description of need and barriers that award will help overcome	50 50
Sustainability (50 available)	
Description of how goals will impact sustainability of the organization	50

Organizational and Financial Management (50 available)	
Description of organization structure and financial stability	25
Description of policies and processes for internal controls	25
Total Possible Points	**400**
Note: Points threshold for fundability is 260 points. Fundability does not guarantee an award.	

12.3 Milestones

Applicants with open DED NAHTF awards must meet the milestones outlined in the table below by the due date of the pre-application (March 9, 2023). If these milestones are not met by March 9, 2023, the Applicant must provide a detailed plan within their pre-application outlining how previous NAHTF housing awards will be in compliance with the milestones by the date of full application (May 11, 2023). DED will consult with Applicants on a case-by-case basis if necessary.

Applicants not meeting the milestones outlined in the table below by May 11, 2023, will not be eligible for funding in the 2023 NAHTF application cycle.

Milestones

NAHTF Program Year	Milestone
2018 and earlier	100% of funds drawn
2019	90% of funds drawn
2020	50% of funds drawn
2021	20% of funds drawn
2022	Must have achieved Release of Funds by May 11, 2023

13 Notice of Award

Following the review and scoring process, the Department will announce the NAHTF awards with a Press Release. Prior to the Press Release DED issues written Notices of Award (NOA) via email to recipients of an award. The NOA will outline the anticipated Award amount. These funds will be reserved for the potential Recipient until the Award agreement (Contract) is signed by both DED and the Recipient or until such time it is determined that an Award agreement cannot be entered into between Recipient and DED.

13.1 Contract Review

Following DED's Notice of Award, Housing Program Representatives will meet with Awardees.   A Contract Review Agreement will be signed off on by all parties present at the review. The Award Agreement (Contract) will then be created and issued to Recipient's Authorized Signer via DocuSign.

The Authorized Signer may download a copy for review by the Applicant's governing body. Authorized Signer must review, sign, date, and return the agreement via DocuSign to accept the

NAHTF Award. DED signs the contract after it is signed by the Authorized Signer. Once all parties have signed the agreement, the Award account will be activated, and Awardees will follow specific instructions emailed to the Applicant for accessing the Award in AmpliFund. At this time, Applicants are asked to complete the **Recipient Grant Manager** field on the Details page of the Award's AmpliFund account. Awardees are also required to provide the [State of Nebraska W-9 and ACH Enrollment Form](#) via AmpliFund.

For Instructions on what to do once award is activated consult *Section 15.2 Award User Guides* for link to AmpliFund Resource titled *Getting Started with your Award*. NAHTF Recipient needs to complete Steps 1-3 outlined under *What to Do When You Receive a Grant.*

Once AmpliFund Award account is activated, the Awardee can complete required Special Conditions items as listed in contract. When Awardee has satisfactorily completed all Special Conditions, a **Notification of Release of Funds will be issued** via email. Primary and Support Activity costs can begin to be incurred for the project, along with all administrative costs, only <u>after</u> the Notification of Release of Funds has been received.

13.2 Special Conditions

Following execution of DED Contract the Recipient enters the Special Conditions phase of project. Funding will not occur until the Special Conditions listed in contract are met. All Special Conditions items need to be satisfactorily completed and uploaded to the award account by the date specified in the contract unless DED has approved delayed submission of any or all Special Conditions. Requests for delays are determined on a case-by-case basis and Recipient should remain in contact with their Housing Program Representative on their progress with Special Conditions items. Once <u>all</u> uploads are completed DED will review and approve within 30 days. Below are the typical Special Conditions items listed by project type. Recipient contracts should be consulted.

