**Rental Program Guidelines Checklist for Project #\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Instructions:** Program Guidelines will include all items below. This checklist will iIndicate where each is found in the program guidelines by listing both section and page # on the checklist. If awarded, the Department may request this checklist when reviewing program guidelines for Approvall. Additional items may be requested by the Department prior to approval. **Title page must include Applicant Name, Award # (if awarded) and Date.**

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| **The following requirements are addressed in the Program Guidelines**  | **Section** | **NA** | **Page**  |
| 1. Application Review Process – Describe process for taking in and reviewing applications and if there is a Priority Ranking System used for selection. If using ranking system, guidelines must describe system and it may not include discriminatory criteria.
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| 1. Maximum Per Unit Subsidy – NAHTF financial assistance for new construction and conversion projects will not exceed the maximum NAHTF investment per unit subsidy adjusted for number of bedrooms. HUD NAHTF/HOME subsidy limits are are found on the DED website ([NAHTF webpage](https://opportunity.nebraska.gov/nahtf)). Rehabilitation projects will state the amount of NAHTF-assisted Rehabilitation allowed per unit. (2025 Cap - $40,000). (*Conversion Projects do not have a Rehabilitation cap*.)
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| 1. Income Eligibility – Units remaining affordable must be limited to households at or below 120% of the AMI or as prescribed in an awarded DED contract. Income certification must be completed prior to and within 6 months of move in date*.* Recipients shall use guidance of 24 CFR Part 5.609 for determining annual gross income.
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| 1. Rent Limits - Using the HUD Home Rent Limit table found on DED NAHTF web page; rents should be no more than the 65% rent limit established by HUD for the area project is located in. The HUD table assumes landlord/owner is paying utilities; therefore, the total of rent plus tenant paid utilities (gross rent) must fall within the 65% limit on the table. However, if the Fair Market Rent limit shown on the HUD table is lower than the 65% rent limit, project should consider using the FMR as the limit. The *Department recognizes that the HUD table may not be accurate representation of the project area’s FMR.* The rent amount needs to make sense for the area that the project is located in and considers the AMI population being targeted. *Ultimately the application should be able to support the rent amount decision.*
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| 1. Relocation policy – Policy stating that “In the event relocation of tenants is necessary, project will follow the Nebraska Relocation Assistance Act 76-1214 to 76-1242, and where either voluntary or involuntary acquisition is anticipated, DED will be contacted prior to any action.” *Guidelines should be clear on which party will pay expense.*
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| 1. Enforcement of Rent and Income Limits – Project will enforce Rent and Income limits, property standards, and all NAHTF requirements during the Affordability Period through use of deed restrictions, covenants running with the land, or other mechanisms that are not affected by a transfer of ownership. Describe process project will use to conduct annual rent and tenant income reviews and ensure that property managers are aware of all NAHTF rent and income limits, property standards, and reporting requirements per DED contract throughout the NAHTF affordability period*. (NAHTF-affordable units must align with rent limit allowances.* *Following* *an initial income determination, Self-Certification is acceptable form of annual income review.)*
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| 1. Affordability Period – NAHTF-assisted units are subject to a minimum 5-year affordability period but projects may choose longer and period is stated in application. Program Guidelines Affordability Period must be in agreement with DED contract. Describe the length of the affordability period for project and describe how the project will be managed as affordable for the length of the affordability period.
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| 1. Assistance Types and Terms - Program guidelines should describe the type of assistance to be provided to developer/owner, if applicable, i.e., forgivable or non-forgivable loan, including terms, interest rate, etc.
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| 1. Affirmative Marketing Policy - Include statement, “Project will use affirmative marketing procedures including, but not limited to, marketing to local or regional residents & tenants of public housing and manufactured housing, other families assisted by public housing agencies, and households identified to be potentially eligible but least likely to apply, including Seniors and those living with disabilities.”
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| 1. Nebraska Fair Housing Act - Include policy stating program will be in compliance with the Nebraska Fair Housing Act.
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| 1. Property Standards - All purchased or rehabilitated units assisted with NAHTF funds will meet the Department’s Minimum Rehabilitation Standards and New Construction projects will meet all applicable Federal, State, and Local building codes, including Nebraska Department of Environment and Energy (NDEE). New Construction projects New Construction sites may not be located in a federally designated 100-year flood zone. Existing units in the SFHA may be considered when current flood insurance or LOMA are proven, documented and a system of annual verification is put into place. *Recipients of NAHTF funds must be working with qualified contractors to complete NAHTF funded work. Contractors working on pre-1978 units must be an EPA RRP Certified Renovator.* Link to locate EPA RRP certified professionals: <https://cdxapps.epa.gov/ocspp-oppt-lead/firm-location-search/distance>
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| 1. Radon Mitigation Policy – As part of the application process, every tenant shall receive educational material informing them on the risks of radon. In addition, for **new construction,** a passive active radon mitigation system must be installed, and a test conducted. If test indicates need, the system will be activated. **For Rehab projects,** a test kit shall be provided to the tenant. Program guidelines *may* also cover the following: mandatory education; testing, required mitigation (installation of a radon system), steps if levels are found high, (or informed consent to avoid mitigation, etc.) *DED encourages discussions with builders, lenders & program administrators about proactive engagement of radon issues and collaboration with agencies such as Nebraska Dept. of Health and Human Service (*[*http://dhhs.ne.gov/Pages/Radon.aspx*](http://dhhs.ne.gov/Pages/Radon.aspx)*).*
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| 1. Tenant Selection Policy - Project will provide policy prior to Special Conditions approval as appendix item.