Homebuyer Special Conditions
- NAHTF Program Grantee Information Sheet
- Authorization to Request Funds *(signed in blue ink)*
- Fair Housing Activity
- Program Guidelines
- Program Guidelines Checklist
- Pro-Forma, if applicable
- Lease-to-Own Transition Plan, if applicable

If New Construction project:
- Nebraska Department of Environment & Energy (NDEE) compliance letter
- Site Review approved by DED

Rental Project Special Conditions
- NAHTF Program Grantee Information Sheet
- Authorization to Request Funds
- Fair Housing Activity
- Program Guidelines
- Program Guidelines Checklist

- Pro-Forma (DED Approved Rental Project Pro-Forma)
- Proposed Cash Flow Distribution Plan
- Proposed Agreement for Governing Reserves
- Tenant Selection Process
- Proposed Lease Agreement

The following are applicable if Rental Project has a Rent-to-Own option that will be exercised within the affordability period:
- Transition Plan
- Net Sales Proceeds Plan
- Homebuyer Program Guidelines

If Rental New Construction or Conversion (when renovation alters value by 50% or more):
- Nebraska Department of Environment & Energy (NDEE) compliance letter, if applicable
- Site Review approved by DED (also required for Rental Rehabilitation)

Homeowner (OOR) Project Special Conditions
- NAHTF Program Grantee Information Sheet
- Authorization to Request Funds *(signed in blue ink)*
- Fair Housing Activity
- Program Guidelines
- Program Guidelines Checklist

Technical Assistance Project Special Conditions
- NAHTF Program Grantee Information Sheet
- Authorization to Request Funds
- Fair Housing Activity

13.3 Award Disbursement

NAHTF awards will be disbursed on a reimbursement basis using AmpliFund. Award Reimbursements are called Payment Requests. No project costs can be expended prior to Awardee receiving a Notice of Release of Funds (ROF). Though a limited amount of General Administration costs may be incurred prior to ROF (and after NOA), no reimbursements will be made until ROF is achieved.

To receive reimbursement, the Awardee must create one expense for each supporting document. Support Documentation (invoice) must be attached to each expense. Proof of payment must also be included as an attachment with each expense. Expenses will be tracked against the Awardee's budget line items. The Awardee will submit a payment request to DED for the date range covering expenses being sought for reimbursement. Reimbursements should begin within 30 days following ROF and may be submitted monthly and no less than once every 6 months.

DED may reject the payment request and require resubmission if the source documentation or proof of payment is incomplete, funds are requested for ineligible costs, or other issues are identified. Upon DED's approval of payment requests, DED will disburse funds on a reimbursement basis up to the amount detailed in the reimbursement documentation. An email

from the AmpliFund Administrator will give notice to the Recipient Grant Manager that DED has approved or denied the request for payment. Funds are transferred electronically to the account designated on the State of Nebraska ACH Enrollment Form. The email address provided on the State of Nebraska ACH Enrollment Form will be notified once the payment has been processed. Awardees can find detailed instructions for how to submit payment requests in the DED Grants Help Center. Payment of the reimbursement is subject to Awardee's submission of supporting documentation and proof of payments for review and approval by DED.

"Source Documentation" includes receipts, invoices, timesheets, etc., with sufficient information to demonstrate the amount of the cost and the allowability, applicability, and reasonableness of the cost.

"Proof of Payment" means canceled checks, bank statement, confirmation of wire or automated clearing house transfer, or similar documentation which provides substantiating evidence that payment has been made as claimed.

The timing of the final disbursement request depends on the Awardee's ability to document expenditure of funds as required in the agreement but should be submitted to DED on or before the end of the contract term.

14 Post Award Management & Implementation

14.1 Determining Income Eligibility of Beneficiaries

Recipients of NAHTF will use the same guidance as HUD HOME programs to determine income eligibility for potential beneficiaries of a program awarded NAHTF funding. NAHTF follows the HUD HOME Income Limits which are posted on the NAHTF webpage and on the HUD link provided below. When assistance is needed in using their income eligibility tools the HUD Exchange has access to online training and support. Recipient Organizations will need to create their own account at the link provided in order to use the income eligibility calculator.
https://www.hudexchange.info/incomecalculator/

A written resource Recipients may find helpful as well is *The Technical Guide for Determining Income and Allowances* for the HOME Program. This provides an explanation and examples of computing annual income, and sample income verification forms for use on verifying annual income of tenants (also a requirement of NAHTF program). It reviews general requirements for determining and calculating income in order to determine HOME Program eligibility (same eligibility requirements are used for NAHTF); provides an overview of the three allowable definitions of income; and reviews how to determine income using each of the three definitions.
https://files.hudexchange.info/resources/documents/HOMEGuideForIncomeAndAllowances.pdf

14.2 Affordability Restrictions

The NAHTF funds awarded must be repaid by the Recipient if the Project does not meet the affordability requirements of the Program and of the contract throughout the entire period of

affordability listed in the Table of Project Requirements. Below are the Affordability Restrictions by project type.

Homebuyer Projects

The affordability requirements relate to the eligibility requirements (including the income eligibility, ownership of the property eligibility, and the occupancy as the principal residence of the homebuyer requirement) which must be enforced throughout the affordability period by the Recipient.

The Recipient must enforce the eligibility and affordability requirements through the imposition of liens, deed restrictions, covenants, recapture requirements, resale restrictions, or any combination of such legal instruments as required under the Program. The legal instrument used must "touch and concern" the land, "burden and benefit" the respective parties, and "run with the land" so as to be binding upon the homebuyer and any successors in title to the applicable Project real estate and upon their heirs, legal representatives, successors, or assigns.

Beginning on the date of unit completion and subsequent sale to an eligible homebuyer, each Trust Fund-assisted unit must remain the principal residence of the homebuyer throughout the affordability period established in RECITAL C of contract. If the home does not continue to be the principal residence of the original homebuyer for the duration of the period of affordability, then resale restrictions or recapture provisions will be followed. After project completion occurs, the affordability period for that unit typically begins once the unit has been sold to an eligible homebuyer.

The amount of Trust Funds invested in each particular unit within a project may vary depending on whether the project involves development subsidies only, direct homebuyer assistance (HBA) subsidies only, a combination of both development subsidies and direct HBA subsidies, and whether Resale or Recapture provisions apply to the project. See *Appendix, Terms and Definitions, Section 16* for subsidy descriptions.

Rental Projects

The affordability requirements relate to the occupancy (tenant income eligibility) and the cost of housing (rent limitations) at initial occupancy and over established timeframes (period of affordability). In general, the Project must be occupied by income-eligible households and is subject to rent limitations throughout the affordability period.

The Recipient must enforce the occupancy-eligibility and rent limitation requirements through the imposition of liens, deed restrictions, land use restriction agreements, covenants, or any combination of such legal instruments as required under the Program or as prescribed by the Department. Any time during the Time of Performance of the contract and during the period of affordability, the Department may require documentation verifying the existence of and the proper recordation of the legal instrument used by the Recipient to enforce the eligibility and affordability requirements. The legal instrument used must "touch and concern" the land, "burden and benefit" the respective parties, and "run with the land" so as to be binding upon the Owner and any successors in title to the applicable Project's real estate and upon their heirs, legal

representatives, successors, or assigns.

Beginning on the date of Project completion (the date <u>all</u> units are complete and leased to eligible tenants), the Trust Fund-assisted units must remain affordable for the affordability period established in Recital C of the contract. Project completion occurs, and the affordability period typically begins, when 100% lease-up is achieved of ALL units in the Project. The Certificate of Completion letter for the Project will be the official record that defines Project completion and the affordability period for Rental Units. *Note: Rental Rehabilitation Projects with existing tenants may have special circumstances for determining the start of the affordability period and DED shall be consulted to make a determination.*

Homeowner Projects
The affordability requirements relate to the ownership of the property and the occupancy as the principal residence which must be enforced throughout the affordability period by the Recipient.

The Recipient must enforce the eligibility and affordability requirements through the imposition of liens, deed restrictions, covenants, recapture requirements, resale restrictions, or any combination of such legal instruments as required under the Program or as prescribed by the Department. At any time during the Time of Performance of the contract and during the period of affordability, the Department may require documentation verifying the existence of and the proper recordation of the legal instrument used by the Recipient to enforce the eligibility and affordability requirements. The legal instrument used must "touch and concern" the land, "burden and benefit" the respective parties, and "run with the land" so as to be binding upon the homeowner and any successors in title to the applicable Project real estate and upon their heirs, legal representatives, successors, or assigns.

Beginning on the date determined for Project completion, the Trust Fund-assisted units must remain the principal residence of the homeowner throughout the affordability period established in RECITAL C of the contract. If the housing Unit does not continue to be the principal residence of the original homeowner for the duration of the period of affordability, resale restriction or recapture provisions will be followed per contract. Project should consult with Housing Program Representative for guidance on how the typical unit completion date is determined for affordability purposes.