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| 1. Tenant Rules and Regulations - Project will provide clearly defined Tenant Rules and Regulations prior to Special Conditions approval as appendix to Program Guidelines.
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| 1. Proposed Lease Agreement – Project must have proposed lease agreement that is not in conflict with Nebraska Landlord Tenant Law and does not contain any prohibited provisions either explicitly stated or implied. Proposed lease agreement will be provided prior to Special Conditions approval as appendix to Program Guidelines.
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| 1. If the Project has a lease purchase program, the applicant must have a Transition Plan (from rental to homeownership). This will be provided prior to Special Conditions approval as an appendix to Program Guidelines.
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| 1. Tenant Education - Tenant education is required for all tenants of fixed unit rental projects. Department recommends new construction and conversion projects with floating units require the tenant education for all tenants in all units and receive proof of completed training. Tenant education provider may include Rentwise, or another Department approved equivalent. Describe process of obtaining tenant education if rehabilitation project involves existing tenants.
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| 1. Washer and Dryer Requirement – Statement assuring that a washer and dryer will be included in every unit of a new construction project. For rehabilitation projects (if feasible), assurance that a washer and dryer will be included in every unit, and if not feasible (i.e., size of rehabilitated units will not provide space for washer and dryer) then an on-site laundry facility is required and will be provided.
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| 1. Process of Amending Guidelines – Statement that any revisions made to these program guidelines must be approved by the governing body and submitted for approval of amendment to NDED.
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| 1. Grievance Procedures – Process for applicants (tenants) to address grievances pertaining to application process.
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| 1. Conflict of Interest – Conflict of Interest policy of DED Applicant/Recipient organization.
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| ***The below is provided as a guide for filling out the Rental Development Worksheet.***  |
| **Rental Development Worksheet**The Development Worksheet must show the project will be financially viable during the affordability period, based upon reasonable assumptions. If awarded, DED reserves the right to further review and require changes to the Worksheet prior to executing a contract to reflect economic and/or market conditions as deemed appropriate. **The Development Worksheet must be uploaded as an excel document, not a PDF version.** |
| **Unit Information**  |
| 1. Identify the number of NAHTF affordable and market rate units within the project. Include: bedrooms, units, tenant paid utilities, etc., as identified on the Unit Information tab.
2. Check current HUD Home Rent Limit table on NAHTF webpage to be sure Rents are within allowable limit of no more than the 65% line for number of bedrooms.
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| **Development Cost Schedule** |
| 1. Identify all development costs within the project using the Development Cost Schedule tab. Do NOT include NAHTF request for General Administration or Lead-Based Paint Testing.
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| **Sources and Uses** |
| 1. Identify all sources and uses within the project using the Sources & Uses Information tab. NAHTF Funds should equal the sum of Primary Activity and Support Activity NAHTF requested amounts. Do NOT include NAHTF requested amounts for General Administration or Lead-Based Paint Testing. If for-profit developer will own the units, at least 10% of the amount of non-administrative NAHTF assistance must be provided as owner equity.
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| **Annual Operating Expense Information & Pro Forma** |
| 1. All residential income must be clearly identified within the Annual Operating Expense Information tab and both residential and commercial income must be identified.
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| 1. All expenses (including reduced cost or no cost services, all partnership distributions, deferred developer fees, incentive management fees and repayment of loans as expenses, etc.) must be clearly identified within the Annual Operating Expense Information tab and within the Pro Forma tab. All services or materials provided at a reduced cost or no cost basis must be reflected as both an income and an expense.
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| 1. Identify the rate of increase used to project income and project expenses per year. The rate of income increase must be reasonable and under no circumstances can it be greater than rate of increase of the estimated project expenses.
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| 1. Initial Stabilized Vacancy Rate must be set to the most recently published by American Community Survey for Nebraska or other sources (2025-5%, not to exceed 7%). A lower stabilized vacancy rate may be input based on evidence taken from a third-party housing study or other DED approved housing assessment for area the units are located in. .
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| 1. Property management fees should be reasonable and align with industry standards, but not exceed 10% of Gross potential rents.
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| j) The Operating Reserves must be equal to or greater than three (3) months of total annual expenses, including debt service and entered into the Development Cost Schedule. |
| k) The Replacement Reserve payment schedule must be equal to or greater than $300 per unit per year. |
| l) The debt service coverage ratio (DSCR) must be no less than **1.15** DSCR in the first year. Monthly or annual debt service is not required. |
| m) Debt service payments must meet all debt service obligations (must maintain a **1.0 DSCR** throughout the affordability period). |