Technical Assistance Projects
Technical Assistance contracts are not subject to an affordability period. They are a two-year contract with all obligations ending after monitoring and close-out.

14.3 Monitoring Duties of Recipient
During the period of affordability, the Recipient will undertake, be responsible for, and complete all monitoring activities required by the Department and must maintain documentation of such monitoring activities on a current basis and for five (5) years after the period of affordability. Monitoring responsibilities are dependent on project type and are related to the eligibility and occupancy requirements. Rental Projects also include monitoring of rent limits. The Department may at any time request proof of monitoring.

14.4 Insurance

The Recipient agrees to provide insurance coverage for real property acquired or improved with Trust Funds that is, at a minimum, equivalent to the insurance that the Recipient provides for its other property or agrees to ensure that such insurance coverage is provided by the owner of the real property.

14.5 Accounting for Trust Funds by the Recipient

A separate bank account for the Trust Funds is not required; however, the Trust Funds must be accounted for separately in the books and records of the Recipient in such a manner as **to allow funds tracing and a current status review of the Trust Funds at all times.** Upon request, the Recipient must provide evidence to the Department that other sources of funding for the Project have been contributed pursuant to the Application and the Sources and Uses of Funds Table contained in the contract.

The Recipient must keep all records concerning the Trust Funds in a manner which is consistent with generally accepted accounting principles. Payment Requests for reimbursement will require both Source Documentation and Proof of Payment. Source Documentation includes, but is not limited to, contracts, invoices, brochures, and other data, as appropriate, evidencing the necessity for such expenditures. Proof of payment of expended funds will be shown in the form of cancelled checks, bank statements, evidence of wire transfer or electronic payment, or any other accepted means of proving proof of payment from Recipient to vendor or employee. Proof of Payment must be clearly documented to allow for easy tracking back to invoices. The Department reserves the right to reject payment requests for inadequate source documentation including inadequate proof of payment documentation.

14.6 Records and Record Retention Requirements

When applicable to the project, Recipients must maintain documentation of monitoring activities on a current basis and for five (5) years after the period of affordability ends. In addition, the Recipient will keep other general records concerning the Project that the Department may require for five (5) years after the Department issues a Certificate of Completion letter to the Recipient.

If any claim, litigation, or audit is started before the expiration of the record retention periods, the records must be retained until all claims, litigation, or audit findings involving the records have been resolved.

14.7 Access to and Inspection of Records; Performance Reviews; Reports

The Department and any duly authorized officials of the state will have full access to and the right to examine, audit, excerpt, and transcribe any and all of the Recipient's records pertaining to the Project.

The Department may conduct performance review monitoring visits and may audit the Recipient's records, including records that pertain to the required matching contribution, for compliance. In addition, a cost certification audit may either be conducted by the Department or requested by the Department to be done by independent accountants at the Recipient's expense.

Within ninety (90) days following completion of the Project and final disbursement of the Trust Funds, the Recipient shall provide to the Department, in a format as prescribed, a Beneficiary Per Unit Report, a Final Financial Report, and documentation of completion of Fair Housing action as prescribed during Special Conditions.

Other reports may be required prior to receiving a Certificate of Completion and may include but are not limited to Certification of Compliance with Nebraska Department of Environment & Energy (applies to new construction and when applicable, to Rental Conversion projects).

14.8 Conflicts of Interest

No officer, employee, or agent of the Recipient will participate in the selection, or the award or administration of a contract supported by Trust Funds if a conflict of interest, real or perceived, would be involved. Such a conflict would arise when the officer, employee, or agent; any member of the immediate family of the officer, employee, or agent; any partner of the officer, employee, or agent; or any organization which employs or is about to employ any of the above has a financial or other interest in the firm selected for award.

The Recipient's officers, employees, or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements during office tenure or for one year after the closeout of the Project. *This stipulation must be included in all other contracts and subcontracts related to the Project.*

In the event a prohibited conflict of interest arises, the Recipient must inform the Department. Upon written request, exceptions may be granted by the Department on a case-by-case basis when it is determined that such an exception will serve to further the purposes of the Program.

14.9 Applicability to Subrecipients and Contractors; Other Requirements

Provisions listed in contract with DED will be made binding on any subrecipient or contractor of the Recipient, and the Recipient will, nonetheless, remain fully obligated under the provisions of this contract. Any such subrecipient or contractor of the Recipient must be authorized to transact business in the State of Nebraska. All subrecipients and contractors are expected to comply with all Nebraska Secretary of State and Department of Revenue registration requirements, including any registration requirements pertaining to types of business entities (e.g., person, partnership, foreign/domestic limited liability company, association, or foreign/domestic corporation). Construction contractors are expected to meet all applicable requirements of the Nebraska Contractor Registration Act and provide a current, valid certificate of registration to the Recipient for Recipient's records.

Upon request, the Recipient must submit copies of written agreements executed between the Recipient and any subrecipients or contractors related to the Project.

15 User Guides and Customer Support

To administer this program, DED uses a GMS known as AmpliFund. Applications will be submitted, and awards will be managed through the GMS. User Guides, with detailed instructions for accessing and using the application portal, and other resources are available on DED's website. The help portal is organized by topic. You can enter key words into the search bar to find specific articles. *Tip: Bookmark the DED Grants Help Center page on your computer browser for easy referral.*

NAHTF specific Pre-recorded workshops and open office hours will also be made available to Applicants. See Funding Cycle Timeline on Page 4 for dates and times. **Applicants are expected to view the pre-recorded workshops <u>prior</u> to participating in the open office hours.**

15.1 Application User Guides

NAHTF: Application User Guide will assist with how to navigate through the application in the AmpliFund system.

For instructions on registering for an AmpliFund account, please see **User Management (https://dednebraska.zendesk.com/hc/en-us/categories/7865709789851-User-Management)**.

For instructions on applying through the GMS, please see **How to Apply** (https://dednebraska.zendesk.com/hc/en-us/categories/7542920001051-How-to-Apply)**.**

15.2 Award User Guides

If awarded, use the following instructions on managing your award, please see **Getting Started with your Award** (https://dednebraska.zendesk.com/hc/en-us/categories/7865773985307-Getting-Started-with-your- Award).

For other program-specific user guides, please see **Housing: NAHTF** at**:** (https://dednebraska.zendesk.com/hc/en-us/sections/7782857044379-Nebraska-Affordable-Housing-Trust-Fund-NAHTF-).

15.3 AmpliFund Customer Support

If you need help using the GMS to apply or manage your award, you can reach out to customer support in three different ways:

1. Call toll-free 1 (844) 735-0239
   - Available from 7:00am-7:00pm CDT
2. Online chat
   - Available from 8:00am-4:00pm CDT
3. Email support@ne-amplifund.zendesk.com

16 Appendix

16.1 Other Application Cycles

Additional NAHTF Funding Cycle

DED may elect to open an additional Funding Cycle, such as a Demonstration Program, in the event that NAHTF funds are not fully allocated in the Housing Development and Technical Assistance Application Funding Cycle, and in order to utilize discretionary funds, or any additional NAHTF funds. In the event an additional Funding Cycle is authorized, appropriate notification will be given, and application forms or process will be provided.

For the latest information on all DED administered Housing programs and Investment Funds see **https://opportunity.nebraska.gov/programs/housing/.**

HOME Investment Partnerships Fund (HOME) & NIFA/DED LIHTC Funds

The Nebraska Investment Finance Authority (NIFA) administers the Low-Income Housing Tax Credit (LIHTC) application cycle. Through a joint application with NIFA, the Department distributes the majority of HOME Investment Partnerships Fund (HOME). **No NAHTF funds will be utilized as HOME Match for the 2023 Program Year.** For questions regarding the requirements for obtaining HOME funds in a joint DED/NIFA application, please contact Mechele Grimes at (402) 309-4536 or by email at mechele.grimes@nebraska.gov.

National Housing Trust Fund (HTF)

The Nebraska Investment Finance Authority (NIFA) administers the Low-Income Housing Tax Credit (LIHTC) application cycle. Through a joint application with NIFA, the Department distributes the majority of HTF. **No NAHTF funds will be utilized as HTF Match for the 2023 Program Year.** For questions regarding the requirements for obtaining HTF funds in a joint DED/NIFA application, contact Cassandra Stark at (531) 207-2890 or by email at cassandra.stark@nebraska.gov.

HOME-ARP

For questions regarding the requirements for obtaining HOME-ARP funds, please contact Kimberly Jasa-Harris at (402) 580-6392 or by email at kimberly.jasa-harris@nebraska.gov.

For economic recovery programs funded by the American Rescue Plan Act, see https://opportunity.nebraska.gov/programs/recovery/

16.2 Terms and Definitions

Terms and definitions are provided in **alphabetical order** below.

Affordability Period - The number of years a project is required by contract to keep units affordable, available and/or the principal residence of beneficiaries in the targeted AMI.

Affordability Subsidy - This is a subsidy used to fill the funding gap created by a difference between the appraised or Fair Market Value of the newly constructed unit and what the house

sells to the homebuyer for. (This is a form of direct homebuyer assistance, but it is not the same as down payment or closing cost assistance). An Affordability Subsidy must be protected through either Resale Provisions (secured by a covenant) or Recapture Provisions (secured by a lien).

For example, a house costs $250,000 to build, appraises at $200,000, but can only be sold to a household at 120% of the Area Median Income for $175,000. The Affordability Subsidy is $25,000 ($200,000 - $175,000 = $25,000). The $25,000 Affordability Subsidy must be protected by either Resale Provisions (secured by a covenant) or Recapture Provisions (secured by a lien). <u>There is no time limit on repayment of the Affordability Subsidy</u>. It is paid back when home is sold. This protection assures that DED funding is not unduly enriching the LMI homebuyer by creating instant equity. Recaptured Affordability Subsidy can be used by DED recipient in future housing projects.

Construction Contingency - Amount set aside in the Development Cost Budget of the Pro-Forma to cover construction/rehab cost over-runs and unforeseen but necessary expenses. Typical amount is under 10%. FYI: On Rental Projects – this budget item is not included in calculations) used by DED for allocating the number of units to be considered "NAHTF-assisted units." NAHTF-assisted units are those units that must remain affordable throughout affordability period. Cost allocation to determine number of required NAHTF-assisted units for Rental Projects is finalized by the Department prior to contract execution with awarded Recipients.

Note: All units in Homebuyer and Homeowner projects that are completed during open contract are claimed as NAHTF-assisted units and are subject to the affordability period.

Development Subsidy - This is a subsidy used to fill the funding gap created by a difference between the cost to build and the appraised or Fair Market Value of the newly constructed unit. A Development Subsidy is provided to the developer. For example, a house costs $250,000 to build, but only appraises at $200,000, the Development Subsidy needed to fill the gap is $50,000. The Development Subsidy is not secured. It is seen as that amount of NAHTF funding left in the unit and not recaptured from sale of the unit to an eligible homebuyer. If the entire cost to build or rehabilitate a unit is recaptured through the sale of the unit then there is no development subsidy. The recaptured amount is used for subsequent units during open contract period and becomes unrestricted after contract has ended.

Homebuyer Assistance - Homebuyer Assistance is the term DED uses for financial assistance to homebuyers in the form of down payment and/or closing costs. It is offered as a subsidy or a loan (may be deferred-payment loan) provided to the homebuyer at time of closing. DED allows for up to 20% of the home's Sale Price per unit to be budgeted in this category. This assistance must be protected through either Resale Provisions (secured by a covenant) or Recapture Provisions (secured by a lien) for the length of the Affordability Period as stated in the DED contract. For example, a household at 120% of the Area Median Income is purchasing a newly constructed house for $175,000 and they need 20% of the purchase price ($175,000 x 20% = $35,000) to be able to close on their loan. The homebuyer has $5,000 in their own cash to apply at closing, therefore $30,000 in NAHTF-funded Homebuyer Assistance is provided to the Homebuyer at closing.

Leverage – For purposes of this application, Leverage is considered non-NAHTF funding sources used during the <u>open contract period</u> to finance the project. These are other resources used to finance the project. These resources are in additional to any Match and are not listed in the contract of an awarded project. Leverage project financing may include owner equity, bank financing, private investment, or other public funds that are not part of a committed match amount. Homeowner mortgages and rental payments are <u>not</u> considered project financing, therefore are not leveraged funds. Applicant will fill out the Leverage Table and may provide commitments of leverage in the Applicant Specific Upload Section. The general use (activity) of the funding is also entered into the Leverage table, i.e., down payment assistance, rehabilitation, acquisition, engineering, planning & designs, etc.

Mobile Home - Mobile homes as defined by the Department means a movable or portable dwelling constructed to be towed on its own permanent chassis or hitch, connected to utilities, and designed with or without a permanent foundation for year-round living. Mobile homes and trailers are <u>not</u> eligible to receive NAHTF funding.

Modular Home - Modular homes <u>are</u> eligible for NAHTF funding. A modular home is built in sections in a factory <u>to meet state, local or regional building codes</u>. Once assembled, the modular unit becomes permanently fixed to one site. At the time of project completion, the modular housing unit must be connected to permanent utility hook-ups and must be located on land that is owned by the modular housing unit owner or DED approved land trust. A modular home must also bear a label certifying that it was built in compliance with National Manufactured Home Construction and Safety Standards, 24 C.F.R. 3280 et seq., promulgated by the United States Department of Housing and Urban Development, and is taxed as real property. For more information on mobile and modular home definitions see: https://www.ecfr.gov/current/title-24/subtitle-B/chapter-XX/part-3280/subpart-A/section-3280.2#p-3280.2(Manufactured%20home).

Note: Construction, architectural, and/or engineering documents that do not bear the seal of a State of Nebraska licensed architect or professional engineer may be in violation of state law. Contact the Nebraska Board of Engineers and Architects for requirements at (402) 471-2021; ea.nebraska.gov or nbea.office@nebraska.gov.

Recapture Provision – Recapture provisions are enacted when there is non-conformance of eligibility, occupancy, and/or affordability requirements and ensures the recouping of Trust Funds. Recapture is a choice declared in the Homebuyer Contracts. (The term "Recapture" is also used to describe loan repayments for NAHTF assistance and sales proceeds received from the sale of a NAHTF-assisted unit, whether during open contract period or after.)

Resale Provision- Resale Provision is a choice declared in Homebuyer Contracts that says DED Recipient will ensure the housing unit is made available for subsequent sale only to a Program eligible homebuyer and that such homebuyer will use the property as their principal residence throughout any remaining period of affordability. This provision uses a covenant on the title to ensure that future sale of the home is to an eligible LMI household. This can have an effect of burdening the sale in the future whereby use of *Recapture Provision* allows for home to be sold

without restriction and proceeds will be used to pay back the Affordability Gap, if any, or HBA per any contract stipulations.

Recipient Grant Manager – This is an individual identified on the Award Details page of the award account and will be considered by DED as the first point of contact to use when sending correspondence regarding the Award. The Recipient Grant Manager will typically receive all automated AmpliFund Notifications. This person may or may not be a person identified in the application. Therefore, Awardees are asked to input the name of Recipient Grant Manager into the account prior to Release of Funds. *See 15.2 Award User Guides: Getting Started with your Award.*

Sales Proceeds - The amount received for sale of home in a homebuyer project. Proceeds may recover all or a portion of the NAHTF funds used for construction/rehab costs. During open contract, proceeds must be used to fund subsequent construction/rehabilitation activities. The portion of NAHTF funding not recovered by sale proceeds remains as a development subsidy in the unit. (See definition of Development Subsidy.)

Total Project Cost (TPC) - The Total Project Cost (TPC) for a NAHTF project is the sum of NAHTF requests for Primary Activities plus NAHTF requests for Support Activities. These are costs expended during the contract period that will be requesting reimbursement from the Award. The TPC maximum allowed per project award in 2023 is $750,000. Total Project Cost (TPC) does not include the following activities, i.e., General Administration, Housing Management or Lead Based Paint Testing.   It also does not include expenses funded with leverage sources.

16.3 Lead-Based Paint Questions & Answer Resource

Lead-Based Paint Question and Answer Resource is found on the [NAHTF webpage](#) under Application Guidelines and Grant Administration.

Record of Change

Find the Version identifier on the cover page of this document. Summary of Changes includes a brief description of the revisions.

Version	Date	Summary of Changes
1.1	mm/yy	1. Note 2. Note 3. Note
1.2	mm/yy	1. Note 2. Note 3. Note